



29th

ANNUAL REPORT

2015-2016



E. SUDHIR REDDY	Chairman & Managing Director
R. BALARAMI REDDY	Joint Managing Director
K. ASHOK REDDY	Joint Managing Director
T. R. C. BOSE	Independent Director
P. R. TRIPATHI	Independent Director
V. MURAHARI REDDY	Independent Director
M. HIMA BINDU	Independent 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

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
- Bank of Nova Scotia
- Canara Bank
- DBS Bank Ltd
- HDFC Bank Ltd
- IDBI Bank
- IndusInd Bank Ltd
- KarurVysya Bank Ltd
- Punjab & Sind Bank
- State Bank of India
- The Lakshmi Vilas bank
- TATA Capital Financial Service Ltd
- Axis Bank Ltd
- Barclays Bank plc
- Corporation Bank
- EXIM Bank Ltd
- ICICI Bank Ltd
- Indian Overseas Bank
- International Assets Reconstruction Company Pvt Ltd
- LIC of India
- Standard Chartered Bank
- SREI Equipment Finance Pvt Ltd
- Tamilnadu Mercantile Bank Ltd
- Union Bank of India

CONTENTS

Board of Directors	01
Notice	03
Directors' Report	11
Report on Corporate Governance	35
Management Discussion & Analysis.....	46
Auditors' Report	54
Balance Sheet.....	66
Profit and Loss Account.....	67
Cash Flow Statement.....	68
Notes forming part of Financial Statements.....	70
Consolidated Financial Statements	108
Proxy Forms & Attendance Slip	175

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:
- Provident fund @ 12% of basic pay.
 - 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:

- 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.
- 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.
- 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 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)	<ol style="list-style-type: none"> 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 	<ol style="list-style-type: none"> 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) Mummidi 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.

(2) Steps taken or proposed to be taken for Improvement.

IVRCL has taken view of all these factors seriously and to overcome the above challenges IVRCL has proactively undertaken the following steps directed at improving its operational efficiencies:

- Claims Realisation: Persistent efforts are being made by IVRCL to collect claims
- Cost optimisation: IVRCL has implemented cost optimisation measures such as cutting overheads and rationalisation of human resources. These internal cost cutting measures are expected to improve profitability going forward.
- Reduction in Working Capital: Better credit terms with suppliers have been negotiated.
- Monetisation of assets: IVRCL is proactively exploring monetisation of assets and step down subsidiaries.

(3) Expected increase in productivity and profits in measurable terms.

The Joint Lenders Forum (JLF) invoked the provisions of SDR in terms of RBI Circular dated June 8, 2015. In these circumstances the situation is expected to improve with expectations of improvement in macroeconomic conditions. Further it is expected that the steps taken by the Company for improving the operational parameters wherever feasible would show signs of improvement. Consequently, the Company expects to see an improvement in cash flows due to tighter working capital cycle and realization of claims and expects to maintain healthy margins. As mentioned above, the management is taking special efforts to make the Company turnaround. It is expected that the results of the renewed vigour and efforts are likely to be seen in the near future.

IV. DISCLOSURES.

- (i) All elements of remuneration package: The details have been made in the Corporate Governance Report for the period ending 31st March 2016 and also in the accompanying notice of 29th AGM of the Company.
- (ii) Details of fixed component and performance linked incentives along with performance criteria: The details have been made in the Corporate Governance Report for the period ending 31st March 2016.
- (iii) Service contracts, Notice period, Severance fees: NIL
- (iv) Stock Option details: NIL

DIRECTORS' REPORT



To
The Members,

Your Directors are pleased to present the 29th Annual Report of IVRCL Limited ("Company") with Audited Financial Statements of the Company for the Financial year 2015-16.

1. FINANCIAL HIGHLIGHTS

(Rupees in millions)

Particulars	Standalone	
	FY 2015-16	FY 2014-15
Total Revenue	23,616.78	31,174.17
Gross Profit before Interest, Depreciation, Exceptional Item & Tax	(3,775.16)	142.36
Less: Interest	6,648.15	6,529.24
Depreciation	801.97	903.59
Exceptional Item	(252.97)	(568.15)
Provision for Tax / Reversal of Tax in Current Year	(367.92)	-
(Loss)/Profit after Tax	(10,604.39)	(6,722.34)
Balance Brought forward from the previous year	(9,797.02)	(3,074.68)
Balance carried to Balance Sheet	(20,401.42)	(9,797.02)
Paid-up Capital	1,457.37	918.28
Reserves and Surplus	3,046.67	10,444.05
EBIDTA	(3,775.16)	142.36

2. DIVIDEND

Your directors expressed their inability to recommend any dividend for the financial year 2015-16.

3. PERFORMANCE REVIEW

Your company achieved a gross turnover of ₹ 23,616.78 million for the financial year 2015-16 as against ₹ 31,174.17 million in the previous financial year. Profit/(Loss) after Tax (PAT) stood at ₹ (10,604.39) million as compared to ₹ (6,722.34) million for the previous financial year.

The Earnings before Interest, Depreciation, Exceptional Item & Taxes (EBIDTA) at ₹ (3,775.16) are -15.99% of the turnover for the period under review as against 0.46% for the previous financial year.

During the year under review, there is no change in nature of business of the company and no material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

4. BUSINESS REVIEW

The Management Discussion and Analysis Section of the Annual Report present a detailed business review of the company.

5. STRATEGIC DEBT RESTRUCTURING.

The Company approached Corporate Debt Restructuring ("CDR") Forum on January 20, 2014 for effective restructuring of the debts of the Company. A Restructuring package ("CDR Package") was approved by CDR Empowered Group on June 28, 2014. Accordingly the Company executed a Master Restructuring Agreement on June 30, 2014.

As per Master Restructuring Agreement (MRA) dated June 30, 2014 and the CDR package, the Company has to achieve certain milestones, which could not be met by the Company. Further the performance of the Company was deteriorated due to liquidity problems, which had an impact in execution of the projects and operating profits of the Company. As a result the ability of the Company to meet its repayment obligations/liabilities were adversely affected.

The Joint Lenders' Forum ("JLF") of the Company at its meeting held on 26th November 2015 invoked the provisions of Strategic Debt Restructuring (SDR) in terms of the RBI Circular no. DBR.BP.BC.No.101/21.04.132/2014-15 dated June 08, 2015. The Lenders, upon invoking the SDR in terms of the aforesaid RBI Circular, have a right to convert whole or part of their debt into equity share capital of the Company so as to collectively hold 51% or more of the equity share capital of the Company.

Accordingly 21,22,69,654 Equity shares of face value of ₹ 2/- were allotted to lenders under SDR and the lenders collectively hold 60.77% of the paid up capital of the company, as on date of this report.

6. CHANGE IN SHARE CAPITAL.

During the year under review, the Company has allotted 8,78,90,477 equity shares of face value of ₹ 2/- each at a price of ₹ 24.39/- per share, to the lenders pursuant to MRA dated June 30, 2014 and allotted 18,16,54,171 equity shares of face value of ₹ 2/- each at a price of ₹ 8.765 to the lenders pursuant to invocation of SDR by the JLF. As a result of aforesaid allotment of shares, the issued, subscribed and paid up share capital of the company has been increased from ₹ 91.83 cr to ₹ 145.74 cr, during the year under review.

7. SUBSIDIARY COMPANIES.

The Company has 30 direct subsidiaries and 2 associate companies within the meaning of Section 2(87) and 2(6) of the Companies Act, 2013 respectively (hereinafter referred as "Act"). There has been no material change in nature of business of the subsidiaries.

Pursuant to Proviso to Section 129(3) of the Act, a statement containing the silent features, brief details of

performance and financials of the Subsidiaries, Associates and Joint Venture Companies, for the financial year ended March 31, 2016 is attached to Financial Statements of the Company.

Pursuant to Section 136 of the Act, the financial statements including consolidated financial statements, other relevant documents and audited accounts of subsidiaries of the company are available at website of the company www.ivrcl.com under Financials section and will be available for inspection by any member of the Company, at the registered office of the Company on all working days during business hours.

During the year under review, Chengapalli Road Infra Pvt Ltd has become subsidiary of the Company. Except as stated above, none of the Companies has become nor ceased to be Subsidiary or Associate or Joint Venture of the Company.

The Board has adopted a policy for determining material subsidiaries of the Company, as per SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015. The said policy is hosted at the Company's website at the link http://ivrcl.com/downloads/PolicyonMaterialSubsidiaries_New.pdf

8. CONSOLIDATED FINANCIAL STATEMENTS

In terms of Section 129(3) of the Companies Act, 2013 and Regulation 34 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015, Consolidated Financial Statements of the Company prepared in accordance with Accounting Standards issued by Institute of Chartered Accountants of India, are attached and forms part of the Annual Report.

9. EMPLOYEE STOCK OPTION SCHEME.

The shareholders of the Company at the meeting held on September 26, 2013 approved to grant 1,00,00,000 options to employees of the Company, on such terms and conditions as specified by the Board of Directors of the Company. The Company is yet to grant the said options.

10. FIXED DEPOSITS

During year under review, your company has neither invited nor accepted any Fixed Deposits from the public.

11. CORPORATE GOVERNANCE

Your Company is committed to adhere to the standards of Corporate Governance as set out by the SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 (SEBI LODR Regulations). Detailed Report on Corporate Governance as stipulated under Schedule V of SEBI LODR Regulations is provided under separate section and forms part of this Report.

The requisite certificate from Practicing Company Secretaries, confirming the compliance of the conditions stipulated under SEBI LODR Regulations is attached to the Report on Corporate Governance.

12. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As stipulated under SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 the Report on Management Discussion and Analysis is annexed to this report and forms part of the Annual Report.

13. POLICY ON CODE OF CONDUCT.

The Company has laid down a "Code of Conduct" for all Board members and Senior Management Personnel. Pursuant to SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015, the Declaration by the Chairman and Managing Director affirming the compliance with the Code of Conduct is attached to the Report on Corporate Governance.

14. DIRECTORS AND KEY MANAGERIAL PERSONNEL.

Pursuant to provisions of Section 152 of the Companies Act, 2013, Mr. R. Balarami Reddy, Director retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

During the year under review, Mr. K. Ashok Reddy was re-appointed as Joint Managing Director for a term of five years w.e.f 26.09.2015.

The Board of Directors at the meeting held on May 30, 2016, approved the re-appointment and remuneration of Mr. R. Balarami Reddy, Whole-time Director designated as Joint Managing director for a term of five years w.e.f. June 1, 2016 and remuneration payable to Mr. K. Ashok Reddy, Joint Managing Director w.e.f. June 1, 2016 for a period of three years, more particularly as described at resolution 4 and 5 in the Notice convening 29th AGM, which forms part of the Annual Report. The Board recommends the aforesaid re-appointment and remuneration of Mr. R. Balarami Reddy and remuneration payable to Mr. K. Ashok Reddy.

All the Independent Directors of the company have given declarations to the Company that they meet the criteria of independence as specified under Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transaction with the Company other than sitting fee for attending the Board and Committee meetings.

There was no change in composition of the Board of Directors and Key Managerial Personnel, during the year under review.

The Policy on appointment and remuneration for Directors, Key Managerial Personnel and other employees, as specified under Section 178(3) of the Act, has been disclosed in Corporate Governance Report.

15. MEETINGS OF THE BOARD.

Six meetings of the Board of Directors were held on May 30, 2015, August 14, 2015, November 13, 2015, December 19, 2015, February 10, 2016 and March 9, 2016, during the year under review.

The details of the familiarisation programmes for Independent Directors are hosted on Company's website at the link on <http://ivrcl.com/downloads/familiarisationprogrammeforindependentdirectors.pdf>

16. BOARD COMMITTEES

The Board has constituted various committees viz Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Share Allotment committee, Executive Committee and Corporate Social Responsibility Committee etc., to enable better management of the affairs of the Company, with terms of reference in line with provisions of Companies Act, 2013 and SEBI LODR Regulations. The details of composition of the committees are disclosed in Corporate Governance Report, which forms part of this report.

17. BOARD EVALUATION.

Pursuant to provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015, the Nomination and Remuneration Committee laid down the criteria for performance evaluation of the Individual Directors, the Board and its Committees. Accordingly, the Board of Directors has carried out an annual evaluation of its own performance, its committees and individual directors.

The performance of the Board was evaluated through a structured questionnaire which provides a powerful and valuable feedback for improving the board effectiveness, maximizing strengths and highlighting areas for further development.

The performance of the Committees was evaluated by the Board through a structured questionnaire, by considering the effective recommendations made by the Committees, from time to time, to the Board of the Directors of the Company and effectiveness of Committee meetings etc.

The Board evaluated the performance of the individual directors by considering the contribution of the individual directors to the Board and Committee meetings, preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, relationship with fellow board members, willing to

devote time and effort to understand the Company and its business etc through a structured questionnaire.

As per Schedule IV of the Act, Independent Directors of the Company at a separate meeting, evaluated the performance of non-independent directors, the Board as a whole and the Chairman of the company taking into account the views of executive and non-executive directors. Independent Directors also reviewed the quality, quantity and timeliness of flow of information between management of the Company and the Board, for the effective performance of the board. Evaluation of performance of Independent Directors was done by the entire board, excluding the independent director being evaluated.

18. AUDITORS AND THEIR REPORTS.

Statutory Auditors

M/s. Chaturvedi & Partners., Chartered Accountants were appointed as Statutory Auditors of the company at the Annual General Meeting held on 26th September 2014, to hold the office from the conclusion of that meeting till the conclusion of the 30th Annual General Meeting to be held in the year 2017, subject to ratification by the members at every AGM. The Board recommends the ratification of appointment of said auditors for the financial year 2016-17.

During the year under review, no fraud has been reported by auditors under sub-section(12) of Section 143 of the Act.

The Comments of the Board for the qualifications in the Auditor's Report on the financial statements of the Company for financial year 2015-16 are as provided in the "Statement on Impact of Audit Qualifications" which is annexed and forms part of this Report.

Secretarial Auditor.

As per the provisions of Section 204 of the Act, the Board of Directors of the company appointed M/s.D.Hanumanta Raju & Co, Practicing Company Secretaries as Secretarial Auditor for the purpose of auditing the Secretarial activities of the Company for the financial year 2015-16. The Secretarial audit report issued by the said auditor has been annexed to this report as Annexure A

The Secretarial Audit Report does not contain any adverse remarks or qualifications.

Cost Auditor.

As per the provisions of Section 148 of the Act read with Rules made thereunder, the Board of Directors of the company appointed M/s. Sagar & Associates, Practicing Cost Accountants as Cost Auditor for the purpose of auditing the Cost accounting records maintained by the company for the financial year 2016-17.

19. PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES.

The particulars of loans, investments made and guarantees issued under Section 186 of the Act, during year under review, are provided in notes to financial statements, which forms part of this report.

20. RELATED PARTY TRANSACTIONS.

As per the requirement of provisions of the Act and SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015, the Company has formulated a policy on Related Party Transactions (RPT) to ensure the transparency in transactions between the company and related parties. The said RPT Policy is also available at Company's website at the link <http://ivrcl.com/downloads/RelatedPartyTransactionPolicy.pdf>.

All Related Party Transactions entered by the Company during the year under review were in ordinary course of business and on Arm's length basis. There were no materially significant related party transactions entered by the company during year under review.

Since all the related party transactions entered into by the Company, were in ordinary course of business and were on Arm's length basis, disclosure in form AOC-2 as required under Section 134(3)(h) of the Act is not applicable.

The details of related party transactions pursuant to Accounting Standards are provided at note 35 to financial statements.

21. INTERNAL FINANCIAL CONTROLS.

The Company has in place adequate internal financial controls commensurate with the size, scale and complexity of operations. The details relating to internal financial controls and their adequacy are included in the Management Discussion and Analysis Report, which forms part of this Report.

22. RISK MANAGEMENT.

The company has established Risk Management process to manage risks with the objective of maximizing shareholders value. The details of various risks that are being faced by the Company are provided in Management Discussion and analysis Report, which forms part of this Report.

23. WHISTLE BLOWER POLICY.

The Board has adopted a Whistle Blower Policy as stipulated under Section 177(9) of the Act and SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 to report the genuine concerns of the employees and Directors.

The Whistle Blower Policy adopted by the Board is hosted on Company's website at the link <http://ivrcl.com/downloads/WhistleBlowerPolicy.pdf>

24. EXTRACT OF ANNUAL RETURN.

Extract of Annual Return of the company as provided under section 92(3) of the Act is annexed as Annexure B to this Report.

25. SIGNIFICANT AND MATERIAL ORDERS.

There are no significant and material orders passed by the regulators or tribunals impacting the going concern status and Company's operations in future.

26. CASES FILED UNDER SEXUAL HARASSMENT ACT.

No cases were filed pursuant to the Sexual Harassment of Women at work Place (Prevention, Prohibition and Redressal) Act, 2013, during the year under review.

27. PARTICULARS OF EMPLOYEES

The statement containing the information pertaining to employees as required under Section 197(12) of the Act read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, is annexed to this report. Having regard to provisions of Section 136 of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the company. The said information is available for inspection at the registered office of the Company during working hours and any member interested in obtaining the said information may write to Company Secretary and the same will be furnished on request.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as Annexure C to this Report.

28. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo:

Conservation of Energy, which is an ongoing process in the Company's activities. The core activity of the company is civil construction which is not an energy intensive activity.

There is no information to be furnished regarding Technology Absorption as your Company has not undertaken any research and development activity in any manufacturing activity nor any specific technology is obtained from any external sources which needs to be absorbed or adapted.

Innovation is a culture in the Company to achieve cost efficiency in the construction activity to be more and more competitive in the prevailing environment and the effect of the same cannot be quantified.

The particulars of expenditure and earnings in Foreign currency are furnished in item No. 50 to Notes to financial statements.

29. CORPORATE SOCIAL RESPONSIBILITY.

As per the provisions of Section 135 of the Act, the Company has constituted the CSR committee to formulate, implement and monitor the CSR Policy of the Company. However as the Company does not have average net profits for the three immediately preceding financial years, the Company was not required to make any expenditure on CSR activities during financial year 2015-16 as specified under Section 135(5) of the Act. Hence the information on CSR activities as required under Section 135(5) of the Act and Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014, has not been provided by the Company, for the financial year 2015-16.

30. INDUSTRIAL RELATIONS

The Company enjoyed cordial relations with the employees during the year under review and the Management appreciates the employees of all cadres for their dedicated services to the Company, and expects continued support, higher level of productivity for achieving the targets set for the future.

31. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, the Board of Directors hereby state that:

- (a) in preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, in the case of a listed company, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

32. ACKNOWLEDGEMENTS AND APPRECIATIONS

The Directors wish to express their appreciation of the support and co-operation of the Central and the State Governments, bankers, financial institutions, suppliers, employees, associates and subcontractors, and expects the same in future as well for regaining the growth rates as achieved in the past.

For and on behalf of the Board of Directors
IVRCL Limited

E. Sudhir Reddy
Chairman & Managing Director

Date: 30.05.2016
 Regd. Office:
 M-22/3RT, Vijayanagar colony,
 Hyderabad-500057
 CIN:L45201AP1987PLC007959
 Tel No: +91 40 30931111
 Fax No : + 91 40 30931386
 Email id: info@ivrinfra.com
 www.ivrcl.com

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

IVRCL LIMITED

M-22 /3RT,

VIJAYANAGAR COLONY,

HYDERABAD – 500057

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **IVRCL LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during the period of audit);
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the period of audit);
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the period of audit); and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the period of audit)
 - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.
- (vi) Other laws **specifically** applicable to the company include:
 - A. Building and other Constructions Workers (Regulation of Employment and Conditions of Service) Act, 1996.

- B. Building and other Constructions Workers (Welfare Cess) Act, 1996.
- C. Contract Labour (Regulation and Abolition) Act, 1970.
- D. Inter State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting Board members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company to commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has below mentioned specific events having a bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards:

1. The members of the Company at its meeting held on 26.09.2014, approved the Remuneration and terms of appointment of Mr. E. Sudhir Reddy as Managing Director, Mr. K. Ashok Reddy & Mr. R. Balarami Reddy as Joint Managing Directors subject to the approval of Central Government. After making requisite application to the Central Government, Company has received approval for the Remuneration to be paid to Mr. R. Balarami Reddy & Mr. K. Ashok Reddy. However application made to the central Government for Mr. E. Sudhir Reddy was rejected. the Company is in the process of making application for the second time to the Central Government for the approval of the remuneration to be paid to Mr. E. Sudhir Reddy, Managing Director.
2. The Joint Lender's Forum (JLF) meeting was held on November 26, 2015 wherein it was agreed by them to invoke Strategic Debt Restructuring (SDR) with adoption of November 26, 2015 as reference date. The Company held an Extra-ordinary General Meeting on January 18, 2016 and obtained members approval authorising Board of Directors of the Company to convert part of the debt of the company into equity share capital by issuing 22,81,80,262 equity shares of face value of ₹ 2/- each, fully paid up, at a price of ₹ 8.765/- per equity share to the lenders in one or more tranches, enabling the lenders to collectively hold 51% or more of the total share capital of the Company.

Accordingly Board Meeting was held on March 09, 2016 where the SDR package was approved and the same was approved by JLF at its meeting held on February 23, 2016 and accordingly 18,16,54,171 equity shares were allotted to different lenders.

3. One of the projects of the Company, Vivekanada Flyover situated at Burra Bazaar locality in Kolkata which is under execution has suffered an accident due to falling down of an under construction section on March 31, 2016. This incident is under investigation to know the reason for such accident. As informed by the Company, it has followed all necessary processes and all necessary clearances were obtained for the execution of such project. The Company is providing all necessary information and support to the investigating agencies and the outcome of investigation is awaited.

**For D. HANUMANTA RAJU & CO
COMPANY SECRETARIES**

**CS DATLA HANUMANTA RAJU
PARTNER**

Place: Hyderabad
Date : 30.05.2016

FCS: 4044, CP NO: 1709

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

'ANNEXURE A'

To,
The Members,
IVRCL LIMITED
M-22 /3RT,
VIJAYANAGAR COLONY,
HYDERABAD – 500057

Our report of even Date is to be read along with this letter

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness and with which the management has conducted the affairs of the company.

For D.HANUMANTA RAJU & CO
COMPANY SECRETARIES

CS DATLA HANUMANTA RAJU
PARTNER
FCS: 4044, CP NO: 1709

Place: Hyderabad
Date : 30.05.2016

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

CIN	L45201AP1987PLC007959
Registration Date	16.11.1987
Name of the Company	IVRCL Limited
Category/Sub-category of the Company	India Non government company
Address of the Registered office & contact details	M-22/3RT, Vijaya Nagar colony, Hyderabad-500057 Tel: 040 -23343550, 23343678, Fax: 040-23345004 www.ivrcl.com
Whether listed company	YES
Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Pvt. Ltd. Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 008 Phone: +91 040 67161500 Fax : +91 040 23420814 Email Id : einward.ris@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Construction & Civil Engineering	41001, 41002, 41003, 42101,42204	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	Hindustan Dorr-Oliver Limited	L74210MH1974PLC017644	Subsidiary Company	55.28	Section 2(87)
2	Chennai Water Desalination Ltd	U41000TN2005PLC057212	Subsidiary Company	75	Section 2(87)
3	IVR Hotels & Resorts Limited	U55101AP1995PLC022534	Subsidiary Company	66.88	Section 2(87)
4	RIHIM Developers Private Ltd	U45200AP2008PTC059509	Subsidiary Company	100	Section 2(87)
5	IVRCL PSC Pipes Pvt Ltd	U52341TG1999PTC031125	Subsidiary Company	66.43	Section 2(87)
6	IVRCL Building Products Ltd	U45400TG2007PLC055367	Subsidiary Company	60	Section 2(87)
7	IVR Enviro Projects Private Ltd	U74210AP1997PTC027921	Subsidiary Company	97.49	Section 2(87)
8	Alkor Petro Ltd	U23209TG2002PLC039393	Subsidiary Company	64.03	Section 2(87)
9	IVRCL Cadagua Hogenakkal Water Treatment Co Pvt Ltd	U41000TG2010PTC067081	Subsidiary Company	60	Section 2(87)
10	IVRCL Steel Construction & Services Ltd	U27109TG2005PLC046635	Subsidiary Company	100	Section 2(87)
11	IVRCL Patalganga Truck Terminals P Ltd	U45209TG2010PTC068388	Subsidiary Company	100	Section 2(87)

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
12	IVR Prime Developers (Tambaram) Private Ltd	U45200TG2008PTC057479	Subsidiary Company	100	Section 2(87)
13	IVRCL TLT Private Limited	U40300TG2008PTC059517	Subsidiary Company	100	Section 2(87)
14	SALEM TOLLWAYS LIMITED	U45200TG2005PLC047961	Subsidiary Company	100	Section 2(87)
15	KUMARAPALAYAM TOLLWAYS LIMITED	U45200TG2005PLC047960	Subsidiary Company	100	Section 2(87)
16	JALANDHAR AMRITSAR TOLLWAYS LIMITED	U00501DL2005PLC139732	Subsidiary Company	100	Section 2(87)
17	IVRCL CHENGAPALLI TOLLWAYS LIMITED	U45203TG2010PLC066886	Subsidiary Company	100	Section 2(87)
18	IVRCL INDORE GUJARAT TOLLWAYS LIMITED	U45209TG2010PLC066747	Subsidiary Company	56.75	Section 2(87)
19	SPB DEVELOPERS PRIVATE LIMITED	U45202PN2009PTC134617	Subsidiary Company	100	Section 2(87)
20	IVRCL GUNDUGOLANU RAJAHMUNDRY TOLLWAYS LIMITED	U45209TG2012PLC080334	Subsidiary Company	100	Section 2(87)
21	IVRCL PATIALA BATHINDA TOLLWAYS LIMITED	U45203TG2012PLC080434	Subsidiary Company	100	Section 2(87)
22	IVRCL NARNAUL BHIWANI TOLLWAYS LIMITED	U45209TG2012PLC078841	Subsidiary Company	100	Section 2(87)
23	IVRCL RAIPUR-BILASPUR TOLLWAYS LIMITED	U45203TG2011PLC077919	Subsidiary Company	100	Section 2(87)
24	IVRCL GOA TOLLWAYS LIMITED	U45203TG2010PLC068653	Subsidiary Company	100	Section 2(87)
25	FIRST STP PRIVATE LIMITED	U90002TN2000PTC046067	Subsidiary Company	95	Section 2(87)
26	IVRCL CHANDRAPUR TOLLWAYS LIMITED	U45203TG2010PLC070923	Subsidiary Company	100	Section 2(87)
27	IVRCL MULTI LEVEL CAR PARKING PRIVATE LIMITED	U45400TG2011PTC073412	Subsidiary Company	51	Section 2(87)
28	SAPTASHVA SOLAR LIMITED	U40106TG2007PLC054824	Subsidiary Company	51	Section 2(87)
29	Chengapalli Road infra Pvt. Ltd.	U45209TG2012PTC084158	Subsidiary Company	100	Section 2(87)
30	IVRCL Lanka Private Ltd	Not Applicable	Subsidiary Company	100	Section 2(87)
31	IVRCL International Infrastructures & Projects LLC	Not Applicable	Associate Company	49	Section 2(6)
32	Sushee IVRCL Arunchal Highways Limited	U45209TG2011PLC076753	Associate Company	26	Section 2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2015				No. of Shares held at the end of the year i.e. 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	22245976	--	22245976	4.84	22245976	--	22245976	3.05	-1.79
b) Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	19786190	--	19786190	4.31	19786190	--	19786190	2.72	-1.59
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any other	--	--	--	--	--	--	--	--	--
Sub Total (A)(1)	42032166	--	42032166	9.15	42032166	--	42032166	5.77	-3.38
(2) Foreign									
a. NRIs-Individuals	--	--	--	--	--	--	--	--	--
b. Other Individuals	--	--	--	--	--	--	--	--	--
C. Body Corporates	--	--	--	--	--	--	--	--	--
d. Banks/FIs	--	--	--	--	--	--	--	--	--
e. Any other	--	--	--	--	--	--	--	--	--
Sub Total (A)(2)	--	--	--	--	--	--	--	--	--
Total shareholding of Promoters (A)=(A)(1)+(A)(2)	42032166	--	42032166	9.15	42032166	--	42032166	5.77	-3.38
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	5919	3000	8919	0.00	3983	3000	6983	0.00	--
b) Banks / FI	120738976	25579265	146318241	31.87	388788535	0	388788535	53.36	21.49
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	578642	--	578642	0.13	578642	0	578642	0.08	-0.05
g) FIs	29199564	--	29199564	6.36	208850	0	208850	0.03	-6.33
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
Sub-total (B)(1):-	150523101	25582265	176105366	38.36	389580010	3000	389583010	53.47	15.11
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	89463938	40125	89504063	19.49	105199541	40125	105239666	14.44	-5.05
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	121019164	354107	121373271	26.43	150544908	346628	150891536	20.71	-5.72
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	21420877	--	21420877	4.67	30623225	--	30623225	4.20	-0.47
c) Others (specify)									
Non Resident Indians	7509596	--	7509596	1.64	9026685	--	9026685	1.24	-0.4
Overseas Corporate Bodies	--	--	--	--	--	--	--	--	--
Foreign Nationals	--	--	--	--	15966	--	15966	0.00	0.00
Clearing Members	1188903	--	1188903	0.26	1267036	--	1267036	0.17	-0.09
Trusts	1480	--	1480	0.00	1080	--	1080	0.00	--
Foreign Bodies Corporates	3000	--	3000	0.00	3000	--	3000	0.00	--
Sub-total (B)(2):-	240606958	394232	241001190	52.49	296681441	386753	297068194	40.76	-11.74
Total Public Shareholding (B)=(B)(1)+ (B)(2)	391130059	25976497	417106556	90.85	686261451	389753	686651204	94.23	3.37
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	433162225	25976497	459138722	100.00%	728293617	389753	728683370	100.00%	58.71

B) Shareholding of Promoter

S. No.	Shareholder's Name	Shareholding at the beginning of the year i.e 01.04.2015			Shareholding at the end of the year i.e 31.03.2016			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	E. Sudhir Reddy	15120906	3.29	100	15120906	2.08	100.00	NIL
2	E. Siddhanth Reddy	30000	0.01	100	30000	0.004	100.00	NIL
3	E. Sanjeeth Reddy	30000	0.01	100	30000	0.004	100.00	NIL
4	E. Sujatha Reddy	18000	0.00	100	18000	0.002	100.00	NIL
5	E. Sunil Reddy	2511010	0.55	100	2511010	0.34	100.00	NIL
6	E. Indira Reddy	290360	0.06	100	290360	0.04	100.00	NIL
7	E. Sudhir Reddy (HUF)	3147000	0.69	100	3147000	0.43	100.00	NIL
8	E. Sunil Reddy (HUF)	1078700	0.23	100	1078700	0.15	100.00	NIL
9	E. Soma Reddy	10000	0.00	100	10000	0.001	100.00	NIL
10	E. Suha Reddy	10000	0.00	100	10000	0.001	100.00	NIL
11	M/s. Eragam Finlease Limited	5185884	1.13	100	5185884	0.71	100.00	NIL
12	M/s. S. V. Equities Limited	2621390	0.57	100	2621390	0.36	100.00	NIL
13	M/s. Indus Palms Hotels & Resorts Ltd	203750	0.04	100	203750	0.03	100.00	NIL
14	M/s. Palladium Infrastructures & Projects Limited	46416	0.01	100	46416	0.01	100.00	NIL
15	M/s. Soma Hotels & Resorts Ltd	11728750	2.55	100	11728750	1.61	100.00	NIL
	TOTAL	42032166	9.15	100	42032166	5.77	100.00	NIL

C) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.	Particulars	Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding during the year 31.03.2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	There is no change in Promoter's Shareholding between 01.04.2015 to 31.03.2016			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):				
	At the end of the year				

D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Change in Shareholding (No. of Shares)		Shareholding at the end of the year	
		No of Shares	% of total shares of the Company	Increase	Decrease	No of shares	% of total shares of the Company
1	ICICI BANK LTD	22574134	4.92	39911886	-	62486020	8.58%
2	INDIAN OVERSEAS BANK	21288504	4.64	41258925	-	62547429	8.58%
3	CANARA BANK-MUMBAI	19095631	4.16	36338328	-	55433959	7.61%
4	IDBI BANK LTD.	19046836	4.15	11903686	-	30950522	4.25%
5	STATE BANK OF INDIA	16325019	3.56	33084915	-	49409934	6.78%
6	ANDHRA BANK	13861950	3.02	23342673	-	37204623	5.11%
7	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD	12179930	2.65	-	-1014359	11165571	1.53%
8	PREMIER EDU- INFRA SOLUTIONS PRIVATE LIMITED	12040000	2.62	-	-326000	11714000	1.61%
9	TAMILNAD MERCANTILE BANK LIMITED	11359999	2.47	12861352	-	24221351	3.32%
10	CORPORATION BANK	10754015	2.34	22525069	-	33279084	4.57%

E) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Director and KMP	Shareholding at the beginning of the year		Change in Shareholding (No. of Shares)		Shareholding at the end of the year	
		No of Shares	% of total shares of the Company	Increase	Decrease	No of shares	% of total shares of the Company
1	Sri.E. Sudhir Reddy	15120906	3.29	-	-	15120906	2.08
2	Sri. R. Balarami Reddy	234304	0.05	20000	-	254304	0.03
3	Sri. K. Ashok Reddy	102500	0.02	-	-	102500	0.01
4	Sri. P.R. Tripathi	-	-	-	-	-	-
5	Sri. T.R.C. Bose	-	-	-	-	-	-
6	Sri. V. Murahari Reddy	-	-	-	-	-	-
7	Smt. M. Hima Bindu	-	-	-	-	-	-
8	Sri. B. Subrahmanyam	-	-	-	-	-	-

F) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	45,224.88	2,370.39	-	47,595.27
ii) Interest due but not paid	1,609.02	-	-	1,609.02
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	46,833.90	2,370.39	-	49,204.29
Change in Indebtedness during the financial year				
Net Change	3,776.51	449.28	-	4,225.79
Indebtedness at the end of the financial year				
i) Principal Amount	47,488.10	2,819.67	-	50,307.77
ii) Interest due but not paid	3,122.31	-	-	3,122.31
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	50,610.41	2,819.67	-	53,430.08

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in lakhs)

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. E. Sudhir Reddy, Chairman & Managing Director	Mr. R. Balarami Reddy, Joint Managing Director	Mr. K. Ashok Reddy, Joint Managing Director	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	124.57	49.24	50.41	224.22
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	6.25	2.52	2.50	11.27
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5	Others-PF	9.00	3.63	3.60	16.23
	Total (A)	139.82	55.39	56.51	251.72
	Ceiling as per the Act	Remuneration to Mr. R. Balarami Reddy & Mr. K. Ashok Reddy was in line with the provisions of the Act. Company made an application to Central Government for payment of Remuneration to Mr. E. Sudhir Reddy, in view of inadequacy of profits. Pending Central Government approval, the same has not been charged to profit and loss account and accounted as due from Director.			

B. Remuneration to other directors

(In ₹)

S. No.	Particulars of Remuneration	Name of Directors				Total Amount
		P. R. Tripathi	T. R. C. Bose	V. Murahari Reddy	M. Hima Bindu	
1	Independent Directors					
	Fee for attending board / committee meetings	280000	200000	200000	180000	860000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	280000	200000	200000	180000	860000
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	280000	200000	200000	180000	860000
	Total Managerial Remuneration					
	Overall Ceiling as per the Act	The sitting fee paid is within the limits as prescribed in the Act.				

VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties, punishment or compounding of offences during the year ended March 31, 2016.

For and on behalf of the Board of Directors
IVRCL Limited

E. Sudhir Reddy
Chairman & Managing Director

Date: 30.05.2016
 Regd. Office: M-22/3RT, Vijayanagar colony,
 Hyderabad-500057
 CIN: L45201AP1987PLC007959
 Tel No: +91 40 30931111
 Fax No : + 91 40 30931386
 Email id: info@ivrinfra.com
 www.ivrcl.com

Annexure C



- a. Ratio of remuneration of each director to the median remuneration of the employees of the company for financial year.

S. No.	Name of the Director	Ratio to median remuneration
1	Mr. E. Sudhir Reddy*	1:0.0022
2	Mr. R. Balarami Reddy	1:0.0056
3	Mr. K. Ashok Reddy	1:0.0055
4	Mr. P. R. Tripathi	Not Applicable
5	Mr. T. Ramesh Chandra Bose	Not Applicable
6	Mr. V. Murahari Reddy	Not Applicable
7	Ms. M. Hima Bindhu	Not Applicable

*Managerial remuneration to Mr. E. Sudhir Reddy, Chairman & Managing Director has been paid during financial year 2015-16. The Company has made an application to Central Government for its approval, in view of inadequacy of profits. Pending Central Government approval, the same has not been charged to profit and loss account and accounted as due from Director.

- b. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

S. No.	Name of the Directors, CEO, CFO, CS	% increase in remuneration in the financial year
1	Mr. E. Sudhir Reddy, Chairman & Managing Director	0
2	Mr. R. Balarami Reddy, Joint Managing Director cum CFO	0
3	Mr. K. Ashok Reddy, Joint Managing Director	0
4	Mr. P. R. Tripathi, Independent Director	0
5	Mr. T. Ramesh Chandra Bose, Independent Director	0
6	Mr. V. Murahari Reddy, Independent Director	0
7	Ms. M. Hima Bindhu, Independent Director	0
8	Mr. B. Subrahmanyam, Company Secretary	0

- c. The percentage increase in the median remuneration of employees in the financial year : Nil
- d. The number of permanent employees on the rolls of company : 2313
- e. The explanation on the relationship between average increase in remuneration and company performance:
There was no increase in remuneration in the Financial year 2015-16.
- f. Comparison of the remuneration of the Key Managerial Personnel against the performance of the company:

Aggregate remuneration of Key Managerial Remuneration in FY 16 (₹ In million)	25.17*
Revenue (₹ In million)	23,616.78
Remuneration of KMPs (as % of revenue)	0.1066%

- g. Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year

Particulars	March 31, 2016	March 31, 2015	% Change
Market Capitalisation (₹ Cr)	466.36	730.03	-36.12%
Price Earnings Ratio	(0.30)	(0.75)	-

- h. Percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer

The Company made a further public offer (FPO) of 31,89,870 equity shares of face value of ₹ 10/- each at a price of ₹ 395/- in the year 2005. The market quotation for the company's shares of face value of ₹ 2/- each as on March 31, 2016 are as given below:

BSE Limited: ₹ 6.39

National Stock Exchange Ltd: ₹ 6.40

Subsequent to FPO, the Company made corporate actions like split, bonus issue etc. Hence the figures are not comparable.

- j. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year : Nil
- k. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company

	Mr. E. Sudhir Reddy* Chairman & Managing Director	Mr. R. Balarami Reddy, Joint Managing director cum CFO	Mr. K. Ashok Reddy, Joint Managing Director
Remuneration in FY 16 (₹ In million)	13.98*	5.54	5.65
Revenue (₹ In million)	23,616.78	23,616.78	23,616.78
Remuneration of KMPs (as % of revenue)	0.059%	0.023%	0.024%

*Managerial remuneration to Mr. E. Sudhir Reddy, Chairman & Managing Director has been paid during financial year 2015-16. The Company has made an application to Central Government for its approval in view of inadequacy of profits. Pending Central Government approval, the same has not been charged to profit and loss account and accounted as due from Director.

- l. The key parameters for any variable component of remuneration availed by the directors: NIL
- m. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: Not applicable
- n. The company affirms that the remuneration is as per the remuneration policy of the company.

**For and on behalf of the Board of Directors
IVRCL Limited**

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

Date: 30.05.2016
 Regd. Office: M-22/3RT, Vijayanagar colony,
 Hyderabad-500057
 CIN: L45201AP1987PLC007959
 Tel No: +91 40 30931111
 Fax No : + 91 40 30931386
 Email id: info@ivrinfra.com
 www.ivrcl.com

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - Standalone

Statement on Impact of Audit Qualifications for the Financial Year ended March 31,2016

[See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (₹ in Lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) (₹ in lakhs)
	1.	Turnover / Total income	2,36,167.77	236,167.77
	2.	Total Expenditure	3,42,211.69	429,074.86
	3.	Net Profit/(Loss)	(106,043.92)	(192,906.09)
	4.	Earnings Per Share (after exceptional item)	(20.30)	(36.92)
	5.	Total Assets	847,445.48	686,664.72
	6.	Total Liabilities	847,445.48	686,664.72
	7.	Net Worth	18991.24	(67,871.93)
	8.	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil

II. Audit Qualification:

a. Details of Audit Qualification:

- Note 4a in respect of preparation of financial statements of the Company on going concern basis for the reasons stated therein. During the year the Company has incurred a Net Loss of ₹ 1,06,043.92 Lakhs resulting in to accumulated losses of ₹ 2,04,014.17 Lakhs and substantial erosion of its Net worth as at March 31, 2016. The Company has obligations towards borrowings and pertaining to operations including unpaid creditors and other statutory dues as at March 31, 2016. The Company's current liabilities exceed current assets. These matters require the Company to generate additional cash flows to fund the operations as well as other obligations notwithstanding the current level of low operating activities and difficulties with respect to realisation of its current assets including litigation in various projects. In view of these matters, the appropriateness of assumption of going concern is dependent upon the sale/ divestment of Investments and/or the Company's ability to raise requisite finance/generate cash flows from operations to meet its obligations.
- Note 4b to the financial statements in connection with the existence of material uncertainties over the realisability of bank guarantees encashed by customers, unbilled revenue, trade receivables and withheld amount aggregating to ₹1,60,041.74 Lakhs, which are subject matters of various disputes /arbitration proceedings/ negotiations with the customers and contractors due to termination / foreclosure of contracts and other disputes. The management of the Company is confident of positive outcome of ligations/ resolutions of disputes and recovering the aforesaid dues. In view of pending-certification of bills/slow progress/termination of these projects, and lack of other alternate audit evidence to corroborate management's assessment of recoverability of these balances, we are unable to comment on the extent to which these balances are recoverable.
- Note 4c in respect of invocation of corporate guarantees of ₹ 79,568 Lakhs and initiation of recovery actions against the company in respect of such guarantees extended / executed for its two subsidiaries in favour of the lenders. No provision has been made in the accounts for such possible loss.
- Note 4d regarding equity investment of ₹ 6,575.25 Lakhs and loans and advances of ₹ 3,476.70 lakhs as on March 31, 2016 in Hindustan Dorr Oliver Limited, a subsidiary company whose net worth has eroded and continues to incur losses as on March 31, 2016. We are unable to comment on the extent to which the carrying amount of such investment and loans and advances is recoverable.
- Note 4e in respect of MOU/ definitive agreement entered in to by the Company for divestment of subsidiary companies. The sale consideration agreed for such divestment is lower than the carrying value of investments and outstanding advances. This will result into losses on divestment/diminution aggregating to ₹ 33,917.58 Lakhs as on March 31, 2016.

6. Note 4f in respect of loans and advances of ₹ 42,893.64 Lakhs given to subsidiaries engaged in BOT and other projects, which are under disputes with the concessionaire, and other subsidiaries that have significant accumulated losses as at March 31, 2016. We are unable to comment on the extent to which the carrying amount of such loans and advances is recoverable.

b. Type of Audit Qualification : Qualified Opinion

c. Frequency of qualification: First time

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

In respect of qualification 4 above considering the long term nature of investment no provision has been made in books of account.

In respect of qualification 5 above, considering the long term nature of investment no provision has been made in books of account.

In respect of qualification 6 above, the company is hopeful of resolving the disputes and realization of balances.

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification:

(ii) If management is unable to estimate the impact, reasons for the same:

In respect of qualification 1 above, The Company is confident of implementing the divestment plan and approved restructuring scheme with lenders and meeting its obligations in due course of time. Accordingly financial statements have been prepared as a Going Concern.

In respect of qualification 2, above, the management of the Company is confident of positive outcome of litigations/ resolutions of disputes and recovering the aforesaid dues.

In respect of qualification 3 above, management is in engagement on lender bank to resolve the issue and respective liability is appearing in subsidiaries books of accounts.

(iii) Auditors' Comments on (i) or (ii) above: Nil

III. Signatories:

Statutory Auditor

CHATURVEDI & PARTNERS

Chartered Accountants

FRN 307068E

CEO/Managing Director

CFO

Audit Committee Chairman

RAVINDRA NATH CHATURVEDI

Partner

Membership No. 092087

Place: Hyderabad

Date: 30-05-2016

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual consolidated Audited Financial Results - Consolidated

Statement on Impact of Audit Qualifications for the Financial Year ended March 31,2016

[See Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (₹ in Lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) (₹ in lakhs)
	1.	Turnover / Total income	301,284.17	301,284.17
	2.	Total Expenditure	151,986.99	217,238.57
	3.	Net (Loss) after minority interest	(147,920.69)	(213,172.27)
	4.	Earnings Per Share (after exceptional item)	(28.80)	(40.80)
	5.	Total Assets	1,439,854.75	1,374,603.17
	6.	Total Liabilities	1,439,854.75	1,374,603.17
	7.	Net Worth	(85,619.33)	(150,870.91)
	8.	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil

II. Audit Qualification:

a. Details of Audit Qualification:

IVRCL Limited

- Note 4a in respect of preparation of financial statements of the Company on going concern basis for the reasons stated therein. During the year the Company has incurred a Net Loss of ₹ 1,06,043.92 Lakhs resulting in to accumulated losses of ₹ 2,04,014.17 Lakhs and substantial erosion of its Net worth as at March 31, 2016. The Company has obligations towards borrowings and pertaining to operations including unpaid creditors and other dues as at March 31, 2016. The Company's current liabilities exceed current assets. These matters require the Company to generate additional cash flows to fund the operations as well as other obligations notwithstanding the current level of low operating activities and difficulties with respect to realisation of its current assets including litigation in various projects. In view of these matters, the appropriateness of assumption of going concern is dependent upon the sale/ divestment of Investments and/or the Company's ability to raise requisite finance/generate cash flows from operations to meet its obligations.
- Note 4b to the financial statements in connection with the existence of material uncertainties over the realisability of bank guarantees encashed by customers, unbilled revenue, trade receivables and withheld amount aggregating to ₹1,60,041.74 Lakhs, which are subject matters of various disputes /arbitration proceedings/ negotiations with the customers and contractors due to termination / foreclosure of contracts and other disputes. The management of the Company is confident of positive outcome of ligations/ resolutions of disputes and recovering the aforesaid dues. In view of pending-certification of bills/slow progress/termination of these projects, and lack of other alternate audit evidence to corroborate management's assessment of recoverability of these balances, we are unable to comment on the extent to which these balances are recoverable.
- Note 4c in respect of invocation of corporate guarantees of ₹ 79,568 Lakhs and initiation of recovery actions against the company in respect of such guarantees extended / executed for its two subsidiaries in favour of the lenders. No provision has been made in the accounts for such possible loss.
- Note 4d regarding equity investment of ₹ 6,575.25 Lakhs and loans and advances of ₹ 3,476.70 lakhs as on March 31, 2016 in Hindustan Dorr Oliver Limited, a subsidiary company whose net worth has eroded and continues to incur losses as on March 31, 2016. We are unable to comment on the extent to which the carrying amount of such investment and loans and advances is recoverable.
- Note 4e in respect of MOU/ definitive agreement entered in to by the Company for divestment of subsidiary companies. The sale consideration agreed for such divestment is lower than the carrying value of investments and outstanding advances. This will result into losses on divestment/diminution aggregating to ₹ 33,917.58 Lakhs as on March 31, 2016.

6. Note 4f in respect of loans and advances of ₹ 42,893.64 Lakhs given to subsidiaries engaged in BOT and other projects, which are under disputes with the concessionaire, and other subsidiaries that have significant accumulated losses as at March 31, 2016. We are unable to comment on the extent to which the carrying amount of such loans and advances is recoverable.

Hindustan Dorr Oliver Limited

7. Note 16 (a) in respect of preparation of financial statements of the Company on going concern basis for the reasons stated therein. The accumulated losses of the Company as at March 31, 2016 amounting to ₹ 1,10,432 lacs have exceeded its net worth. The Company has obligations towards borrowings aggregating to ₹ 97,044 lacs which include working capital loan and outstanding letters of credit/bill discounting from banks. Further, the Company's current liabilities exceed current assets by ₹1,21,473 lacs. The Company has obligations pertaining to operations including unpaid creditors and statutory dues, these matters require the Company to generate additional cash flows to fund the operations as well as other statutory obligations notwithstanding the current level of low operating activities. This indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The statement does not include any adjustment in this respect.
8. Note 16(b) to the statement in connection with the existence of material uncertainties over the realisability of bank guarantees encashed by customers, unbilled revenue, trade receivables and withheld amount aggregating to ₹ 5,386 lacs, which are subject matters of various negotiations with the customers. Further, Bank Guarantee to the tune of ₹ 5,267 lacs was encashed subsequent to this year. The management of the Company is confident of positive outcome of the negotiations and recovering the aforesaid dues. In view of pending-certification of bills/slow progress/termination of these projects and lack of other alternate audit evidence to corroborate management's assessment of recoverability of these balances, we are unable to comment on the extent to which these balances are recoverable.
9. Note 16 (c) to the statement in respect of invocation of corporate guarantees of ₹14,118 lacs and initiation of recovery actions against the company in respect of such guarantees extended / executed for its one subsidiary in favour of the lenders. No provision has been made in the accounts for such possible loss.
10. Note 16 (d) to the statement in respect of provision for impairment of goodwill, aggregating to ₹ 12,900 lacs arising on consolidation of subsidiary, whose net worth is eroded as at March 31, 2016, not considered necessary by the management. In absence of valuation of the subsidiary, we are unable to comment whether any impairment of goodwill is required.
11. Note 16 (e) to the statement in respect of certain projects wherein the Management of the Company has considered trade receivable aggregating to ₹ 5,762 lacs and unbilled revenue amounting to ₹ 8,673 lacs, as good and fully recoverable for the reasons stated therein.
12. Note 16(f) to the financial statement wherein one lender has initiated recovery proceedings against the Company under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 in respect of outstanding loan aggregating to ₹ 57,832 lacs. The Bank has however demanded ₹ 65,450 lacs. The difference of ₹ 7,618 lacs being penal and other charges, the company has not provided for the same for the reason stated therein.
13. Note 16 (g) to the statement, in respect of trade receivables, mobilization advances, retention money, trade payables and certain bank balances, external confirmations of the balances are not available. Due to non-availability of confirmation of balances, we are unable to quantify the impact, if any, arising from the confirmation of balances.
14. Note 16 (h) to the statement, wherein the Company has not received confirmation from one of the Foreign lender having outstanding of ₹ 15,201 lacs (including interest accrued of ₹2,764 lacs) as at March 31, 2016. Due to non-availability of confirmation of balances, we are unable to quantify the impact, if any, arising from the confirmation of balances.
15. Note 16 (i) to the statement, in the respect of subsidiary, HDO Technologies Limited, wherein the accumulated losses of the Company as at March 31, 2016 amounting to ₹ 8,302 lacs have exceeded its net worth. The Company has obligations towards borrowings aggregating to ₹16,472 lacs which include working capital loan and outstanding letters of credit/bill discounting from banks. Further, the Company's current liabilities exceed current assets by ₹ 5,038 lacs. The Company has obligations pertaining to operations including unpaid creditors and statutory dues, these matters

require the Company to generate additional cash flows to fund the operations as well as other statutory obligations notwithstanding the current level of low operating activities. This indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The statement does not include any adjustment in this respect.

16. Note 16 (j) to the statement, in respect of subsidiary, HDO Technologies Limited, wherein deferred tax assets on business losses aggregating to ₹ 957 lacs has been recognized on the basis of business plan prepared by the management. The company is confident that sufficient future taxable income will be available against which such deferred tax assets will be realized. In absence of virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which the deferred tax asset can be realized, we are unable to comment the extent to which such deferred tax asset can be realized.
17. Note 16 (k) to the statement, in respect of subsidiary, HDO Technologies Limited, regarding the status of trade receivable aggregating to ₹ 6,127 lacs which has been classified as a good and in respect of which no provision has been considered necessary for the reason explained therein.
18. Note 16 (l) to the statement in respect of subsidiary, HDO Technologies Limited in respect of invocation of corporate guarantees of ₹ 65,450 lacs and initiation of recovery actions against the company in respect of such guarantees extended / executed for its holding company in favour of the lender. No provision has been made in the accounts for such possible loss.
19. Note 16 (m) to the statement in respect of subsidiary, HDO Technologies Limited wherein one lender has initiated recovery proceedings against the Company under the Securitization and Reconstruction of Financial Assets and enforcement of Security Interest Act, 2002 in respect of outstanding loan of aggregating to ₹ 12,518 lacs. The Bank has however demanded ₹ 14,118 lacs. The difference of ₹ 1,600 lacs being penal and other charges, the company has not provided for the same for the reason stated therein.
20. Note 16 (n) to the statement, in respect of subsidiary, HDO Technologies Limited regarding confirmation of the balances of trade receivable, trade payable, advances to sub-contractors and suppliers and reconciliation of the same and the possible resultant impact on the financial statements.
21. Note 16 (o) in respect of current year's and previous years consolidated financial statements which does not contain financial statement of certain foreign subsidiaries reflecting total assets of ₹1,105 lacs as at March 31, 2015 total revenue of ₹ NIL, net loss of ₹ 2.85 Lacs and cash outflow of ₹1.90 lacs for the period then ended.

SPB Developers Private Limited

22. Note 19 (a), Regarding continuance of capitalization of borrowing cost during the year aggregating to ₹2,292 lacs and cumulative capitalization of borrowing costs as at March 31, 2016 aggregating to ₹ 4429 lacs towards cost of the project for the reasons stated therein. In view of insignificant construction activities during the year, in our opinion, the capitalization of such expenses is not consistent with the Accounting Standard (AS-16), Borrowing Costs. Had the observation under this paragraph would have been considered, the borrowing costs capitalized during the year should have been charged to revenue.
23. Note 19 (b), Regarding notice for intention to terminate and termination notice sent by the Company in respect of concession agreement and the financial statements have been prepared on the basis that company is going concern.
24. Accompanying consolidated statements of the Holding Company include the financial statement/financial information in respect of 8 subsidiary companies whose financial results reflect the Company's Share in net assets of ₹ 2,88,588.57 lakhs as at March 31, 2016 and as well as the total revenue of ₹ 20,120.89 lakhs for the year ended on that date have been considered in the statement. These financial statements/information have been furnished to us by the management. Our opinion on the statement so far as it relates to the amounts and disclosures included in respect of the aforesaid foreign subsidiary and associate is based solely on such unaudited financial statement/information provided by the management. Any material adjustment upon audit by the respective auditors to the unaudited financial statement/information could have material consequential effect on the statement.

- b. **Type of Audit Qualification** : Qualified Opinion
- c. **Frequency of qualification**: Qualification no 1 to 6, 23 & 24 above are first time and rest are repetitive.
- d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**

IVRCL Limited

In respect of qualification 4 above considering the long term nature of investment no provision has been made in books of account.

In respect of qualification 5 above, considering the long term nature of investment no provision has been made in books of account.

In respect of qualification 6 above, the company is hopeful of resolving the disputes and realization of balances.

Hindustan Dorr Oliver Limited

In respect of audit qualification no 8 as appearing above, The management of the Company is confident of positive outcome of the negotiations and recovering the aforesaid dues.

In respect of audit qualification no 11 & 17 as appearing above, The management of the respective Companies are in continuous engagement with respective contractee/clients including initiation of legal proceedings confident of positive outcome of the negotiations and recovering the aforesaid dues.

SPB Developers private Limited

In respect of audit qualification no 22, the company has sent intention to terminate and termination notice to the client and management expects to realize all costs incurred as part of entitled termination payments.

- e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

(i) **Management's estimation on the impact of audit qualification:**

(ii) **If management is unable to estimate the impact, reasons for the same:**

IVRCL Limited

In respect of qualification 1 above, The Company is confident of implementing the divestment plan and approved restructuring scheme with lenders and meeting its obligations in due course of time. Accordingly financial statements have been prepared as a Going Concern.

Hindustan Dorr Oliver Limited

In respect of audit qualification no 7 & 15 The Company is confident of implementing the business plan and meeting its obligations in due course of time. Accordingly financial statements have been prepared as a Going Concern.

In respect of audit qualification no 9 & 18 as appearing above, the management is in engagement with the lender to resolve the matter and the respective liability is appearing in the books of subsidiary Company.

In respect of audit qualification no 10 as appearing above in respect of provision for impairment of goodwill, The Company is confident of implementing the business plan and no impairment/amortization in goodwill is required.

In respect of audit qualification no 12 & 19, the company is in process of reconciling the difference.

In respect of audit qualification no 13, 14 & 20 the management is of the opinion that these accounts will not require any material adjustment upon receipt of balance confirmation.

In respect of audit qualification no 16, The company is confident that sufficient future taxable income will be available against which such deferred tax assets will be realized.

In respect of audit qualification no 21 the management could not receive the financial statement of the said subsidiaries.

SPB Developers Private Limited

In respect of audit qualification no 23, the company has sent intention to terminate and termination notice to the client and management expects to realize all costs incurred as part of entitled termination payments

In respect of audit qualification no 24, the management of the Holding Company does not expect any material adjustment in the statements upon audit of the referred subsidiaries.

(iii) Auditors' Comments on (i) or (ii) above: Nil

III. Signatories:

Statutory Auditor

CHATURVEDI & PARTNERS

Chartered Accountants

FRN 307068E

CEO/Managing Director

CFO

Audit Committee Chairman

RAVINDRA NATH CHATURVEDI

Partner

Membership No. 092087

Place: Hyderabad

Date: 30-05-2016

REPORT ON CORPORATE GOVERNANCE

1. IVRCL PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes in transparency, empowerment, accountability and integrity in its operations having duly delegated authority to the various functional heads who are responsible for attaining the corporate plans with the ultimate purpose of enhancement of “stake holder value”.

This philosophy has guided the operations and the functioning of the Company. In the process of achieving corporate goals, the Company has always been taking the spirit of various legislations as guiding principles and has gone well beyond simple statutory compliance by instituting such systems and procedures as are required to make the management completely transparent and institutionally sound. This is a continuous process in the Company, to improve upon the past experience.

The Company has professionals on its Board of Directors who are actively involved in the deliberations of the Board on all important policy matters.

2. BOARD OF DIRECTORS

- i. As on March 31, 2016, the Company has seven directors on the Board, of which four are independent Directors. The Company has an Executive Chairman during the financial year and the number of Independent Directors is more than 50% of the total number of Directors. Thus, the composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).
- ii. None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees as specified in Regulation 26 of LODR Regulations, across all the companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as at March 31, 2016 have been made by the Directors. None of the Directors are related to each other.
- iii. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other companies is given below. Chairmanship / Membership of Board Committees include only Audit and Stakeholders’ Grievance Committees.

a. The Board of Directors of the Company as on March 31, 2016 consists:

A. Non – Executive Directors

Independent

Mr. P. R. Tripathi

Mr. T. R. C. Bose

Mr. V. Murahari Reddy

Ms. M. Hima Bindu

B. Executive Directors

Chairman & Managing Director Mr. E. Sudhir Reddy (Promoter)

Joint Managing Directors Mr. R. Balarami Reddy

Mr. K. Ashok Reddy

b. Attendance at Board Meetings and last A.G.M and details of memberships of Directors in other Boards and Board Committees.

Six meetings of the Board of Directors were held on:

30th May 2015, 14th August, 2015, 13th November 2015, 19th December, 2015, 10th February 2016, 9th March 2016.

The last Annual General Meeting was held on Saturday, the 26th September, 2015.

Name of the Director	Categories of Directorship	No. of Board Meetings attended	Attendance at last AGM	Directorship in other companies	No. of Committees held in other Public Limited Companies	
					Chairman	Member
Mr. E. Sudhir Reddy	CMD	5	YES	7	NIL	1
Mr. R. Balarami Reddy	Joint M.D	6	YES	10	NIL	1
Mr. K. Ashok Reddy	Joint M.D	5	NO	9	1	NIL
Mr. T. R. C. Bose	I & NED	6	NO	5	NIL	6
Mr. P. R. Tripathi	I & NED	6	YES	7	3	1
Mr. V. Murahari Reddy	I & NED	6	NO	4	NIL	1
Ms. M. Hima Bindu	I & NED	6	NO	9	NIL	8

I & NED Independent & Non-Executive Director

NED Non-Executive Director

Joint M.D Joint Managing Director

CMD Chairman & Managing Director

c. Shares held by Non-Executive Directors as on March 31, 2016.

Name of the Director	Numbers of Shares held	% of the Paid-up Capital of the Company
Mr. P. R. Tripathi	NIL	NIL
Mr. T. R. C. Bose	NIL	NIL
Mr. V. Murahari Reddy	NIL	NIL
Ms. M. Hima Bindu	NIL	NIL

d. The details of familiarisation programmes of Independent Directors were uploaded on the Company's website at the following weblink: <http://www.ivrcl.com/downloads/familiarisationprogramme.pdf>

3. AUDIT COMMITTEE

The Audit Committee has been constituted by the Board of Directors in accordance with the requirement of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The terms of reference of the Audit Committee are broadly as under:

The role and the Information reviewed by the Audit Committee are as envisaged in the Companies Act and Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

The Statutory Auditors and Internal Auditors of the Company will be invited to join the Audit Committee Meetings for discussions on issues relevant to them. The Company Secretary acts as the Secretary to the Committee.

The Previous Annual General Meeting (AGM) of the Company was held on 26th September 2015 and was attended by Mr. P. R. Tripathi, Chairman of the Audit Committee.

The Composition of the Audit Committee and the details of meetings attended by its members are given below:

Name	Category	Number of meetings held during the financial year 2015-2016	
		Held	Attended
Mr. P. R. Tripathi	Chairman – Independent	4	4
Mr. T.R.C. Bose	Member – Independent	4	4
Mr. V. Murahari Reddy	Member - Independent	4	4
Ms. M. Hima Bindu	Member - Independent	4	3

Four meetings of the Audit Committee were held during the year and the gap between two meetings did not exceed 120 days. The dates on which the said meetings were held are as follows:

30th May 2015, 14th August, 2015, 13th November 2015, 10th February, 2016,

The necessary quorum was present for all the meetings.

4. NOMINATION AND REMUNERATION COMMITTEE:

The Company had a Compensation Committee of Directors to look into appointment / re-appointment of Directors, payment of remuneration and grant of ESOPs. The nomenclature of the said committee was changed to Nomination and Remuneration Committee in the light of provisions of the Companies Act 2013.

The Role of the Nomination and Remuneration Committee.

The Role of the Nomination and Remuneration Committee is as envisaged in the Companies Act and Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

The Composition of the Nomination and Remuneration Committee and the details of meetings attended by its members are given below:

Name	Category	Number of meetings held during the financial year 2015-2016
Mr. P. R. Tripathi	Chairman – Independent	No meeting was held during the Financial year.
Mr. T. R. C. Bose	Member – Independent	
Mr. V. Murahari Reddy	Member - Independent	

Performance evaluation criteria for Independent Directors

- Does he/she understand and support the mission of the company?
- Is he/she knowledgeable about the company's products and services?
- Does he/she read and understand the company's financial statements?
- Attendance and participations in the meetings and timely inputs on the minutes of the meetings.
- Adherence to ethical standards & code of conduct of Company and disclosure of non independence, as and when it exists and disclosure of interest.
- Raising of valid concerns to the Board and constructive contribution to resolution of issues at meetings.
- Interpersonal relations with other directors and management.
- Objective evaluation of Board's performance, rendering independent, unbiased opinion.
- Understanding of the Company and the external environment in which it operates and contribution to strategic direction.
- Safeguarding interest of whistle-blowers under vigil mechanism and Safeguard of confidential information.

5. REMUNERATION OF DIRECTORS:

- The Pecuniary relationship or transactions with the Non-executive Directors have been disclosed as part of transactions with Key Managerial Personnel / relatives with in the annual report.
- The Company's remuneration policy is driven by the success and performance of the individual employee and the Company. Through its compensation programme, the Company endeavors to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, benefits and perquisites besides Employee Stock Options. Individual performance pay including Key Managerial Personnel's pay is determined by business performance and the performance of the individuals is measured through annual appraisal policy of the Company.
- The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to its Managing Director. The other Executive Directors are compensated by way of salary, benefits, perquisites and allowances (fixed component) as decided by the Nomination & Remuneration Committee and approved by the members from time-to-time.
- Criteria of making payments to non – Executive Directors;

The Company follows the below criteria for making payment to Non - Executive Directors;

Numbers of Board / Committee meetings attended

Sitting fees at the rate of ₹ 20,000/- per meeting for attendance at the meetings of the Board or any committee thereof for non-executive directors as per the Articles of Association of the Company is paid. Further, reimbursement of actual travel and out of pocket expenses incurred for attending such meetings is also made.

v) There is at present no other component of remuneration to non-executive directors.

The details of remuneration to all the Directors for the period is as follows:

i) Non Executive Directors (sitting fee only)

	(in Rupees)
Mr. P. R. Tripathi	280000
Mr. T. R. C. Bose	200000
Mr. V. Murahari Reddy	200000
Ms. M. Hima Bindu	180000
TOTAL	860000

ii) Managing / Whole-time Director(s) (No Sitting Fees)

	(In Rupees)		
Name and Designation	Fixed Component Salary	Variable Component Commission	Total
Mr. E. Sudhir Reddy Chairman & Managing Director	13081992	NIL	13081992
Mr. R. Balarami Reddy Joint Managing Director	5176392	NIL	5176392
Mr. K. Ashok Reddy Joint Managing Director	5290728	NIL	5290728
TOTAL	23549112		23549112

During the year ended March 31, 2016 managerial remuneration, amounting to ₹ 13081992 in respect of Chairman & Managing Director is subject to Central Government approval. Pending the approval from the Central Government the amount has been accounted as due from director.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company had a shareholders / Investor Grievance Committee of Directors to look into the redressal of complaints of investors such as transfers or credit off shares, non- receipt of dividend/ notices / annual reports, etc. The nomenclature of the said committee was changed to stakeholders' relationship committee in the light of provisions of the Companies Act 2013.

The Role of the Stakeholders Relationship Committee.

The Role of the Stakeholders Relationship Committee is as envisaged in the Companies Act, 2013 and Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

The Composition of the Stakeholders Relationship Committee and the details of meetings attended by its members are given below:

Four meetings of the Stakeholders Relationship Committee were held on 30th May 2015, 14th August, 2015, 13th November 2015, 10th February, 2016.

Name	Category	Number of meetings held during the financial year 2015-2016	
		Held	Attended
Mr. P. R. Tripathi	Chairman	4	4
Mr. E. Sudhir Reddy	Member	4	4
Mr. R. Balarami Reddy	Member	4	4

Mr. B. Subrahmanyam, Company Secretary is the Compliance Officer.

During the year, the Company received 13 complaints and all the complaints were resolved to the satisfaction of the Investors and there are no pending complaints.

OTHER COMMITTEES

Corporate Social Responsibility (CSR) Committee.

CSR Committee of Directors as required under Section 135 of the Act was constituted on 30th May 2014, comprising of Mr. P.R. Tripathi, (Independent Non-Executive), Mr. K. Ashok Reddy, (Executive), Mr. R. Balarami Reddy (Executive).

Regulatory Committee under Code of Conduct for Prevention of Insider Trading.

The Committee consists of Mr. P.R. Tripathi, Mr. E. Sudhir Reddy and Mr. R. Balarami Reddy who look into all the aspects relating to Code of conduct including enforcement, imposition of penalties for any violation of the provisions of the Code and to amend or modify the provisions of the Code from time to time.

Executive Committee.

The Board reconstituted the Executive Committee with the following directors on 31.01.2005 with the following powers to consider and approve borrowings up to certain limits, as delegated from time to time; to approve joint ventures, to delegate authority to the functionaries as the business of the Company warrants; besides exercising such other power as are delegated from time to time.

Members:

- i) Mr. E. Sudhir Reddy
- ii) Mr. K. Ashok Reddy
- iii) Mr. R. Balarami Reddy

The Powers of the Executive Committee were amended by the Board of Directors on February 14, 2013. The following are the new powers:

1. To execute agreements on behalf of the Company, from time to time.
2. To sub-delegate authority in writing by way of Power of Attorney or otherwise, executed by one of the Members of the Committee, for the purposes of day-to-day operations, tendering, business development and project executions of the Company, duly authorised by the Committee.
3. Opening and Closing of Bank Accounts and authorising the Directors and Officers of the Company for operating the accounts with authority to issue Cheques.
4. To make necessary applications or petitions to the Court, Company Law Board or Regional Director or other judicial or quasi judicial body, as and when required.
5. To authorize any person as Corporate Representative under Section 113 of the Companies Act 2013 to attend the general meetings of any Company.
6. To authorize any person with regard to incorporation of Companies and closure or winding up of Companies.
7. Authorisation to affix the Common Seal of the Company on such documents as may be required, from time to time, as per Articles of Association of the Company.
8. To make investments and disinvestments, from time to time, for the purposes of subscribing to the equity/preference share capital of Subsidiaries/Joint Ventures/SPVs/any other entity, upto an amount of ₹ 200 Cr, pursuant to proviso to Section 179 (3) of the Companies Act, 2013.
9. To Exercise borrowing powers, as may be decided by the Board, from time to time, pursuant to proviso to Section 179(3) of the Companies Act, 2013.
10. To determine the materiality of an event or information and disclose such events to the Stock Exchanges.

7. GENERAL BODY MEETINGS

Details of location and time of holding the last three AGMs.

Year	Location	Date & Time
26th AGM – 2013	The Federation of Andhra Pradesh chambers of Commerce & Industry, Redhills, Hyderabad	At 3.30 PM on September 26 2013
27th AGM – 2014	The Federation of Andhra Pradesh chambers of Commerce & Industry, Redhills, Hyderabad	At 3.30 PM on September 26 2014
28th AGM – 2015	The Federation of Andhra Pradesh chambers of Commerce & Industry, Redhills, Hyderabad	At 3.30 PM on September 26 2015

The following special resolutions were passed at the 26th Annual General Meeting of the Members of the Company held on 26th September, 2013:

1. To Re-appoint Mr. R. Balarami Reddy as Executive Director – Finance & Group CFO.
2. To Re-appoint Mr. K. Ashok Reddy as Executive Director

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

The following special resolutions were passed at the 27th Annual General Meeting of the Members of the Company held on 26th September, 2014:

1. To re appoint Mr. E. Sudhir Reddy as Chairman & Managing Director
2. To appoint Mr. R. Balarami Reddy as Joint Managing Director.
3. To appoint Mr. K. Ashok Reddy as Joint Managing Director
4. To consider Qualified Institutional Placement
5. To consider Preferential issue of warrants
6. To consider Borrowing Powers of the Company
7. To amend the Articles of Association of the Company
8. Option to CDR Lenders for conversion of Debt into equity shares and issue of equity shares to CDR lenders on preferential basis on conversion of funded interest term Loan.

The following special resolutions were passed at the 28th Annual General Meeting of the Members of the Company held on 26th September, 2015:

1. To re-appoint Mr. K. Ashok Reddy as Joint Managing Director
2. Raising of Funds

Details of Special Resolutions passed through postal ballots during the year:

No Resolution was passed by Postal ballot during the year.

There is no proposal to transact any resolution through Postal Ballot.

8. MEANS OF COMMUNICATION

The quarterly results are being published in English Newspapers like Economic Times, Business Standard and/or Financial Express having all India circulation and one in Vernacular language i.e. in Telugu. The quarterly results and official press releases are also displayed on the Company's website www.ivrcl.com.

The gist of presentations made to the institutional investors or to analysts are also published on the Company's website. The Management Discussion and Analysis report is made a part of this annual report.

The Company created a separate email id viz., in_grievances@ivrinfra.com for speedy redressal of investor grievances.

9. GENERAL SHAREHOLDER INFORMATION

a. 29th Annual General Meeting

- Date and Time 26th September, 2016, at 3.30.P.M
- Venue K. L. N. Prasad Auditorium, FAPCCI, 11-6-841, Red Hills, Hyderabad - 4

b. Financial Year

- Year ending March 31
- Un-audited financial results for the quarter ending June 30, 2016 Will be published in August 2016
- Un-audited/audited results for the quarter / half-year ending September 30, 2016 Will be published in November 2016
- Un-audited results for the quarter ending December 31, 2016 Will be published in February 2017
- Audited results for the year ending March 31, 2017 Will be published in May 2017

c. Book Closure:

From : 23rd September, 2016 to 26th September, 2016
(Both days inclusive)

d. Dividend payment date

No dividend has been recommended

- e. **The equity shares of the Company are listed on** (i) Bombay Stock Exchange Limited (BSE)
(ii) National Stock Exchange of India Limited (NSE)
- f. **Stock Code :**
- i) trading Symbol at Bombay stock Exchange, Scrip Code : 530773
National stock Exchange, IVRCLINFRA EQ
- ii) Demat ISIN Numbers in CDSL & NSDL Equity INE875A01025

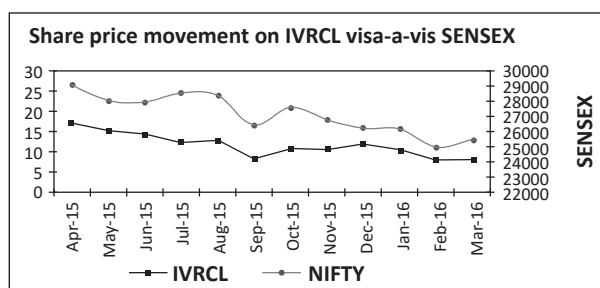
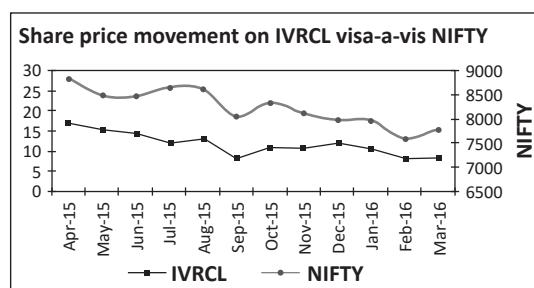
Listing fees as prescribed has been paid fully to all the stock exchanges where the shares of the Company are listed and Company's shares have not been suspended from trading on stock exchanges during the year.

Stock Market Data:

Month	The Bombay Stock Exchange,				National Stock Exchange			
	Share Price		Sensex		Share Price		S&P CNX Nifty	
	High (₹)	Low (₹)	High	Low	High (₹)	Low (₹)	High	Low
Apr- 2015	17.20	14.00	29094.61	26897.54	17.20	14.05	8844.80	8144.75
May-2015	15.49	13.05	28071.16	26423.99	15.60	13.00	8489.55	7997.15
Jun-2015	14.44	9.61	27968.75	26307.07	14.50	9.55	8467.15	7940.30
July-2015	12.40	10.50	28578.33	27416.39	12.40	10.50	8654.75	8315.40
Aug-2015	12.85	8.12	28417.59	25298.42	12.85	8.10	8621.55	7667.25
Sep-2015	8.24	6.52	26471.82	24833.54	8.20	6.40	8055.00	7539.50
Oct-2015	10.85	7.12	27618.14	26168.71	10.85	7.10	8336.30	7930.65
Nov-2015	10.78	7.14	26824.30	25451.42	10.70	7.30	8116.10	7714.15
Dec-2015	12.04	8.30	26256.42	24867.73	12.00	8.50	7979.30	7551.05
Jan-2016	10.55	7.60	26197.27	23839.76	10.55	7.60	7972.55	7241.50
Feb-2016	8.15	6.20	25002.32	22494.61	8.15	6.15	7600.45	6825.80
Mar-2016	8.05	6.01	25479.62	23133.18	8.05	5.95	7777.60	7035.10

Source: BSE Website

Source: NSE website



g. Registrar and Transfer Agents ;

Karvy Computershare Pvt. Ltd.
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad – 500 008
Phone: +91 040 67161500
Fax : +91 040 23420814
Email Id : einward.ris@karvy.com

h. Share Transfer System:

Application for transfer of shares held on physical form is received at the office of the Registrars & Share Transfer Agents of the Company. Share Transfer Committee approves valid transfers of shares and share certificates duly endorsed are dispatched within the time prescribed under the LODR Regulations / SEBI Guidelines.

Shares held in dematerialized form are electronically traded in the Depository and the Registrars & Share Transfer Agents of the Company periodically receive from the Depository the beneficiary holdings so as to enable them to update the records and to send all corporate communications, dividend warrants etc.,

i. a. Distribution of Shareholding as on March 31, 2016

Category (Amount)	Share Holders		Equity	
	Number	% to Total	No. of Shares	% to Total
Upto – 5000	185601	93.51%	127639746	8.76%
5001 - 10000	6648	3.35%	49808650	3.42%
10001 – 20000	3344	1.68%	50114226	3.44%
20001 – 30000	1007	0.51%	25394596	1.74%
30001 – 40000	552	0.28%	19961494	1.37%
40001 – 50000	311	0.16%	14356510	0.99%
50001 – 100000	581	0.29%	41682190	2.86%
100001 and above	442	0.22%	1128409328	77.43%
TOTAL	198486	100%	1457366740	100%

b) Dematerialization of shares and liquidity:

Shares of the Company can be held and traded only in Electronic form on Stock Exchanges. SEBI has stipulated the shares of the Company for compulsory delivery in dematerialized form only, by all investors from 26th June 2000.

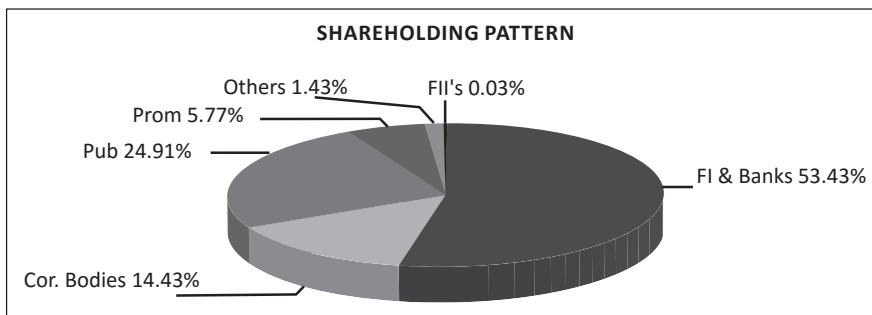
99.95 percent of the shareholdings have been dematerialized as on 31.03.2016. Shares of the Company are actively traded in The BSE Limited and National Stock Exchange of India Limited, and hence have good liquidity.

c) Capital Build Up during the Period:

Particulars	Nature of Allotment	No. of shares of the face value of ₹ 2/- each	Paid-up ₹
Capital at the beginning of the year		459138722	918277444
Allotments made during the year:			
27.04.2015	FITL conversion	24263326	48526652
06.08.2015	FITL conversion	24159262	48318524
14.10.2015	FITL conversion	15046858	30093716
27.11.2015	FITL conversion	24226656	48453312
12.01.2016	FITL conversion	194375	388750
09.03.2016	SDR Allotment	181654171	363308342
Capital at the end of the year		728683370	1457366740

d) Shareholding Pattern as on 31.3.2016:

Category	Total No. of Shares	Percentage
Promoter's Holding		
India Promoters	42032166	5.77
Non Promoter Holding		
Institutional Investors		
Mutual Funds	6983	0.00
Financial Institutions / Banks / Insurance Companies	389367177	53.43
Foreign Institutional Investors	208850	0.03
Sub Total	389583010	53.46
Others		
Corporate Bodies	105160194	14.43
Public	181514761	24.91
Non Resident Indian	9026685	1.24
Others	1366554	0.19
Sub Total	297068194	40.77
Grand Total	728683370	100.00



j. Instruments outstanding as on March 31, 2016 and are liable for conversion into shares :

IVRCL ESOP 2013

The shareholders of the company, in the 26th Annual General Meeting held on 26th September 2013 approved to issue upto 1,00,00,000 options convertible into 1,00,00,000 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 is 50% of the closing price recorded on National Stock Exchange of India Limited on the date of the such grant on such terms as may be specified by the Board of Directors of the company. The Company has not granted any options out of IVRCL ESOP 2013 scheme to any employee, as on date.

k Commodity price risk or foreign exchange risk and hedging activities.

The Companies activities do not require any transactions involving commodities and hence there are no Commodity price risks and Commodity hedging activities. The details of Foreign Exchange risk and hedging activities has been disclosed elsewhere in the Annual Report.

l Plant Location:

In view of the nature of the Company's business, the Company is operating from various work sites spread throughout the country and the operations are controlled by the Corporate Office at "MIHIR" 8-2-350/5/A/24/1-B & 2, Panchavati Colony, Banjara Hills, Hyderabad-500 034 and through various Regional Offices.

Address for Correspondence:

Investor's Correspondence :

Physical / Electronic Mode :
 M/s. Karvy Computershare (P) Ltd.
 Karvy Selenium, Tower B, Plot number 31 & 32, Financial District, Gachibowli, Hyderabad 500 032

Shareholders General Correspondence

"IVRCL Limited"
 "MIHIR" 8-2-350/5/A/24/1-B & 2
 Road No.2, Panchavati Colony
 Banjara Hills HYDERABAD – 500 034

10. DISCLOSURES:

- i. No materially significant related party transaction with Promoters, Directors, the Management, the Subsidiaries or relatives of the Directors which may have potential conflict with the interests of the Company at large have been disclosed in the accounts along with the financial impact of the same elsewhere in the Annual Report.
- ii. There have been no major instances of non-compliance by the Company on any matters related to the Capital markets, nor have any penalty / strictures been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on such matters during the last three years.
- iii. The Company has adopted a Whistle blower policy and established the necessary vigil mechanism for all the employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of our code of conduct or ethics policy. The mechanism under the said policy also provides for adequate safeguards against victimization of employees who avail of the mechanism. No person has been denied access to the chairman of the audit committee. The said policy has been also put up on the website of the Company at the following link:
<http://www.ivrcl.com/downloads/WhistleBlowerPolicy.pdf>

- iv. The Company Complied with all the applicable mandatory requirements of Clause 49 of the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company did not adopt Non-mandatory requirements.
 - v. The board has approved a policy for determining “material” subsidiaries which has been uploaded on the Company’s website at the following link:
[http://www.ivrcl.com/downloads/Material SubsidiaryPolicy.pdf](http://www.ivrcl.com/downloads/Material%20SubsidiaryPolicy.pdf)
 - vi. The board has approved a policy for related party transactions which has been uploaded on the Company’s website at the following link:
<http://www.ivrcl.com/downloads/RelatedPartyTransactionPolicy.pdf>
 - vii. The Companies activities do not require any transactions involving commodities and hence there are no Commodity price risks and Commodity hedging activities.
- 11.** The Company Complied with the requirements of sub-paras (2) to (10) of Corporate Governance Report as specified in schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 12.** The Company did not adopt the discretionary requirements as specified in Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 13.** The Company Complied with the Corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Code of Conduct for Directors and Senior Management:

A copy of the Code has been put on the Company’s website www.ivrcl.com.

The Code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the Chairman and Managing Director is given below:

DECLARATION

I hereby confirm that :

The Company has obtained from all the members of the Board and Senior Management affirmation that they have complied with the Code of Business Conduct and Ethics for Directors and Senior Management in respect of the period ended 31st March 2016:

Place: Hyderabad

Date : May 30, 2016

E. Sudhir Reddy

Chairman & Managing Director

CERTIFICATE

To the Members of IVRCL Limited

We have examined the compliance of conditions of Corporate Governance by IVRCL LIMITED (“the Company”), for the year ended on March 31, 2016, as stipulated in Clause 49 of the Listing Agreement (‘Listing Agreement’) entered in to by the Company with Stock Exchanges for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December, 2015 to 31st March, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, by the Directors, Officers and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement/Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For D. HANUMANTA RAJU & CO
COMPANY SECRETARIES

CS DATLA HANUMANTA RAJU
PARTNER
FCS: 4044, CP NO: 1709

Place: Hyderabad
Date : May 30, 2016

MANAGEMENT DISCUSSION & ANALYSIS

Industry Overview

According to government's advance estimates for GDP, the growth estimate for the year 2016 is expected to be around 6 %, a little lower than the previous year. This, coupled with policy initiatives in the last year, is bolstering the spending of the infrastructure sector. Policy initiatives like the National Mission for Clean Ganga (NMCG), Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and Smart Cities etc, have started showing progress and both New Orders as well as Fund transfers have started taking place. It is again projected that India will lead China as a higher growth economy.

The Infrastructure Industry is a key sector in developing economy. It gives very large employment running into crores of people and also has a multiplier effect on other economic sectors. In the last few years, the Infrastructure industry has slowed down due to a variety of reasons. The Government's reduced pace of awarding new projects; delays in execution of projects, lack of environmental clearances and delays in land acquisition have been significant contributors.

The problems of the sector as highlighted earlier have been addressed by the Central Government. New funding mechanisms under Smart City and NMCG have started being implemented. In the Roads BOOT as a method of awarding jobs has been stopped and new orders are based on the cash contract system / EPC system.

The Central Governments AMRUT (Atal Bihari Mission for Rejuvenation and Urban Transformation) scheme to finance infrastructure in the areas of water, sewerage, roads, waste management and smart cities in most of the towns in India has started taking off in select states. In addition the Smart Cities scheme has been launched for twenty cities and the second list of thirteen has also been announced. The Government is also proposing some big ticket investments in new areas like long distance high speed trains, metro train networks in cities and inland waterways development.

In our country, nearly 226 million people do not have access to safe drinking water and more than 100 million people live in places where water is severely polluted. About 54% of India faces high to extremely high water stress. When the annual per capita of renewable fresh water in a country or a region falls below 1700 cubic metre, it is held to be a situation of water stress. According to recent studies, per capita availability of water is likely to fall down to 1140 cum. in 2050 suggesting that we're heading towards serious water crisis, if timely steps are not taken to tackle it. Once surface water is exhausted, people dig to find more water. Groundwater levels across 4,000 wells have receded by 54% in the last seven years. Falling groundwater levels shows that water is moving further away from the surface and becoming less accessible.

Over the years, increasing population, growing industrialization, expanding agriculture and rising standards of living have pushed up the demand for water. Efforts have been made to collect water by building dams and reservoirs and creating ground water structures such as wells. Recycling and desalination of water are other options but the cost involved is very high.

With all this, it is expected that outlook in this sector will continue to improve in the next two or three years. Order Books of key players have started to burgeon.

VERTICAL-WISE PERFORMANCE

WATER

The water sector has seen a significant revival in the last year. In Telengana Mission Kakatiya as well as Lift Irrigation schemes have got under way. Similarly in other states like Rajasthan and Karnataka continuing projects are being awarded. The previous instrument of financing, the JNNURM scheme which had created many water projects, petered out in 2012 and has been replenished with a more comprehensive set of schemes under AMRUT.

In the Water segment, your company has completed 25000 km of pipeline installation, 1300 MLD of WTP and 100 MLD of Desalination Water Supply (first and largest of its kind in India). Your company continued its march as a leader in this sector.

List of Projects Completed in Water Sector:

1. **HMWSSB - KDWSP - Phase-III** - Manufacturing, supplying, lowering, laying, jointing, testing and commissioning of **2375 mm dia MS Pumping main** with cement mortar inlining and out coating from CWR at Nasarlapally to CWR at Godakondla (along Nagarjunasagar - Hyderabad road from Km.82/2 to 59/6 Km.) including Manning, Operation & Maintenance for a period of 2 years - Package II (Joint Venture with TAI Infra - **Total Value – ₹ 205.86 Crores - IVRCL Part - 158.51 Crores**).
2. Civil & Electromechanical works for Reservoirs at GKVK / Betahalli Plantation, OMBR, Hudi and Booster Pumping Station - Contract W6b. **Value ₹ 73.38 Crores**
3. Augmentation of Deoghar Water Supply Scheme including - detailed survey, Leveling, Design including Drawing of each concerned items on Turnkey Basis. **Value ₹ 49.56 Crores**
4. Construction of internal roads, storm water drains, fire water reservoir, raw water reservoirs (2 Nos.) pump house, hose station and allied civil works for ONGC Mangalore Petrochemical Ltd., at Aromatic Complex Project, Mangalore SEZ, Mangalore, Karnataka. **Value ₹ 46.97 Crores**

5. Surveying, Engineering studies, Designing and Construction of 10 MLD WTP, ESR - 4 Nos., 6 M Dia Intake well with approach road including 150m of gangway with pump house, UG CWS of 2 ML, supply and laying of DI K-9/K-7 Rising and Distribution main, supplying and installation of VT & Centrifugal pump motor, Transformer and allied works, compound wall, staff quarters, Bridge on Gouri River for carrying of proposed DI Pipe and other allied works of Re-organization of Jhumri Telaiya Urban Water Supply scheme under DW & S Dn. Jhumri Telaiya and 6 months O&M of this scheme on Turnkey Basis. **Value ₹ 25.29 Crores**
6. **NLC - BTTP** - Three Years contract for the work of Operation and Preventive Maintenance and Security Patrolling activities of Water Carrier System of BTTP. **Value ₹ 5.58 Crores**
7. Operation & Maintenance of Sewage Treatment Plant (12 MLD) at Khajakunta Division No.122 in Kukatpally Division-14, West Zone, GHMC - **Value ₹ 52 Lakhs**
2. Raw Water and Fire Water Reservoir at PATA for Petrochemical Complex - II Project for GAIL. **₹ 35.96 Crores**
3. Construction of Lift Pump House Civil works package for Farakka STPS. - **₹ 35.86 Crores**

The new government has unveiled a plan to provide water for all. Signs of water industry order revival are coming in from some of the recently elected state governments. The central government proposes to treat polluted water (sewage) through schemes like Clean Ganga and AMRUT (Atal Mission for Rejuvenation and Urban Transformation) for the cities of India not on the Ganga or Yamuna. With these plans getting implemented, the sector will see better years.

Irrigation

The agriculture sector gives livelihood to 45% of our population but contributes only 16% to the GDP. One way to increase their incomes and provide gainful employment is to convert poor precipitation rain-fed areas to one where an assured supply of water is available, through irrigation schemes.

Of the 140 million hectares (mh) of net cultivated area in India, only around 60 mh are irrigated. For the Indian agriculture to grow around 4% per year, it needs to increase the area irrigated, introduce new high-yield technology and expand cultivable land.

India's twelfth five-year plan (2012–17) has focused attention on all of these issues. The plan puts great emphasis on aquifer mapping, watershed development, involvement of NGOs, and efficiency in developing irrigation capacity.

Your company has completed several large lift irrigation projects lately. The company has completed 2300 km of Canals, 2.5 million cum/hr of pumping, 476.8 MW total pump capability and 104 km of tunnels (4-18 m dia.) by March, 2015. Your company continues to forge ahead with these strong pre-qualifications.

The irrigation sector will now have better prospects. Several state governments, especially the recently elected ones, have made ambitious plans for lift and canal projects. This sector should be a steady performer with business from central India, which is primarily catered to by rain-fed rivers having substantial sea run off.

Irrigation Projects

1. **Pranahitha - Chevella LIS Link VII** - Package No.20 - Investigation, Design and execution of Lift irrigation Scheme for drawl / lifting of 25 TMC of water from Foreshore of SRSP Reservoir to Balancing Reservoir near Masani (V), Nizamabad Mandal & District by water conveyor system with all associated components on EPC Turnkey System. **(Joint Venture with BATPASCO - WPIL & MHI - Total Value – ₹ 892.67 Crores - IVRCL Part - ₹ 624.88 Crores)**

Major Ongoing Projects in Water Sector:

Raw Water Supply Projects

1. RWSS RGLC Panchala - Ghewra - Cherai of tehsil Osian, District Jodhpur Single point responsibility Turnkey Basis- **₹ 379.97 Crores**
2. Regional Water Supply Schemes of 283 Villages and their NRV's & Dharies of Deeg & Nagar Tehsils of Dist. Bharatpur under CDBP WS Project Single point responsibility Turnkey Basis – **₹ 263 Crores**
3. "Narmada DR Project based Cluster Water Project of 138 Villages and Sanchore Town of District Jalore Single point responsibility Turnkey Basis - **₹ 255.00 Crores**
4. Cluster Scheme of 205 Villages of Asind tehsil along with Augmentation of UWSS of Asind Town from Haripura Chouraha Headworks under Chambal - Bhilwara Water Supply Project, Phase-II – Single point responsibility Turnkey Basis- **₹ 249 Crores**
5. Design, Engineering, Manufacture, Supply, Transportation to Site, Storage, Erection, Testing and Commissioning and Operation & Maintenance for 10 Years for all the Equipment including all Mechanical, Civil, Electrical works under Phase - 1 for Pumping Station-1 (PS-1) at Chainage 100.970 Kms. for Kachchh Branch Canal - SSNL (JV with WUXI) Pumping Station-1 (PS-1) at Chainage 100.970 Kms. for Kachchh Branch Canal - SSNL – **₹ 183.47 Crores**

Industrial Water Projects

1. Make-up Water pipes package for Solapur Super Thermal Power Project (2x660 MW) for NTPC. - **₹ 71.19 Crores**

2. Kaleswaram LIS -Investigation, Design, and execution of Kaleswaram LIS with allied works lifting of 4.50 TMC of water from Godavari River near Kanepally (V) of Kaleswaram, Mahadevpur(V), Karimnagar Dist to feen an ayacut of 45,000 acres (**Joint Venture with KBL - MEIL - Total Value – ₹ 499 Crores - IVRCL Part - 324.35 Crores**).
3. Modernization of Godavari Delta System - Eastern Delta - Kakinada Canal, Samalkot including KMJ canal and its distributory system, East Godavari District on EPC Turnkey system (Package No.1 & Package No 2) – **₹ 222.59 Crore**

BUILDINGS & INDUSTRIAL STRUCTURES

Rapid urbanization has emerged as an undeniable global trend and India too has followed the trend. The trend demands today's city leaders to make tough decisions about infrastructure that will impact generations to come.

With 410 million city dwellers, India has the world's second largest urban population. It is estimated that by 2030, about 600 million people will reside in cities in India and account for 70 % of Indian GDP, according to a McKinsey report. As more and more people migrate from rural to urban areas, the existing urban cities would soon be crunched on resources and infrastructure.

The central government has announced various mega schemes aimed at transforming urban India - 100 Smart Cities, the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) for 500 cities and Housing-for-All by 2022. These projects envision smart cities as part of a sustainable society in which people live, work and play in safety and comfort while also coexisting in harmony with the environment.

The last few years did not see any significant downturn as Buildings are a key requirement for economic growth. The market, however, has been very competitive. Demands on material availability have also become a major concern, for instance, sand is now very difficult to get.

Your company continued its trend and market presence. As of Mar 31, 2005, we completed about 51.6 million sft have been constructed using 1.8 million cum of concrete, 30,600 MT of structural steel, and 3.43 lac mtrs of piling (500-1600 mm dia). There would be a well-known building complex by IVRCL in most cities in India.

Major works completed by the Company during the year:

List of Projects Completed in Buildings & Industrial Structures:

1. **CIDCO** - Construction of CIDCO Exhibition Centre including Civil, Interior & site Development works at Plot No. 1A, 15, 29 & 30 in Sector 30A at Vashi, Navi Mumbai. **Value ₹ 153.66 Crores**

2. **NTPC - Rihand** - Complete Civil & Structural works for Coal Handling Plant package for Rihand Super Thermal Power Project, Stage - III (2x500 MW) at NTPC - Rihand. **Value ₹ 121.96 Crores**
3. **TATA CUMMINS** - Civil Contractor for TCL3 ISLe Project for Tata Cummins Limited at Phaltan, Dist. Satara (Maharashtra). **Value ₹ 105.36 Crores**
4. Uttar Pradesh Rajkiya Nirman Nigam Limited, - Construction of Trama Centre, SGPGL, Lucknow. **Value ₹ 37.85 Crores**
5. Construction of Computer Centre and Computer Science & Engineering Complex including Internal PH Works & PVC Conduit System for Electrical works for IIT Bombay, Powai, Mumbai 76. **Value ₹ 33.49 Crores**
6. Construction of 45m high circular lighthouse tower (using Jumping-form / conventional method) at Sacramento, East Godavari District. **Value ₹ 1.36 Crores**

List of Major On- going Projects in Buildings & Industrial Structures:

Commercial Building Projects

1. Construction of Two Elevated Metro Stations Viz. R.V.Road Terminal and Jayanagar Reach - 4 for Bangalore Metro Rail Project, Phase-I ₹ **71.52 Crores**
2. Construction of Marketing Development cum Business Park (MDBP) including lifts and ancillary works at NSIC Complex, Okhla, New Delhi – ₹ **76.35 Crores**
3. Construction of buildings for National Transmission & Asset Management Centre (NTAMC) and National Power Training & Management Centre & Trainees Hostel at Manesar Substation, Haryana for PGCIL. – ₹ **67.92 Crores**
4. Construction of International Cricket Stadium at Amravati Township, Mangalagiri, Guntur District near Vijayawada including Infrastructure Facilities. – ₹ **51.04 Crores**

Institutional Building Projects

1. Construction of the Campus of National Institute of Biomedical Genomics, West Bengal. – ₹ **105.34 Crores**

Industrial Building Projects

1. Main Plant and Offsite Civil Works Package for Meja Thermal Power Project (2x600 MW) - ₹ **289.76 Crores**
2. Main Plant, CW, Offsite civil works and Chimney & Chimney Elevator package for Solapur Super Thermal Power Project (2x660 MW) in Maharashtra. - ₹ **289.55 Crores**
3. Site Leveling & Ground Improvement works Package for NTPC Tamilnadu Energy Company Limited Power Project (2x500 MW). – ₹ **93.65 Crores**

POWER

Your company concentrates on Power Transmission Lines and Rural Electrification.

The government's plans to expand electricity transmission across the country have not progressed steadily in the last few years. Only a few projects awarded through tariff-based competitive bidding (TBCB) have achieved commissioning. In most cases, the work is yet to start, though commissioning was in the last 1-2 years.

Inordinate delays in getting the necessary government clearances coupled with land acquisition pose a major hurdle to the progress of power transmission and rural electrification projects.

While the central government is planning to award transmission projects worth ₹ 1 lakh crore in a year's time, the already awarded projects that are to come up in 2016-18 are also embroiled in similar issues.

Your company has 7 lac BPL connections provided, 11000 villages electrified, 1460 km of transmission line (132, 220, 400 & 765 KV) erected, and 60 track kms of traction and OHE works done as of March 31, 2015. These match the industry best.

During the year, the following projects were completed:

List of Projects Completed in Power Sector:

1. Design, Engineering, Supply of Equipment's / materials and installation, testing, commissioning and completion of facility for Rural Electrification work in Uttar Dinajpur of West Bengal. **Value ₹ 125.91 Crores**
2. Supply & Services Contract for Tower Package - P213 - TW01 for 765 KV S/C Angul Pooling Station - Jharsuguda Pooling Station Transmission Line (Line-1) (Part-I) associated with Part-A (System Strengthening in Orissa) of Transmission System for Phase-I Generation Projects in Orissa for PGCIL. **Value ₹ 119.93 Crores**
3. Haldia - Subhashgram Transmission Line Project - Supply of Materials, Survey / Erection / Commissioning for Tower package for 400 KV D/C Haldia - Subhashgram Transmission Line Project. **Value ₹ 108.45 Crores**

List of Major On- going Projects in Power Sector:

1. HVPNL - 132 kV S/C line on D/C towers from 220 kV S/ Stn. Batta to 132 kV S/Stn. Rajound, 132 kV D/C line from 400 kV S/Stn. Deepalpur to 132 kV S/Stn. Tajpur, 132kV S/C Line from 220 kV S/Stn., Batta to Dhanouri, 132kV S/C Line from 220 kV S/Stn., Batta to Padla, 132 kV S/C line on D/C towers from Dhudianwali to Kariwala Transmission Line (Total length = 89.78 Kms. **Value; ₹ 29.33 Crores**

2. CIDCO- Development of power supply infrastructure distribution network including construction of 33/11kV & 11/0.4kV HT Substations & allies electrical works in sector-25 to 45, Kharghar Node, Navi Mumbai (Phase-I) – **Value – ₹ 60.97 Crores**

TRANSPORTATION

It's no secret that big economies poised for rapid growth need robust infrastructure with roads forming a major part of that. The Modi government has set ambitious targets of National Highways completion under the auspices of NHAI. The Railways ministry is also actively planning large investments to modernize the sector.

India has the second highest road network in the world, spanning over 4.7 million km carrying over 60% of the country's total freight traffic and about 85% of the passenger traffic. However, only half of the country is paved, and less than a quarter of its national highways meet required standards. While road freight volume and the number of road vehicles have been growing at a compounded annual growth rate of 9.1% and 10.8% respectively, the growth rate of length of roads lags behind at 4%.

India's rail network is the 4th longest and the most heavily used system in the world. The present suburban railway services in India are limited and are operational only in the metros. The sector does demand speedy investments which thankfully the central government has been announcing from time to time now giving a good share of infrastructure spend to transportation.

On the Transportation front, your company has 3402 lane km of Highways have been completed, 75 km of railway track work are done, and 1963 lane km of highway concession projects under operation and development.

A select List of Projects Completed in Transportation Sector:

1. Corporation of Chennai - Design and Construction of ROB at Mint Junction. **Value ₹ 19.04 Crores**

List of Major On- going Projects in Transportation Sector:

1. Widening of existing road to 2 Lane from Nechipu to Hoj, via Seppa, Khodaso, Saggalee, Arunachal Pradesh Package - ₹ **1486.00 Crores**
2. Widening to 2-lane and improvement of Govindapalli - Salimi - Mahupadar road including a minor bridge over Chikabuka Nullah in Km.45 in Malkangiri District of Orissa – ₹ **74.48 Crores**
3. Metropolitan Bridge to Garia Station Road Crossing, The BRTS Scheme under JNNURM Project (Package I). – ₹ **73.54 Crores**

The government has announced the National Highway Development Programme, which is the largest active infrastructure program, aiming to upgrade 54,000 kilometres of highways. On the rail network front, the government aims to build 25,000 kilometres of new lines by 2020, yet only about 2500 kilometres have been added from 2006 to 2014. Recent announcements by government showing a quantum rise in transportation infrastructure do provide us hope of the sector getting improved in the coming years.

Your company continues to leverage its strong pre-qualification for bagging and executing the upcoming projects

MINING

The Mining industry in India is a major economic activity which contributes significantly to the economy of India.

In recent years, mining industry has been facing issues of large scale displacements, resistance of locals, human rights issues like indentured labour and environmental issues like pollution, corruption, deforestation and dangers to animal habitats.

Your company has been trading strongly in the mining sector. We have a sophisticated and prestigious project in this sector.

- **Malanjkhand Underground Project:** The project aims to develop an underground mine and is planned to extract 5 Million TPA of copper ore from Malanjkhand Copper Project, Balaghat, Madhya Pradesh. The project involves sinking 4 vertical shafts to depths ranging from 665 m to 695 m, for lifting ore, carrying men & material and for ventilation. A total of 2 Declines (an incline passage) at 1 in 7 gradient, reaching up to a depth of 660 m have to be constructed.

The excavation of declines, drives, crosscuts, passes, raises etc. would go to a total length of 55.40 km. The project would use sophisticated mining machinery - two Friction Winders of capacity 4500KW & one Service Winder of capacity 2300 KW for hoisting of 100 workers as a part of the job.

India has vast minerals potential with mining leases granted for longer durations of 20 to 30 years. The demand for various metals and minerals will grow substantially over the next 15 years. The power and cement industries also aid growth in the metals and mining sector.

With the Indian economy expected to grow by approximately 7% in the years to come, sectors such as infrastructure and automobiles will receive a renewed thrust, which would further generate demand for power and steel in the country. This is expected to provide a major thrust to the demand of minerals like coal and iron ore.

Transmission line Tower (TLT) Factory

The TLT factory at Butibori, Nagpur manufactures and supplies Transmission Towers. It is a vital support for the EPC Transmission Line business. Of late, the factory caters to other EPC players in the transmission sector as a quality vendor and significant new business has been obtained.

OVERSEAS

Kenya

Bura Irrigation and Settlement Scheme Rehabilitation Project: The objective of the project is to augment water from Tana river through Gravity process by covering 5500 hectare irrigable land.

Tanzania

Lindi Drinking Water Supply Project: The project would supply Drinking water to Lindi and near by Villages

Rwanda

Lake Victoria Water Supply and Sanitation Program, Phase-II: The project is envisaged to supply Drinking water to Nyagatare, Nyanza and Kayonza Towns.

IVRCL TECHNICAL SERVICES & SOLUTIONS

The company's customers are now concerned about the efficient and effective use of the assets constructed under their EPC orders. As a policy therefore, government customers are now combining capex (EPC) orders with O&M (Operations & Maintenance). The O&M could typically be for five years. This is being felt in all the company's business sectors of Water, Irrigation, Power, Transportation and Mining.

IVRCL has noticed this trend and decided to enter into value added services, including O&M. An O&M Division has been set up in FY14-15. In the initial phase, the O&M business will focus on the existing EPC lines of business, and leverage the company's pre-qualification and technical manpower talent.

India has a severe shortage of trained technical talent. This service division will provide gainful employment and meaningful work to thousands of youngsters across the country. The company's training capabilities will be deployed to bring raw recruits quickly to the desired competence level.

The set of services relate to the Water sector.

The Offerings are:

- Comprehensive O & M
- Retrofit & Revamp
- Analysis Reports
- Plant Performance Audits

Asset performance & efficiency in a cost-effective manner is instrumental in running a business profitably over time. Every aspect of Assets undertaken by IVRCL Technical Services and Solutions is handled by highly trained and seasoned industry professionals.

Advantages of IVRCL Technical Services & Solutions are

- Reduced operational cost and improved systems and processes
- Access to a large team of experienced engineers and technicians spread across the country
- Increased Assets Turnover
- Increased Asset life
- One point of contact

RISKS AND CONCERNS

In view of the current environment and the CDR package, IVRCL has enhanced its focus on risk management. Project execution overview has been significantly strengthened by adding more experienced and senior persons to the PMC (Project Monitoring Cell). Reviews are conducted regularly to understand the cost profile of the original bid and the effect of time on costs.

Risks are also faced in the new jobs which have to be bid for and the market is very price competitive. IVRCL has put in place much stronger cost review mechanisms for jobs to be bid and has increased the benchmark rate at which the job will be bid for.

The concerns for the company are the delay in sorting out the cases pending for extra claims, delays with some of the jobs relating to the land acquisition and environmental clearances, and very slow progress on arbitration. The concern is also that customers who delay from their side have no decision making powers to pass on the compensation for this.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

IVRCL is maintaining an effective system of internal control for facilitating accurate, reliable and speedy compilation of financial information, safeguarding the assets and interests of the company and ensuring compliance with all laws and regulations.

The company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations, which provide, among other things, reasonable assurance of authorization, recording and reporting of the transactions of its operations in all material respects and of providing protection against significant misuse or loss of all the assets of the company.

The internal control system is managed through continuous internal audit by outside professionals, duly supported by our in-house internal audit team, which is empowered to examine the adequacy and compliance with the policies, plans and statutory requirements. The internal audit team also conducts regular audits across the company's operations in all key business areas as per the pre-drawn audit plan.

All significant audit observations and follow up actions are reported to the Audit Committee along with Internal Audit reports and the management responses/replies thereon. The minutes of the Audit Committee are reviewed by the Board for its suggestions / recommendations to further improve the internal control system. The Audit Committee periodically reviews audit plans, observations and recommendations of the Internal Auditors with reference to significant risk areas and adequacy of internal controls.

OPPORTUNITIES & THREATS

The infrastructure sector with its low growth in the last few years has been in a conservation mode and has focused more on its survival and not so much on growth. The opportunities that will arise relate to fresh investments being proposed all over the country. All of these will ask for new technologies for example with new methods of sewage treatment, urban transportation and long distance rail transport. It will also require new methods of project execution and techniques such as the use of pre-fabricated elements.

Much greater concern being there for the environment, opportunities would arise in its remediation such as treating lakes, dredging rivers and restoring water bodies. In urban solid waste there will be many opportunities to collect and segregate waste, process waste and generate energy from waste. With the rising pressure of population in cities and the shortage of public space, software and IT hardware with sensors will be used to improve public asset use such as in parking management, delivery of citizen services, traffic management and so on.

The threats that would prevail relate more to the individual company and its ability to handle the municipality and the Government customer expectations. To start with the financial and bidding capability norms could get tougher. The large opportunities and active GOI interest will bring in global players coming to India for the first time and they would probably be allowed to use their foreign pre-qualifications. The customers will also expect timely execution and will not be considerate for time extensions. In general, they are also reducing the planned execution time for various tenders.

The Government proposes to use new techniques like Swiss Challenge which allows a company with new capabilities and technologies to offer a solution and this will enable new parties and competitors to enter the fray and set a benchmark. Last but not the least, the market is expected to continue being price competitive. Design for frugal material usage, strong cost skills for procurement and good contracting skills are required to ensure the promised profits.

HUMAN RESOURCE MANAGEMENT

IVRCL has a proud record of people retention and its brand equity with the customers has arisen because of this. Almost 50% of the employees, out of a total headcount of 2831, are Engineers. The current focus of the company is to improve the productivity at each project site and in each central function, to that effect; the manpower deployment has been carried out based on competency rating programmes, transfers, re-skilling and re-training. The more frequent and dynamic review is carried out to see the competence deployed in a given situation and when the human resource becomes surplus in a given project. As a result of this, the company has retained and kept the faith of good number of long serving employees who are the vital connection to the customers.

FUTURE OUTLOOK

IVRCL got into SDR from CDR approval in the Financial Year 2013-14 and a comprehensive two-step plan has been put

in place to achieve a turnaround. The first step related to attending to the immediate ongoing jobs and necessary restructuring, cost cutting, focused project completion necessary for this. The PMC (Project Monitoring cell) has been strengthened to attend to this. The senior management team is involved in regularly meeting stakeholders such as bankers, customers and contractors to ensure adequate coordination from the highest level. Fresh blood has been infused in the top management. Cash flow management, project execution and completion has been accorded the highest priority.

The second part of the strategy has been to look at growth areas which could be pursued in the current environment itself. These relate to the business activity lines which are complimentary to the existing business lines but are new and technology oriented. The company will participate in such businesses provided they are significantly more margin driven than the current businesses and wants to have first advantage in such emerging market areas. These will be asset light.

With this two pronged approach, for which one part is with the current crop of stable modest margins and high turnover business coupled with second part which is an asset like technology incentive and higher margin oriented. IVRCL hopes to see a bright future for it-self.

Financial Review

The following table sets forth the income statement for the financial year ended March 31, 2016 and March 31, 2015. The components of expenses have been expressed as a percentage of total income for the period indicated.

	(₹ in million)	
	March 31, 2016	March 31, 2015
Net Income from operations	23,616.78	31,174.17
Other Income	201.46	435.12
Total Income	23,818.24	31,609.29
Construction expenses	24,317.16	26,674.54
Construction expenses as a percentage to total Income	102.09	84.39
Employee Benefit expenses	1,512.50	1,891.70
Employee Benefit expenses as a percentage to total Income	6.35	5.98
Other Expenses	1,763.74	2,900.71
Other Expenses as a percentage to total Income	7.40	9.18
EBITDA	(3,775.16)	142.34
EBITDA - Percentage to total Income	(15.85)	0.45
Finance cost	6,648.15	6,529.24
Finance cost as a percentage to total Income	27.91	20.66
Depreciation	801.97	903.59
Depreciation as a percentage to total Income	3.37	2.86
Profit /(Loss) Before tax (PBT)	(11,225.27)	(7,290.49)
PBT - percentage to total Income	(47.13)	(23.07)
Exceptional Items	(252.97)	(568.15)
Exceptional Items - percentage to total Income	(1.06)	(1.80)
Tax for earlier years	-	-
Current Tax expenses/ reversal for current Year	(674.44)	-
Deferred Tax	306.52	-
Profit /(Loss) After tax (PAT)	(10,604.39)	(6,722.34)
PAT - percentage to total Income	(44.52)	(21.27)

The Order Book Position of the Company stood at ₹ 142,250 million as on March 31, 2016

Revenue from operations

The company could achieve turnover of ₹ 23,616.78 million for the financial year ended March 31, 2016, as compared to turnover of ₹ 31,174.17 million for the previous financial year ended March 31, 2015. The Company continued to face acute working capital problem which majorly contributed to lower turnover. The net loss for the year was ₹ 10,604.39 million, higher by 57.75% as compared to the previous financial year. The Company is in continuous engagement with its clients to realize the claims filed to the extent of around ₹ 45,000 million towards deviation in design, idle time charges etc. The claims would be accounted for as and when certainty as regards acceptance of claims are established.

Independent Auditors' Report

To the Members of

IVRCL LIMITED

1. Report on the Standalone Financial Statements

We have audited the accompanying Standalone financial statements of **IVRCL LIMITED ("the Company")**, which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information for the year then ended in which are incorporated the unaudited branch returns for the year ended on that date of the Company's branch at Kingdom of Saudi Arabia ('the branch').

2. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend

on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone financial statements.

4. Basis for Qualified Opinion

We refer to:

- a) Note 48 to the standalone financial statements, in respect of preparation of financial statements of the Company on going concern basis for the reasons stated therein. During the year the Company has incurred a Net Loss of ₹ 10,604.39 million resulting into accumulated losses of ₹ 20,401.42 million and substantial erosion of its Net worth as at March 31, 2016. The company's current liabilities exceed current assets. The Company has obligations towards borrowings and pertaining to operations including unpaid creditors and other dues as at March 31, 2016. These matters require the Company to generate additional cash flows to fund the operations as well as other obligations notwithstanding the current level of low operating activities and difficulties with respect to realisation of its current assets including litigation in various projects. In view of these matters, the appropriateness of assumption of going concern is dependent upon the sale/divestment of Investments and/or the Company's ability to raise requisite finance/generate cash flows from operations to meet its obligations.
- b) Note 39 to the standalone financial statements in connection with the existence of material uncertainties over the realisability of bank guarantees encashed by customers, unbilled revenue, trade receivables and withheld amount aggregating to ₹ 16,004.17 million, which are subject matters of various disputes /arbitration proceedings/ negotiations with the customers and contractors due to termination / foreclosure of contracts and other disputes. The management of the Company is confident of positive outcome of litigations/ resolutions of disputes and recovering the aforesaid dues. In view of pending certification of bills/slow progress/termination of these projects, and lack of other alternate audit evidence to corroborate management's assessment of

recoverability of these balances, we are unable to comment on the extent to which these balances are recoverable.

- c) Note 40 to the standalone financial statements in respect of invocation of corporate guarantees of ₹ 7,956.80 million and initiation of recovery actions against the Company in respect of such guarantees extended / executed for its two subsidiaries in favour of the lenders, no provision has been made for the reasons stated therein.
- d) Note 41 to the standalone financial statements regarding equity investment of ₹ 657.53 million and loans and advances of ₹ 347.67 million as on March 31, 2016 in Hindustan Dorr Oliver Limited, a subsidiary company, whose net worth has eroded and continues to incur losses as on March 31, 2016. We are unable to comment on the extent to which the carrying amount of such investment and loans and advances is recoverable.
- e) Note 42 to the standalone financial statements in respect of MOU/definitive agreement entered in to by the Company for divestment of subsidiary companies. The sale consideration agreed for such divestment is lower than the carrying value of investments and outstanding advances. This will result into losses on divestment/diminution aggregating to ₹ 3,391.76 million as on March 31, 2016.
- f) Note 43 to the standalone financial statements in respect of loans and advances of ₹ 4,289.36 million given to subsidiaries engaged in BOT and other projects, which are under disputes with the concessionaire, and other subsidiaries that have significant accumulated losses as at March 31, 2016. We are unable to comment on the extent to which the carrying amount of such loans and advances is recoverable.

5. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described under paragraph 4d, 4e & 4f and possible effects of the matters described under paragraph 4a, 4b & 4c in the basis for qualified opinion, the aforesaid Standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its losses and its cash flows for the year ended on that date.

6. Emphasis of matters

Attention is invited to

- a. Note 44 to the standalone financial statements in respect of Investment of ₹ 6,732.85 million in subsidiaries engaged in BOT and other projects, which are under disputes with the concessionaire, and other subsidiaries that have significant

accumulated losses as at March 31, 2016. The value of such Investments is dependent upon various factors including completion of the projects, their operating performance etc.

- b. Note 45 to the standalone financial statements in respect of recognition of claims aggregating to ₹ 949.10 million on certain irrigation projects and towards cost escalation on a road project considering the reasons stated therein.
- c. Note 46 to the standalone Financial Statements in respect of certain projects wherein the Management of the Company has considered trade receivable aggregating to ₹ 2,246.82 million and unbilled revenue amounting to ₹ 1,143.40 million, as good and fully recoverable for the reasons stated therein.
- d. Note 47 to the standalone financial statements in respect of advances to various parties aggregating to ₹ 1,310.42 million which are outstanding for long period of time and considered good by the management.
- e. Note 54 to the standalone financial statements in respect of pending winding up petitions against the company and the matters being subjudice, the company is taking necessary steps for settlement.
- f. Note 38 to the standalone financial statements in respect of managerial remuneration where the Company is awaiting central government approval and/or in the process of making application to the central government.
- g. Note 9.1 to the standalone financial statements wherein, subsequent to year end, one lender has initiated recovery proceedings against the Company under the Securitization and Reconstruction of Financial Assets and enforcement of Security Interest Act, 2002 in respect of outstanding loan of aggregating to ₹ 1,322.80 million.
- h. Note 29(3) to the standalone financial statements in respect of the indicative recompense of ₹ 2,585.00 million, payment of which is contingent on various factors including improved performance of the Company and many other conditions, the outcome of which is currently uncertain and hence the proportion of amount payable as recompense has been treated as contingent liability.
- i. Note 55 to the standalone financial statements regarding pending confirmation of balance for various loans aggregating to ₹ 1,628.98 million by lender banks and pending confirmation of balances for banks balances aggregating to ₹ 11.33 million.
- j. Note 57 to the standalone financial statements in respect of collapse of an under construction structure at project site and the company is in process of assessment of damage and filing of insurance claim for such loss.

Our opinion is not qualified in respect of these matters.

7. Other Matters

- a) With reference to Note 59(a) of the standalone financial statements include the financial statements of 22 jointly controlled entities whose financial statements reflect the Company's Share in profit (net) ₹ 87.24 million for the year ended on that date. These financial statements/information have been furnished to us by the management and our opinion on the standalone financial statements so far as it relates to the amounts and disclosures included in respect of these jointly controlled entities is based solely on such financial statements certified by the management.
- b) With reference to Note 59(b) we did not audit the financial statements/information of a branch at Kingdom of Saudi Arabia included in the standalone financial statements of the Company whose financial statements / financial information reflect total assets of ₹ 0.01 million as at March 31, 2016 and total revenue is Nil for the year ended on that date, as considered in the standalone financial statements.

Our opinion is not qualified in respect of these matters.

8. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - a) we have sought and except for the matters described under "Basis for qualified opinion" paragraph, have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) Except for the effects/possible effects of matters described in the "Basis for qualified opinion" paragraph, in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns/accounts of the branches not visited by us.
 - d) in our opinion, except for the effects/possible effects of matters described in the "Basis for qualified opinion" paragraph, the aforesaid Standalone financial statements comply with the Accounting Standards specified under

section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) The matters described in the "basis for qualified opinion" and matters described under para 'a', 'e' & 'g' of "emphasis of matters paragraph", in our opinion, may have an adverse effect on the functioning of the Company;
- f) On the basis of the written representations received from the directors as on March 31, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph;
- h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report express qualified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29 to the standalone financial statements;
 - ii. Except for the effects/possible effects of matters described under basis of qualified opinion paragraph, the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company did not have any derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For CHATURVEDI & PARTNERS

Chartered Accountant
Firm Registration No. 307068E

RAVINDRA NATH CHATURVEDI

Partner
Membership No. 092087

Date: May 30, 2016
Place: Hyderabad

“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the standalone financial statements of the Company for the year ended March 31, 2016:

- I (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The fixed Assets were physically verified during the year by the Management in accordance with a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. According to the information and explanations given to us, discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- (c) The title deeds of immovable properties are held in the name of the company except for the details given in **Appendix -1**;
- II According to the information and explanations given to us, the management has conducted physical verification of inventory at reasonable intervals during the year. The discrepancies noticed on verification between physical stocks and book records were not material and have been properly dealt with in the books of account.
- III The company has granted interest free unsecured loans to companies covered in the register maintained under section 189 of the Act, in respect of such loans;
- (a) In our opinion, the terms and conditions of the loans granted by the company to 8 subsidiaries, aggregating to ₹5,515.91 million as at March 31, 2016, having regard to the cost of funds to the company, are prejudicial to the interest of the company.
- (b) The schedule of repayment of the principal has not been stipulated, hence, we are unable to comment as to whether repayments are regular.
- (c) As the schedule of repayment has not been stipulated, we are unable to comment whether any amount is overdue and whether reasonable steps have been taken by the company for recovery of the principal.
- IV According to information and explanation given to us and based on the legal opinion obtained by the company that the company being a company engaged in the business of providing infrastructure facilities in terms of Section 186, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013, in respect of grant of loans, making investments and providing guarantees and security as applicable.
- V According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act, 2013, and the rules framed thereunder to the extent notified.
- VI We have broadly reviewed the cost records maintained by the Company pursuant to the Rules made by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of these records with a view to determine whether they are accurate or complete.
- VII (a) According to information and explanations given to us and records of the Company examined by us, the Company has not been regular in depositing undisputed statutory dues in respect of provident fund, employee’s state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. There have been significant delays in a large number of cases in depositing these dues with the appropriate authorities. Further, no undisputed amounts payable in respect of these statutory dues were outstanding as on March 31, 2016 for a period of more than six months from the date they became payable except as given in **Appendix-2** to this report.
- (b) According to the information and explanations given to us and records of the Company examined by us, Particulars of dues outstanding in respect of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute are given in **Appendix-3** to this report.
- VIII According to the information and explanations given to us, there are no loans or borrowings payable to the Government. The Company has defaulted in repayment of loans or borrowing to a financial institution, bank, and dues to debentureholders. The details of such defaults are given in **Appendix-4**.

- IX According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans have been applied by the Company during the year for the purposes for which they were obtained.
- X According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees have been noticed or reported during the year.
- XI According to the information and explanations given to us and based on the audit procedures conducted by us, Managerial Remuneration paid to Chairman & Managing Director was in excess of the minimum remuneration allowable as per the provisions of section 197 read with Schedule V to the Companies Act, 2013. Accordingly an amount of ₹ 12.46 million has been accounted as due from director. Total due from director as at March 31, 2016 is ₹ 18.69 million.
- XII In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Therefore, the provisions of Para 3 (xii) of the Order are not applicable to the Company.
- XIII In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013, where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- XIV According to the information and explanations given to us, the company has during the year made preferential allotment to the lenders by way of conversion debt into equity in accordance with the scheme of Corporate Debt Restructuring (CDR) and Strategic Debt Restructuring (SDR). The requirements of section 42 of the Companies Act, 2013 have been complied with to the extent applicable on above.
- XV According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with them. The provisions of clause 3 (XV) of the Order are not applicable to the company.
- XVI In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

For CHATURVEDI & PARTNERS

Chartered Accountant
Firm Registration No. 307068E

RAVINDRA NATH CHATURVEDI

Partner
Membership No. 092087

Date: May 30, 2016

Place: Hyderabad

ANNEXURE “B” TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF IVRCL LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of IVRCL Limited (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial

controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion

In our opinion according to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2016:

The Company did not have appropriate internal financial controls over (a) Assessment of recoverability of bank guarantees encashed by customers, unbilled revenue, trade receivables and withheld amounts which are subject matters of various disputes /arbitration proceedings/ negotiations with the customers and contractors due to termination / foreclosure of contracts and other disputes. (b) Assessment of provision required in respect of invocation of corporate guarantees and initiation of recovery actions against the Company in respect of such guarantees extended / executed for its two subsidiaries in favour of the lenders. (c) Assessment of “other than temporary diminution” of long term equity investment and assessment of recoverability of loans and advances in subsidiary companies whose net worth has eroded and continues to incur losses as on March 31, 2016. (d) Control over reconciliation of subcontractors work bills with the work bills submitted to the clients and physical progress of works completed, which could potentially result into inaccurate estimation of percentage of work completed and consequently delay in the realization of unbilled revenue/receivables. (e) Controls over projects costs estimation and review of balance costs to complete in respect of work projects, which could potentially result into inaccurate estimation of foreseeable losses on works contracts.

The inadequate supervisory and review control over Company’s process in respect of its aforesaid assessment in accordance with the accounting principles generally accepted in India could potentially result in a material misstatement in preparation and presentation of financial statement including the profit after tax.

A ‘material weakness’ is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company’s annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified opinion

In our opinion, except for the effects of material weaknesses described in “basis of qualified opinion” paragraph above, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2016 standalone financial statements of the Company, and these material weaknesses have affected our opinion on the standalone financial statements of the Company we have issued a qualified opinion on the standalone financial statements.

For CHATURVEDI & PARTNERS

Chartered Accountant
Firm Registration No. 307068E

RAVINDRA NATH CHATURVEDI

Partner
Membership No. 092087

Date: May 30, 2016

Place: Hyderabad

Appendix-1 as referred to in Para I(c) of the Annexure to the Independent Auditors’ Report

Title deeds of immovable properties yet to be transferred in the name of the Company.

(₹ in million)

S. No.	Description	Total No. of Cases	Gross Block	Net Block
1	Land Freehold	10	67.72	67.72
2	Land Freehold	9	7.96	7.96
3	Buildings	21	135.33	108.01
4	Buildings	3	42.43	35.51
5	Buildings	2	1.31	1.15
		45	254.75	220.35

Appendix -2 as referred to in Para VII(a) of the Annexure to the Independent Auditors' Report

Name of the Statute	Nature of Due	Period to which amount relates (₹ in million)					
		Up to 2014-15	April'15	May'15	June'15	July'15	August'15
Sales Tax & VAT Laws: Tamilnadu Uttar Pradesh	Work Contract Tax Due Date	12.65 20th of the next month	0.84 - 20/05/2015	1.94 0.025 20/06/2015	1.36 0.088 20/07/2015	4.23 0.17 20/08/2015	2.24 - 20/09/2015
Sales Tax & VAT Laws: Gujarat	Work Contract Tax Due Date	- 22nd of next month	0.01 22/05/2015	0.04 22/06/2015	0.38 22/07/2015	0.018 22/08/2015	-
Sales Tax & VAT Laws: Orissa	Work Contract Tax Due Date	- 21st of next month	3.78 21/05/2015	0.75 21/06/2015	4.76 21/07/2015	1.48 21/08/2015	0.16 21/09/2015
Sales Tax & VAT Laws: Bihar	Work Contract Tax Due Date	30.88 25th of next month	0.017 25/05/2015	4.90 25/06/2015	0.98 25/07/2015	1.85 25/08/2015	2.42 25/09/2015

Tax Deducted at Source -

Name of the Statute	Nature of Due	Period to which amount relates (₹ in million)					
		Up to 2014-15	April'15	May'15	June'15	July'15	August'15
Tax Deducted At Source	194C Contractors (Principal) Due date	-	-	-	-	18.61 07/08/2015	-
	Interest	-	1.09	2.00	2.67	2.51	-

Service tax interest:

(₹ in million)

Month	Principal	Interest	No. of days default
May'15	1.10	0.20	299
June'15	5.01	0.83	269
July'15	13.10	1.91	238
August'15	10.68	1.34	207

Appendix -3 as referred to in para VII(b) of the annexure to the Independent Auditors' Report

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount Relates	Amount (₹ in million)
Sales tax and VAT laws	Sales Tax and VAT	Appellate Authority - upto Commissioner's level	2004-05 to 2011-12	1106.19
		Appellate Authority - Tribunal level	2003-04 to 2004-05	2.86
		Appellate Authority - Tribunal level	2006-07	0.64
		Appellate Authority - Tribunal level	2003-04	71.01
		Appellate Authority - High Court level	2007-08	144.03
Andhra Pradesh Tax on Entry of Motor Vehicles Act, 1996	Entry Tax	Appellate Authority - Tribunal level	2001-02	0.83
Rajasthan Tax on Entry of Goods into Local Areas Act, 1999	Entry Tax	Appellate Authority - Commissioner level	2006-07	6.47

Appendix - 4 as referred to in para VIII of the annexure to the Independent Auditors' Report
Non-Convertible Debentures –

(₹ in million)

Particulars	Amount of Default		Period of Default	
	Principal	Interest	Principal	Interest
Name of lenders				
LIC of India	2,000.00	250.99	> 2 Years	> 2 Years
		267.26		< 1 Year
		243.00		< 2 Years

Principal & Interest Delay Days- Working Capital Term Loan - I (WCTL-I)

Particulars	Amount & Period of Default			
	Principal Amount (₹ in million)	Principal delayed days	Interest Amount Due (₹ in million)	Interest - delayed days
Andhra Bank	58.96	1 day	46.34 22.94	1 - 92 days 123-153 days
Canara Bank	86.05	1 day	62.43 30.62	1 - 92 days 123-153 days
Indian Overseas Bank	130.34	1 day	96.93 45.83	1 - 92 days 123-153 days
ICICI Bank	63.58	1 day	57.59 12.20	1 - 92 days 123 days
Karur Vysya Bank	2.37	1 day	1.67 0.85	1 - 92 days 123-153 days
Lakshmi Vilas Bank	7.62	1 day	5.60 2.78	1 - 92 days 123-153 days
State Bank of India	62.64	1 day	45.18 22.24	1 - 92 days 123-153 days
Tamilnadu Mercantile Bank	36.77	1 day	19.79	1 - 61 days
IDBI Bank	97.31	1 day	71.18 34.58	1 - 92 days 123 - 153 days
EXIM Bank	6.31	1 day	5.54 2.32	1 - 92 days 123 - 153 days
IndusInd Bank	7.50	1 day	5.57	1 - 92 days
Corporation Bank	94.48	1 day	69.45	1 - 92 days
International Asset Reconstruction Company Pvt. Ltd.	54.20	1 day	66.42 19.16 4.49	1 - 92 days 123 - 153 days 184 days
DBS Bank Limited	89.58	1 day	63.05 31.59	1 - 92 days 123-153 days
Axis Bank Limited			1.78	1 day

Principal & Interest Delay Days- Working Capital Term Loan - II (WCTL-II)

Particulars	Amount & Period of Default			
	Principal Amount (₹ in million)	Principal delayed days	Interest Amount Due(₹ in million)	Interest delayed days
Andhra Bank	0.41	1 day	0.36 0.18	1 - 92 days 123 - 153 days
Canara Bank	5.23	1 day	3.93 1.91	1 - 92 days 123 - 153 days
Indian Overseas Bank	47.63	1 day	35.42 16.74	1 - 92 days 123 - 153 days
ICICI Bank	14.26	1 day	11.41 2.74	1 - 92 days 123 days
State Bank of India	0.10	1 day	7.81 3.88	1 - 92 days 123 - 153 days
IDBI Bank	70.21	1 day	51.36 24.95	1 - 92 days 123 - 153 days
Corporation Bank	6.69	1 day	3.60	1 - 61 days
Axis Bank Limited	8.58	1 day		

Principal & Interest Delay Days- Priority Debt (PD)

Particulars	Amount & Period of Default			
	Principal Amount (₹ in million)	Principal delayed days	Interest Amount Due (₹ in million)	Interest delayed days
Andhra Bank	7.73	1 day	1.72 1.04 1.02	1 - 92 days 123 - 153 days 184-214 days
Canara Bank	27.21	1 day	7.61 3.70 3.56	1 - 92 days 123 - 153 days 184-214 days
Indian Overseas Bank	11.57	1 day	3.05 1.46	1 - 92 days 123 - 153 days
ICICI Bank	66.44	1 day	14.29	1 - 92 days
Karur Vysys Bank	0.42	1 day	0.10	1 - 92 days
Lakshmi Vilas Bank	1.24	1 day	0.34 0.17	1 - 92 days 123 - 153 days
State Bank of India	22.70	1 day	5.53 1.42	1 - 92 days 123 - 153 days
Axis Bank Limited	1.31	1 day	0.09	1 day
Tamilnadu Mercantile Bank Limited	11.01	1 day	2.18	1 - 92 days
IDBI Bank	25.79	1 day	6.84 3.32 2.06	1 - 92 days 123 - 153 days 184-214 days
EXIM Bank	0.52	1 day	0.14 0.05	1 - 92 days 123 - 153 days
IndusInd Bank	5.18	1 day	1.25	1 - 92 days
SREI Equipment Finance Limited	1.59	1 day	0.40	1 - 32 days

Principal & Interest Delay Days- Cash Credit (CC), Project Specified & Unsecured loan (Short Term Borrowings)

Particulars	Amount & Period of Default			
	Principal Amount (₹ in million)	Principal delayed days	Interest Amount Due (₹ in million)	Interest delayed days
Andhra Bank	515.12	146-183 days	-	-
Canara Bank	83.71	332 days	-	-
Indian Overseas Bank	214.29	123 days	-	-
ICICI Bank	503.30	91 - 122 days	-	-
Karur Vysya Bank	6.13	1 day	-	-
Lakshmi Vilas Bank	21.83	20 days	-	-
Corporation Bank	182.15	183 days	-	-
State Bank of India	36.67	116 days	76.50 13.33	1 - 92 days 123 days
Tamilnadu Mercantile Bank Limited	420.00	177 days	-	-
IDBI Bank	291.81	< 1 Year	-	-
EXIM Bank			1.16	32 - 61 days
IndusInd Bank	35.07	123 days	-	-
International Asset Reconstruction Company Pvt Ltd			38.59 19.34	1 - 92 days 123 - 153 days
DBS Bank Limited	252.40	213 days	58.93 25.17 32.44 2.30 90.00	1 - 92 days 123 - 153 days 184 - 245 days 367 - 426 days < 3 Years
HDFC Bank	35.28	<2 years	1.47 0.74 0.74 1.48 3.63	1 - 92 days 123 - 153 days 184 - 214 days 245 - 337 days <2 years
Punjab & Sindh Bank Limited	55.16	>3 years	9.75 4.73 4.72 4.62 4.61 36.17	1 - 92 days 123 - 153 days 184 - 214 days 245 - 276 days 306-337days <2 years
Barclay Bank Limited	20.1	<2 years		
TATA Capital Financial Services Ltd.	400	<3 years	23.71 10.73 9.53 18.90 31.95	1 - 92 days 123 - 153 days 184 - 214 days 245 - 337 days <2 years

Delay Days- Funded Interest Term Loan (FITL)

Particulars	Amount & Period of Default			
	Principal Amount (₹ in million)	Principal delayed days	Interest Amount Due (₹ in million)	Interest delayed days
Canara Bank			0.47 0.94	92 days 123 - 153 days
Indian Overseas Bank	0.58	183 days		
ICICI Bank	5.24	183 days		
State Bank of India			0.98	123 - 153 days
TATA Capital Financial Services Ltd.	0.15	183 days		
DBS Bank Limited*	595.28	183 days	21.20 10.62	1 - 92 days 123 - 153 days
International Asset Reconstruction Company Pvt Ltd	31.92	183 days		
IDBI Bank	6.64	183 days		
Corporation Bank	1.53	183 days	0.04	1 - 61 days
SREI Equipment Finance Limited	1.41	183 days		
Bank of Nova Scotia	0.05	183 days		

* Subsequently FITL converted into Equity Shares amounting to ₹ 213.55 million on May 04, 2016.

Principal & Interest Delay Days- Term Loan (Short Term Borrowings)

Particulars	Amount & Period of Default			
	Principal Amount (₹ in million)	Principal delayed days	Interest Amount Due (₹ in million)	Interest delayed days
ICICI Bank			72.82 14.39	1 - 92 days 123 days
Axis Bank Limited			2.81	1 day
IndusInd Bank			20.99	1 - 92 days
Bank of Nova Scotia			8.82 4.42	1 - 92 days 123 - 153 days
Union bank of India	1000.00	<3 years	59.39 28.66 27.99 54.02 127.68 65.33	1 - 92 days 123 - 153 days 184 - 214 days 245 - 337 days <2 years <3 years
SREI Equipment Finance Limited			21.46	61 - 92 days
Standard Chartered Bank	754.10	>2 years	180.55 19.88	>2 years >1 year
Punjab & Sindh Bank Limited	50.55	>365 days	2.80 1.36 1.36 2.68 10.42	1 - 92 days 123 - 153 days 184 - 214 days 245 - 337 days >365 days

Balance Sheet as at March 31, 2016



(₹ in million)

	Note No.	As At 31.03.2016		As At 31.03.2015	
I. EQUITY AND LIABILITIES					
1. Shareholders' Funds					
(a) Share Capital	3	1,457.37		918.28	
(b) Reserves and Surplus	4	3,046.67		10,444.05	
			4,504.04		11,362.33
2. Non-Current Liabilities					
(a) Long-Term Borrowings	5	16,073.63		20,419.84	
(b) Long-Term Provisions	6	107.43		119.31	
			16,181.06		20,539.15
3. Current Liabilities					
(a) Short-Term Borrowings	7	22,353.38		22,420.71	
(b) Trade Payables	8	14,075.06		14,642.31	
(c) Other Current Liabilities	9	26,516.45		18,602.58	
(d) Short-Term Provisions	6	1,114.57		1,144.63	
			64,059.46		56,810.23
Total			84,744.56		88,711.71
II. ASSETS					
1. Non-Current Assets					
(a) Fixed Assets					
Tangible Assets	10	3,927.84		4,768.32	
			3,927.84		4,768.32
(b) Non Current Investments	11	18,762.59		18,211.38	
(c) Deferred Tax Asset (Net)	12	-		306.52	
(d) Long-Term Loans and Advances	13	7,129.05		7,101.74	
(e) Other Non-Current Assets	14	6,016.93		5,921.89	
			31,908.57		31,541.53
2. Current Assets					
(a) Inventories	15	1,288.05		1,672.34	
(b) Trade Receivables	16	14,709.99		16,414.76	
(c) Cash and Bank Balances	17	969.45		1,243.28	
(d) Short-Term Loans and Advances	18	7,971.40		8,519.79	
(e) Other Current Assets	19	23,969.26		24,551.69	
			48,908.15		52,401.86
Total			84,744.56		88,711.71
Accompanying Notes forming part of the Financial Statements	1-60				

In terms of our report attached

For CHATURVEDI & PARTNERS

Chartered Accountants

Firm Registration No. 307068E

For and on behalf of the Board of Directors

RAVINDRA NATH CHATURVEDI

Partner

Membership No. 092087

E. SUDHIR REDDY

Chairman & Managing Director

DIN: 00023518

R. BALARAMI REDDY

Joint Managing Director & CFO

DIN: 00022176

B. SUBRAHMANYAM

Company Secretary

Date : May 30, 2016

Place : Hyderabad

Statement of Profit and Loss for the Year ended March 31, 2016



(₹ in million)

	Note No.	Year Ended 31.03.2016		Year Ended 31.03.2015	
I. REVENUE					
(a) Income from Operations	20		23,616.78		31,174.17
(b) Other Income	21		201.46		435.12
Total Revenue			23,818.24		31,609.29
II. EXPENSES					
(a) Construction Expenses	22		24,317.16		26,674.54
(b) Employee Benefits Expense	23		1,512.50		1,891.70
(c) Other Expenses	24		1,763.74		2,900.71
(d) Finance Costs	25		6,648.15		6,529.24
(e) Depreciation / Amortisation	10	801.97		903.63	
Less : Transferred to Revaluation Reserve		-		0.04	
			801.97		903.59
Total Expenses			35,043.52		38,899.78
III. (Loss) Before Tax and Exceptional Item (I - II)			(11,225.28)		(7,290.49)
IV. Exceptional Item (Refer Note 58)			252.97		568.15
V. (Loss) After Exceptional Item and Before Tax (III - IV)			(10,972.31)		(6,722.34)
VI. Tax Expense					
(a) Current Tax expenses / reversal for current Year			674.44		-
(b) Deferred Tax			(306.52)		-
VII. Profit/ (loss) for the Year (V - VI)			(10,604.39)		(6,722.34)
VIII. Earnings per share (face value ₹ 2 each)					
Basic & Diluted (₹)					
Before Exceptional item			(21.49)		(21.13)
After Exceptional item			(20.30)		(19.49)
Accompanying Notes forming part of the Financial Statements	1-60				

In terms of our report attached

For CHATURVEDI & PARTNERS
Chartered Accountants
Firm Registration No. 307068E

For and on behalf of the Board of Directors

RAVINDRA NATH CHATURVEDI
Partner
Membership No. 092087

E. SUDHIR REDDY
Chairman & Managing Director
DIN: 00023518

R. BALARAMI REDDY
Joint Managing Director & CFO
DIN: 00022176

B. SUBRAHMANYAM
Company Secretary

Date : May 30, 2016
Place : Hyderabad

Cash Flow Statement for the Year ended March 31, 2016



(₹ in million)

	Year Ended 31.03.2016		Year Ended 31.03.2015	
A. Cash flow from operating activities				
(Loss)/Profit Before Tax and Extraordinary Items		(10,972.31)	-	(6,722.34)
Adjustment for:				
Depreciation and Amortisation Expense	801.97		903.59	
Dividend received on Investments	(0.02)		(0.04)	
Loss on Sale of Fixed Assets	14.00		23.82	
Provision for doubtful debts, advances and deposits (Net)	1,043.92		899.63	
Provision for foreseeable losses	-		985.80	
Provision for diminution in value of Investments	0.05		-	
Exceptional Item	(252.97)		(568.15)	
Liabilities no longer required written back	(35.89)		(10.95)	
Net Unrealised Exchange (Gain) / Loss	43.16		203.41	
Interest Income	(38.43)		(56.14)	
Finance Costs	6,604.25	8,180.04	6,436.98	8,817.95
Operating Profit / (Loss) before working capital changes		(2,792.27)		2,095.61
Changes in Working Capital :				
Adjustment for (increase) / Decrease in operating assets :				
Inventories	384.30		327.80	
Trade Receivables	806.02		(439.00)	
Loans & Advances and Other Current Assets	741.80		(4,647.83)	
Current Liabilities	(1,245.30)	686.82	(1,232.36)	(5,991.39)
Cash (used in) / generated from Operations		(2,105.45)		(3,895.78)
Net Income Tax Refund / (paid)		866.20		(209.15)
Net Cash (used in) / generated from operations		(1,239.25)		(4,104.93)
B. Cash flow from investing activities				
Capital Expenditure on Fixed Assets (including Capital Advances)	(35.19)		(122.49)	
Proceeds from Sale of Fixed Assets	59.21		54.19	
(Purchase) / Subscription of Long-Term Investments :				
- Subsidiaries	(516.95)		(496.89)	
- Associates	-		(185.25)	
Loans given to Subsidiaries (net)	(111.08)		(91.72)	
Net investment in Bank Fixed Deposit	57.82		46.79	
Interest Received	39.94		89.94	
Dividend received on long term Investments	0.02		0.04	
Net cash flow used in investing activities		(506.23)		(705.39)

Cash Flow Statement for the Year ended March 31, 2016



(₹ in million)

	Year Ended 31.03.2016		Year Ended 31.03.2015	
C. Cash flow from financing activities				
Proceeds from issue of capital	347.53		-	
Proceeds from Share Premium	1,193.51		-	
Proceeds from Long Term Borrowings	863.19		3,657.02	
(Repayment of) / Proceeds from Public Deposits	-		(33.03)	
Repayment of Long Term Borrowings	(43.13)		(178.69)	
Proceeds from Short Term Borrowings (net of repayments)	1,081.46		2,025.80	
Interest and Finance Charges Paid	(1,912.82)		(680.26)	
Dividends Paid (including dividend distribution tax)	-		-	
Net cash generated from financing activities		1,529.74		4,790.84
Net increase / (decrease) in cash and cash equivalents (A+B+C)		(215.74)		(19.48)
Cash and cash equivalents at the beginning of the year		1,057.37		1,078.23
Exchange differences on translation of foreign currency cash and cash equivalent		(4.09)		(1.38)
Cash and cash equivalents at the end of the year		837.54		1,057.37

1. Bank balance includes restricted amount of ₹ 2.18 million (₹ 3.60 million) towards unclaimed dividend.
2. The Cash flow statement is prepared under ' indirect method ' as set out in Accounting Standard - 3 on Cash Flow Statements as specified in the Companies (Accounting Standards) Rules, 2006.
3. During the year debt aggregating to ₹ 1,541.03 million has been converted into equity pursuant to scheme of Corporate Debt Restructuring (CDR) and strategic Debt Restructuring (SDR) the same has been disclosed under cash flow from financing activity as proceeds from share capital and securities premium and repayment of borrowings.
4. Previous year's figures have been regrouped, wherever necessary

In terms of our report attached

For CHATURVEDI & PARTNERS

Chartered Accountants

Firm Registration No. 307068E

For and on behalf of the Board of Directors

RAVINDRA NATH CHATURVEDI

Partner

Membership No. 092087

E. SUDHIR REDDY

Chairman & Managing Director

DIN: 00023518

R. BALARAMI REDDY

Joint Managing Director & CFO

DIN: 00022176

B. SUBRAHMANYAM

Company Secretary

Date : May 30, 2016

Place : Hyderabad

Notes forming part of Financial Statements

1. Corporate Information

The Company is engaged in the business of development and execution of Engineering, Procurement, Construction and Commissioning (EPCC) and Lump Sum Turn Key (LSTK) facilities in various Infrastructure projects such as Water Supply, Roads and Bridges, Townships and Industrial Structures, Power Transmission, etc. for Central/State Governments, other Local Bodies and private sector.

2. Accounting Policies

2.1 Basis of Preparation

The financial statements are prepared under historical cost convention in accordance with the generally accepted accounting principles in India ("Indian GAAP") and comply in all material respects with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act 2013")/ Companies Act, 1956 ("the Act, 1956), read with Rule 7 of the Companies (Accounts) Rules, 2014 and other pronouncements of the Institute of Chartered Accountants of India ("ICAI"). The accounting policies applied by the Company are consistent with those used in the previous year, unless otherwise stated.

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per the guidance as set out in the Schedule III to the Companies Act, 2013.

Operating cycle for the business activities of the Company covers the duration of the specific project/contract/project line/service including defect liability period, wherever applicable and extends up to the realizations of receivables (including retention money) within the agreed credit period normally applicable to the respective project.

2.2 Use of Accounting Estimates

The preparation of the financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the balances of assets and liabilities and disclosures relating to contingent liabilities as at the reporting date of the financial statements and amounts of income and expenses during the period of account. Examples of such estimates include contract costs expected to be incurred to complete construction contracts, provision for doubtful debts, provision for foreseeable losses, income taxes and future obligations under employee retirement benefit plans. Management periodically assesses whether there is an indication that an asset may be impaired and makes provision in the accounts for any impairment losses estimated. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated. Actual results could differ from those estimates.

2.3 Recognition of Contract Revenue and Expenses

- (i) Contract Revenue is recognised by reference to the stage of completion of the contract activity at the reporting date of the financial statements on the basis of percentage of completion method.
- (ii) The stage of completion of contracts is measured by reference to the proportion that contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs for each contract.
- (iii) An expected loss on construction contract is recognised as an expense immediately when it is certain that the total contract costs will exceed the total contract revenue.
- (iv) Price escalation and other claims and /or variation in the contract work are included in contract revenue only when:
 - (a) The contract provides for such claims and when it is demonstrable that efforts and costs have been incurred in relation to such claims.
 - (b) The amount that is probable will be accepted by the customer can be measured reliably.
- (v) Incentive payments, as per customer-specified performance standards, are included in contract revenue only when:
 - (a) The contract is sufficiently advanced that it is probable that the specified performance standards will be met; and
 - (b) The amount of the incentive payment can be measured reliably.

2.4 Revenue from Joint Venture Contracts

In work sharing Joint Venture arrangements, revenues, expenses, assets and liabilities are accounted for in the Company's books to the extent work is executed by the Company.

Notes forming part of Financial Statements

2.5 Revenue from Sale of Goods

Revenue from sale of goods is recognized when substantial risks and rewards of ownership are transferred to the buyer under the terms of the contract.

2.6 Employee Benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund and compensated absences.

(i) Defined contribution plans

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made.

(ii) Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

(iii) Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

(iv) Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

2.7 Fixed Assets

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses.

The Company revalued all its Land and Buildings in the year 2001-02. The revalued assets are carried at the revalued amounts less accumulated depreciation and impairment losses, if any. Increase in the net book value on such revaluation is credited to "Revaluation Reserve Account" except to the extent such increase is related to and not greater than a decrease arising from a revaluation / impairment that was previously recognised in the Statement of Profit and Loss, in which case such amount is credited to the Statement of Profit and Loss. Decrease in book value on revaluation is charged to the Statement of Profit and Loss except where such decrease relates to a previously recognised increase that was credited to the Revaluation Reserve, in which case the decrease is charged to the Revaluation Reserve to the extent the reserve has not been subsequently reversed / utilised.

Notes forming part of Financial Statements

Capital work-in-progress:

Fixed Assets under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.8 Depreciation and Amortization

- (i) Depreciation on fixed assets is provided based on the useful life of the assets as estimated by the management which coincides with rates prescribed in Schedule II to the Companies Act, 2013 except the following which are depreciated based on useful life determined by the Company.
- Steel Shuttering 10 years
 - Wood Shuttering 3 years
 - Pucca sheds 3 years
- (ii) land acquired for quarrying are amortised over the period of the respective project.

2.9 Impairment of Assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

2.10 Foreign Currency Transactions and Foreign Operations

Transactions made during the period in foreign currency are recorded at the exchange rate prevailing at the time of transactions. Monetary assets and liabilities relating to foreign currency transactions remaining unsettled at the period-end are translated at the exchange rate prevalent at the date of Balance Sheet. Exchange differences arising on actual payment/realisation and period end reinstatement referred to above are recognised in the Statement of Profit and Loss.

In respect of forward contracts entered into to hedge risks associated with foreign currency fluctuation on its existing assets and liabilities, the premium or discount at the inception of the contract is amortised as income or expense over the period of the contract.

Currency options/other swap contracts outstanding as at the Balance Sheet date are marked to market and the net loss is charged to the Statement of Profit and Loss. Any profit or loss arising on cancellation of such contracts is recognised as income or expense in the Statement of Profit and Loss of the period.

Foreign branches are classified as non-integral foreign operations. The Assets and Liabilities, both monetary and non-monetary of the branch are translated at the exchange rate prevailing at the balance sheet date. Income and expenses are translated at monthly average exchange rate. All resulting exchange differences are accumulated in 'Foreign Currency Translation Reserve' account.

2.11 Investments

Current investments are carried at lower of cost and fair value. Long-term investments are carried at cost less provision for diminution other than temporary in value of such investments. Dividend Income is accounted when the right to receive dividend is established.

2.12 Inventories

Inventories are valued at cost and the cost is determined on First-in-First-Out method.

2.13 Borrowing Costs

Borrowing costs that are attributable to the acquisition and construction of qualifying assets are capitalised as part of cost of such assets till such time the asset is ready for its intended use. A qualifying asset is one that requires substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as period costs.

Notes forming part of Financial Statements

2.14 Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

2.15 Income Taxes

Current tax is determined as the amount of tax payable in respect of taxable income for the year. A provision is made for income tax annually based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters are probable.

Deferred tax assets and liabilities are recognised, subject to prudence, on timing differences, being the difference between taxable incomes and accounting income, that originates in one period and is capable of reversal in one or more subsequent periods and quantified using the tax rates and laws enacted or substantively enacted by the reporting date. Deferred tax assets are recognised only if there is reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each balance sheet date. Where there are unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

2.16 Earnings Per Share (EPS)

In arriving at the EPS, the Company's net profit/ loss after tax, computed in terms of the Indian GAAP, is divided by the weighted average number of equity shares outstanding on the last day of the reporting period. The EPS thus arrived at is known as 'Basic EPS'. To arrive at the diluted EPS, the net profit / loss after tax, referred above and the weighted average number of equity shares, as computed above and the weighted average number of equity shares that would have been issued on conversion of shares having potential dilutive effect subject to the terms of issue of those potential shares. The dates' of issue of such potential shares determine the amount of the weighted average number of potential equity shares.

2.17 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.18 Leases

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

2.19 Internal Financial Control System

The Company has sufficient system of Internal Financial Controls to help Management review the effectiveness of the Financial and Operating Controls and assurance about adherence to Company's laid down Systems and Procedures. As per the provisions of the Companies Act, 2013, internal controls and documentation are in place for all the activities. Statutory Auditors have verified, Internal Financial Controls (IFC) at entity level and operations level and satisfied about control effectiveness. The controls are reviewed at regular intervals to ensure that transactions are properly authorized and correctly reported and assets are safeguarded. The Audit Committee periodically reviews the findings and recommendations of the Auditors and takes corrective actions as deemed necessary. The in house developing software periodically reviewing various financial reports is in implementation for most of the Project sites, Divisions and Regional Offices that would further strengthen the internal control mechanism.

Notes forming part of Financial Statements



3. Share Capital

(₹ in million)

	As At 31.03.2016		As At 31.03.2015	
	No. of Shares	Amount	No. of Shares	Amount
Authorised :				
Equity shares of ₹ 2 each	1,62,50,00,000	3,250.00	1,62,50,00,000	3,250.00
Preference shares of ₹ 2 each	2,50,00,000	50.00	2,50,00,000	50.00
	1,65,00,00,000	3,300.00	1,65,00,00,000	3,300.00
Issued, Subscribed and Paid up				
Equity shares of ₹ 2 each fully paid up	72,86,83,370	1,457.37	45,91,38,722	918.28
	72,86,83,370	1,457.37	45,91,38,722	918.28

3.1 Reconciliation of the number and amount of equity shares outstanding at the beginning and at the end of the Year

(₹ in million)

	As At 31.03.2016		As At 31.03.2015	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the Year	45,91,38,722	918.28	30,68,86,648	613.77
Add : Issued during the Year	26,95,44,648	539.09	15,22,52,074	304.51
Outstanding at the end of the Year	72,86,83,370	1,457.37	45,91,38,722	918.28

3.2 Terms / Rights attached to Equity Shares

The Company has only one class of equity shares having a face value of ₹ 2 per share and each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholdings.

3.3 Shareholders holding more than 5% shares of the Company

S. No.	Name of the Share Holder	No. of Shares March, 31st 2016	% Shareholding	No. of Shares March, 31st 2015	% Shareholding
1	ICICI Bank Ltd	6,29,61,203	8.64	2,25,74,134	4.92
2	Indian Overseas Bank	6,25,47,429	8.58	2,12,88,504	4.64
3	Canara Bank, Mumbai	5,55,20,959	7.62	1,90,95,631	4.16
4	State Bank of India	4,94,09,934	6.78	1,63,25,019	3.56
5	Andhra Bank	3,72,04,623	5.11	1,38,61,950	3.02

3.4 Details of Shares Reserved for issue under Options

- For details of shares reserved for issue under Employee Stock Options (ESOP) plan of the company, Refer Note 49.
- As fully described in Note 48, during the previous year, pursuant to the Corporate Debt Restructuring Scheme (CDR) and subsequent invocation of Strategic Debt Restructuring (SDR) by the lenders of the Company during the year, subject to the SDR guidelines issued by Reserve Bank of India and other applicable regulatory and legal framework, the CDR lenders are entitled to convert outstanding debt (principal as well as unpaid interest) into equity shares of the Company at the sole discretion and on demand as per the agreed terms in the MRA and SDR package. In relation to the outstanding debt as at March 31, 2016 a total amount of ₹ 23,020.74 million and a total amount of ₹ 407.80 million is reserved for the conversion of 943 859 934 shares and 46 526 091 pursuant to CDR and SDR schemes respectively.

Notes forming part of Financial Statements



4. Reserves and Surplus

(₹ in million)

	As At 31.03.2016	As At 31.03.2015
(a) Capital Reserve	2,576.68	2,576.68
	2,576.68	2,576.68
(b) Securities Premium Account		
Opening Balance	13,930.12	10,521.20
Add: Addition during the year	3,196.77	3,408.92
Closing Balance	17,126.89	13,930.12
(c) Revaluation Reserve		
Opening Balance	28.22	28.26
Less : Depreciation on revalued portion of assets	-	(0.04)
Closing Balance	28.22	28.22
(d) General Reserve		
Opening Balance	3,223.43	3,359.85
Less : Transitional Provision	-	136.42
Closing Balance	3,223.43	3,223.43
(e) Debenture Redemption Reserve	500.00	500.00
(f) Foreign Exchange Translation Reserve		
Opening Balance	(17.41)	(22.26)
Add : Effect of foreign exchange variations during the Year	10.27	4.87
Closing Balance	(7.14)	(17.41)
(g) Surplus in Statement of Profit and Loss		
Opening Balance	(9,797.02)	(3,074.68)
Add: (Loss) / Profit for the year	(10,604.39)	(6,722.34)
	(20,401.41)	(9,797.02)
	3,046.67	10,444.05

5. Long-Term Borrowings

(₹ in million)

	As At 31.03.2016		As At 31.03.2015	
	Non-Current	Current [@]	Non-Current	Current [@]
i) Secured				
(a) Debentures (Refer Note 5.1(a))				
- 12.15% Redeemable, Non-Convertible Debentures	-	2,000.00	-	2,000.00
(b) Term Loans				
- From Banks				
Working Capital Term Loan I (Refer Note 5.1(b))	9,210.18	6,185.56	12,516.26	658.75
Working Capital Term Loan II (Refer Note 5.1(c))	1,837.20	1,224.80	2,936.86	154.57
Priority Debt (Refer Note 5.1(d))	852.58	365.39	637.47	112.49
Term Loan (Refer Note 5.1(e))	2,892.16	1,356.87	3,066.29	1,122.99
- From Others (Refer Note 5.1(f))	1,281.51	67.45	1,208.74	-
(c) Earth Moving Equipment and Vehicle Loans				
- From Banks	-	-	-	-
- From Others	-	-	-	43.13
ii) Unsecured				
Term Loan from				
- Banks	-	600.00	-	600.00
- Others	-	80.69	54.22	62.79
	16,073.63	11,880.76	20,419.84	4,754.72

[@] Amount included under Note 9 - Other Current Liabilities

Notes forming part of Financial Statements



5.1 Terms of Security, interest and repayment

(a) 12.15% Non-Convertible Debentures -

2,000 Debentures of ₹ 1,000,000 each issued to Life Insurance Corporation of India during the year 2008-09. The debentures were due for redemption at the end of five years (i.e., December 19, 2013) from the date of allotment. The debentures are secured by way of first pari passu charge over certain specific fixed assets including immovable properties of the Company. IDBI Trusteeship Services Limited, Mumbai were the trustees for the debenture holders in respect of the below non-convertible debentures.

Details of defaults in repayment of Non-Convertible Debentures and interest as on the Balance Sheet date

	Period of default (in days)	₹ in million
Principal	> 2 Years	2,000.00
Interest	< 1 Year	267.26
	< 2 Years	243.00
	> 2 Years	250.99

(b) Working Capital Term Loan - I

WCTL - I is secured by first paripassu charge on fixed assets excluding the exclusive security given to various lenders (WCTL - I amounting to ₹ 1,946.10 million is further secured by first and exclusive charge on all present and future fixed assets and current assets, except lease rights of the lease hold land of IVRCL TLT Private Limited, a subsidiary of the company), book debts beyond the cover period and non-current assets excluding retention money and investments. Second paripassu on entire stocks, book-debts upto cover period, unbilled revenue, retention money and any current assets as per audited balance sheet both present and future (also Refer Note No. 48)

	Period of default (in days)	₹ in million
Principal	1 day	797.71
1 instalment due		
Interest	1 - 32 days	317.37
	61 - 92 days	301.15
	123 - 180 days	225.11
	184 days	4.49

WCTL - I shall be repaid after a moratorium of 25 months from COD in 31 structured quarterly installments, commencing from quarter ending March 31, 2016. WCTL - I carries rate of interest of SBI Base Rate plus 1.25% p.a. from cut-off date with annual reset.

(c) Working Capital Term Loan - II

WCTL - II is secured by first paripassu charge on entire stocks, book-debts upto cover period, unbilled revenue, retention money and any current assets as per audited balance sheet both present and future. second paripassu charge on fixed assets, book debts beyond the cover period and non-current assets excluding retention money and investments both present and future (also Refer Note No. 48)

	Period of default (in days)	₹ in million
Principal	1 day	153.11
1 instalment due		
Interest	1 - 32 days	56.74
	61 - 92 days	57.15
	123 - 153 days	50.40

(d) Priority Debt

₹ 1,217.98 million (₹ 749.97 million) has been availed out of ₹ 1,750.00 million Priority Debt sanctioned. Priority Debt is to be repaid in 21 structured quarterly instalments, commencing from quarter ending March 31, 2016. Priority Debt carries rate of interest of SBI Base Rate plus 2.00% from cut-off date with annual reset.

Notes forming part of Financial Statements



Priority Debt is secured by first paripassu charge on fixed assets excluding the exclusive security given to various lenders, book debts beyond the cover period and non-current assets excluding retention money and investments. Second paripassu on entire stocks, book-debts upto cover period, unbilled revenue, retention money and any current assets as per audited balance sheet both present and future (also Refer Note No. 48)

	Period of default (in days)	₹ in million
Principal		
1 instalment due	1 day	182.71
Interest		
	1 - 32 days	24.60
	61 - 92 days	18.94
	123 - 153 days	11.16
	184 - 214 days	6.64

(e) Term Loans from Banks

(i) ICICI Bank

The loan amount of ₹ 1,783.68 million, is secured by first and exclusive hypothecation charge over specific fixed assets of the Company including freehold land. The rate of interest is SBI Base Rate plus 1.25% p.a. The loan is repayable after a moratorium of 28 months from cut-off date in 30 structured quarterly instalments commencing from quarter ending June 30, 2016 (also Refer Note No. 48)

(ii) IndusInd Bank

The loan amount of ₹ 714.20 million (₹ 696.99 million), is secured by equitable mortgage of land and pledge of certain equity shares held in subsidiaries, as per the terms of sanction letter. The rate of interest is SBI Base Rate plus 1.25% from cut-off date with annual reset. The loan is repayable after a moratorium of 28 months from cut-off date in 30 structured quarterly instalments commencing from quarter ending June 30, 2016 (also Refer Note No. 48)

(iii) Punjab & Sind Bank

Secured by first and exclusive hypothecation charge over specific fixed assets of the Company. The rate of interest is Base Rate plus 1.50% p.a. The balance outstanding as at March 31, 2016 is ₹ 50.55 million, which is overdue.

(iv) AXIS Bank

The loan amount of ₹ 296.50 million carries rate of interest of SBI Base Rate plus 1.25% p.a from cut-off date with annual reset. Out of loan amount of ₹ 296.50 million, ₹ 46.50 million was secured by specific equipments. The loan is repayable after a moratorium of 28 months from cut-off date in 30 structured quarterly instalments commencing from quarter ending June 30, 2016 (also Refer Note No. 48)

(v) Nova Scotia

The loan amount of ₹ 250.00 million carries rate of interest of SBI Base Rate plus 1.25% p.a from cut-off date with annual reset and is secured by mortgage of freehold land. The loan is repayable after a moratorium of 28 months from cut-off date in 30 structured quarterly instalments commencing from quarter ending June 30, 2016 (also Refer Note No. 48)

	Period of default (in days)	₹ in million
Principal	<3 Years	1,000.00
	>1 Year	50.55
Interest		
	1 - 32 days	90.42
	61 - 92 days	98.67
	123 - 153 days	48.83
	184 - 214 days	29.35
	245 - 276 days	28.67
	306 - 337days	28.03
	< 2 Years	138.10
	< 3 Years	65.33

Notes forming part of Financial Statements



(vi) Standard Chartered Bank (External Commercial Borrowings)

Secured by first charge on exclusive hypothecation of construction equipment procured out of loan amount. The details for each disbursement are as under:

S. No.	Outstanding as on 31.03.2016		Instalment Due	Period of Default w.r.t Balance Sheet Date	Rate of Interest p.a	Period of default (in days)	Interest Due (₹ in million)
	USD (million)	INR (million)					
1	2.50	165.83	8 equal Quarterly instalments of USD 0.313 million each	16 Months	8.90%	<3 Years	41.04
2	1.37	90.76	4 equal Quarterly instalments of USD 0.343 million each	22 Months	9.38%	<3 Years	24.22
3	1.72	114.01	11 equal Quarterly instalments of USD 0.156 million each	26 Months	9.50%	<2 Years	23.96
4	3.75	248.76	12 equal Quarterly instalments of USD 0.313 million each	20 Months	9.85%	<3 Years	73.15
5	2.03	134.74	13 equal Quarterly instalments of USD 0.156 million each	22 Months	9.85%	<3 Years	38.06
	11.37	754.10					200.43

(f) Term Loans from Others

(i) TATA Capital Financial Services Limited

The loan amount of ₹ 133.33 million is secured by mortgage of freehold non-agricultural land. The rate of interest is SBI Base Rate plus 1.25% from cut-off date with annual reset. The loan is repayable after a moratorium of 28 months from cut-off date in 30 structured quarterly instalments commencing from quarter ending June 30, 2016 (also Refer Note No. 48)

(ii) SREI Equipment Finance Private Limited

The loan amount of ₹ 1,215.62 million (₹ 1,075.41 million) is secured by first charge by way of hypothecation of specific movable assets. The rate of interest is SBI Base Rate plus 1.25% from cut-off date with annual reset. The loan is repayable after a moratorium of 28 months from cut-off date in 30 structured quarterly instalments commencing from quarter ending June 30, 2016 (also Refer Note No. 48)

6. Provisions

(₹ in million)

	As At 31.03.2016		As At 31.03.2015	
	Long-Term	Short-Term	Long-Term	Short-Term
(a) Gratuity	47.47	47.24	46.20	54.42
(b) Compensated Absences	59.96	81.53	73.11	104.41
(c) Provision for foreseeable losses	-	985.80	-	985.80
	107.43	1,114.57	119.31	1,144.63

Notes forming part of Financial Statements



7. Short-Term Borrowings

(₹ in million)

	As At 31.03.2016		As At 31.03.2015	
Secured				
Loans repayable on demand from Banks				
(a) Cash Credits and Working Capital Demand Loans from consortium of Banks (Refer Note 7.1)	18,644.93		13,962.57	
(b) Project - Specific Working Capital Loans (Refer Note 7.2)	526.64		5,806.70	
(c) Funded Interest Term Loan (Refer Note 7.3)	642.82		605.86	
		19,814.39		20,375.13
Short-Term Loans				
from Banks	-		-	
from Others (Refer Note 7.4)	400.00		392.20	
		400.00		392.20
Unsecured				
(a) Buyers' Credit	-		28.10	
(b) Others	1,590.00		1,590.00	
(c) Working Capital Demand Loans and other credit facilities from Banks	548.99		35.28	
		2,138.99		1,653.38
		22,353.38		22,420.71

7.1 Cash Credits and Working Capital Demand Loan from Consortium Banks

Cash Credits and Working Capital Demand Loans are secured by hypothecation of book debts, inventories and other current assets (excluding those charged to lenders of specific-funding projects). Further these loans are secured by mortgage of property in Land and Buildings owned by the Company ranking pari passu among the consortium banks aggregating to ₹ 101.54 million and lien of the Fixed Deposit of ₹ 4.20 million. The loans are Second Charged on current assets of the specific-funding projects on reciprocal basis. The borrowings carry interest rate ranging from 10.55% to 14.00% p.a. (also Refer Note No. 48)

7.2 Project Specific Working Capital Loan from Banks

Project Specific Working Capital Loan from Banks are secured by hypothecation of book debts and inventory and other current assets of respective projects.

	Period of default (in days)	₹ in million
Principal	1 - 20 days	27.96
	116 - 123 days	789.33
	146 - 177 days	681.37
	183 days	435.90
	213 days	252.40
	332 - 346 days	375.52
	< 2 Years	55.38
	< 3 Years	400.00
	> 3 Years	55.16
	Interest	1 - 32 days
32-61 days		1.16
61 - 92 days		103.74
123 - 153 days		74.04
184 - 214 days		41.97
245 - 276 days		20.35
306 - 337 days		14.72
< 2 Years		74.05
< 3 Years		90.00

7.3 Funded Interest Term Loan

The interest due and accrued on Term Loan, Non-Convertible Debentures, Short Term Loans, Equipment Term Loans, CGTL, WCTL-I, WCTL-II facilities from Cut-off-Date to till September 30, 2015 to be funded and converted into a Funded Interest

Notes forming part of Financial Statements



Term Loan. The proposed FITL along with accrued interest to be converted into equity based on the prevailing CDR regulatory guide lines. Out of the proposed FITL the company converted into equity amounting to ₹ 420.82 million and balance left over in the FITL account subsequently into equity.

	Period of default (in days)	₹ in million
Principal	183 days	642.80
Interest	1-32 days	10.44
	61-92 days	11.27
	123-153 days	12.54

Short-Term Loans

7.4 Secured

TATA Capital Financial Services Limited

Secured by pledge of shares of following subsidiaries and subservient charge on the current assets.

- (i) 29.70% shares of Salem Tollways Limited
- (ii) 23% stake in Kumarpalyam Tollways Limited.

The loan is repayable in one installment. The rate of interest is 14.25% p.a. and the balance outstanding as at March 31, 2016 is ₹ 400.00 million (₹ 392.20 million).

8. Trade Payables

(₹ in million)

	As At 31.03.2016	As At 31.03.2015
(i) Acceptances	42.98	128.38
(ii) Other than Acceptances	14,032.08	14,513.93
	14,075.06	14,642.31

9. Other Current Liabilities

(₹ in million)

	As At 31.03.2016	As At 31.03.2015
(a) Current maturities of Long-Term Borrowings (Refer Note 5)	11,880.76	4,754.72
(b) Interest accrued and due on Borrowings	3,122.31	1,609.02
(c) Interest accrued on others	408.20	437.60
(d) Advances received from Contractee-Clients	5,450.54	7,125.60
(e) Amounts payable in respect of Development Rights	1,446.53	1,446.53
(f) Payables on purchase of Fixed Assets	0.81	2.49
(g) Payable to Related Parties		
- Subsidiaries	341.18	89.12
- Joint Ventures	690.69	421.57
(h) Accrued salaries and Employee Benefits	537.97	558.72
(i) Statutory Remittances	959.86	963.06
(j) Liability towards Investors Education Fund under Section 205C of the Companies Act, 1956		
- Unclaimed Public Deposit (including interest)	0.02	2.09
- Unclaimed Dividends	2.18	3.85
(k) Interest on amounts due to Micro and Small Enterprises	3.53	11.58
(l) Others	1,671.87	1,176.63
	26,516.45	18,602.58

9.1 Current Maturities -

Current maturities of long term borrowing includes continuing default as at March 31, 2016 in respect of Union Bank of India - Loan amount of ₹ 1,000.00 million repayable after moratorium period of one year in 4 equal installments of ₹ 250.00 million each commencing from March 31, 2014. The rate of interest is base rate plus 4% p.a. The loan is secured by first charge on the immovable properties of the Company for ₹ 400.00 million and the remaining balance of ₹ 600.00 million is secured by land belonging to RIHIM Developers Private Limited, wholly owned subsidiary of the Company. Subsequent to the year end, Union of Bank of India has initiated recovery proceedings against the company under the Securitization and Reconstruction of Financial Assets and enforcement of Security Interest Act, 2002 in respect of outstanding loan of aggregating ₹ 1,332.80 million including interest payable.

Notes forming part of Financial Statements



10. Fixed Assets

	Gross Block			Depreciation			Net Block		As at 31.03.2015	
	As on 31.03.2015	Additions	Adj / Deletions	As on 31.03.2016	As on 31.03.2015	Adjustment of Opening Reserves	For the Year	Adj / Deletions		Upto 31.03.2016
Tangible Assets										
Land - Freehold	462.48 (462.48)	-	22.79	439.69 (462.48)	-	-	-	-	-	439.69
Buildings	1,040.65 (1,141.49)	0.12 (21.71)	17.69 (122.55)	1,023.08 (1,040.65)	454.33 (548.67)	(0.43)	32.62 (27.72)	17.65 (122.49)	469.30 (454.33)	553.78
Plant & Machinery	6,171.06 (6,276.01)	25.94 (53.81)	98.95 (158.76)	6,098.05 (6,171.06)	3,163.93 (2,603.14)	(45.93)	557.09 (610.38)	50.31 (95.52)	3,670.71 (3,163.93)	2,427.34
Motor Vehicles	1,728.72 (1,772.06)	2.05 (24.28)	13.48 (67.63)	1,717.29 (1,728.71)	1,113.82 (953.86)	(6.59)	176.51 (206.94)	11.90 (53.58)	1,278.43 (1,113.81)	438.85
Furniture	166.60 (166.93)	0.90 (2.63)	1.44 (2.96)	166.06 (166.60)	104.98 (92.35)	(0.67)	14.06 (14.74)	1.32 (2.78)	117.72 (104.98)	48.34
Office Equipment	166.18 (167.00)	0.89 (1.83)	2.29 (2.65)	164.78 (166.18)	136.71 (55.56)	(51.75)	15.59 (31.95)	2.27 (2.55)	150.03 (136.71)	14.75
Computers	120.56 (146.58)	2.56 (1.31)	5.77 (27.32)	117.35 (120.57)	114.26 (114.15)	(15.23)	3.85 (11.84)	5.85 (27.05)	112.26 (114.17)	5.09
Total	9,856.25 (10,132.55)	32.46 (105.57)	162.41 (381.87)	9,726.30 (9,856.25)	5,088.03 (4,367.73)	-	799.73 (903.57)	89.30 (303.97)	5,798.45 (5,087.93)	3,927.84
Intangible Assets										
Computer Software	56.52 (57.56)	2.24 (0.06)	0.02 (1.10)	58.74 (56.52)	56.52 (41.73)	(15.82)	2.24 (0.06)	0.02 (1.09)	58.74 (56.52)	-
Total	56.52 (57.56)	2.24 (0.06)	0.02 (1.10)	58.74 (56.52)	56.52 (41.73)	-	2.24 (0.06)	0.02 (1.09)	58.74 (56.52)	-
Grand Total	9,912.77 (10,190.11)	34.70 (105.63)	162.43 (382.97)	9,785.04 (9,912.77)	5,144.55 (4,409.46)	-	801.97 (903.63)	89.32 (305.06)	5,857.19 (5,144.45)	3,927.84

Notes

- Land-Freehold includes
- ₹ 18.79 million towards revaluation made in the year 2001-02 on current cost basis carried out by an independent valuer.
- Buildings includes
- ₹ 2.20 million towards revaluation made in the year 2001-02 on current cost basis carried out by an independent valuer.
- Leasehold premises of ₹ 27.50 million (2012-13 : ₹ 27.50 million) taken for a period of 99 years. The premium of ₹ 20.46 million is paid upfront with no further significant obligations.
- Figures in brackets and in italics represents numbers relating to previous period.
- The Company is in process of registration of title deeds of certain immovable properties aggregating to ₹ 254.75 million (Land freehold ₹ 75.68 million, Buildings ₹ 179.07 million) and WDV of ₹ 220.35 million (Land freehold ₹ 75.68 million, Buildings ₹ 144.67 million)
- Depreciation and Amortisation Expense:

	(₹ in million)	
	Year ended 31.03.2016	Year ended 31.03.2015
Depreciation for the period on Tangible Assets	799.72	903.57
Amortisation for the period on Intangible Assets	2.24	0.06
Less: Transferred to Revaluation Reserve		(0.04)
Depreciation and Amortisation Expense	801.96	903.59

Notes forming part of Financial Statements



11. Non - Current Investments (Face Value of ₹ 10 each fully paid-up unless otherwise specified)

	As At 31.03.2016		As At 31.03.2015	
	No.	₹ in million	No.	₹ in million
A. Trade Investments				
(At cost less provision for diminution in value)				
I. Equity Shares				
(i) Subsidiary Companies (Refer Note 42,44 & 51)				
Quoted				
Hindustan Dorr-Oliver Limited ²	3,98,04,430	657.53	3,98,04,430	657.53
(Face Value of ₹ 2 each)				
Unquoted				
IVRCL PSC Pipes Private Limited ²	1,67,000	1.67	1,67,000	1.67
IVR Enviro Projects Private Limited ²	29,24,550	29.25	29,24,550	29.25
Chennai Water Desalination Limited ²	12,97,37,411	19.20	12,97,37,411	19.20
Salem Tollways Limited ²	5,13,03,160	489.50	5,13,03,160	489.50
Kumarapalyam Tollways Limited ^{1,2,3}	3,75,71,600	2,220.50	3,69,71,600	2,205.50
IVRCL Steel Construction & Services Limited ²	50,000	0.50	50,000	0.50
Jalandar Amritsar Tollways Limited ²	4,89,38,550	658.20	4,89,38,550	658.20
IVRCL Indore Gujarat Tollways Limited ^{1,2}	3,33,95,982	4,203.97	2,56,38,030	3,903.97
IVRCL Chengapalli Tollways Limited ^{1,2}	2,17,54,260	2,285.53	1,96,95,260	2,079.63
Chengapalli Road Infra Limited	10,000	0.10	-	-
IVRCL Holdings & Services Pte Limited (Face Value of SGD 1)	1	-	1	-
IVRCL Patalaganga Trucks Terminal Private Limited ³	53,334	32.60	53,334	32.60
IVRCL Goa Tollways Limited ²	49,990	0.50	49,990	0.50
IVRCL-Cadagua Hogenakkal Water Treatment Company Private Limited ²	6,000	0.06	6,000	0.06
Alkor Petroo Limited	56,25,000	70.10	56,25,000	70.10
IVRCL Building Products Limited ²	5,99,995	6.03	5,99,995	6.03
IVRCL Chandrapur Tollways Limited ²	2,28,12,900	2,369.36	2,28,12,900	2,369.36
Sapthashva Solar Limited ²	52,100	0.52	52,100	0.52
RIHIM Developers Private Limited ²	10,000	0.10	10,000	0.10
IVRCL TLT Private Limited ²	10,000	0.10	10,000	0.10
IVRCL Raipur Bilaspur Tollways Limited ²	49,990	0.50	49,990	0.50
IVRCL Narnual Bhiwani Tollways Limited ²	49,990	0.50	49,990	0.50
IVR Hotels and Resorts Limited	2,39,355	3,175.36	2,39,355	3,175.36
SPB Developers Private Limited ²	2,90,61,999	1,133.05	2,90,61,999	1,133.05
IVRCL Multilevel Car Parking Private Limited ²	5,100	0.05	5,100	0.05
IVRCL Lanka Private Limited	8,83,24,756	385.19	8,19,97,756	354.91
First STP Private Limited ²	28,50,000	35.39	28,50,000	35.39
IVRCL Gundugolanu Rajahmundry Tollways Limited ²	49,900	0.50	49,900	0.50
IVRCL Patiala Bathinda Tollways Limited ²	49,900	0.50	49,900	0.50
IVR Prime Developers (Tambaram) Private Limited ²	10,000	0.10	10,000	0.10
IVRCL International FZE (Face Value of AED 100,000)	1	1.28	1	1.28

	As At 31.03.2016		As At 31.03.2015	
	No.	₹ in million	No.	₹ in million
(ii) Associate Bodies Corporate (Unquoted)				
Viva Infrastructures Private Limited	50,000	0.50	50,000	0.50
Paresh Infrastructure Private Limited	4,900	0.05	4,900	0.05
IVRCL International Infrastructures & Projects LLC (Face Value of Dhs.1,500 each)	49	0.91	49	0.91
Sushee - IVRCL Arunachal Highway Limited ²	1,23,50,000	247.00	1,23,50,000	247.00
II. Preference Shares of subsidiary company				
Salem Tollways Limited ² (7% Cumulative Redeemable Preference Shares of Face Value of ₹ 100 each)	50,00,000	500.00	50,00,000	500.00
III Partnership Firm				
Bhanu IVRCL Associates (50:50 Share between the Company and Bhanu Construction Co. Limited respectively)		0.01		0.01
IVRCL -Tantia Joint Venture (AOP) (50:50 Share between the Company and Tantia Construction Co. Limited respectively)		0.20		0.20
B. Others - Unquoted				
(i) Equity Shares				
Telcon Ecoroad Resurfaces Private Limited (Face Value of ₹ 100 each)	2,40,000	24.00	2,40,000	24.00
Tamilnad Mercantile Bank Limited	25	0.21	25	0.21
Rayalseema Expressway Private Limited	19,290	0.19	19,290	0.19
IOTL Utkal Energy Services Limited ²	9,70,00,000	302.80	9,70,00,000	302.80
Telcon Construction Company Limited	4,800	-	4,800	-
(ii) Debentures				
Rayalseema Expressway Private Limited (Face Value of ₹ 1,482 each)	88,413	131.03	88,413	131.03
C. Investment in Mutual Funds				
Union Bank of India Tax Saver Scheme		2.00		2.00
D. Provision for diminution in value of Investment		(224.03)		(223.98)
		18,762.59		18,211.38

Note : (₹ in million)

Aggregate amount of quoted investment	657.53	657.53
Aggregate market value thereof	419.94	618.96
Aggregate amount of unquoted investment	16,715.34	17,553.85

- 1) Additional investment subscribed during the year
- 2) Pledged against the monies borrowed by the company, Subsidiaries and Associates (Refer Note No. 51)
- 3) Additional Investment is by converting sponsor loan / unsecured loan into equity during year.

12. **Deferred Tax Asset (Net)** (₹ in million)

	As At 31.03.2016		As At 31.03.2015	
(a) Deferred Tax Liability				
- Depreciation		-		(359.17)
(b) Deferred Tax Asset				
- Compensated Absences	-		57.80	
- Gratuity	-		21.34	
- Doubtful debts, Advances and Deposits	-		428.71	
- Expenses relating to Amalgamation	-		3.74	
- Others	-	-	154.10	665.69
Net Deferred Tax Asset		-		306.52

Notes forming part of Financial Statements



13. Long Term Loans and Advances (Unsecured, considered good) (₹ in million)

	As At 31.03.2016	As At 31.03.2015
(a) Capital Advances	21.40	22.59
(b) Security Deposit	52.16	55.04
(c) Tax deducted at Source and Advance Tax	1,389.58	1,469.28
(d) Loans and Advances to Related Parties		
- Subsidiaries	5,665.91	5,554.83
	7,129.05	7,101.74

14. Other Non-Current Assets (Unsecured) (₹ in million)

	As At 31.03.2016	As At 31.03.2015
(a) Long-Term Trade Receivables		
- Considered good	5,973.62	5,874.56
- Doubtful	27.23	147.63
	6,000.85	6,022.19
Less: Provision for Doubtful Trade Receivables	27.23	147.63
	5,973.62	5,874.56
(b) Non - Current Bank Balances		
- Deposit with maturity of more than 12 months	9.52	13.34
(c) Interest accrued on loans and advances to related parties and others	33.79	33.99
	6,016.93	5,921.89

15. Inventories (₹ in million)

	As At 31.03.2016	As At 31.03.2015
At Project sites		
- Project stores and Spares (at cost)	1,288.05	1,672.34
	1,288.05	1,672.34

16. Trade Receivables (Unsecured) (₹ in million)

	As At 31.03.2016	As At 31.03.2015
(a) Outstanding for a period exceeding six months from the date they were due for payment		
- Unsecured, considered good	10,321.66	10,303.65
- Doubtful	4,801.05	3,880.94
	15,122.71	14,184.59
Less: Provision for Doubtful Trade Receivables	4,801.05	3,880.94
	10,321.66	10,303.65
(b) Other Receivables		
- Unsecured, considered good	4,388.33	6,111.11
- Doubtful	-	-
	4,388.33	6,111.11
Less: Provision for Doubtful Other Receivables	-	-
	4,388.33	6,111.11
	14,709.99	16,414.76

Notes forming part of Financial Statements



17. Cash and Bank Balances

(₹ in million)

	As At 31.03.2016	As At 31.03.2015
a) Cash and Cash equivalents		
- Cash on Hand	6.15	8.45
- Balances with Banks		
- Current Accounts	825.66	1,039.70
- Deposits with maturity period of less than 3 months	5.73	9.22
	837.54	1,057.37
b) Other Bank Balances		
- Earmarked Balances		
- Margin Money	6.64	6.64
- Unpaid Dividend Account	2.15	3.81
- Share Application Money Refund	0.48	0.48
- Term Deposits with maturity period of more than 3 months but less than 12 months	122.64	174.98
	131.91	185.91
	969.45	1,243.28

18. Short-Term Loans and Advances (Unsecured)

(₹ in million)

	As At 31.03.2016	As At 31.03.2015
(a) Loans and Advances to Related Parties		
- Subsidiaries	2,178.08	2,290.84
- Associates	29.93	28.17
- Joint Ventures	1,043.04	1,024.61
- Directors	255.73	38.98
	3,506.78	3,382.60
- Considered Good	3,342.09	3,219.12
- Doubtful	164.69	163.47
	3,506.78	3,382.60
Less: Provision for Doubtful Advances	164.68	163.47
	3,342.09	3,219.13
(b) Advance to Sub Contractors and Suppliers		
- Considered Good	2,049.09	2,469.65
- Doubtful	151.73	150.03
	2,200.82	2,619.68
Less: Provision for Doubtful Advances	151.73	150.03
	2,049.09	2,469.65
(c) Others		
- Considered Good	25.19	95.56
- Doubtful	99.42	20.33
	124.61	115.89
Less: Provision for Doubtful Advances	99.42	20.33
	25.19	95.56
(d) Prepaid Expenses	46.57	101.36
(e) Other Deposits	312.44	330.63
(f) Balances with Statutory / Government Authorities	2,476.50	2,583.46
	2,835.52	3,015.45
- Considered Good	2,555.02	2,735.47
- Doubtful	280.50	279.98
	2,835.52	3,015.45
Less: Provision for Doubtful Advances	280.50	279.98
	2,555.02	2,735.47
	7,971.40	8,519.79

Notes forming part of Financial Statements



19. Other Current Assets (Unsecured, considered good)

(₹ in million)

	As At 31.03.2016	As At 31.03.2015
(a) Unbilled Revenue (Refer Note no 39)	14,765.43	17,068.41
(b) Receivable against sale of Development Rights	1,523.13	1,523.13
(c) Interest on Term Deposit with Banks	2.98	4.29
(d) Income Tax Refund	259.74	371.80
	16,551.28	18,967.63
(e) Other Receivable (Refer Note no 39)	7,417.98	5,584.06
- Doubtful Receivables	161.70	-
	7,579.68	5,584.06
Less : Provision for Doubtful Receivables	161.70	-
	7,417.98	5,584.06
	23,969.26	24,551.69

20. Income from Operations

(₹ in million)

	Year ended 31.03.2016	Year ended 31.03.2015
(a) Construction Revenue	23,616.78	31,174.17
	23,616.78	31,174.17

21. Other Income

(₹ in million)

	Year ended 31.03.2016	Year ended 31.03.2015
(a) Interest Income		
- Loans and Advances to Subsidiaries and Sub-contractors	25.52	22.27
- Term Deposits with Banks	12.92	33.87
(b) Dividend Income		
- Long Term Investments	0.02	0.04
(c) Liabilities no longer required written back	35.89	10.95
(d) Provisions written back	55.16	182.90
(e) Foreign Exchange Gain	0.74	56.30
(f) Miscellaneous Income	71.21	128.79
	201.46	435.12

22. Construction Expenses

(₹ in million)

	Year ended 31.03.2016		Year ended 31.03.2015	
(a) Construction Stores, Spares and Materials Consumed				
Opening Stock	1,672.34		2,000.19	
Add: Purchases	4,447.89		5,168.80	
Less : Closing Stock	1,288.05		1,672.34	
		4,832.18		5,496.65
(b) Sub-contractors' work bills		12,156.84		14,196.25
(c) Masonry and other works		4,868.31		4,444.16
(d) Indirect Taxes and Cess		787.72		795.56
(e) Machinery Hire Charges		819.63		781.64
(f) Repairs and Maintenance				
- Construction Machinery	198.28		230.30	
- Others	60.26	258.54	82.87	313.17
(g) Electricity and Water Charges		112.07		116.07
(h) Royalty		13.35		19.28
(i) Laboratory Testing Charges		12.98		12.93
(j) Other Construction Expenses		455.54		498.83
		24,317.16		26,674.54

Notes forming part of Financial Statements



23. Employee Benefits Expense

(₹ in million)

	Year ended 31.03.2016	Year ended 31.03.2015
(a) Salaries, Wages and Bonus	1,235.23	1,525.53
(b) Contribution to Provident, Superannuation and Other Funds	119.27	202.70
(c) Staff Welfare Expenses	139.73	162.61
(d) Managerial Remuneration	18.27	0.86
	1,512.50	1,891.70

24. Other Expenses

(₹ in million)

	Year ended 31.03.2016	Year ended 31.03.2015
(a) Rent	96.30	115.38
(b) Office Maintenance	104.51	124.49
(c) Rates and Taxes	24.41	30.80
(d) Travelling and Conveyance	84.29	94.19
(e) Legal and Professional Charges	152.21	219.09
(f) Insurance	122.89	142.85
(g) Communication Expenses	28.48	34.37
(h) Printing and Stationery	14.94	18.09
(i) Tender Expenses	1.04	2.29
(j) Business Promotion	6.18	6.18
(k) Auditors' Remuneration (Refer Note. 28)	7.37	7.11
(l) Advertisement and Publicity	1.60	1.07
(m) Loss on Assets sold / discarded (Net)	14.00	23.82
(n) Provision for doubtful debts, advances and deposits	1,099.13	1,082.53
(o) Provision for foreseeable losses	-	985.80
(p) Bad Debts Written Off	-	0.21
(q) Miscellaneous Expenses	6.39	12.44
	1,763.74	2,900.71

25. Finance Cost

(₹ in million)

	Year ended 31.03.2016	Year ended 31.03.2015
(a) Interest Expenses	6,005.59	5,749.81
(b) Other Borrowing Cost	598.66	687.17
(c) Applicable net loss on foreign currency transactions and translations	43.90	92.26
	6,648.15	6,529.24

26. Disclosure pursuant to Accounting Standard - 7 "Construction Contracts"

In terms of the disclosures required to be made under the Accounting Standard 7 (Revised) for 'Construction Contracts' are as follows:

(₹ in million)

	Year ended 31.03.2016	Year ended 31.03.2015
(a) Contract Revenue recognised as revenue during the period	23,452.05	31,053.62
(b) Aggregate amount of Contract costs incurred and recognised profits, less losses	126,452.80	126,307.39
(c) Advances received, net of recoveries from progressive bills	5,450.54	7,125.60
(d) Gross amount due from customers for contract works	14,765.43	18,375.64
(e) Retention Money	6,975.54	6,853.97

Notes forming part of Financial Statements



27. Earnings Per Share (EPS)

	Year ended 31.03.2016	Year ended 31.03.2015
(a) (Loss) / Profit After Tax before exceptional item for calculation of Basic and Diluted EPS (₹ in million)	(11,225.28)	(7,290.47)
(b) (Loss) / Profit After Tax after exceptional item for calculation of Basic and Diluted EPS (₹ in million)	(10,604.39)	(6,722.32)
(c) Weighted average number of equity shares outstanding for calculation of EPS	522,432,856	344,957,062
(d) Basic and Diluted EPS before exceptional item (₹)	(21.49)	(21.13)
(e) Basic and Diluted EPS after exceptional item (₹)	(20.30)	(19.49)

28. Auditors' Remuneration (excluding service tax)

(₹ in million)

	Year ended 31.03.2016	Year ended 31.03.2015
(a) Statutory Audit	5.00	5.00
(b) Limited Reviews	1.50	1.50
(c) Tax Audit	0.50	0.50
(d) Other Service	0.27	0.01
(e) Reimbursement of expenses	0.10	0.10
	7.37	7.11

29. Contingent Liabilities and Commitments

(₹ in million)

	As at 31.03.2016	As at 31.03.2015
(i) Contingent Liabilities:		
(a) Bank Guarantees issued by the banks on behalf of the Company and Letter of Credits	11,382.85	13,517.49
(b) Corporate Guarantees issued by the Company on behalf of its subsidiaries, associates and others (Refer Note 1 below)	39,685.90	36,721.91
(c) Claims against the Company not acknowledged as debts	5,796.48	2,732.38
(d) Disputed Value Added Tax / Service Tax	7,813.15	3,490.89
(ii) Commitments:		
(a) Estimated amount of contracts to be executed on capital account (net of advances)	0.16	67.22
(b) Commitments towards investment in subsidiaries	985.31	973.71
(c) Other Commitments (Refer Note 2 below)	-	-

Notes:

- The Company has given Corporate Guarantees aggregating to ₹ 39,560.90 million (As at 31.03.2015: ₹ 36,721.91 million), on behalf of certain subsidiaries to Banks and Financial Institutions. The loan amount and compulsorily convertible debentures outstanding as on March 31, 2016 are ₹ 25,590.05 million (As at 31.03.2015: ₹ 24,575.94 million) and ₹ 2,500.00 million (As at 31.03.2015: ₹ 2,500.00 million) respectively.
- The Company enters into construction contracts with its vendors. The final amounts payable under such contracts will be based on actual measurements and negotiated rates, which are determinable as and when the work under the said contracts are completed.

Notes forming part of Financial Statements



3. As more fully described in Note 48, the Company and the CDR lenders executed a Master Restructuring Agreement (MRA) during the previous year. The MRA as well as the provisions of the master circular on corporate debt restructuring issued by the Reserve Bank of India, gives a right to the lenders to get a recompense of their waivers and sacrifices made as part of the CDR proposals. The recompense payable by the company is contingent on various factors including improved performance of the Company and many other conditions, as at March 31, 2016, the aggregate indicative recompense of the CDR lenders as per the MRA is ₹ 2,585.00 million, payment of which is contingent on various factors including improved performance of the Company and many other conditions, the outcome of which is currently uncertain and hence the proportion of amount payable as recompense has been treated as contingent liability.
4. Impact of pending legal cases: The Company is party to several cases with clients as well as contractors, pending before various forums/courts/arbitration proceedings. It is not possible to make a fair assessment of the likely financial impact of these pending disputes/litigations until the cases are decided by the appropriate authorities.

30. CIF Value of imports

(₹ in million)

	Year ended 31.03.2016	Year ended 31.03.2015
(a) Capital Goods	-	-
(b) Construction materials and others	-	0.16

31. Expenditure and Income in foreign currency

(a) Income

(₹ in million)

	Year ended 31.03.2016	Year ended 31.03.2015
(a) FOB value of Exports	-	-
(b) Overseas Contract Revenue	264.72	92.54

(b) Expenditure

(₹ in million)

	Year ended 31.03.2016	Year ended 31.03.2015
(a) Travelling Expenses	0.86	0.92
(b) Professional and Consultancy Charges	26.21	1.29
(c) Interest Expenses	66.83	91.96
(d) Overseas Contract Expenditure	403.70	153.15

32. Construction material and stores consumed

(₹ in million)

	Year ended 31.03.2016		Year ended 31.03.2015	
	Value	%	Value	%
(a) Indigenous	4,832.19	100%	5,496.49	99.99
(b) Imported	-	-	0.16	0.01
Total	4,832.19	100%	5,496.65	100.00

33. Dues to Micro and Small Enterprises

Information relating to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company. The required disclosures are given below.

Notes forming part of Financial Statements



(₹ in million)

	As at 31.03.2016	As at 31.03.2015
(a) Dues remaining unpaid as at Balance Sheet date		
- Principal amount	6.86	16.34
- Interest on the above	3.53	8.97
(b) Interest paid in terms of Section 16 of the Act, along with the amount of payment made to the supplier and service providers beyond the appointed day during the period		
- Principal amount	-	-
- Interest on the above	-	-
(c) Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the period) but without adding the interest specified under the Act.	-	-
(d) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	2.61
(e) Interest accrued and remaining unpaid as at Balance Sheet date	3.53	11.58

34. The Company has the following Joint Ventures (Jointly Controlled Operations) as on March 31, 2016 and its proportionate share is given below:

Sl. No.	Name of the Joint Venture	Share of Interest
1	Bhanu - IVRCL Associates	50.00%
2	IVRCL - Tantia (JV)	50.00%
3	IVRCL, SEW & Prasad Hyderabad J.V	50.00%
4	IVRCL, Navayuga & SEW Joint Venture	35.75%
5	Navayuga, IVRCL & SEW Joint Venture	35.75%
6	IVRCL - Harsha (JV)	80.00%
7	SPCL - IVRCL JV	49.00%
8	IVRCL - JL (JV)	90.00%
9	UAN Raju IVRCL Construction JV	51.00%
10	IVRCL - KBL (JV) Hyderabad	80.00%
11	IVRCL - KBL - MEIL (JV) Hyderabad	65.00%
12	IVRCL - CR18G (JV)	90.00%
13	IVRCL SEW & WPIL (JV) Hyderabad	60.00%
14	IVRCL - MBL (JV) Hyderabad	90.00%
15	IVRCL BATPASCO WPIL & MHI (JV) Hyderabad	70.00%
16	IVRCL BATPASCO ABB & AAG (JV) Hyderabad	85.00%
17	IVRCL - CR18G Consortium (J.V)	70.00%
18	MEIL IVRCL HCC & WPIL (JV)	23.00%
19	IVRCL - KIPL (JV)	50.00%
20	IVRCL - RAJ (JV)	32.17%
21	UNITY - IVRCL Joint Venture	50.00%
22	IVRCL SAI SUDHIR (JV)	51.00%

Sl. No.	Name of the Joint Venture	Share of Interest
23	CR18G - IVRCL (JV)	30.00%
24	IVRCL - SUSHEE Joint Venture	51.00%
25	IVRCL - KMB - HDO Joint Venture	70.00%
26	IVRCL - MEIL (NC-28) Joint Venture	65.00%
27	IVRCL - MEIL (NC-33) Joint Venture	65.00%
28	IVRCL - SUSHEE Consortium	51.00%
29	IVRCL - RTE Joint Venture	80.00%
30	KMB - IVRCL Joint Venture	49.00%
31	IVRCL - BPL -UCC (JV)	60.00%
32	IVRCL-MRT(JV)	85.00%
33	SAPL & MBL - IVRCL (JV)	39.00%
34	G.SHANKAR-IVRCL (J.V)	25.00%
35	IVRCL-MEIL (J.V)	80.00%
36	MEIL-IVRCL (J.V)	20.00%
37	IVRCL-TAI INFRA (JV)	77.00%
38	IVRCL LTD-AJAY PROTECH PVT.LTD.(JV)	51.00%
39	IVRCL-DRN INFRA (JV)	51.00%
40	IVRCL-DCCM-TCL JV	65.00%
41	IVRCL AMR JV	60.00%
42	IVRCL MVPR (JV)	51.00%
43	SMC IVRCL VUB (JV)	51.00%

35. Related Party Disclosure

Information regarding Related Party Transactions as per Accounting Standard 18 is given below:

35.1 List of Related Parties and Relationships

Sl No.	Name	Sl No.	Name
A Subsidiaries {The ownership, directly or indirectly through subsidiaries}			
1	Hindustan Dorr-Oliver Limited	45	Chodavaram Developers Private Limited
2	IVRCL PSC Pipes Private Limited	46	Simhachalam Prime Developers Private Limited
3	IVR Enviro Projects Private Limited	47	Siripuram Developers Private Limited
4	Chennai Water Desalination Limited	48	Bibinagar Developers Private Limited
5	Salem Tollways Limited	49	IVR Prime Developers (Erode) Private Limited
6	Kumarapalyam Tollways Limited	50	IVR Prime Developers (Guntur) Private Limited
7	IVRCL Steel Construction & Services Limited	51	IVR Prime Developers (Kakinada) Private Limited ¹
8	Jalandhar Amritsar Tollways Limited	52	IVR Prime Developers (Araku) Private Limited
9	IVRCL Indore Gujarat Tollways Limited	53	IVR Prime Developers (Pudukkottai) Private Limited ¹
10	IVRCL Chengapalli Tollways Limited	54	Absorption Aircon Engineer Private Limited
11	IVRCL Patalaganga Truck Terminals Pvt. Limited	55	IVR Vaanaprastha Private Limited
12	IVRCL Goa Tollways Limited	56	IVR PUDL Resorts & Clubs Private Limited

13	IVRCL-Cadagua Hogenakkal Water Treatment Company Private Limited	57	IVR Prime Developers (Thandiarpet) Private Limited ¹
14	Alkor Petroo Limited	58	IVR Prime Developers (Gummidipundy) Private Limited ¹
15	IVRCL Building Products Limited	59	IVR Prime Developers (Kodambakkam) Private Limited ¹
16	IVRCL Chandrapur Tollways Limited	60	IVR Prime Developers (Arumbakkam) Private Limited ¹
17	Sapthashva Solar Limited	61	IVR Prime Developers (Anna Nagar) Private Limited ¹
18	RIHIM Developers Private Limited	62	IVRCL Solar Energy Private Limited
19	IVRCL TLT Private Limited	63	IVR Prime Developers (Amalapuram) Private Limited
20	IVRCL Raipur Bilaspur Tollways Limited	64	IVR Prime Developers (Anakapalle) Private Limited ¹
21	IVRCL Narnual Bhiwani Tollways Limited	65	IVR Prime Developers (Rajampeta) Private Limited ¹
22	IVR Hotels and Resorts Limited	66	IVR Prime Developers (Tanuku) Private Limited ¹
23	SPB Developers Private Limited	67	IVR Prime Developers (Red Hills) Private Limited
24	IVRCL Multilevel Car Parking Private Limited	68	IVR Prime Developers (Rajahmundry) Private Limited ¹
25	IVRCL Lanka (Private) Limited	69	IVR Prime Developers (Tuni) Private Limited
26	First STP Private Limited	70	IVR Prime Developers (Bobbilli) Private Limited
27	IVRCL Gundugolanu Rajahmundry Tollways Limited	71	IVR Prime Developers (Bhimavaram) Private Limited
28	IVRCL Patiala Bathinda Tollways Limited	72	IVR Prime Developers (Adayar) Private Limited
29	IVR Prime Developers (Tambaram) Private Limited	73	IVR Prime Developers (Ananthapuram) Private Limited ¹
30	HDO Technologies Limited	74	IVR Prime Developers (Perumbalur) Private Limited ¹
31	HDO (UK) Limited	75	IVR Prime Developers (Egmore) Private Limited
32	Davymarkham (India) Private Limited	76	IVR Prime Developers (Ashram) Private Limited ¹
33	HDO Zambia Limited	77	IVR Prime Developers (Retiral Homes) Private Limited ¹
34	IVR Prime Developers (Palakkad) Private Limited	78	Geo IVRCL Engineering Limited
35	IVR Prime Developers (Guindy) Private Limited	79	Duvvda Developers Private Limited
36	IVRCL Mega Malls Limited	80	Kunnam Developers Private Limited
37	Agaram Developers Private Limited	81	Vedurwada Developers Private Limited
38	Mummididi Developers Private Limited	82	Rudravaram Developers Private Limited
39	Samatteri Developers Private Limited	83	Geo Prime Developers Private Limited
40	Annapampattu Developers Private Limited	84	Theata Developers Private Limited
41	Tirumani Developers Private Limited	85	Kasibugga Developers Private Limited
42	Ilavampedu Developers Private Limited	86	Vijayawada Developers Private Limited
43	Gajuwaka Developers Private Limited	87	Eluru Developers Private Limited
44	IVR Prime Developers (Mylapore) Private Limited ¹	88	Chengapally Road Infra Private Limited

1. Applications have been filed before the Registrar of Companies, Andhra Pradesh to 'strike off' of names under the "Fast Track Exit Scheme".

Notes forming part of Financial Statements



SI No.	Name	SI No.	Name
B Associate (Where the Company Exercises Significant influence)			
1	IVRCL International Infrastructures & Projects LLC	2	Sushee - IVRCL Arunachal Highway Limited
C Joint Ventures			
1	Bhanu - IVRCL Associates	23	IVRCL - KIPL (JV)
2	IVRCL - Tantia (JV)	24	IVRCL - RAJ (JV)
3	IVRCL, SEW & Prasad Hyderabad J.V	25	UNITY - IVRCL Joint Venture
4	IVRCL, Navayuga & SEW Joint Venture	26	IVRCL SAI SUDHIR (JV)
5	Navayuga, IVRCL & SEW Joint Venture	27	CR18G - IVRCL (JV)
6	IVRCL - Harsha (JV)	28	IVRCL - SUSHEE JOINT VENTURE
7	SPCL - IVRCL JV	29	IVRCL - RTE Joint Venture
8	IVRCL - JL (JV)	30	KMB - IVRCL Joint Venture
9	UAN Raju IVRCL Construction JV	31	IVRCL - BPL -UCC (JV)
10	IVRCL - KBL (JV) Hyderabad	32	IVRCL-MRT(JV)
11	IVRCL - KBL - MEIL (JV) Hyderabad	33	SAPL & MBL - IVRCL (JV)
12	IVRCL - CR18G (JV)	34	G.SHANKAR-IVRCL (J.V)
13	IVRCL - KMB - HDO Joint Venture	35	IVRCL-MEIL (J.V)
14	IVRCL-MEIL (NC-28) Joint Venture	36	MEIL-IVRCL (J.V)
15	IVRCL-MEIL (NC-33) Joint Venture	37	IVRCL - TAI INFRA (JV)
16	IVRCL - SUSHEE Consortium	38	IVRCL LTD-AJAY PROTECH PVT.LTD.(JV)
17	IVRCL SEW & WPIL (JV) Hyderabad	39	SMC IVRCL - VUB(JV)
18	IVRCL - MBL (JV) Hyderabad	40	IVRCL-DRN INFRA (JV)
19	IVRCL BATPASCO WPIL & MHI (JV) Hyderabad	41	IVRCL-DCCM-TCL JV
20	IVRCL BATPASCO ABB & AAG (JV) Hyderabad	42	IVRCL AMR JV
21	IVRCL - CR18G Consortium (J.V)	43	IVRCL MVPR (JV)
22	MEIL IVRCL HCC & WPIL (JV)		
D Enterprises owned or significantly influenced by key management personnel or their relatives			
1	S. V. Equities Limited	5	Eragam Finlease Limited
2	Palladium Infrastructures & Projects Limited	6	Indus Palms Hotels & Resorts Limited
3	Soma Hotels & Resorts Limited	7	A.P. Enercon Engineers Private Limited
4	Eragam Holdings Limited		
E Key Management Personnel			
1	Mr. E. Sudhir Reddy		Chairman & Managing Director
2	Mr. K. Ashok Reddy		Joint Managing Director
3	Mr. R. Balarami Reddy		Joint Managing Director & CFO
4	Mr. B. Subrahmanyam		Company Secretary
F Relatives of Key Management Personnel			
1	Mr. E. Ella Reddy	}	Relative of Chairman & Managing Director
2	Mrs. E. Sujatha Reddy		
3	Mr. E. Sunil Reddy		

Notes forming part of Financial Statements



35.2 Disclosure of transactions between company and related parties and the status of outstanding balances as on March 31, 2016.

(A) Transactions during the Year:

	(₹ in million)					
	Subsidiary Companies		Joint Venture		Associate Companies & Others	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Contract Revenue / Other Operational Income						
Hindustan Dorr-Oliver Limited	21.50	48.24				
IVRCL Chandrapur Tollways Limited	1,610.47	951.94				
IVRCL Chengapally Tollways Limited	1,649.92	487.32				
IVRCL Indore Gujarat Tollways Limited	(468.90)	396.53				
Jalandhar Amritsar Tollways Limited	44.02	317.64				
SPB Developers Limited	(510.72)	72.35				
IVRCL Gundugolanu Rajahmundry Tollways Limited	(37.75)	-				
IVRCL BATPASCO WPIL & MHI (JV) Hyderabad			563.44	496.57		
UNITY - IVRCL Joint Venture			824.00	734.19		
IVRCL-MEIL (NC-28) Joint Venture			2.25	4.60		
IVRCL-MEIL (NC-33) Joint Venture			-	33.63		
NAVAYUGA IVRCL & SEW JV			459.72	134.66		
G.SHANKAR-IVRCL (J.V)			314.46	1,310.41		
IVRCL DRN-INFRA JV			557.14	-		
Others	3.67	17.79	2,787.01	3,369.49		
Total	2,312.22	2,291.81	5,508.02	6,083.55	-	-
Rental Income						
IVR Hotels and Resorts Limited	0.23	0.45				
Total	0.23	0.45	-	-	-	-
Hire Charges Income						
IVRCL Lanka (Private) Limited	5.89	5.56				
Total	5.89	5.56	-	-	-	-
Rent Expense						
A.P Enercon Engineers Private Limited					18.93	18.93
Total	-	-	-	-	18.93	18.93

Notes forming part of Financial Statements



(A) Transactions during the Year:

	(₹ in million)					
	Subsidiary Companies		Joint Venture		Associate Companies & Others	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Sub-contracting Work Expenses / Purchase of Construction Material						
Hindustan Dorr Oliver Limited	16.97	2.26				
IVRCL TLT Private Limited	14.87	86.23				
Navayuga, IVRCL & SEW Joint Venture			414.34	118.69		
IVRCL - CR18G (JV)			262.02	223.99		
MEIL IVRCL HCC & WPIL (JV)			92.95	215.52		
UNITY - IVRCL Joint Venture			759.90	678.66		
G.SHANKAR-IVRCL (J.V)			297.74	1,228.40		
IVRCL DRN-INFRA JV			520.92	-		
Palladium Infrastructures & Projects Limited			233.45	438.69	369.86	413.77
Others						
Total	31.84	88.49	2,581.32	2,903.95	369.86	413.77
Sale of Construction Material						
Palladium Infrastructures & Projects Limited					11.51	69.21
Total	-	-	-	-	11.51	69.21
Sale of Assets						
Salem Tollways Limited	0.08					
Kumarapalyam Tollways Limited	0.14					
IVRCL Chengapalli Tollways Limited	0.06					
Total	0.28	-	-	-	-	-
Interest Expense on Mobilisation Advance						
IVRCL BATPASCO WPIL & MHI (JV) Hyderabad			0.48	-		
CR18G - IVRCL (JV)			4.68	10.57		
IVRCL - CR18G Consortium(JV)			-	4.24		
KMB - IVRCL Joint Venture			-	2.41		
IVRCL-KMB-HDO Joint Venture			-	4.44		
SAPL & MBL - IVRCL (JV)			7.64	13.61		
IVRCL-MRT(JV)			8.94	-		
Total	-	-	21.74	35.27	-	-
Provision for doubtful Advances						
IVRCL Multilevel Car Parking Private Limited	1.21					
Total	1.21	-	-	-	-	-

Notes forming part of Financial Statements



(A) Transactions during the Year:

	(₹ in million)					
	Subsidiary Companies		Joint Venture		Associate Companies & Others	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Loans /Advances Given						
Alkor Petroo Limited	139.74	15.38				
Salem Tollways Limited	-	5.50				
Kumarapalyam Tollways Limited	-	38.60				
Chennai Water Desalination Limited	-	2.50				
IVRCL Chengapalli Tollways Limited	311.39	3.37				
IVRCL Building Products Limited	0.02	4.30				
IVRCL Indore Gujarat Tollways Limited	-	111.38				
IVRCL Lanka (Private) Limited	-	19.33				
Total	451.15	200.36	-	-	-	-
Investment in Equity Shares						
IVRCL Indore Gujarat Tollways Limited	300.00	108.69				
IVRCL Chengapalli Tollways Limited	205.90	300.00				
IVRCL Chandrapur Tollways Limited	-	51.80				
IVRCL Lanka (Private) Limited	30.28	-				
Kumarapalyam Tollways Limited	15.00	89.20				
Chengapalli Road Infra Limited	0.10	-				
Sushee IVRCL Arunachal Highways Limited	-	68.90				185.25
Others	-	-				
Total	551.28	618.59	-	-	-	185.25
Mobilisation Advance Received						
IVRCL Chengapalli Tollways Limited	-	-				
IVRCL-MRT(JV)	-	-	0.40	-	-	-
SAPL & IML - IVRCL (JV)	-	-	-	-	-	-
	-	-	0.40	-	-	-

Notes forming part of Financial Statements



	Subsidiary Companies		Joint Venture		Associate Companies & Others	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
	(₹ in million)					
(B) Closing Balances as on March 31, 2016						
Advances - Receivable						
IVRCL TLT Private Limited	428.08	455.55				
Hindustan Dorr Oliver Limited	117.97	113.25				
RHIM Developers Private Limited	274.25	276.47				
IVRCL Lanka (Private) Limited	148.45	136.58				
Alkor Petroo Limited	924.28	1,061.98				
UAN Raju IVRCL Construction JV			121.49	121.69		
IVRCL, Navayuga & SEW Joint Venture			78.02	95.36		
UNITY - IVRCL Joint Venture			476.04	490.13		
IVRCL International Infrastructures & Projects LLC					29.93	28.17
SAPL & MBL - IVRCL (JV)			79.37	6.13		
Others	285.03	247.00	288.11	311.29		
Total	2,178.06	2,290.83	1,043.03	1,024.60	29.93	28.17
Other Payables						
Kumarapalyam Tollways Limited	17.34	-				
IVRCL Indore Gujarat Tollways Limited	288.11	55.15				
IVRCL Narnual Bhiwani Tollways Limited	0.19	0.18				
HDO Technologies Limited	18.70	18.70				
First STP Private Limited	6.12	8.17				
IVRCL JL JV			98.98	-		
IVRCL - KBL (JV) Hyderabad			153.55	40.07		
IVRCL - KBL - MEIL (JV) Hyderabad			304.29	154.58		
IVRCL - KIPL (JV)			-	161.93		
IVRCL MBL JV			46.99	15.53		
Others	10.73	6.92	86.88	49.46		
Total	341.19	89.12	690.69	421.57	-	-
Trade Payables - Construction Expenses						
IVRCL TLT Private Limited	131.82	120.99				
Hindustan Dorr Oliver Limited	30.52	14.67				
SPB Developers Limited	366.67	372.56				
IVRCL Indore Gujarat Tollways Limited		100.60				
IVRCL Chengapalli Tollways Limited		104.79				
Navayuga, IVRCL & SEW JV			293.75	0.69		
MEIL IVRCL HCC & WPIL (JV)			90.11	110.87		
IVRCL-MEIL (NC-28) Joint Venture			35.19	33.16		
IVRCL-MEIL (NC-33) Joint Venture			9.07	9.07		
G.SHANKAR-IVRCL(JV)			77.49	583.45		
IVRCL DRN-INFRA JV			459.74			
Palladium Infrastructures & Projects Limited			93.71	123.96		
Others					148.43	28.14
Total	529.01	713.61	1,059.06	861.20	168.72	30.60

Notes forming part of Financial Statements



(B) Closing Balances as on March 31, 2016

	(₹ in million)					
	Subsidiary Companies		Joint Venture		Associate Companies & Others	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Provision for Doubtful Advances						
Bhanu IVRCL Associates			32.12	32.12		
SPCL - IVRCL JV			17.05	17.05		
UAN Raju IVRCL Construction JV			66.73	66.73		
IVRCL - Harsha (JV)			36.50	36.50		
IVRCL Goa Tollways Limited	10.45	10.45				
IVRCL MULTI LEVEL CAR PARKING PVT LTD	1.21	-				
Others			0.62	0.62		
Total	11.66	10.45	153.02	153.02		
Trade Receivables, Retention Money and Other Deposits						
Hindustan Dorr-Oliver Limited	337.07	306.09				
IVRCL-Cadagua Hogenakkal Water Treatment Company Pvt Limited	107.93	119.70				
IVRCL Chandrapur Tollways Limited	417.55	118.44				
IVRCL Patiala Bathinda Tollways Limited	158.60	-				
IVRCL, SEW & Prasad Hyderabad J.V			1,316.81	870.65		
IVRCL, Navayuga & SEW Joint Venture			303.01	294.52		
Navyuga, IVRCL & SEW J.V			343.88	7.90		
IVRCL BATPASCO ABB & AAG (JV) Hyderabad			361.26	166.06		
CR18G - IVRCL (JV)			109.69	128.40		
IVRCL - KBL - MEIL (JV) Hyderabad			229.51	229.51		
IVRCL - KBL (JV) Hyderabad			182.89	166.41		
IVRCL JL JV			252.33	236.73		
KMB - IVRCL JOINT VENTURE			871.78	308.81		
IVRCL - CR18G Consortium (J.V)			263.16	372.43		
IVRCL BATPASCO WPIL & MHI (JV) Hyderabad			324.27	491.93		
MEIL IVRCL HCC & WPIL (JV)			194.39	178.21		
IVRCL - G SHANKAR (JV).			233.49	734.11		
IVRCL DRN-INFRA JV			531.44	-		
Others	275.12	106.90	813.82	398.26		
Total	1,296.27	651.13	6,331.73	4,583.93		

Notes forming part of Financial Statements



(B) Closing Balances as on March 31, 2016

	(₹ in million)					
	Subsidiary Companies		Joint Venture		Associate Companies & Others	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Mobilisation Advance Received						
SPB Developers Limited	193.93	193.93				
IVRCL Indore Gujarat Tollways Limited	208.29	355.63				
IVRCL Chengapalli Tollways Limited	637.69	704.94				
IVRCL Chandrapur Tollways Limited	42.05	431.53				
IVRCL, SEW & Prasad Hyderabad J.V			46.18	46.18		
IVRCL - MBL (JV) Hyderabad			22.59	57.14		
CR18G - IVRCL (JV)			58.78	85.95		
IVRCL BATPASCO WPIL & MHI (JV) Hyderabad			69.71	107.39		
IVRCL CR18G CONSORTIUM			24.63	39.63		
SAPL & MBL - IVRCL (JV)			79.25	141.00		
Others	-	4.09	0.40	-		
Total	1,081.96	1,690.12	301.54	477.29	-	-
Mobilisation Advance Given						
Palladium Infrastructures & Projects Limited					66.53	136.05
Total					66.53	136.05
Retention Money Payable						
Hindustan Dorr Oliver Limited						
IVRCL, SEW & Prasad Hyderabad J.V	5.01	5.01				
IVRCL - KBL - MEIL (JV) Hyderabad			76.73	76.32		
MEIL IVRCL HCC & WPIL (JV)			168.96	163.96		
IVRCL - G SHANKAR (JV)			65.71	36.06		
Palladium Infrastructures & Projects Limited			153.09	129.93		
Others			128.52	75.92	114.06	260.54
Total	5.01	5.01	593.01	482.19	114.06	260.54
Interest Accrued						
IOT Utkal Energy Services Limited					33.79	33.99
Total					33.79	33.99
Rent Deposit Given						
Palladium Infrastructures & Projects Limited					1.38	1.38
Indus Palms Hotels & Resorts Limited					2.64	2.64
A.P. Enercon Engineers Private Limited					2.58	2.58
Total					6.60	6.60

Notes forming part of Financial Statements



(B) Closing Balances as on March 31, 2016

	(₹ in million)					
	Subsidiary Companies		Joint Venture		Associate Companies & Others	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Loans /Advances						
Alkor Petroo Limited	1,281.13	1,141.39				
Jalandhar Amritsar Tollways Limited	939.80	939.80				
Salem Tollways Limited	1,028.22	1,028.22				
Chennai Water Desalination Limited	1,154.09	1,174.84				
Others	1,262.66	1,270.59				
Total	5,665.90	5,554.84	-	-	-	-
Corporate Guarantee						
Alkor Petroo Limited	657.20	657.20				
Hindustan Dorr-Oliver Limited	12,358.60	12,358.60				
HDO Technologies Limited	2,745.60	2,745.60				
IVRCL Indore Gujarat Tollways Limited	16,394.30	13,880.80				
IVRCL Chengapally Tollways Limited	1,250.00	1,250.00				
Jalandhar Amritsar Tollways Limited	1,417.02	1,535.42				
IVRCL Lanka (Private) Limited	4,738.18	4,294.29				
CR18G - IVRCL (JV)			-	20.00	-	-
Total	39,560.90	36,721.91	-	20.00	-	-

35.3 Transactions with Key Management Personnel / Relatives

Key Management Personnel/ Relatives	Designation	(₹ in million)							
		Remuneration		Office Rent		Rent Deposit		Advance	
		2015-16	2014-15	2015-16	2014-15	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
1. Mr. E. Sudhir Reddy	Chairman & Managing Director	0.77*	-*	2.46	2.43	0.50	0.50	18.69	25.02
2. Mr. K. Ashok Reddy	Joint Managing Director	8.88*	-*	-	-	-	-	3.50	6.94
3. Mr. R. Balarami Reddy	Joint Managing Director & CFO	8.62*	-*	-	-	-	-	3.38	7.02
4. Mr. B. Subrahmanyam	Company Secretary	1.73	1.81	-	-	-	-	-	-
5. Relatives		-	-	6.23	4.91	1.44	1.44	-	-
Total		20.00	1.81	8.69	7.34	1.94	1.94	25.57	38.98

* Refer Note 38

Notes forming part of Financial Statements



35.4 Disclosure as per regulation 34(3) and 53(f) of the Listing Obligation And Disclosure Requirement

Advances in the nature of loans given to related Parties

(₹ in million)

	Balance as on		Maximum Outstanding	
	31.03.2016	31.03.2015	2015-16	2014-15
(A) Loans and Advances to Subsidiaries & Associates where there is no repayment schedule and no interest is charged				
(i) Subsidiaries				
Alkor Petroo Limited	1281.13	1,141.39	1281.13	1,141.39
IVRCL Building Products Limited	301.14	301.13	301.14	301.13
Salem Tollways Limited	1028.22	1,028.22	1028.22	1,028.22
Kumarapalyam Tollways Limited	297.64	297.64	312.64	386.84
Chennai Water Desalination Limited	1154.09	1,174.84	1161.99	1,248.45
Jalandar Amritsar Tollways Limited	939.80	939.80	939.80	939.80
IVRCL Indore Gujarat Tollways Limited	35.48	335.48	35.48	389.88
IVRCL Chengapalli Tollways Limited	478.40	167.01	607.01	167.01
Total	5,515.90	5,385.51	5,667.41	5,602.72

36. Employee Benefit Plan

a) Gratuity Plan

(₹ in million)

	2015-16	2014-15	2013-14	2012-13	2011-12
Components of Employer Expenses					
Current service cost	18.91	18.01	23.66	19.87	38.57
Interest cost	13.93	13.72	13.63	10.23	12.44
Expected return on plan assets	(5.88)	(7.11)	(8.45)	(7.33)	(9.90)
Net actuarial (gain) / loss	(11.60)	38.41	(20.68)	(5.42)	5.28
Total expense recognised in the Statement of Profit and Loss	15.36	63.03	8.16	17.35	46.39
Actual Contribution & Benefit Payments					
Actual benefit payments	(36.57)	(41.50)	(32.11)	(22.98)	(15.25)
Actual contribution	24.38	33.36	-	-	25.54
Net Asset / (Liability) recognized in Balance Sheet					
Liability at the end of the period	(157.03)	(174.15)	(147.28)	(165.15)	(160.48)
Adjustment	(3.10)	-	-	-	-
Fair value of plan assets at the end of the period	65.42	73.53	76.33	102.36	115.04
Net liability recognised in the Balance Sheet	(94.71)	(100.62)	(70.95)	(62.79)	(45.44)
Change in Defined Benefit Obligations (DBO)					
Present Value of DBO at the Beginning of the period	174.15	147.28	165.15	160.48	120.65
Interest Cost	13.93	13.72	13.63	10.23	12.44
Current Service Cost	18.91	18.01	23.66	19.87	38.57
Benefits Paid	(36.57)	(41.50)	(32.11)	(22.98)	(15.25)
Actuarial (gain) / loss on obligations	(13.39)	36.64	(23.05)	(2.45)	4.07
Present Value of DBO at the end of the period	157.03	174.15	147.28	165.15	160.48
Adjustment	3.10	-	-	-	-
Change in Fair Value of Plan Assets during the period					
Planned assets at the beginning of the period	73.53	76.33	102.36	115.04	96.06
Expected return on planned assets	5.88	7.11	8.45	7.33	9.91
Contributions	24.38	33.36	-	-	25.54
Benefit paid	(36.57)	(41.50)	(32.11)	(22.98)	(15.25)
Actuarial gain / (loss) on plan assets	(1.79)	(1.77)	(2.37)	2.97	(1.22)
Fair value of plan assets at the end of the period	65.42	73.53	76.33	102.36	115.04

(₹ in million)

	2015-16	2014-15	2013-14	2012-13	2011-12
Assumptions					
Discount rate	8.04%	8.00%	9.31%	8.25%	8.50%
Salary escalation rate	5.00%	5.00%	5.00%	5.00%	5.00%
Expected return on plan assets	8.04%	8.00%	9.31%	8.25%	8.50%
Attrition					
- First 5 years of service	10.00%	10.00%	10.00%	10.00%	10.00%
- After 5 years of service	2.00%	2.00%	2.00%	2.00%	2.00%
- All Employees	-	-	-	-	-
Experience Adjustment					
Present Value of DBO	157.03	174.15	147.28	165.15	160.48
Fair value of plan assets	65.42	73.53	76.33	102.36	115.04
Funded Status [Surplus / (Deficit)]	(91.60)	(100.62)	(70.95)	(62.79)	(45.44)
Experience (Gain) / Loss adjustment on plan liabilities	(13.39)	36.64	(23.05)	(2.45)	4.07
Experience Gain / (Loss) adjustment on plan assets	(1.79)	(1.77)	(2.37)	2.97	(1.22)

- b) In accordance with the payment of Gratuity Act, 1972 the Company provides for gratuity covering eligible employees. The liability on account of gratuity is covered partially through a recognized Gratuity Fund managed by Life Insurance Corporation of India and balance is provided on the basis of valuation of the liability by an independent actuary as at the period end. The invested return earned on the policy comprises bonus declared by LIC having regard to LIC's investment earnings. The information on the allocation of the fund into major asset classes and expected return on each major class are not available. The management understands that LIC's overall portfolio assets are well diversified and as such, the long-term return of the policy is expected to be higher than the rate of return on Central Government Bonds.
- c) The expense pertaining to gratuity of ₹ 15.36 million (2014-15 : ₹ 63.03 million) has been considered in "Contribution to Provident and Other Funds" under Note 23.
- d) **Key Assumptions - Compensated Absences**

	2015-16	2014-15	2013-14	2012-13	2011-12
Discount rate	8.04%	8.00%	9.31%	8.25%	8.50%
Salary escalation rate	5.00%	5.00%	5.00%	5.00%	5.00%

- e) The Company makes Provident Fund, Superannuation Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 91.03 million (2014-15: ₹ 118.21 million) for Provident Fund contributions, ₹ 1.30 million (2014-15: ₹ 22.22 million) for Superannuation Fund contributions and ₹ 0.60 million (2014-15: ₹ 1.10 million) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

37. Segment Reporting

a) Business Segment

The Company has considered "Engineering & Construction" as one business segment for disclosure in the context of Accounting Standard 17. The Company is engaged in the business of Engineering & Construction segment only for the period under report.

b) Geographical Segment

During the period under report, the Company has engaged in its business primarily within India. The conditions prevailing in India being uniform, no separate geographical disclosure is considered necessary.

38. During the year managerial remuneration paid to Chairman & Managing Director was in excess of the minimum remuneration allowable as per Companies Act, 2013, accordingly an amount of ₹ 12.46 million has been accounted as due from director. Total due from director as at March 31, 2016 is ₹ 18.69 million.

Notes forming part of Financial Statements

39. Certain trade receivables, unbilled revenue, security deposit, withheld and other deposits including bank guarantee encashed by the customers aggregating to ₹ 16,004.17 million which are subject matters of various disputes / arbitration proceedings / negotiations with the contractee/clients due to termination / fore closure of contracts and other disputes. The management of the Company is confident of positive outcome of litigations / resolutions of disputes and recovering the aforesaid dues.
40. During the year, a lender of two subsidiary Companies (Hindustan Dorr Oliver Limited & HDO Technologies Limited) has invoked corporate guarantees and initiated recovery actions against the Company for ₹ 7,956.80 million in respect of such guarantees extended / executed by the Company in favour of such lender. The Company has not made any provision in respect of invocation of these corporate guarantees.
41. As at March 31, 2016, equity investment of ₹ 657.53 million and loans and advances of ₹ 347.67 million in Hindustan Dorr Oliver Limited, a subsidiary company whose net worth has eroded and continues to incur losses as on March 31, 2016. The management of the Company is confident of improvement in the company's future operations and the financial statements have been prepared on going concern basis. The Company is of the view that above loans and advances are fully recoverable hence no provision is required and the investment in the Company is a long-term investment and no provision for diminution in the value of investment is necessary.
42. The company had entered into definitive sale agreement on March 30, 2013 with strategic investor for disinvestment in BOT projects relating to Salem Tollways Limited, Kumarapalyam Tollways Limited and IVRCL Chengapalli Tollways Limited, as a composite arrangement. The parties have in earlier year, agreed to extend and revise the key terms of the same. In respect of MOU/ definitive agreement entered into by the Company for divestment of subsidiary companies, upto March 31, 2016, the Company has received an amount of ₹ 850.00 million (against furnishing of Bank Guarantee for equivalent amount) from strategic investor as part of advance towards the share purchase consideration, which is refundable in case strategic investor at its sole discretion decide not to proceed with share purchase transaction and does not execute the revised definitive agreement. However, during the year all condition precedent to revised definitive agreement have been substantially completed and the sale consideration agreed for such divestment is lower than the carrying value of investments and outstanding advances. This will result into losses on divestment/diminution aggregating to ₹ 3,391.76 million as on March 31, 2016. No provision has been made in books of account in respect of such losses.
- In earlier year, the Company has signed a binding agreement for divestment of investment in its subsidiary Chennai Water Desalination Limited. As at March 31, 2016, detailed underlying terms for such agreement including approval of project authorities and lenders are under discussion and accordingly the investment in this subsidiary is considered as long-term investment. Based on the expected cash flow, no material adjustment is considered necessary to the carrying value of the investments.
43. The Company has outstanding loans and advances of ₹ 4,289.36 million given to subsidiaries engaged in BOT and other projects, which are under disputes with the concessionaire, and other subsidiaries that have significant accumulated losses as at March 31, 2016. The management of the Company is at various stages of negotiation/communication/arbitration with respective contractee/clients of such subsidiaries engaged in BOT and other projects to recover the dues and cost incurred by the Company and taking necessary steps to turnaround the loss making subsidiary Companies. In view of this no provision has been considered necessary by the management in respect of such advances.
44. The Company has Investment of ₹ 6,732.85 million in subsidiaries engaged in BOT and other projects, which are under disputes with the concessionaire, and other subsidiaries that have significant accumulated losses as at March 31, 2016. The management of the Company is at various stages of negotiation/communication/arbitration with respective contractee/clients of such subsidiaries engaged in BOT and other projects to recover the dues and cost incurred by the Company and taking necessary steps to turnaround the loss making subsidiary Companies. Considering the long term nature of investments the management has considered such investments as good and fully recoverable.
45. During the year the company has recognized claims of ₹ 610.70 million on certain irrigation projects which are at advance stage of approval / release of payment by the respective clients / departments and a claim of ₹ 338.40 million towards the cost escalation on a road project which has been accepted by the concessionaire, a subsidiary company and concessionaire is in the process of financing from the lenders. In the opinion of the management, no significant uncertainty exists as on March 31, 2016 in respect of realization of above claims.
46. As at March 31, 2016 certain trade receivables aggregating to ₹ 2,246.82 millions and unbilled revenue amounting to ₹ 1,143.40 million, are outstanding respect of the projects having slow progress/no billing for long period of time for want

Notes forming part of Financial Statements

of requisite funds and various other reasons. The management is hopeful of generating requisite finances and to resolve all the pending issues with contractee/clients to revive and recover the dues. In view of the above, such trade receivables and unbilled revenue have been considered good and fully recoverable by the management.

47. As at March 31, 2016 various advances, aggregating to ₹ 1,310.42 million are outstanding for long period of time which were given to various vendors/sub-contractors and other parties for various supplies/services to be made/provided. The management is confident that such advances are fully recoverable and no provision is considered necessary in respect of such advances.
48. During the year the Company has incurred a Net Loss of ₹ 10,604.39 million resulting in to accumulated losses of ₹ 20,401.42 million and substantial erosion of its Net worth. The Company has obligations towards borrowings aggregating to ₹ 53,430.08 million including an amount of ₹ 15,003.07 million falling due over next twelve months period, obligations pertaining to operations including unpaid creditors and statutory dues as at March 31, 2016. These matters require the Company to generate additional cash flows to fund the operations as well as other statutory obligations notwithstanding the current level of low operating activities. The Lenders of the Company had in earlier year approved a Corporate Debt Restructuring Scheme (CDR) with certain reliefs in relation to repayment timelines of loans and accumulated unpaid interest with certain conditions w.e.f June 30, 2014. The restructuring required certain sacrifices and additional funding in the form of priority lending from Lenders and commitments from the promoters in terms of infusion of additional funds and sale of certain land parcels and divestment of stake in certain subsidiaries undertaking BOT and other projects. The efforts to raise additional funds, however, could not materialize during the year and due to continuous irregularity in the account, the Joint Lenders have decided to adopt Strategic Debt Restructuring (SDR) in their meeting held on 26th November, 2015 as corrective Action Plan involving conversion of part of their debt into equity share capital to facilitate majority shareholding (i.e. more than 51%) by the Joint Lenders Forum (JLF). Accordingly, 26,95,44,648 nos. of equity shares have been allotted to the JLF converting a debt amounting to ₹ 3,735.85 million into equity share capital (including securities premium).

The Company is confident of implementing the divestment plan and approved restructuring scheme with lenders and meeting its obligations in due course of time. Accordingly financial statements have been prepared on the basis that the Company is a Going Concern.

49. Employee Share based Plan

ESOP 2013 Scheme

The IVRCL - ESOP 2013 Scheme was approved by the shareholders in the 26th Annual General Meeting held on September 26, 2013 to grant 10,000,000 options, convertible in to 10,000,000 shares of ₹ 2 on exercise of options granted to the employees. The Company is yet to grant these options to the employees.

50. Foreign Currency Exposure

The details of un-hedged foreign currency exposures that have not been hedged by derivative instruments or otherwise are given below.

	Currency	As at 31.03.2016		As at 31.03.2015	
		Foreign currency in million	₹ million	Foreign currency in million	₹ million
External Commercial Borrowing	USD	11.37	754.10	11.37	711.56
Short-Term Borrowings	EURO	-	-	0.41	28.10
Trade Payables	AED	0.48	8.57	0.38	6.42
	SAR	0.43	7.66	0.43	7.21
	NPR	79.29	49.72	53.16	32.56
	KWD	0.85	186.11	0.81	167.48
	KES	393.22	256.70	222.90	150.24
	TZS	1152.14	34.79	257.13	8.65

	Currency	As at 31.03.2016		As at 31.03.2015	
		Foreign currency in million	₹ million	Foreign currency in million	₹ million
Other Current Liabilities	AED	0.29	5.30	0.41	7.03
	NPR	359.59	224.57	359.17	219.99
	KWD	0.31	67.74	0.32	66.71
	KES	682.12	445.29	647.74	436.59
	TZS	3,259.91	98.45	3,752.08	126.22
Trade Receivables	AED	2.15	38.75	2.15	36.50
	NPR	5.78	3.61	5.19	3.18
	KWD	1.25	274.63	1.25	258.64
	KES	380.86	248.63	254.28	171.39
	TZS	-	-	714.63	24.04
Loans & Advances	AED	0.55	9.94	0.40	6.74
	TZS	1,954.29	59.02	1,227.41	41.29
	NPR	6.56	4.10	7.28	4.46
	KES	349.83	228.37	341.99	230.51
	KWD	0.05	10.54	0.01	1.21

51. The following investments in equity / preference shares have been pledged in respect of loans taken by the Company and its subsidiaries and associates:

Name of the Company	No. of Shares as at 31.03.2016	No. of Shares as at 31.03.2015	Pledged in favour of
(a) Salem Tollways Limited	26,164,612	26,164,612	IDBI Trusteeship Limited
	15,237,039	15,237,039	TATA Capital Financial Services Limited
	5,000,000	5,000,000	SBICAP Trustee Company Limited
(b) Kumarapalyam Tollways Limited	18,855,516	18,855,516	IDBI Trusteeship Limited
	9,920,869	9,920,869	TATA Capital Financial Services Limited
(c) IVRCL Indore Gujarat Tollways Limited	13,075,395	13,075,395	IDBI Trusteeship Limited
	12,562,635	12,562,635	IFCI Financial Services Limited
(d) IVRCL Chengapalli Tollways Limited	11,094,673	10,044,583	IDBI Trusteeship Limited
	10,659,587	9,650,677	IFCI Financial Services Limited
(e) IVRCL Chandrapur Tollways Limited	11,370,450	11,370,450	IDBI Trusteeship Limited
	5,127,870	5,127,870	IndusInd Bank
	5,796,580	5,796,580	SBICAP Trustee Company Limited
(f) SPB Developers Private Limited	14,079,060	8,281,800	Andhra Bank
	8,281,800	8,281,800	ICICI Bank
(g) Jalandhar Amritsar Tollways Limited	4,560,000	4,560,000	Canara Bank
	31,654,527	31,654,527	SBICAP Trustee Company Limited
(h) Chennai Water Desalination Limited	66,166,080	66,166,080	Canara Bank
	25,947,482	25,947,482	Indusind Bank
(i) IOT Utkal Energy Services Limited	36,750,000	36,750,000	IDBI Trusteeship Limited
	60,250,000	60,250,000	SBICAP Trustee Company Limited
(j) Sushee-IVRCL Arunachal Highway Limited	6,630	6,630	IDBI Trusteeship Limited
	6,162,000	6,162,000	Sushee Infra Private Limited

Name of the Company	No. of Shares as at 31.03.2016	No. of Shares as at 31.03.2015	Pledged in favour of
(k) Hindustan Dorr-Oliver Limited	21,155,306	21,155,306	Bank of India
(l) IVRCL PSC Pipes Private Limited	167,000	167,000	SBICAP Trustee Company Limited
(m) IVR Enviro Projects Private Limited	2,924,550	2,924,550	SBICAP Trustee Company Limited
(n) IVRCL Goa Tollways Limited	49,990	49,990	SBICAP Trustee Company Limited
(o) IVRCL Steel Construction & Services Limited	50,000	50,000	SBICAP Trustee Company Limited
(p) IVRCL-Cadagua Hogenakkal Water Treatment Company Pvt Ltd	6,000	6,000	SBICAP Trustee Company Limited
(q) IVRCL Building Products Limited	599,995	599,995	SBICAP Trustee Company Limited
(r) Saptashva Solar Limited	52,100	52,100	SBICAP Trustee Company Limited
(s) IVRCL TLT Private Limited	10,000	10,000	SBICAP Trustee Company Limited
(t) IVRCL Raipur-Bilaspur Tollways Limited	49,990	49,990	SBICAP Trustee Company Limited
(u) IVRCL Narnual Bhiwani Tollways Limited	49,990	49,990	SBICAP Trustee Company Limited
(v) IVRCL Multilevel Car Parking Private Limited	5,100	5,100	SBICAP Trustee Company Limited
(w) First STP Private Limited	2,850,000	2,850,000	SBICAP Trustee Company Limited
(x) IVRCL Gundugolanu Rajahmundry Tollways Limited	49,900	49,900	SBICAP Trustee Company Limited
(y) IVRCL Patiala Bathinda Tollways Limited	49,900	49,900	SBICAP Trustee Company Limited
(z) IVR Prime Developers (Tambaram) Private Limited	10,000	10,000	SBICAP Trustee Company Limited
(aa) RIHIM Developers Private Limited	10,000	10,000	SBICAP Trustee Company Limited

52. Operating Lease

- i. The Company has taken various plant and machinery including construction equipment under non-cancellable operating lease. The future minimum lease payments in respect of these as at March 31, 2016 are as follows:

	(₹ in million)	
	As At 31.03.2016	As At 31.03.2015
Payable not later than 1 year	108.14	106.12
Payable later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-

- ii. Lease payments in respect of obligation under non-cancellable operating lease of ₹ 193.02 million (2014-15 : ₹ 177.87 million) have been included under "Machinery Hire Charges".

53. During the year and earlier year the Company has not dealt in any purchase and sale of traded goods.

54. Certain creditors have filed winding up petitions against the Company under section 433,434 and 439 of the Companies Act, 1956 before Hon'ble High Court of Telengana & Andhra Pradesh. The matter is presently subjudice and the company is taking appropriate steps to settle the matter.

Notes forming part of Financial Statements

55. Confirmation of balances could not be obtained for various loans aggregating to ₹ 1,628.98 million by lender banks and for banks balances aggregating to ₹ 11.33 million. Management believes that no material adjustments would be required in books of account upon receipt of these confirmations.
56. The Assessments of Income Tax completed up to the A.Y 2013-14 (including the Block of Assessments). Provisions relating to the earlier years of Income Tax up to Assessments completed had been set off against the Tax Deducted at Source and Advance Tax. The advance / provision left over if any in excess of the liability has been charged off / credited to Profit and Loss account during the year. Further deferred tax aggregating to ₹ 306.52 million has been charged off to profit and loss account during the year.
57. During the year ended March, 31 2016 an under construction structure of a project in progress collapsed. The matter involving this accident is being investigated by the local police. The company is in process of assessment of damage and filing insurance claim for such loss. Pending assessment of loss in damage, no provision has been made in the books of accounts.
58. Exceptional Item for the quarter and year ended March 31, 2016 relates reduction in interest on restructured debt computed and provided at the effective interest rates as per Corporate Debt Restructuring Scheme from cut- off date, subject to confirmation from lenders, has been recorded as exceptional item.
59. **Standalone financial results includes:**
- the unaudited financial results of 22 jointly controlled entities as certified by the Management, whose financial results reflect the Company's Share as at March 31, 2016 and share in profit (net) ₹ 87.24 million for the year ended on that date.
 - the unaudited financial results of a branch Kingdom of Saudi Arabia included in the standalone financial statements of the Company whose financial statements / financial information reflect total assets of ₹ 0.01 million as at March 31, 2016 and total revenue is Nil for the year ended on that date.
60. Figures for the previous year have been regrouped /rearranged wherever considered necessary to conform to the figures presented in the current year.

In terms of our report attached

For CHATURVEDI & PARTNERS

Chartered Accountants

Firm Registration No. 307068E

For and on behalf of the Board of Directors

RAVINDRA NATH CHATURVEDI

Partner

Membership No. 092087

E. SUDHIR REDDY

Chairman & Managing Director

DIN: 00023518

R. BALARAMI REDDY

Joint Managing Director & CFO

DIN: 00022176

B. SUBRAHMANYAM

Company Secretary

Date : May 30, 2016

Place : Hyderabad

Independent Auditors' Report

To the Members of

IVRCL LIMITED

1. Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **IVRCL LIMITED ("the Holding Company or the Company")**, and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the group"), its associates and jointly controlled entities which comprises the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information for the year then ended.

2. Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group, its associates and jointly controlled entities, in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The Holding Company's Board of Directors, and the respective Board of Directors/management of the subsidiaries included in the Group, and of its associates and jointly controlled entities are responsible for the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. Further, in terms of the provisions of the Act, the respective Board of Directors of the Holding Company and its subsidiaries, associates and jointly controlled entities, which are incorporated in India are responsible for maintenance of adequate accounting records; safeguarding the assets; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements, which have been used for the purpose of

preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

3. Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 7(a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

4. Basis for Qualification

I. We refer to:

- a) Note 43 to the consolidated financial statements, in respect of preparation of financial statements of the Holding Company on going concern basis for the reasons stated therein. During the year the Company has incurred a Net Loss of ₹ 10,604.39 million resulting in to accumulated losses of

₹ 20,401.42 million and substantial erosion of its Net worth as at March 31, 2016. The company's current liabilities exceed current assets. The Company has obligations towards borrowings and pertaining to operations including unpaid creditors and other dues as at March 31, 2016. These matters require the Company to generate additional cash flows to fund the operations as well as other obligations notwithstanding the current level of low operating activities and difficulties with respect to realisation of its current assets including litigation in various projects. In view of these matters, the appropriateness of assumption of going concern is dependent upon the sale/divestment of Investments and/or the Company's ability to raise requisite finance/generate cash flows from operations to meet its obligations.

- b) Note 34 to the consolidated financial statements in connection with the existence of material uncertainties over the realisability of bank guarantees encashed by customers, unbilled revenue, trade receivables and withheld amount aggregating to ₹ 16,004.17 million, which are subject matters of various disputes /arbitration proceedings/ negotiations with the customers and contractors due to termination / foreclosure of contracts and other disputes. The management of the Company is confident of positive outcome of litigations/ resolutions of disputes and recovering the aforesaid dues. In view of pending-certification of bills/slow progress/termination of these projects, and lack of other alternate audit evidence to corroborate management's assessment of recoverability of these balances, we are unable to comment on the extent to which these balances are recoverable.
- c) Note 35 to the consolidated financial statements in respect of invocation of corporate guarantees of ₹ 7,956.80 million and initiation of recovery actions against the Company in respect of such guarantees extended / executed for its two subsidiaries in favour of the lenders. No provision has been made for such possible loss for the reasons stated therein.
- d) Note 37 to the consolidated financial statements in respect of MOU/ definitive agreement entered into by the Company for divestment of subsidiary companies. The sale consideration agreed for such divestment is lower than the carrying value of investments and outstanding advances. This will result into losses on divestment/diminution aggregating to ₹ 3,391.76 million as on March 31, 2016. No provision has been made for such possible loss.
- e) Note 36 to the consolidated financial statements regarding equity investment of ₹ 657.53 million and loans and advances of ₹ 347.67 million as on March 31, 2016 in Hindustan Dorr- Oliver Limited, a subsidiary company whose net worth has eroded and continues to incur loss as on March 31, 2016. We are unable to comment on the extent to which the carrying amount of such investment and loans and advances is recoverable.
- f) Note 38 to the consolidated financial statements in respect of loans and advances of ₹ 4,289.36 million given to subsidiaries engaged in BOT and other projects, which are under disputes with the concessionaire, and other subsidiaries that have significant accumulated losses as at March 31, 2016. We are unable to comment on the extent to which the carrying amount of such loans and advances is recoverable.
- II. Attention is invited to Note 52A and 52B to the consolidated financial statement in respect of Hindustan Dorr Oliver Limited (HDO) and its subsidiary- HDO Technologies Limited, a subsidiary of the Company, whereby the auditors of the Company have reported that,
- a. The accumulated losses of the Company as at March 31, 2016 amounting to ₹ 11,043.23 million have exceeded its net worth. The Company has obligations towards borrowings aggregating to ₹ 9,704.37 million which include working capital loan and outstanding letters of credit/bill discounting from banks. Further, the Company's current liabilities exceed current assets. The Company has obligations pertaining to operations including unpaid creditors and statutory dues, these matters require the Company to generate additional cash flows to fund the operations as well as other statutory obligations notwithstanding the current level of low operating activities. This indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The statement does not include any adjustment in this respect.
- b. Existence of material uncertainties over the realisability of bank guarantees encashed by customers, unbilled revenue, trade receivables and withheld amount aggregating to ₹ 538.60 million,

which are subject matters of various negotiations with the customers. Further, Bank Guarantee of ₹ 526.70 million was encashed subsequent to this year. The Management of the Company is confident of positive outcome of the negotiations and recovering aforesaid dues. In view of pending-certification of bills/slow progress/termination of these projects and lack of other alternate audit evidence to corroborate management's assessment of recoverability of these balances, we are unable to comment on the extent to which these balances are recoverable.

- c. In respect of invocation of corporate guarantees of ₹ 1,411.80 million and initiation of recovery actions against the company in respect of such guarantees extended / executed for its one subsidiary in favour of the lenders. No provision has been made in the accounts for such possible loss.
- d. In respect of provision for impairment of goodwill, aggregating to ₹ 1,290 million arising on consolidation of subsidiary, whose net worth is eroded as at March 31, 2016, is not considered necessary by the management. In absence of valuation of the subsidiary, we are unable to comment whether any impairment of goodwill is required.
- e. In respect of certain projects wherein the Management of the Company has considered overdue-trade receivable aggregating to ₹ 576.14 million and unbilled revenue amounting to ₹ 867.27 million, as good and fully recoverable and no provision for the same have been made for the reasons stated therein.
- f. In respect of current year financial statement wherein one lender has initiated recovery proceedings against the Company under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 in respect of outstanding loan aggregating to ₹ 5,961.16 million (including interest on WCTL & FITL of ₹ 177.92 million). The Bank has however demanded ₹ 6,545 million. The difference being penal and other charges, the company has not provided for the same for the reason stated therein.
- g. In respect of trade receivables, mobilization advances, retention money, trade payables and certain bank balances, external confirmations of the balances are not available. Due to non-availability of confirmation of balances, we are unable to quantify the impact, if any, arising from the confirmation of balances.
- h. In respect of balance confirmation, wherein the Company has not received confirmation from one of the lender having outstanding of ₹ 1,520.10 million (including interest accrued of ₹ 276.36 million) as at March 31, 2016. Due to non-availability of confirmation of balances, we are unable to quantify the impact, if any, arising from the confirmation of balances.
- i. In the respect of subsidiary, HDO Technologies Limited, wherein the accumulated losses of the Company as per the unaudited financial statements as at March 31, 2016 amounting to ₹ 830.25 million have exceeded its net worth. The Company has obligations towards borrowings aggregating to ₹ 1,647.15 million which include working capital loan and outstanding letters of credit/bill discounting from banks. Further, the Company's current liabilities exceed current assets. The Company has obligations pertaining to operations including unpaid creditors and statutory dues, these matters require the Company to generate additional cash flows to fund the operations as well as other statutory obligations notwithstanding the current level of low operating activities. This indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The statement does not include any adjustment in this respect.
- j. In respect of subsidiary, HDO Technologies Limited, wherein deferred tax assets on business losses aggregating to ₹ 95.71 million has been recognized on the basis of business plan prepared by the management. The company is confident that sufficient future taxable income will be available against which such deferred tax assets will be realized. In absence of virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which the deferred tax asset can be realized, we are unable to comment the extent to which such deferred tax asset can be realized.
- k. In respect of subsidiary, HDO Technologies Limited, regarding the status of overdue-trade receivables aggregating to ₹ 612.70 million which has been classified as good and in respect of which no

provision has been considered necessary for the reason explained therein.

- i. In respect of subsidiary, HDO Technologies Limited, invocation of corporate guarantees of ₹ 6,545 million and initiation of recovery actions against the company, in respect of such guarantees extended / executed for its holding company in favour of the lender, no provision has been made in the accounts for such possible loss.
- m. In respect of subsidiary, HDO Technologies Limited wherein one lender has initiated recovery proceedings against the Company under the Securitization and Reconstruction of Financial Assets and enforcement of Security Interest Act, 2002 in respect of outstanding loan aggregating to ₹ 1,251.80 million. The Bank has however demanded ₹ 1,411.80 million. The difference being penal and other charges, the company has not provided for the reasons stated therein.
- n. In respect of subsidiary, HDO Technologies Limited regarding confirmation of the balances of trade receivable, trade payable, advances to sub-contractors and suppliers and reconciliation of the same and the possible resultant impact on the consolidated financial statements.
- o. In respect of current year's and previous years consolidated financial statements does not includes financial statements of certain foreign subsidiaries reflecting total assets of ₹ 110.50 million as at March 31, 2015, total revenue is NIL, net loss of ₹ 0.29 million and cash outflow of ₹ 0.19 million for the period then ended.
- p. We did not audit the financial statements of two subsidiaries whose financial statements reflects total assets of ₹ 3,239.40 million as at March 31, 2016, total revenue of ₹ 560.10 million and net cash flows amounting to ₹ 22.20 million for the year ended on that date, as considered in the consolidated financial statement. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements are material to the Group.

III. Attention is invited to Note 52G to the consolidated financial statement in respect of SPB Developers Private Limited, a subsidiary of the Company, whereby the auditors of the Company have reported that,

- a. Regarding continuance of capitalization of borrowing cost during the year aggregating to ₹ 229.25 million and cumulative capitalization of borrowing costs as at March 31, 2016 aggregating to ₹ 442.90 million towards cost of the project for the reasons stated therein. In view of insignificant construction activities during the year, in our opinion, the capitalization of such expenses is not consistent with the Accounting Standard (AS-16), Borrowing Costs. Had the observation under this paragraph been considered, the borrowing costs capitalized during the year should have been charged to revenue.
- b. Regarding notice for intention to terminate and termination notice sent by the Company in respect of concession agreement and the financial statements have been prepared on the basis that company is going concern.

IV. Accompanying consolidated statements of the Company include the financial statement/financial information in respect of 8 subsidiary companies whose financial statements reflect the Company's Share in net assets of ₹ 28,858.86 million as at March 31, 2016 and as well as the total revenue of ₹ 2,012.09 million for the year ended on that date have been considered in the statement. These financial statements/information have been furnished to us by the management. Our opinion on the statement so far as it relates to the amounts and disclosures included in respect of the aforesaid foreign subsidiary and associate is based solely on such unaudited financial statement/information provided by the management. Any material adjustment upon audit by the respective auditors to the unaudited financial statement/information could have material consequential effect on the statement.

5. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described under para 4 I(d), 4 I(e), 4 I(f), 4 II(b, e, j, k), 4 III (a) , above and possible effects of the matter described under para 4 I(a), 4 I(b) & 4 I(c), 4II(a, c, d ,f , g, h, i , l ,m, n, o, p), 4 III(b) and 4 IV above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity

with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31 March 2016, their consolidated loss and their consolidated cash flows for the year ended on that date.

6. Emphasis of matter

Attention is invited to

- a. Note 40 to the consolidated financial statements in respect of recognition of claims aggregating to ₹ 949.10 million by the Holding Company on certain irrigation projects and towards cost escalation on a road project considering the reasons stated therein.
- b. Note 41 to the consolidated financial statements in respect of certain projects wherein the Management of the Holding Company has considered trade receivables aggregating to ₹ 2,246.82 million and unbilled revenue amounting to ₹ 1,143.40 million, as good and fully recoverable for the reasons stated therein.
- c. Note 42 to the consolidated financial statements in respect of advances to various parties aggregating to ₹ 1,310.42 million which are outstanding for long period of time and considered good by the management.
- d. Note 46 to the consolidated financial statements in respect of pending winding up petitions against the Holding Company and the Company is taking necessary steps for settlement.
- e. Note 33 to the consolidated financial statements in respect of managerial remuneration where the Holding Company is awaiting Central Government approval and/or in the process of making application to the Central Government.
- f. Note 10.1 to the consolidated financial statements wherein, subsequent to year end, one lender has initiated recovery proceedings against the Holding Company under the Securitization and Reconstruction of Financial Assets and enforcement of Security Interest Act, 2002 in respect of outstanding loan aggregating to ₹ 1,322.80 million.
- g. Note 29(1) to the consolidated financial statements in respect of the indicative recompense of ₹ 2,585.00 million, payment of which is contingent on various factors including improved performance of the Holding Company and many other conditions, the outcome of which is currently uncertain and hence the proportion of amount payable as recompense has been treated as contingent liability.

- h. Note 44 to the consolidated financial statements in respect of pending confirmation of balance for various loans aggregating to ₹ 1,628.98 million by lender banks and pending confirmation of balances for banks balances aggregating to ₹ 11.33 million.
- i. Note 45 to the consolidated financial statements in respect of collapse of an under construction structure at project site and the Holding company is in process of assessment of damage and filing of insurance claim for such loss.
- j. Note 52H to the consolidated financial statements in respect of IVRCL Chengapalli Tollways Limited, a subsidiary of the company, where by the auditors of the company have reported that company has given material advance of ₹ 458.09 million to EPC contractor(a related party) not obligated by the EPC contract.
- k. Note 52A(xi) to the consolidated financial statement in respect of pending winding up petitions against the subsidiary Company (Hindustan Dorr Oliver Limited) and the matter is subjudice.

Our report is not qualified in respect of these matters.

7. Other Matters

- a) We did not audit the financial statements of 16 subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets of ₹ 29,559.70 million as at March 31, 2016 as well as the total revenue of ₹ 1,782.53 million and net cash outflow amounting to ₹ 211.28 million for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.
- b) The Consolidated financial statements of the Company for the year and for the previous year do not include Company's share of profit/loss in respect of two associate Companies in which the Company has investment aggregating to ₹ 248.28 million as at March 31, 2016.

Our report is not qualified in respect of these matters.

8. Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, and based on the Auditor's report on the respective financial statements of subsidiaries, jointly controlled entities and associates, we report to the extent applicable, that:
 - a) We have sought and except for the matters described under "basis of qualification" para above, have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the consolidated financial statement.
 - b) Except for the possible effects of matters described in "Basis of qualification" para above, in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and the reports of other auditors.
 - c) The Consolidated financials statements dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, except for the matters described under "basis of qualification" para above, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) The matters described in "basis of qualification" paragraph above and the matters described in para 'a', 'e', 'g' and 'k' of the "Emphasis of Matters", in our opinion, may have an adverse effect on the functioning of the Group.
 - f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies and associate companies incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis of Qualified Opinion paragraph.
 - h) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company and subsidiary companies incorporated in India. Our report expresses a qualified opinion on the adequacy and operating effectiveness of the Holding Company's and two subsidiaries companies' internal financial control over financial reporting.
 - i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated financial statements has disclosed the impact of pending litigations on its consolidated financial position of the Group, its associates and jointly controlled entities in note 29 to the Consolidated financial statements;
 - ii. Except for the effects of matters described under "basis of qualification" para above, the Group, its associates and jointly controlled entities have made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

For CHATURVEDI & PARTNERS

Chartered Accountant
Firm Registration No. 307068E

RAVINDRA NATH CHATURVEDI

Partner
Membership No. 092087

Date: May 30, 2016
Place: Hyderabad

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF IVRCL LIMITED

1. Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of IVRCL Limited (hereinafter referred to as “the Holding Company”) and its subsidiary companies, its associate companies and jointly controlled entities, which are companies incorporated in India, as of that date.

2. Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies, its associate companies and jointly controlled entities, which are companies incorporated in India, is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

3. Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable

assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion on the IFCoFR of the Holding Company, its subsidiary companies and associate companies as aforesaid.

4. Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

5. Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

6. Basis for Qualified Opinion

In our opinion, according to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2016:

- a. The Holding Company did not have appropriate internal financial controls over (a) Assessment of recoverability of bank guarantees encashed by customers, unbilled revenue, trade receivables and withheld amounts which are subject matters of various disputes /arbitration proceedings/negotiations with the customers and contractors due to termination / foreclosure of contracts and other disputes. (b) Assessment of provision required in respect of invocation of corporate guarantees and initiation of recovery actions against the Company in respect of such guarantees extended / executed for its two subsidiaries in favour of the lenders. (c) Assessment of “other than temporary diminution” of long term equity investment and assessment of recoverability of loans and advances in subsidiary companies whose net worth has eroded and continues to incur losses as on March 31, 2016. (d) Control over reconciliation of subcontractors work bills with the work bills submitted to the clients and physical progress of works completed, which could potentially result into inaccurate estimation of percentage of work completed and consequently delay in the realization of unbilled revenue/ receivables. (e) Controls over projects costs estimation and review of balance costs to complete in respect of work projects, which could potentially result into inaccurate estimation of foreseeable losses on works contracts.
- b. In respect of a subsidiary Company (namely Hindustan Dorr Oliver Limited), the Company did not have appropriate internal financial controls over (a) Assessment of recoverability of bank

guarantees encashed by customers, unbilled revenue, trade receivables and withheld amounts which are subject matters of various disputes / arbitration proceedings/ negotiations with the customers and contractors due to termination / foreclosure of contracts and other disputes. (b) Assessment of provision required in respect of invocation of corporate guarantees and initiation of recovery actions against the Company in respect of such guarantees extended / executed for its one subsidiary in favour of the lenders. (c) Assessment of “other than temporary diminution” of long term equity investment in subsidiary Company whose net worth has eroded as at March 31, 2016. (d) Control over reconciliation of subcontractors work bills with the work bills submitted to the clients and physical progress of works completed, which could potentially result into inaccurate estimation of percentage of work completed and consequently delay in the realization of unbilled revenue/ receivables. (e) Controls over projects costs estimation and review of balance costs to complete in respect of work projects, which could potentially result into inaccurate estimation of foreseeable losses on works contracts. (f) Process of obtaining external confirmations of balances from trade receivables, advances, retention money, trade payables, bank balances at regular interval. (g) Physical verification of fixed assets at regular interval.

- c. In respect of a subsidiary Company (namely SPB Developers Private Limited), the Company did not have appropriate internal financial controls over assessment of eligibility of capitalization of borrowing costs in case of delayed project.

The inadequate supervisory and review control over Company’s process in respect of its aforesaid assessment in accordance with the accounting principles generally accepted in India could potentially result in a material misstatement in preparation and presentation of financial statement including the profit after tax.

7. Qualified opinion

In our opinion, and to the best of our information and according to the explanations given to us except for the effects of material weaknesses described in “basis of qualified opinion” para above, to the best of our information and according to the explanations given

to us, the Holding Company, its subsidiary companies, associates and jointly controlled entities incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit as at March 31, 2016 standalone financial statements of the Company, and these material weaknesses have affected our opinion on the consolidated financial statements of the Company we have issued a qualified opinion on the consolidated financial statements.

8. Other matters

- a. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 16 subsidiary

Companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. In respect of 7 subsidiary companies incorporated in India, which have been included in the consolidated financial statements based on unaudited financial statements/ financial information of the such companies provided to us by the Management, whilst in our opinion, and according to the information and explanations given to us, reporting under section 143(3)(i) of the Act is applicable in respect of these 7 subsidiary companies, since these are unaudited, the possible effects of the same on our reporting under section 143(3)(e) of the Act in case of these consolidated financial statements has not been considered.

- b. The Consolidated financial statements of the Company for the year do not include Company's share of profit/loss in respect of two associate Companies in which the Company has investment aggregating to ₹ 248.28 million as at March 31, 2016. We are unable to comment on the same on our reporting under section 143(3)(e) of the Act in the case of these consolidated financial statements.

For CHATURVEDI & PARTNERS

Chartered Accountant

Firm Registration No. 307068E

RAVINDRA NATH CHATURVEDI

Partner

Membership No. 092087

Date: May 30, 2016

Place: Hyderabad

Consolidated Balance Sheet as at March 31, 2016



(₹ in million)

		Note No.	As At 31.03.2016		As At 31.03.2015	
I.	EQUITY AND LIABILITIES					
1.	Shareholders' Funds					
	(a) Share Capital	3	1,457.37		918.28	
	(b) Reserves and Surplus	4	(3,341.30)		7,743.17	
	Minority Interest			(1,883.93)		8,661.45
				3,245.66		1,721.38
2.	Non-Current Liabilities					
	(a) Long-Term Borrowings	5	54,638.60		57,460.07	
	(b) Other Long-Term Liabilities	6	1,940.69		1,939.08	
	(c) Long-Term Provisions	7	1,883.70		1,034.84	
				58,462.99		60,433.99
3.	Current Liabilities					
	(a) Short-Term Borrowings	8	25,987.88		29,220.70	
	(b) Trade Payables	9	17,849.22		18,626.91	
	(c) Other Current Liabilities	10	38,534.27		22,741.55	
	(d) Short-Term Provisions	7	1,789.35		2,318.19	
				84,160.72		72,907.35
	Total			1,43,985.44		1,43,724.17
II.	ASSETS					
1.	Non-Current Assets					
	(a) Fixed Assets					
	(i) Tangible Assets	11	10,208.97		12,131.31	
	(ii) Intangible Assets	11	24,869.70		14,459.13	
	(iii) Intangible Assets under development		33,018.91		36,927.30	
	(iv) Capital Work-in-Progress		162.09		161.30	
				68,259.67		63,679.04
	(b) Goodwill on Consolidation		1,013.99		1,014.02	
	(c) Non-Current Investments	12	687.22		786.68	
	(d) Deferred Tax Assets (Net)	13	58.05		363.61	
	(e) Long-Term Loans and Advances	14	1,584.22		1,772.92	
	(f) Other Non-Current Assets	15	7,597.58		7,636.82	
				10,941.06		11,574.05
				79,200.73		75,253.09
2.	Current Assets					
	(a) Inventories	16	11,699.13		12,244.77	
	(b) Trade Receivables	17	17,181.57		18,994.16	
	(c) Cash and Bank Balances	18	1,729.52		1,984.96	
	(d) Short-Term Loans and Advances	19	8,051.38		8,724.68	
	(e) Other Current Assets	20	26,123.11		26,522.51	
				64,784.71		68,471.08
	Total			1,43,985.44		1,43,724.17
	Accompanying Notes forming part of the Financial Statements	1-57				

In terms of our report attached

For CHATURVEDI & PARTNERS

Chartered Accountants

Firm Registration No. 307068E

For and on behalf of the Board of Directors

RAVINDRA NATH CHATURVEDI

Partner

Membership No. 092087

E. SUDHIR REDDY

Chairman & Managing Director

DIN: 00023518

R. BALARAMI REDDY

Joint Managing Director & CFO

DIN: 00022176

B. SUBRAHMANYAM

Company Secretary

Date : May 30, 2016

Place : Hyderabad

Consolidated Statement of Profit and Loss for the Period ended March 31, 2016



(₹ in million)

		Note No.	For the year ended 31.03.2016	For the year ended 31.03.2015
I.	REVENUE			
	(a) Income from Operations	21	30,235.30	38,253.74
	Less : Excise Duty		106.90	58.35
	Net Income from Operations		30,128.40	38,195.39
	(b) Other Income	22	668.59	1,073.76
	Total Income		30,796.99	39,269.15
II.	EXPENSES			
	(a) Raw Materials Consumed	23A	364.94	402.98
	(b) (Increase) / Decrease in Finished Goods, WIP and Development Rights/Plots Stock	23B	195.55	(19.42)
	(c) Purchase of Stock-in-Trade (Traded Goods)		603.92	2,283.47
	(d) Construction Expenses	23C	28,052.22	30,087.07
	(e) Employee Benefits Expense	24	1,848.37	2,327.34
	(f) Other Expenses	25	2,854.03	5,777.25
	(g) Finance Costs	26	9,684.15	8,966.25
	(h) Depreciation and Amortisation Expense	11	2,629.18	2,574.88
	Less : Transferred to Revaluation Reserve		-	0.04
			2,629.18	2,574.84
	Total Expenditure		46,232.36	52,399.78
III.	(Loss) Before Exceptional Item (I - II)		(15,435.37)	(13,130.63)
IV.	Exceptional Item: Income / (Expense)	34 & 47A(viii)	252.97	(1,442.74)
V.	(Loss) After Exceptional Item and Before Tax (III - IV)		(15,182.40)	(14,573.37)
VI.	Tax Expense			
	(a) Current Tax Expense for Current Year		654.93	(14.36)
	(b) Current Tax relating to prior years		-	(1.79)
	(c) Deferred Tax	47A(iii)	(305.56)	(1,092.14)
			349.37	(1,108.29)
VII.	(Loss) / Profit for the Year / Period Before Minority Interest (V - VI)		(14,833.03)	(15,681.66)
VIII.	Share of Loss Transferred to Minority Interest		(137.65)	(116.30)
IX.	(Loss) / Profit for the Year / Period After Minority Interest (VII - VIII)		(14,695.38)	(15,565.36)
X.	Earnings Per Share (Face Value ₹ 2 each)	28		
	Basic & Diluted (₹)			
	Before Exceptional Item		(28.31)	(40.94)
	After Exceptional Item		(28.80)	(45.12)
	Accompanying Notes forming part of the Financial Statements	1-57		

In terms of our report attached

For CHATURVEDI & PARTNERS
Chartered Accountants
Firm Registration No. 307068E

For and on behalf of the Board of Directors

RAVINDRA NATH CHATURVEDI
Partner
Membership No. 092087

E. SUDHIR REDDY
Chairman & Managing Director
DIN: 00023518

R. BALARAMI REDDY
Joint Managing Director & CFO
DIN: 00022176

B. SUBRAHMANYAM
Company Secretary

Date : May 30, 2016
Place : Hyderabad

Consolidated Cash Flow Statement for the Year ended March 31, 2016



(₹ in million)

S. No.	Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
A	Cash Flow from Operating Activities				
	(Loss) / Profit After Exceptional Item and Before Tax		(15,182.40)		(14,573.37)
	Adjustment for				
	Depreciation and Amortisation Expense	2,629.18		2,574.84	
	Dividend received on Investments	(0.44)		(0.14)	
	Loss on Sale of Fixed Assets	16.05		8.24	
	Gain on Sale of Investments	-		(12.31)	
	Exceptional Item	(252.97)		1,442.74	
	Provision for doubtful debts, advances and deposits (net)	1,154.08		2,152.56	
	Provision for foreseeable losses	-		2,128.46	
	Provision for diminution in the value of Investments	678.03			
	Liabilities no longer required written back	(25.71)		(15.10)	
	Net Unrealised Exchange (Gain) / Loss	106.97		(57.77)	
	Interest Income	(66.63)		(100.70)	
	Finance Costs	9,684.14	13,922.70	8,966.25	17,087.07
	Operating Profit before Working Capital Changes		(1,259.69)		2,513.70
	Changes in Working Capital				
	Decrease in Inventories	545.63		343.43	
	Increase in Trade Receivables	884.41		(505.69)	
	Increase in Loans & Advances and Other Current Assets	777.03		(4,143.84)	
	Decrease in Current Liabilities	(805.24)	1,401.83	(1,338.44)	(5,644.54)
	Cash used in operations		142.14		(3,130.84)
	Net Income Tax (paid) / Refund		945.89		(186.80)
	Net Cash Flow used in operating activities		1,088.03		(3,317.64)
B	Cash flow from Investing activities				
	Capital Expenditure on Fixed Assets	(7,234.65)		(3,928.52)	
	Proceeds from Sale of Fixed Assets	65.45		72.88	
	Proceeds from Sale of Long-Term Investments	99.35		28.41	
	Purchase / Subscription of Long-Term Investments	-		(285.25)	
	Foreign Exchange Translation adjustment	6.61		7.13	
	Bank Balances / Term Deposits with Banks not considered as Cash and Cash Equivalents (net)	(172.30)		(15.29)	
	Interest Received	67.34		99.19	
	Dividend received on Long-Term Investments	0.44		0.14	
	Net Cash Flow used in Investing activities		(7,167.76)		(4,021.31)

S. No.	Particulars	For the year ended		For the year ended	
		March 31, 2016		March 31, 2015	
C	Cash Flow from Financing activities				
	Proceeds from issue of Share Capital	347.53		-	
	Proceeds from issue of Securities Premium	1,193.51		-	
	Proceeds from Government Grants	411.53		278.05	
	Proceeds from Long-Term Borrowings (net of repayments)	11,322.88		5,949.24	
	Proceeds from Short-Term Borrowings (net of repayments)	(3,232.83)		3,975.56	
	Interest and Finance Charges Paid	(4,388.15)		(2,617.84)	
	Tax on Dividend	(1.76)		-	
	Net Cash Flow from Financing activities		5,652.71		7,585.01
D	Net increase in Cash and Cash Equivalents (A+B+C)		(427.02)		246.06
	Cash and Cash Equivalents at the beginning of the year		1,659.46		1,414.78
	Less: Cash balance of subsidiary not consolidated during the year		-		-
	Effect of Exchange differences on restatement of Foreign Currency Cash and Cash Equivalents		(4.09)		(1.38)
	Cash and Cash Equivalents at the end of the year		1,228.35		1,659.46

Notes :

- 1 The Cash flow statement is prepared under 'indirect method' as set out in Accounting Standard - 3 on Cash Flow Statements.
- 2 Previous year's figures have been regrouped, wherever considered necessary.
- 3 During the year debt aggregating to ₹ 1,541.04 million has been converted into equity pursuant to scheme of Corporate Debt Restructuring (CDR) and Strategic Debt Restructuring (SDR) the same has been disclosed under cash flow from financing activity as proceeds from share capital and securities premium and repayment of borrowings.

In terms of our report attached

For CHATURVEDI & PARTNERS

Chartered Accountants

Firm Registration No. 307068E

For and on behalf of the Board of Directors**RAVINDRA NATH CHATURVEDI**

Partner

Membership No. 092087

Date : May 30, 2016

Place : Hyderabad

E. SUDHIR REDDY

Chairman & Managing Director

DIN: 00023518

R. BALARAMI REDDY

Joint Managing Director & CFO

DIN: 00022176

B. SUBRAHMANYAM

Company Secretary

1. Corporate Information

IVRCL Limited (hereinafter referred to as “the Holding Company” or “the Company”) and its subsidiaries (collectively referred as “the group”), associates and jointly controlled entities are engaged in the business of development and execution of Engineering, Procurement, Construction and Commissioning (EPCC) and Lump Sum Turn Key (LSTK) facilities in various Infrastructure projects such as Water Supply, Roads and Bridges, Townships and Industrial Structures, Power Transmission, etc. for Central/State Governments, other Local Bodies and private sector.

2. Accounting Policies

2.1 Basis of Preparation

The consolidated financial statements are prepared under historical cost convention in accordance with the generally accepted accounting principles in India (“Indian GAAP”) and comply in all material respects with the Accounting Standards specified under Section 133 of the Companies Act, 2013 (“the Act 2013”) read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and other pronouncements of the Institute of Chartered Accountants of India (“ICAI”). The accounting policies applied by the Company are consistent with those used in the previous year, unless otherwise stated.

2.2 Use of Accounting Estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the balances of assets and liabilities and disclosures relating to contingent liabilities as at the reporting date of the financial statements and amounts of income and expenses during the period of account. Examples of such estimates include contract costs expected to be incurred to complete construction contracts, provision for doubtful debts, provision for foreseeable losses, income taxes and future obligations under employee retirement benefit plans. Management periodically assesses whether there is an indication that an asset may be impaired and makes provision in the accounts for any impairment losses estimated. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated. Actual results could differ from those estimates.

2.3 Principles of Consolidation

The Consolidated Financial Statements relate to the Company and its subsidiary companies. The Consolidated Financial Statements have been prepared on the following basis:

- i. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses as per Accounting Standard 21 – “Consolidated Financial Statements”.
- ii. The BOT contracts are governed by Service concession agreements with government authorities/private parties (grantor). Under these agreements, the Company does not own the BOT asset, but gets “toll collection rights”/other rights against the construction services rendered. Since the construction cost incurred by the Company is considered as exchanged with the grantor against above rights, profit from such contracts is considered as realized.

Accordingly, in case of BOT contracts awarded to group companies (operator), where work is subcontracted to group companies, the intra group transactions on BOT contracts and the profits arising thereon are taken as realised and not eliminated for consolidation under Accounting Standard 21.

- iii. In case of foreign subsidiaries, being non-integral operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the foreign currency translation reserve.
- iv. The difference between the cost of investment in the subsidiaries and the Company’s share of net assets at the time of acquisition of shares in the subsidiaries is recognised in the consolidated financial statement as Goodwill or Capital Reserve as the case may be.
- v. Minority Interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and the equity of the company’s shareholders. Minority interest in the net assets of consolidated subsidiaries consists of:
 - a. The amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and

- b. The minorities' share of movements in equity since the date the parent subsidiary relationship came into existence.
- vi. Minority interest's share of net profit for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the group.
- vii. Interests in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard 27 – "Financial Reporting of Interests in Joint Ventures".
- viii. Investments in jointly controlled entities and associates not considered for consolidation have been accounted as per Accounting Standard 13 - "Accounting for Investments".

2.4 Recognition of Contract Revenue and Expenses

- (i) Contract Revenue is recognised by reference to the stage of completion of the contract activity at the reporting date of the financial statements on the basis of percentage of completion method.
- (ii) The stage of completion of contracts is measured by reference to the proportion that contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs for each contract.
- (iii) An expected loss on construction contract is recognised as an expense immediately when it is certain that the total contract costs will exceed the total contract revenue.
- (iv) Price escalation and other claims and /or variation in the contract work are included in contract revenue only when:
 - (a) The contract provides for such claims and when it is demonstrable that efforts and costs have been incurred in relation to such claims.
 - (b) The amount that is probable will be accepted by the customer can be measured reliably.
- (v) Incentive payments, as per customer-specified performance standards, are included in contract revenue only when:
 - (a) The contract is sufficiently advanced that it is probable that the specified performance standards will be met; and
 - (b) The amount of the incentive payment can be measured reliably.

2.5 Revenue from Joint Venture Contracts

In work sharing Joint Venture arrangements, revenue, expenses, assets and liabilities are accounted for in the Company's books to the extent work is executed by the Company.

2.6 Revenue from Sale of Goods

Revenue from sale of goods is recognized when substantial risks and rewards of ownership are transferred to the buyer under terms of the contract.

2.7 Sale of Bulk Water

The income receivable from Chennai Metropolitan Water Supply and Sewerage Board (CMWSSB) mainly comprises Water Capacity Charges (WCC) and Water Variable Charges (WVC) provided for in the books on accrual basis.

2.8 Income from Toll Collection

Toll fee collection from the users of the facility is accounted for as and when the amount is due and recovery is certain. Revenue from sale of passes to local traffic is accounted for as and when such passes are sold.

2.9 Revenue from Real Estate

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

- i. Residential properties include cost incurred towards development of such properties.
- ii. Freehold land purchased for the purpose of real estate development is considered as inventory.
- iii. Work-in-progress represents cost incurred in respect of unsold area of the real estate development projects or cost incurred on projects where the revenue is yet to be recognised.

- iv. Development rights for land represents development rights of land acquired from group companies and others as per the development agreements entered with them.

- **Sale of land and development rights**

Revenue from sale of land and development rights is recognised upon transfer of all significant risks and rewards of ownership of such land and development rights, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements. Revenue recognized is net of adjustment on account of cancellations.

- **Sale of flats, villas, plots**

Revenue from sale of flats, villas and plots is recognised upon transfer of significant risks and rewards of ownership of such real estate/property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/agreements for sale and when the buyer's investment is adequate enough to demonstrate a commitment to pay. Sale consideration is determined through agreement of sale or registration of sale deed. Revenue recognised is net of adjustment on account of cancellations.

- (i) In accordance with the Guidance Note on Recognition of Revenue by Real Estate Developers issued by the Institute of Chartered Accountants of India in case where the seller is obligated to perform any substantial acts after the transfer of all significant risks and rewards of ownership, revenue is recognised on proportionate basis as the acts are progressively performed, by applying the percentage of completion method. Percentage of completion is determined on the basis of actual project cost (including cost of land) incurred thereon to total estimated project cost. Where the total cost of a contract, based on technical and other estimates is expected to exceed the corresponding contract value, such expected loss is provided for.
- (ii) In accordance with the Guidance Note on Recognition of Revenue by Real Estate Developers issued by the Institute of Chartered Accountants of India the Revenue from construction of villas is recognized on the 'percentage of completion method'. Percentage of completion is determined on the basis of actual project cost incurred thereon to total estimated project cost, where the actual cost is 25 percent or more of the total estimated project cost. Where the total cost of a contract, based on technical and other estimates is expected to exceed the corresponding contract value, such expected loss is provided for.

2.10 Employee Benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund and compensated absences.

- (i) **Defined contribution plans**

The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made.

- (ii) **Defined benefit plans**

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

- (iii) **Short-term employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

(iv) Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

2.11 Fixed Assets

a) Tangible

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses.

The Company revalued all its Land and Buildings in the year 2001-02. The revalued assets are carried at the revalued amounts less accumulated depreciation and impairment losses, if any. Increase in the net book value on such revaluation is credited to "Revaluation Reserve Account" except to the extent such increase is related to and not greater than a decrease arising from a revaluation / impairment that was previously recognised in the Statement of Profit and Loss, in which case such amount is credited to the Statement of Profit and Loss. Decrease in book value on revaluation is charged to the Statement of Profit and Loss except where such decrease relates to a previously recognised increase that was credited to the Revaluation Reserve, in which case the decrease is charged to the Revaluation Reserve to the extent the reserve has not been subsequently reversed / utilised.

Fixed Assets under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

b) Intangible

Intangible assets are recognized as per criteria specified in Accounting Standard 26 "Intangible Assets". Carriage ways representing Toll Collection Rights, obtained in consideration for rendering construction, operation and maintenance services in relation to building and maintenance of the project on Build, Operate and Transfer (BOT) basis. The cost of such carriage ways comprises construction cost and other pre-operative costs incurred during the implementation phase, such carriage ways on completion are capitalized as intangible asset.

c) Goodwill

Goodwill represents the excess of purchase consideration over the net book value of assets acquired of the Subsidiary Companies as on the date of investment. Goodwill is not amortised but is tested for impairment on a periodic basis and impairment losses are recognised where applicable.

d) Expenditure incurred during construction period pending allocation

Incidental expenditure incurred during construction/development period is capitalised on commencement of commercial operation of the project.

2.12 Depreciation and Amortization

- (i) Depreciation on fixed assets is provided based on the useful life of the assets as estimated by the management which coincides with rates prescribed in Schedule II to the Companies Act, 2013 except the following which are depreciated based on useful life determined by the Company.

- Steel Shuttering 10 years
- Wood Shuttering 3 years
- Pucca sheds 3 years
- Land acquired for quarrying are amortised over the period of the respective project.

- (ii) Intangible assets i.e., toll Collection rights are amortized over the period of concession, using revenue based amortization as prescribed in the Schedule II to the Companies Act, 2013. Under this methodology, the carrying value is amortized in the proportion of actual toll revenue for the year to projected revenue for the balance toll period, to reflect the pattern in which the assets' economic benefits will be consumed. At each balance sheet date, the projected revenue for the balance toll period is reviewed by the management. If there is any change in the projected revenue from previous estimates, the amortization of toll collection rights is changed prospectively to reflect any changes in the estimates.
- (iii) Technical Know-how is amortised over a period of five years in equal installments.

2.13 Impairment of Assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

2.14 Government Grants

Grants from the government are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Grants received during construction period in the nature of promoter's contribution are credited to capital grants and treated as shareholder's funds as per AS 12. Where the Government grants are of the nature of promoters' contributions, i.e., they are given with reference to the total investment in an undertaking or by way of contribution towards its total capital outlay (for example, central investment subsidy scheme) and no repayment is ordinarily expected in respect thereof, the grants are treated as capital reserve (as part of shareholders fund) which can be neither distributed as dividend nor considered as deferred income.

2.15 Foreign Currency Transactions and Foreign Operations

Transactions made during the period in foreign currency are recorded at the exchange rate prevailing at the time of transactions. Monetary assets and liabilities relating to foreign currency transactions remaining unsettled at the period-end are translated at the exchange rate prevalent at the date of Balance Sheet. Exchange differences arising on actual payment/realisation and period end reinstatement referred to above are recognised in the Statement of Profit and Loss.

In respect of forward contracts entered into to hedge risks associated with foreign currency fluctuation on its existing assets and liabilities, the premium or discount at the inception of the contract is amortised as income or expense over the period of the contract.

Currency options/other swap contracts outstanding as at the Balance Sheet date are marked to market and the net loss is charged to the Statement of Profit and Loss. Any profit or loss arising on cancellation of such contracts is recognised as income or expense in the Statement of Profit and Loss of the period.

Foreign branches are classified as non-integral foreign operations. The Assets and Liabilities, both monetary and non-monetary of the branch are translated at the exchange rate prevailing at the balance sheet date. Income and expenses are translated at monthly average exchange rate. All resulting exchange differences are accumulated in 'Foreign Currency Translation Reserve' account.

2.16 Investments

Current investments are carried at lower of cost and fair value. Long-term investments are carried at cost less provision for diminution other than temporary in value of such investments. Dividend Income is accounted when the right to receive dividend is established.

2.17 Inventories

Inventories are valued at cost and the cost is determined on First-in-First-Out method.

Inventory of manufactured goods and raw materials are valued at lower of cost and net realisable value. Cost of manufactured goods includes related overheads and excise duty paid/payable on such goods.

Residential Properties includes cost incurred towards development of such properties.

Plots stock represents cost of freehold land and land development rights segregated as plot for the purpose of development of township.

Freehold land purchased for the purpose of real estate development is considered as inventory.

Work-in-progress represents cost incurred in respect of unsold area of the real estate development projects or cost incurred on projects where the revenue is yet to be recognized.

Development rights for land represents development rights of land acquired from group companies and others as per the development agreements entered with them.

Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

Direct expenditure relating to construction activity is inventorised. Indirect expenditure (including borrowing costs) during the construction period is inventorised to the extent the expenditure is related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to the Statement of Profit and Loss. Cost incurred/items purchased specifically for projects are taken as consumed as and when incurred/received.

2.18 Borrowing Costs

Borrowing costs that are attributable to the acquisition and construction of qualifying assets are capitalised as part of cost of such assets till such time the asset is ready for its intended use. A qualifying asset is one that requires substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as period costs.

2.19 Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

2.20 Income Taxes

Current tax is determined as the amount of tax payable in respect of taxable income for the year. A provision is made for income tax annually based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters are probable.

Deferred tax assets and liabilities are recognised, subject to prudence, on timing differences, being the difference between taxable incomes and accounting income, that originates in one period and is capable of reversal in one or more subsequent periods and quantified using the tax rates and laws enacted or substantively enacted by the reporting date. Deferred tax assets are recognised only if there is reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each balance sheet date. Where there are unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

2.21 Earnings Per Share (EPS)

In arriving at the EPS, the Company's net profit/ loss after tax, computed in terms of the Indian GAAP, is divided by the weighted average number of equity shares outstanding on the last day of the reporting period. The EPS thus arrived at is known as 'Basic EPS'. To arrive at the diluted EPS, the net profit / loss after tax, referred above and the weighted average number of equity shares, as computed above and the weighted average number of equity shares that would have been issued on conversion of shares having potential dilutive effect subject to the terms of issue of those potential shares. The dates' of issue of such potential shares determine the amount of the weighted average number of potential equity shares.

2.22 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.23 Leases

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

2.24 Current / Non-Current Classification

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per the guidance as set out in the Schedule III to the Companies Act, 2013.

Infrastructure:

Operating cycle for the business activities of the infrastructure covers the duration of the specific project/contract/project line/service including defect liability period, wherever applicable and extends up to the realizations of receivables (including retention money) within the agreed credit period normally applicable to the respective project.

Others:

For other activities period of twelve months is considered as operating cycle for classification of current assets and current liabilities into current or non-current.

3. Share Capital

(₹ in million)

	As At 31.03.2016		As At 31.03.2015	
	No. of Shares	Amount	No. of Shares	Amount
Authorised :				
Equity shares of ₹ 2 each	1,62,50,00,000	3,250.00	1,62,50,00,000	3,250.00
Preference shares of ₹ 2 each	2,50,00,000	50.00	2,50,00,000	50.00
	1,65,00,00,000	3,300.00	1,65,00,00,000	3,300.00
Issued, Subscribed and Paid up				
Equity shares of ₹ 2 each fully paid up	72,86,83,370	1,457.37	45,91,38,722	918.28
	72,86,83,370	1,457.37	45,91,38,722	918.28

Reconciliation of the number and amount of shares outstanding at the beginning and at the end of the reporting Year

(₹ in million)

	As At 31.03.2016		As At 31.03.2015	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the Year	45,91,38,722	918.28	30,68,86,648	613.77
Add : Issued during the Year	26,95,44,648	539.09	15,22,52,074	304.51
Outstanding at the end of the Year	72,86,83,370	1,457.37	45,91,38,722	918.28

3.1 Terms / Rights attached to Equity Shares

The Company has only one class of equity shares having a face value of ₹ 2 per share and each holder of equity shares is entitled to one vote per share. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholdings.

3.2 Shareholders holding more than 5% shares of the Company

S. No.	Name of the Share Holder	No. of Shares March, 31st 2016	% Shareholding	No. of Shares March, 31st 2015	% Shareholding
1	ICICI Bank Ltd	6,29,61,203	8.64	2,25,74,134	4.92
2	Indian Overseas Bank	6,25,47,429	8.58	2,12,88,504	4.64
3	Canara Bank, Mumbai	5,55,20,959	7.62	1,90,95,631	4.16
4	State Bank of India	4,94,09,934	6.78	1,63,25,019	3.56
5	Andhra Bank	3,72,04,623	5.11	1,38,61,950	3.02

3.3 Details of Shares Reserved for issue under Options

For details of shares reserved for issue under Employee Stock Options (ESOP) plan of the company, Refer Note 48.

As fully described in Note 43, during the previous year, pursuant to the Corporate Debt Restructuring Scheme (CDR) and subsequent invocation of Strategic Debt Restructuring (SDR) by the lenders of the Company during the year, subject to the SDR guidelines issued by Reserve Bank of India and other applicable regulatory and legal framework, the CDR lenders are entitled to convert outstanding debt (principal as well as unpaid interest) into equity shares of the Company at the sole discretion and on demand as per the agreed terms in the MRA and SDR package. In relation to the outstanding debt as at March 31, 2016 a total amount of ₹ 23,020.74 million and a total amount of ₹ 407.80 million is reserved for the conversion of 94,38,59,934 shares and 4,65,26,091 pursuant to CDR and SDR schemes respectively.

Consolidated notes forming part of Financial Statements



4. Reserves and Surplus

(₹ in million)

	As At 31.03.2016	As At 31.03.2015
(a) Capital Reserve	3,294.79	3,294.79
(b) Business Restructuring Reserve	271.37	271.37
(c) Securities Premium Account		
Opening Balance	14,023.94	10,615.02
Add : Additions during the year (Refer Note 43)	3,196.76	3,408.92
Closing Balance	17,220.70	14,023.94
(d) Revaluation Reserve		
Opening Balance	933.90	933.94
Less: Depreciation on revalued portion of assets	-	(0.04)
Closing Balance	933.90	933.90
(e) General Reserve		
Opening Balance	8,874.63	9,011.05
Less: Depreciation on transition to Schedule II of the Companies Act, 2013	-	(136.42)
Closing Balance	8,874.63	8,874.63
(f) Government Grant	2,177.99	1,766.46
(g) Debenture Redemption Reserve	500.00	500.00
(h) Foreign Exchange Translation Reserve		
Opening Balance	9.52	3.76
Add: Effect of foreign exchange variations during the year	2.63	5.76
Closing Balance	12.15	9.52
(i) (Deficit) / Surplus in Statement of Profit and Loss		
Opening Balance	(21,931.44)	(6,320.92)
Add: (Loss) / Profit for the year	(14,695.38)	(15,565.36)
Less: Depreciation on transition to Schedule II of the Companies Act, 2013	-	(45.16)
Closing Balance	(36,626.83)	(21,931.44)
	(3,341.30)	7,743.17

5. Long-Term Borrowings

(₹ in million)

	As at 31.03.2016		As at 31.03.2015	
	Non-Current	Current@	Non-Current	Current@
i) Secured				
(a) Debentures (Refer Note 5.1)				
- 12.15% Redeemable, Non-Convertible Debentures	-	2,000.00	-	2,000.00
(b) Term Loans				
- From Banks (Refer Note 5.3 to 5.19)				
Working Capital Term Loan I	9,210.18	8,042.20	14,510.25	1,009.77
Working Capital Term Loan II	1,837.20	1,224.80	2,936.86	154.57
Priority Debt	852.58	365.39	637.47	112.49
Term Loan	33,905.98	7,780.29	30,096.76	2,946.93
Funded Interest Term Loan	-	99.76	1,058.09	93.17
- From Others				
Term Loan	6,332.76	240.66	5,455.40	155.69
Funded Interest Term Loan		12.20	211.12	0.13
(c) Earth Moving Equipment and Vehicle Loans				
- From Banks			-	-
- From Others			-	43.13
ii) Unsecured				
- Compulsory Convertible Debentures (Refer Note 5.2)	2,499.90		2,499.90	-
- Term Loans				
- From Banks		600.00	-	600.00
- From Others		80.68	54.22	62.79
	54,638.60	20,445.98	57,460.07	7,178.67

@ Amount included under Note 10 - Other Current Liabilities

5.1 Non-Convertible Debentures

12.15% Non-Convertible Debentures

2,000 Debentures of ₹ 1,000,000 each issued to Life Insurance Corporation of India during the year 2008-09. The debentures were due for redemption at the end of five years (i.e., December 19, 2013) from the date of allotment. The debentures are secured by way of first pari passu charge over certain specific fixed assets including immovable properties of the Company. IDBI Trusteeship Services Limited, Mumbai were the trustees for the debenture holders in respect of the below non-convertible debentures.

Details of defaults in repayment of Non-Convertible Debentures and interest as on the Balance Sheet date

	Period of default (in years)	₹ in million
Principal	> 2 Years	2,000.00
Interest	< 1 Year	267.26
	< 2 Years	243.00
	> 2 Years	250.99

5.2 Compulsorily Convertible Debentures

(i) IVRCL Chengapalli Tollways Limited

- Compulsorily Convertible Debentures (CCDs) were issued to IFCI Limited, to part finance the Project of the company. The tenure of the CCDs is 6 years from the date of disbursal which is extended for additional 2 years vide the restructuring mechanism sanctioned by the IFCI. The cutoff date for the restructuring scheme is June 30, 2014. Further a moratorium of 2 years has been provided for the coupon payment from June 30, 2014 to June 30,

2016, which shall form part of the overall IRR payable to the IFCI. The indicative coupon rate is 11% p.a. payable half yearly subject to overall yield to the lender @ 15.75% p.a. IVRCL Limited (the sponsor) shall be liable to meet the obligation of making the coupon payments. CCDs are secured by pledge of shares of the company held by the Sponsor amounting to 49% of the paid up equity share capital, to be maintained throughout the tenure of the CCDs and subservient charge on the senior lender assets excluding pledge of shares and corporate guarantee by IVRCL Limited for ₹ 1,250.00 million. Further the additional security in the form of land aggregating to Acres 9.9 located in Vedurvada Village, Atchutapuram Mandal, Vishakhapatnam District has been provided and equitable mortgage has been created favoring IFCI by deposit of title deeds. The sponsor shall have a call option and IFCI, a put option on the sponsor for buy out of the CCDs as per the terms specified.

- b) Company could not create Debenture Redemption Reserve (DRR) in terms of provisions of section 71(4) of the Companies Act, 2013 as the company has no profits and the company has commenced its commercial operations from 9th October, 2015.

(ii) IVRCL Indore Gujarat Tollways Limited

- a) Compulsorily Convertible Debentures (CCDs) were issued to IFCI Limited, to part finance the Project of the company. The tenure of the CCDs is 6 years from the date of disbursal which is extended for additional 2 years vide the restructuring mechanism sanctioned by the IFCI. The cut off date for the restructuring scheme is June 30, 2014. Further a moratorium of 2 years has been provided for the coupon payment from June 30, 2014 to June 30, 2016, which shall form part of the overall IRR payable to the IFCI. The indicative coupon rate is 11% p.a. payable half yearly subject to overall yield to the lender @ 15.75% p.a. IVRCL Limited (the sponsor) shall be liable to meet the obligation of making the coupon payments. CCDs are secured by pledge of shares of the company held by the Sponsor amounting to 49% of the paid up equity share capital, to be maintained throughout the tenure of the CCDs and subservient charge on the senior lender assets excluding pledge of shares and corporate guarantee by IVRCL Limited for ₹ 1,250.00 million. Further the additional security in the form of land aggregating to Acres 9.9 located in Vedurvada Village, Atchutapuram Mandal, Vishakhapatnam District has been provided and equitable mortgage has been created favoring IFCI by deposit of title deeds. The sponsor shall have a call option and IFCI, a put option on the sponsor for buy out of the CCDs as per the terms specified.
- b) The company could not create Debenture Redemption Reserve (DRR) in terms of provisions of section 71(4) of the Companies Act, 2013 as the company has no profits and the project of the company is under implementation phase and company is yet to commence commercial operations.

5.3 Working Capital Term Loan – I

WCTL - I shall be repaid after a moratorium of 25 months from COD in 31 structured quarterly installments, commencing from quarter ending March 31, 2016. WCTL - I carries rate of interest of SBI Base Rate plus 1.25% p.a. from cut-off date with annual reset.

WCTL - I is secured by first paripassu charge on fixed assets excluding the exclusive security given to various lenders (WCTL - I amounting to ₹ 1,946.10 million is further secured by first and exclusive charge on all present and future fixed assets and current assets, except lease rights of the leasehold land of IVRCL TLT Private Limited, a subsidiary of the company), book debts beyond the cover period and non-current assets excluding retention money and investments. Second paripassu on entire stocks, book-debts upto cover period, unbilled revenue, retention money and any current assets as per audited balance sheet both present and future (also Refer Note No. 43)

	Period of default (in days)	₹ in million
Principal 1 instalment due	1 day	797.69
Interest	1 - 32 days	340.05
	61 - 92 days	299.94
	123 - 180 days	225.09
	184 days	4.49

5.4 Working Capital Term Loan – II

WCTL - II is secured by first paripassu charge on entire stocks, book-debts upto cover period, unbilled revenue, retention money and any current assets as per audited balance sheet both present and future. Second paripassu charge on fixed assets, book debts beyond the cover period and non-current assets excluding retention money and investments both present and future (also Refer Note 43)

	Period of default (in days)	₹ in million
Principal 1 instalment due	1 day	153.10
Interest	1 - 32 days	56.74
	61 - 92 days	57.16
	123 - 153 days	50.40

5.5 Priority Debt

₹ 1,217.98 million (₹ 749.97 million) has been availed out of ₹ 1,750.00 million Priority Debt sanctioned. Priority Debt to be repaid in 21 structured quarterly instalments, commencing from quarter ending March 31, 2016. Priority Debt carries rate of interest SBI Base Rate plus 2.00% from cut-off date with annual reset.

Priority Debt is secured by first paripassu charge on fixed assets excluding the exclusive security given to various lenders, book debts beyond the cover period and non-current assets excluding retention money and investments. Second paripassu on entire stocks, book-debts upto cover period, unbilled revenue, retention money and any current assets as per audited balance sheet both present and future (also Refer Note 43).

	Period of default (in days)	₹ in million
Principal 1 instalment due	1 day	182.70
Interest	1 - 32 days	24.62
	61 - 92 days	18.97
	123 - 153 days	11.17
	184 - 214 days	6.64

5.6 Term Loans from Banks

(a) ICICI Bank

The loan amount of ₹ 1,783.68 million, is secured by first and exclusive hypothecation charge over specific fixed assets of the Company and also interest in Block 6 and 8 in Egypt of Alkor Petroo Limited, subsidiary of the Company. The rate of interest is SBI Base Rate plus 1.25% p.a. The loan is repayable after a moratorium of 28 months from cut-off date in 30 structured quarterly instalments commencing from quarter ending June 30, 2016 (also Refer Note No. 43)

(b) IndusInd Bank

The loan amount of ₹ 714.20 million (₹ 696.99 million), is secured by equitable mortgage of land and pledge of certain equity shares held in subsidiaries, as per the terms of sanction letter. The rate of interest is SBI Base Rate plus 1.25% from cut-off date with annual reset. The loan is repayable after a moratorium of 28 months from cut-off date in 30 structured quarterly instalments commencing from quarter ending June 30, 2016 (also Refer Note No. 43)

(c) Punjab & Sind Bank

Secured by first and exclusive hypothecation charge over specific fixed assets of the Company. The rate of interest is Base Rate plus 1.50% p.a. The balance outstanding as at March 31, 2016 is ₹ 50.55 million, which is overdue.

(d) AXIS Bank

The loan amount of ₹ 296.50 million carries rate of interest SBI Base Rate plus 1.25% from cut-off date with annual reset. The loan is repayable after a moratorium of 28 months from cut-off date in 30 structured quarterly instalments commencing from quarter ending June 30, 2016 (also Refer Note No.43)

(e) Nova Scotia

The loan amount of ₹ 250.00 million carries rate of interest SBI Base Rate plus 1.25% from cut-off date with annual reset. The loan is repayable after a moratorium of 28 months from cut-off date in 30 structured quarterly instalments commencing from quarter ending June 30, 2016 (also Refer Note No.43)

	Period of default (in days)	₹ in million
Interest	1 - 32 days	90.40
	61 - 92 days	77.20
	123 - 153 days	48.83
	184 - 214 days	29.35
	245 - 276 days	28.67
	306 - 337days	28.03
	< 2 Years	138.10
	< 3 Years	65.33

(f) Standard Chartered Bank (External Commercial Borrowings)

Secured by first charge on exclusive hypothecation of construction equipment procured out of loan amount. The details for each disbursement are as under:

S. No.	Outstanding as on 31.03.2016		Instalment Due	Period of Default w.r.t Balance Sheet Date	Rate of Interest p.a	Period of default (in days)	Interest Due (₹ in million)
	USD (million)	INR (million)					
1	2.50	165.83	8 equal Quarterly instalments of USD 0.313 million each	16 Months	8.90%	<3 Years	41.04
2	1.37	90.76	4 equal Quarterly instalments of USD 0.343 million each	22 Months	9.38%	<3 Years	24.22
3	1.72	114.01	11 equal Quarterly instalments of USD 0.156 million each	26 Months	9.50%	<2 Years	23.96
4	3.75	248.76	12 equal Quarterly instalments of USD 0.313 million each	20 Months	9.85%	<3 Years	73.15
5	2.03	134.74	13 equal Quarterly instalments of USD 0.156 million each	22 Months	9.85%	<3 Years	38.06
	11.37	754.10					200.43

5.7 Term Loans from Others

(a) TATA Capital Limited:

The loan amount of ₹ 133.33 million is secured by mortgage of freehold non-agricultural land. The rate of interest is SBI Base Rate plus 1.25% from cut-off date with annual reset. The loan is repayable after a moratorium of 28 months from cut-off date in 30 structured quarterly instalments commencing from quarter ending June 30, 2016 (also Refer Note No.43)

(b) SREI Equipment Finance Private Limited

The loan amount of ₹ 1,215.62 million (₹ 1,075.41 million) is secured by first charge by way of hypothecation of specific movable assets. The rate of interest is SBI Base Rate plus 1.25% from cut-off date with annual reset. The loan is repayable after a moratorium of 28 months from cut-off date in 30 structured quarterly instalments commencing from quarter ending June 30, 2016 (also Refer Note No.43)

5.8 Hindustan Dorr-Oliver Limited

During the previous year, Andhra Bank (consortium partner) vide their letter dated July 20, 2013 ('sanction/restructuring of working capital limits') has approved the company's financial restructuring package in respect of credit facilities effective from April 1, 2013. As per the restructuring package, a part of the debts outstanding in respect of cash credit facilities aggregating to ₹ 460.46 million and ₹ 8.25 million have been converted into working capital term loan and funded interest term loan (i.e. WCTL and FITL) respectively.

a) Working Capital Term Loan from Banks

- i) External commercial borrowings is secured by first charge over the land and building situated at Mumbai (the company's corporate office) along with other assets of the company with current value not less than 1.25x of the facility amount. Borrowing is further secured by first charge over the existing fixed assets and current assets of Davy Markham Limited, UK.
- ii) Working Capital Term loan from banks are secured by hypothecation of entire stocks, book debts, outstanding money receivable, claims and bills (both present and future), The loan is further secured by fixed assets owned by wholly owned subsidiary Company situated at Vatva, Ahmedabad (Gujarat), residual charge over building at Andheri, Mumbai and flats situated in Mumbai and flat owned by wholly owned subsidiary Company situated at Vatva, Ahmedabad (Gujarat). The facility is further secured by pledging of 29.38% shares of the Company held by IVRCL Limited (Holding Company). The facility carries interest @11.50% p.a.

b) Repayment of Working Capital Term Loan –

- i) **External Commercial Borrowings:** Repayable in sixteen equal quarterly installments with the first installment due on April 17, 2013 (i.e. at the end of fifteenth month from the date of disbursement) and ending on January 17, 2017, three months USD LIBOR as prevailing at the start of every interest period plus margin (300 bps) payable in arrears at the end of every interest period net of withholding tax or deductions, if any.
- ii) **Working Capital Term Loan:** Repayable in twenty four quarterly installments after moratorium period, of nine months (in case of Andhra Bank) and twelve months (in case of Bank of India), commencing from April 01, 2013 (in case of Andhra Bank) and December 31, 2012 (in case of Bank of India), with the first installment due on March 2014 and ending on December 2019.
- iii) **Funded interest term loan:** Repayable in ten equal quarterly installments after moratorium period, of nine months (in case of Andhra Bank) and twelve months (in case of Bank of India), commencing from April 01, 2013 (in case of Andhra Bank) and December 31, 2012 (in case of Bank of India), with the first installment due on March 2014 and ending on June 2016.
- iv) **Default in repayment of dues to banks -**

(₹ in million)

Particulars	Amount of default	Period of default in days	As at Balance sheet
Repayment of term loans	82.92 - 912.08	989-75	912.08
	23.28 - 1505.44	549-43	1505.44
	6.99 - 66.77	549-43	66.77
	5.84 - 29.19	276-1	29.19
Interest on term loans	29.35 - 276.36	989-75	276.36
	14.41 - 300.25	610-1	300.25
	0.56 - 11.74	549-1	11.74
	2.33 - 25.12	276-1	25.12

HDO Technologies Limited

(₹ in million)

Particulars	Amount of default	Period of default in days	As at Balance sheet
Repayment of term loans	6.33 - 409.34	549-43	409.34
	2.32 - 18.18	549-43	18.18
	3.32 - 19.90	367-1	19.90
	0.40	1	0.40
Interest on term loans	3.05 - 85.87	579-1	85.87
	0.20 - 2.38	426-1	2.38
	0.43 - 6.62	123-1	6.62
	0.01 - 0.08	215-1	0.08

5.9 Salem Tollways Limited

- (i) The term loan is secured by pari passu first charge on all the borrower's immovable properties present and future and intangible assets, movables, machineries, spares, tools and accessories, furniture and fixtures, vehicles, all other movable assets (present & future), operating cash flows, book debts, receivables including grant, revenue shortfall loan to be received from NHAI and any other revenues relating to 4 laning of Salem - Kumarapalayam Chengapalli section of NH-47 from km 0 to km 53 in the state of Tamil Nadu on BOT Toll basis, Borrowers bank account, Escrow Account, DSRA and each of any other accounts required to be created by the Borrower under any Project document or contract and Insurance contracts.
- (ii) Terms of Interest: Interest payable to lenders on monthly basis. The interest rates shall be subject to annual reset.
- (iii) Terms of repayment: Total Senior Debt was availed of ₹ 2,228.30 million and repayment of the loan was started from August 31, 2010 with total 138 unequal monthly installments ranging from ₹ 1.86 million to ₹ 32.50 million and the Sub Debt was availed of ₹ 200.00 million and repayment of loan was started from February 28, 2011 with total 156 unequal monthly installments ranging from ₹ 0.17 million to ₹ 2.17 million.
- (iv) Default as on March 31, 2016
 - i) Principal: Amount ₹ 15.69 million and period of default is 31 days
 - ii) Interest: Amount ₹ 0.36 million and period of default is 198 days
 - iii) Interest: Amount ₹ 1.30 million and period of default is 168 days
 - iv) Interest: Amount ₹ 1.35 million and period of default is 137 days
 - v) Interest: Amount ₹ 2.15 million and period of default is 107 days
 - vi) Interest: Amount ₹ 3.66 million and period of default is 76 days
 - vii) Interest: Amount ₹ 6.59 million and period of default is 60 days
 - viii) Interest: Amount ₹ 3.64 million and period of default is 45 days
 - ix) Interest: Amount ₹ 15.27 million and period of default is 31 days
 - x) Interest: Amount ₹ 3.40 million and period of default is 16 days

5.10 Kumarapalyam Tollways Limited

- (i) The term loan along with Funded Interest Term Loan (FITL) is secured by pari passu first charge on all the borrowers immovable properties and assets both present and future, movables including plant & machinery, spares, tools and accessories, furniture and fixtures, vehicles, all other movable assets machinery spares, excluding crushers, operating cash flows, book debts, receivables including grant, revenue shortfall loan to be received from NHAI and any other revenues whatsoever nature and wherever arising present and future subject to charge of working capital lenders on operating cash flows subject to the amount of their loans not exceeding ₹ 20.00 million. Borrowers bank account including without limitation the escrow account, major maintenance reserve account, DSRA and each of any other accounts required to be created by the Borrower under any Project document or contract, first charge on all intangibles assets, security interest in project document and contracts, and insurance proceeds. Pursuant to the approved restructuring scheme by the consortium lenders, additional security has been provided for including the personal guarantee of promoter of IVRCL Group for outstanding term loan and FITL along with pledge of 51% of shares held by the Promoters.
- (ii) Terms of Interest: Interest payable to lenders on monthly basis. The interest rates shall be subject to annual reset.
- (iii) Terms of repayment:
 - a) Existing Term Loan : As per Restructuring Term Loan shall be repaid after a moratorium of 23 months from cut-off date in 36 structured quarterly installments of commencing from quarter ending September 30, 2016, ranging from 0.5% to 8.25% of principal outstanding as on cut-off date.
 - b) Funded Interest Term Loan (FITL) : As per restructuring agreement, the FITL shall be repaid after a moratorium of 11 months from cut-off date in 19 structured quarterly installments commencing from quarter ending September 30, 2015 ranging from 3.33% to 6.25% of FITL principle.

5.11 Jalandhar Amritsar Tollways Limited

- (i) The term loan is secured by pari passu first charge on all the borrower's immovable properties and assets, both present and future, movables including plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets (present & future) operating cash flows, book debts and receivables including grant, revenue shortfall loan to be received from NHAI and any other revenues of whatsoever nature and wherever arising, present and future bank accounts including without limitation the escrow account and debt service reserve account and each of the other accounts required to be created by the borrower under any project document or contract, all intangibles present and future. A first charge by way of assignment or creation of security interest in all the right, title, interest, benefits, claims and demands whatsoever in the project document and contracts, clearances, letter of credit, guarantees, performance bond and liquidity damages provided by any party to the project documents and all insurance contract and insurance proceeds.
- (ii) As per terms of the restructured debt, in addition to the existing terms of security under the common rupee loan agreement, Corporate Guarantee is provided by IVRCL Limited to secure the outstanding obligations.
- (iii) Terms of Interest: Interest payable to lenders on monthly basis. The interest rates shall be subject to annual reset.
- (iv) Terms of repayment: The debt outstanding of ₹ 1,638.30 million as on 30.06.2013 was restructured and revised repayment of the loan commenced from December 31, 2013 with 47 unequal quarterly installments ranging from ₹ 2.00 million to ₹ 150.60 million.

5.12 IVRCL Chengapalli Tollways Limited

- (i) Except project assets, the term loan is secured by pari passu first charge on all the borrower's movables and immovable, machineries, spares, tools and accessories, furniture and fixtures, vehicles, all other movable assets (present & future), operating cash flows, book debts, receivables, revenue shortfall loan to be received from National Highways Authority of India (NHAI) and any other revenues relating to 6 laning from km 102.035 to km 144.680 on the Chengapalli to start of Coimbatore bypass and 4 laning from km 170.880 to km 183.010 on the end of Coimbatore bypass to Tamilnadu/ Kerala border section of NH-47 on BOT toll basis, borrowers bank account, escrow Account, DSRA and each of any other accounts required to be created by the Borrower under any Project document or contract and Insurance contracts.
- (ii) Pledge of 51% of the shares of the Company held by the sponsors up to the second anniversary of the Commercial Operation Date (COD) and 26% thereafter.
- (iii) Interest payable to lenders on monthly basis at rates linked to their respective base rates plus applicable spread (except Andhra Bank whose applicable interest rate shall be linked to the base rate of lead bank). The interest rates shall be subject to annual reset from scheduled COD or actual COD whichever is earlier.
- (iv) Terms of repayment: As per letter dated March 31, 2015 of consortium Lenders Bank the term loans are repayable in 44 unequal quarterly installments commencing from April 01, 2018 after a moratorium of 30 months post revised COD (September 30, 2014) and shall end January 01, 2029 ranging from 0.075 % to 4.40% of sanctioned term loan.
 - a) Default as on March 31, 2016
 - b) Interest: Amount ₹ 0.12 million and period of default is 60 days
 - c) Interest: Amount ₹ 41.75 million and period of default is 31 days

5.13 SPB Developers Private Limited

- (i) Funded Interest Term Loan (FITL): As per restructuring agreement, Interest due and accrued on Term loan, from January 1, 2015 to March 31, 2016 to be funded by FITL.
- (ii) A First Charge of all the Book Debts, Operating Cash Flows, Revenues and Receivables of the Company, present and future including by way of a charge on the Escrow account, Retention account, Debt Service Reserve account and Other reserves and Bank accounts of the company, wherever maintained.
- (iii) A First Charge on the Escrow account, Debt Service Reserve account and Other Reserves and any other bank accounts of the company, wherever maintained.
- (iv) A First Charge on all Intangibles of the Company including but not limited to Goodwill, Uncalled Capital, Present and Future.

- (v) Pledge of 51% shares of the Company held by the Sponsors up to the third anniversary of the COD and 26% of the shares of the Company thereafter. The Shares to be pledged shall be free from any restrictive covenants/lien or other encumbrance under any contract/arrangement including Shareholder Agreement, Joint Venture Agreement, Financing Agreement with regard to Pledge/Transfer of the shares including transfer upon enforcement of the pledge sec 19 of Banking Regulations Act to be ensured. Pursuant to the approved restructuring scheme by the consortium lenders, additional security has been provided for including the personal guarantee of promoter of IVRCL Group for outstanding term loan and FITL along with pledge of 51% of shares held by the Promoters.
- (vi) Interest payable to lender on monthly basis @ 12% (fixed) p.a and interest will be reset upon project achieving COD.
- (vii) Terms of repayment:
- Existing Term Loan: Repayment of term loan will commence from March 31, 2017 with 44 Quarterly unequal Installments ranging from 0.25% to 5.33% of term loan. Term loan drawn up to March 31, 2015 is ₹ 1,804.91 million out of total term loan of ₹ 1,910.30 million.
 - Funded Interest Term Loan (FITL): Repayment of funded interest term loan will commence from March 31, 2017 with 25 Quarterly unequal Installments ranging from ₹ 1.40 million to ₹ 99.60 million. FITL drawn up to March 31, 2015 is ₹ 264.67 million (previous year ₹ 54.74 million) out of total FITL of ₹ 276.60 million.
 - Additional Debt (AD): Repayment of Additional Debt will commence from March 31, 2017 with 22 Quarterly unequal Installments ranging from ₹ 13.80 million to ₹ 895.00 million. AD drawn up to March 31, 2016 is ₹ Nil (previous year ₹ Nil) out of total additional debt of ₹ 1,106.40 million.
- (viii) Default as on March 31, 2016
- Interest: Amount ₹ 1.04 million and period of default is 60 days
- Interest: Amount ₹ 2.04 million and period of default is 31 days
- Interest: Amount ₹ 7.84 million and period of default is 01 day

5.14 IVRCL Chandrapur Tollways Limited

- The term loan is secured pari passu first charge on all the borrower's movables, machineries, spares, tools and accessories, furniture and fixtures, vehicles, goodwill, rights, undertakings and all other movable assets (present & future) except project assets, immovable property both present and future, operating cash flows, book debts, toll collection, receivables, revenue to be received from Government of Maharashtra, Public Works Department (PWD) and any other revenues relating to four laning & improvement of Karanji-Wani-Ghuggus-Chandrapur (up to padoli junction) road of MSH-6 & 7 in Yavatmal & Chandrapur District length 85.112 Kms in the state of Maharashtra on a BOT basis, Borrower's bank account, escrow account, DSRA and each of any other accounts required to be created by the borrower under any project document or contract and insurance contracts. Pursuant to the approved restructuring scheme by the consortium lenders, additional security has been provided for including the personal guarantee of promoter of IVRCL Group-Mr. E. Sudhir Reddy for outstanding term loan, Priority Debt and Stand by facility along with pledge of 51% of shares held by the Promoters.
 - Terms of Interest: Interest payable to lenders on monthly basis linked to lead bank base rate (Bank of India) plus applicable spread. The spread shall remain fixed till the COD. The interest rate and spread shall be reset on COD and every year thereafter.
 - Terms of repayment:
- Existing Term Loan: As per restructuring agreement Term loans are repayable in 48 structured quarterly installments commencing from June 30, 2016 ranging from ₹ 7.85 million to ₹ 157.00 million. The term loan drawn up to March 31, 2016 is ₹ 3,139.73 million out of total term loan of ₹ 3,139.90 million.
 - Priority Debt (PD): As per restructuring agreement Priority Debt is repayable in 48 structured quarterly installments commencing from June 30, 2016 ranging from ₹ 1.63 million to ₹ 32.75 million. The Priority Debt drawn up to March 31, 2016 is ₹ 654.98 million out of total term loan of ₹ 655.00 million.
 - Bridge Loan : As per restructuring agreement Stand by facility availed in the form of bridge loan with LC sub limit repayable on receipt Grant from PWD, Govt. of Maharashtra. The stand by facility drawn up to March 31, 2016 is ₹ 300.00 million out of ₹ 982.70 million.

- d) Default as on March 31, 2016
 - a) Interest: Amount ₹ 0.06 million and period of default is 91 days
 - b) Interest: Amount ₹ 17.40 million and period of default is 60 days
 - c) Interest: Amount ₹ 29.66 million and period of default is 31 days

5.15 Chennai Water Desalination Limited

- (i) A first charge by way of mortgage of all the immovable properties of the Company, present and future.
- (ii) First charge by way of hypothecation of all movable (tangible and intangible) including movable plant and machinery, machinery spares, tools and accessories, furniture, vehicles and all other movable assets present and future.
- (iii) First charge on all book debts, operating cash flows, revenues and receivables, uncalled capital of the Company, present and future including by way of a charge on the Trust and Retention Account II Debt Service Reserve Account and Other Reserve and Bank accounts of the Company subject only to the charge of working capital lenders for their loans to the extent of ₹ 100.00 million to the project on the operating cash flows.
- (iv) Terms of Interest: Interest payable to domestic lenders on monthly basis and foreign lenders on quarterly basis. The interest rates on domestic loan shall be subject to annual reset. Interest rate on foreign lenders carrying of LIBOR+2.25%.
- (v) Terms of repayment: Loan from Indian lenders availed, was ₹ 3,000.00 million. Repayment of the loan commenced from May 31, 2010 with 117 monthly equal installments and the loan from foreign lender availed, was Euro 14.06 million. Repayment of loan commenced from December 31, 2009 with 40 quarterly equal installments.

5.16 IVRCL Indore Gujarat Tollways Limited

- i) The term loan is secured by pari passu first charge on all the borrower's movables, machineries, spares, tools and accessories, furniture and fixtures, vehicles, all other movable assets (present & future) operating cash flows, book debts, receivables, revenue shortfall loan to be received from NHAI and any other revenues relating to 4 laning of Indore to Gujarat-MP border section of NH-59 from KM 9.500 to KM.171.100 in the state of Madhya Pradesh on a DBFOT basis, borrowers bank account, escrow account, DSRA and each of any other accounts required to be created by the borrower under any project document or contract and insurance contracts.
- ii) Pledge of 51% of the shares of the borrower held by the sponsors up to the second anniversary of the COD and 26% thereafter.
- iii) The additional security as per the CDR package including, Corporate Guarantee of IVRCL Limited, Personal Guarantee of promoter of IVRCL Limited and Collateral security of immovable properties shall continue till the repayment of Term Loan 1 and Term Loan 2 until the same is converted into equity.
- iv) Terms of Interest :
 - (a) Interest on Term loan: The interest p.a will be 11% from the cut off date to March 31, 2016, 12.25% from April 01, 2016 to March 31, 2023 and 14.50% from April 01, 2023 to December 31, 2027.
 - (b) Interest on FITL : The interest p.a will be 11% from the cut off date to March 31, 2016, 12.25% from April 01, 2016 to December 31, 2021.

Default as on March 31, 2016

- i) Interest: Amount ₹ 24.42 million and period of default is 184 days
- ii) Interest: Amount ₹ 29.55 million and period of default is 153 days
- iii) Interest: Amount ₹ 99.66 million and period of default is 123 days
- iv) Interest: Amount ₹ 60.32 million and period of default is 61 days
- v) Interest: Amount ₹ 52.02 million and period of default is 32 days
- vi) Interest: Amount ₹ 0.08 million and period of default is 1 day

v) Terms of repayment :

a) Term Loans -

The term loans are repayable in 48 structured quarterly installments of unequal amounts commencing from March 31, 2016, ranging from 0.125% to 20.50% of term loan drawn. The term loan drawn up to March 31, 2016 is ₹ 11,427.77 million (Previous year - ₹ 11,427.77 million) out of total term loan of ₹ 11,427.80 million.

b) Funded Interest Term Loans -

The FITL of IIFCL are repayable in 24 structured quarterly installments commencing from March 31, 2016, ranging from 0.063% to 30.625% of term loan drawn. Funded Interest term loan drawn up to March 31, 2016 is ₹ 211.25 million (Previous year - ₹ 1,203.75 million).

c) Priority Debt -

The total Priority loan drawn upto March 31, 2016 is ₹ 1,916.59 million.

d) Default as on March 31, 2016

i) Term Loans -

- a) Interest: Amount ₹ 268.16 million and period of default is 153 days
- b) Interest: Amount ₹ 99.66 million and period of default is 123 days
- c) Interest: Amount ₹ 53.35 million and period of default is 61 days
- d) Interest: Amount ₹ 43.40 million and period of default is 32 days

ii) Priority Debt -

- a) Principal : Amount ₹ 24.42 million and period of default is 184 days
- b) Principal : Amount ₹ 27.36 million and period of default is 153 days
- c) Principal : Amount ₹ 6.97 million and period of default is 61 days
- d) Principal : Amount ₹ 8.62 million and period of default is 32 days

iii) Additional Priority Debt -

Principal : Amount ₹ 0.08 million and period of default is 1 day

5.17 IVR Hotels and Resorts Limited

- (i) Loan is secured by exclusive charge on underlying property (land and structure) and exclusive charge on all present and future receivables of underlying project.
- (ii) Loan carries variable interest rate of bank's base rate plus 3.50% and is repayable in 12 quarterly installments after a principal moratorium period of 4 years from the date of first disbursement (viz. September 26, 2012).

5.18 IVRCL Patalganga Truck Terminals Private Limited

Based on reschedulement of Indian Rupee Loan from Tamilnad Mercantile Bank carries interest @ BR + 2.50% (13.25%), the loan is repayable in 44 quarterly instalments commencing from June 30, 2016. The loan is secured by way of first charge of all the book-debts, operating cash flows, revenues and receivables of the Company, present and future including by way of charge on the escrow account, retention account, debt service reserve account and other reserves and bank accounts of the Company wherever maintained and the collateral security is equity mortgage on leased Land to the extent of 12.84 acres valued ₹ 107.50 million and building and Structure to be constructed at an estimated cost of ₹ 307.90 million. The total security value is ₹ 415.40 million.

Sponsor loan from holding Company is interest free. There is no repayment schedule for the above loan.

Consolidated notes forming part of Financial Statements



5.19 IVRCL Lanka Private Limited

USD 65 million multi-currency term loan sanctioned by banks, USD 5 million drawn upto March 31, 2016. The loan carries interest rate of LIBOR + Margin of 5% p.a. The loan is repayable in one bullet installment at the end of 3.5 years from the first drawdown date. The loan is secured by residual charge on current assets of the holding company, first exclusive charge over all assets of the Company, assignment of bank guarantee in favour of the lenders and first exclusive charge over escrow account and DSRA.

6. Other Long-Term Liabilities

(₹ in million)

	As at 31.03.2016	As at 31.03.2015
(a) Deferred Credit Liability payable	1,840.00	1,840.00
(b) Retention Money	2.23	0.62
(c) Claim payable to the Client*	98.46	98.46
	1,940.69	1,939.08

*In case of Jalandhar Amritsar Tollways Limited (subsidiary of the Company), the Company has accounted provision for negative grant payable to NHAI during the operations period i.e., from 13th to 15th years for in terms of clause 23.2 of Chapter V of Concession Agreement.

7. Provisions

(₹ in million)

	As at 31.03.2016		As at 31.03.2015	
	Long-term	Short-term	Long-term	Short-term
(a) Gratuity	71.45	48.00	67.75	61.94
(b) Compensated Absences	62.81	97.90	82.72	118.55
(c) Resurfacing Obligation	1,749.44	-	884.37	-
(d) Provision for Tax	-	-	-	9.24
(e) Provision for foreseeable losses	-	1,643.45	-	2,128.46
	1,883.70	1,789.35	1,034.84	2,318.19

8. Short-Term Borrowings

(₹ in million)

	As at 31.03.2016		As at 31.03.2015	
Secured				
Loans repayable on demand from Banks:				
(a) Cash Credits and Working Capital Demand Loans from consortium of Banks (Refer Note 8.1)	22,277.21		20,471.76	
(b) Project Specific Working Capital Loans (Refer Note 8.2)	526.64		5,806.70	
(c) Funded Interest Term Loan	642.82		605.86	
		23,446.67		26,884.32
Short-Term Loans				
i) Secured				
- from Banks	-		141.78	
- from Others	400.00		446.27	
		400.00		588.05
ii) Unsecured				
(a) Short-Term Loans from Banks	-		-	
(b) Buyer's Credit	-		28.10	
(c) Working Capital Demand Loans and other credit facilities from Banks	548.99		35.28	
(d) Others	1,592.22		1,684.95	
		2,141.21		1,748.33
		25,987.88		29,220.70

8.1 Cash Credits and Working Capital Demand Loan from Consortium Banks

Cash Credits and Working Capital Demand Loans are secured by hypothecation of book debts, inventories and other current assets (excluding those charged to lenders of specific-funding projects). Further these loans are secured by mortgage of property in Land and Buildings owned by the Company ranking pari passu among the consortium banks aggregating to ₹ 101.54 million and lien of the Fixed Deposit of ₹ 4.20 million. The borrowings carry interest rate ranging from 10.55% to 14.00% p.a. (also Refer Note 43)

Hindustan Dorr-Oliver Limited

(i) Consortium of Banks - Bank of India and Andhra Bank

Working capital loan from banks are secured by hypothecation of entire stocks, book debts, outstanding money receivable, claims and bills (both present and future), fixed assets owned by wholly owned subsidiary company situated at Vatva, Ahmedabad (Gujarat), residual charge over building at Andheri, Mumbai and flats situated in Mumbai and flat owned by wholly owned subsidiary company situated at Vatva, Ahmedabad (Gujarat). The facility is further secured by corporate guarantee of the holding company and pledge of 29.38 percent shares of the company held by IVRCL Limited (holding company). The facility carries interest @12.75 percent p.a.

(ii) ICICI Bank

Working capital loan from banks are secured by first and exclusive charge on all the current assets (including receivables) and movable fixed assets related to OPaL project and second pari passu charge on factory land and building owned by wholly owned subsidiary company situated at Vatva, Ahmedabad (Gujarat), and building at Andheri, Mumbai and flats situated in Mumbai and flat owned by wholly owned subsidiary company situated at Vatva, Ahmedabad (Gujarat). The facility carries interest @ 13 percent p.a.

(iii) Default in repayment of dues to banks

(₹ in million)

Particulars	Amount of default	Period of default (in days)	As at Balance sheet
Working capital loan	3.89 - 8.13	32-1	8.13
	4.23 - 2353.17	589-43	
	107.93 - 1671.59	288-1	1671.59
Default from the date of demand notice	3393.14 - 3418.69	43-1	3418.69
Interest on working capital loan	24.77 - 658.26	488-1	658.26
HDO Technologies Limited			(₹ in million)
Particulars	Amount of default	Period of default (in days)	As at Balance sheet
Working capital loan	4.56 - 248.46	245-1	248.46
	8.58 - 337.96	510-43	
Default from the date of demand notice	631.74 - 632.24	43-1	632.24
Interest on working capital loan	6.08 - 103.75	426-1	103.75

8.2 Project Specific Working Capital Loan from Banks

Project Specific Working Capital Loan from Banks is secured by hypothecation of book debts and inventory and other current assets of respective projects.

Short-Term Loans

8.3 Secured:

TATA Capital Financial Services Limited

Secured by pledge of shares of following subsidiaries and subservient charge on the current assets.

- (i) 29.70% shares of Salem Tollways Limited
- (ii) 29.70% stake in Kumarpalyam Tollways Limited.

The loan is rescheduled during the year and repayable in one installment. The rate of interest is 14.25% p.a. and the balance outstanding as at March 31, 2016 is ₹ 400 million (₹ 392.20 million).

Consolidated notes forming part of Financial Statements



9. Trade Payables

(₹ in million)

	As at 31.03.2016	As at 31.03.2015
(a) Acceptances	42.98	571.27
(b) Other than Acceptances	17,806.24	18,055.64
	17,849.22	18,626.91

10. Other Current Liabilities

(₹ in million)

	As at 31.03.2016	As at 31.03.2015
(a) Current maturities of Long-Term Borrowings (Refer Note 5)	13,233.07	7,178.67
(b) Liabilities towards WCTL, FITL, WCL and interest (refer note 10.2, 10.3, 52 A & 52 B)	7,212.91	-
(c) Interest accrued but not due on Borrowings	20.69	20.65
(d) Interest accrued and due on Borrowings	5,629.83	2,781.65
(e) Advances received from Contractee-Clients	5,816.01	6,905.05
(f) Amounts payable in respect of Development Rights	1,446.53	1,446.53
(g) Payable to Related Parties		
- Joint Ventures	685.59	421.57
(h) Other Payables		
(i) Interest accrued on others	131.93	444.04
(ii) Payables on purchase of Fixed Assets	267.09	262.57
(iii) Accrued salaries and Employee Benefits	658.42	672.82
(iv) Statutory Remittances	1,328.74	1,249.77
(v) Liability towards Investors Education Fund under Section 125 of the Companies Act, 2013 - Not due		
- Unclaimed Public Deposit (including interest)	0.02	2.09
- Unclaimed Dividends	3.01	4.77
- Unclaimed Share Application Money	0.02	0.02
(vi) Interest on amounts due to Micro and Small Enterprises	34.92	39.44
(vii) Claims Payable to Client	119.88	93.99
(viii) Security Deposit	28.30	21.14
(ix) Others	1,917.31	1,196.78
	38,534.27	22,741.55

10.1 Current Maturities

Current maturities of long term borrowing includes continuing default as at March 31, 2016 in respect of Union Bank of India - Loan amount of ₹ 1,000.00 million was repayable after moratorium period of one year in 4 equal installments of ₹ 250.00 million each commencing from March 31st, 2014. The rate of interest is base rate plus 4% p.a. The loan is secured by first charge on the immovable properties of the Company for ₹ 400.00 million and the remaining balance of ₹ 600.00 million is secured by land belonging to RIHIM Developers Private Limited, wholly owned subsidiary of the Company. Subsequent to the year end, Union of Bank of India has initiated recovery proceedings against the company under the Securitization and Reconstruction of Financial Assets and enforcement of Security Interest Act, 2002 in respect of outstanding loan of aggregating ₹ 1,322.80 million including interest payable.

10.2 Hindustan Dorr-Oliver Limited

Includes WCTL, FITL, WCL and interest of ₹ 1505.44 million, ₹ 66.77 million, ₹ 4076.95 million and ₹ 312.00 million respectively of Bank of India due to recovery proceedings initiated against the Company on February 18, 2016 under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

10.3 HDO Technologies Limited

Includes WCTL, FITL, WCL and interest of ₹ 409.34 million, ₹ 18.18 million, ₹ 735.99 million and ₹ 88.25 million respectively of Bank of India due to recovery proceedings initiated against the Company on February 18, 2016 under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

Consolidated notes forming part of Financial Statements



11. CONSOLIDATED FIXED ASSETS

	Gross Block				Depreciation				Net Block				
	As on 31.03.2015	During Year	Additions	Foreign Currency Adjustment	Adj./ Deletion	As on 31.03.2016	As on 31.03.2015	Impact	Foreign Currency Adjustment	Adj./ Deletion	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)
Tangible Assets													
Land - Freehold	2,262.24 (2,265.05)	-	-	-	22.79 (2.81)	2,239.45 (2,262.24)	-	-	-	-	-	2,239.45	2,262.24
Land - Leasehold	830.16 (830.16)	-	-	-	-	830.16 (830.16)	39.55 (39.37)	-	-	-	47.88 (39.37)	782.29	790.79
Golf Course	353.30	(353.30)	-	-	-	353.30 (353.30)	11.78 (11.78)	-	-	-	23.56 (11.78)	329.74	341.52
Buildings	1,672.31 (1,772.79)	0.13 (21.97)	0.07 (122.55)	0.11	17.69 (122.55)	1,654.82 (1,672.32)	664.60 (703.03)	0.06 (35.90)	0.06	17.69 (122.49)	697.47 (664.60)	957.36	1,007.72
Plant & Machinery	12,684.54 (12,785.87)	34.61 (55.10)	1.54 (2.33)	2.33	99.04 (158.76)	12,684.54 (12,684.54)	5,656.77 (4,052.14)	0.28 (45.97)	0.19	50.31 (95.54)	7,259.86 (5,709.80)	5,361.81	6,974.74
Motor Vehicles	1,791.48 (1,833.46)	3.68 (25.62)	0.02 (0.03)	0.02	21.02 (67.63)	1,774.16 (1,791.48)	1,158.81 (994.67)	-	-	16.19 (53.56)	1,323.15 (1,158.80)	451.01	632.68
Furniture	236.50 (236.79)	1.47 (3.00)	0.01 (0.01)	0.01	1.44 (3.31)	236.54 (236.49)	156.15 (139.27)	-	-	1.32 (2.82)	173.47 (156.14)	63.07	80.35
Office Equipment	234.48 (234.80)	1.13 (2.31)	0.01 (0.01)	0.01	3.72 (2.64)	231.90 (234.48)	198.42 (111.46)	-	-	2.27 (2.54)	214.63 (199.69)	17.27	34.79
Computers	233.72 (260.78)	2.63 (2.06)	0.01 (0.01)	0.01	7.46 (29.13)	228.90 (233.72)	222.90 (219.23)	-	0.01	5.77 (33.82)	221.93 (224.54)	6.97	9.18
Total	20,298.73 (20,219.70)	43.65 (463.36)	1.66 (2.50)	2.50	173.16 (386.83)	20,170.88 (20,298.73)	8,108.98 (6,259.17)	-	0.35 0.25	93.55 (310.77)	9,961.95 (8,164.72)	10,208.97	12,134.01
Intangible Assets													
Software	153.22 (154.23)	2.24 (0.08)	-	-	0.02 (1.10)	155.44 (153.21)	150.90 (122.73)	-	-	0.02 3.97	153.63 (150.87)	-	(1.81) 2.34
Goodwill	6.90 (6.90)	-	-	-	-	6.90 (6.90)	6.90 (6.90)	-	-	-	6.90 (6.90)	-	-
Technical Knowhow	9.81 (9.81)	-	-	-	-	9.81 (9.81)	9.81 (9.81)	-	-	-	9.81 (9.81)	-	-
Carriage Ways	16,981.21 (16,981.21)	11,121.12	-	-	-	28,102.33 (16,981.21)	2,527.10 (1,984.79)	-	-	(1.88)	3,234.42 (2,527.11)	24,869.70	14,454.10
Total	17,151.14 (17,152.15)	11,123.36 (0.08)	-	-	0.02 (1.10)	28,274.48 (17,151.13)	2,694.71 (2,124.23)	-	-	(1.86) 3.97	3,404.76 (2,694.69)	24,869.70	14,454.44
Grand Total	37,449.87 (37,371.85)	11,167.01 (463.44)	1.66 (2.50)	2.50	173.18 (387.93)	48,445.36 (37,449.86)	10,803.69 (8,383.40)	-	0.35 0.25	91.69 (306.80)	13,366.71 (10,859.41)	35,078.67	(24,869.72)

Figures in brackets and in italics represents numbers relating to previous period.

Note:

- Land-Freehold includes ₹ 18.79 million towards revaluation made in the year 2001-02 on current cost basis carried out by an independent valuer.
- Buildings includes ₹ 2.20 million towards revaluation made in the year 2001-02 on current cost basis carried out by an independent valuer.
- Leasehold premises of ₹ 27.50 million (2014-15 : ₹ 27.50 million) taken for a period of 99 years. The premium of ₹ 20.46 million is paid upfront with no further significant obligations.

In case of subsidiary companies

- Depreciation amounting to ₹ 25.31 million (2014-15 : ₹ 25.70 million) for the Year ended March 31, 2015 transferred to expenditure incurred during construction period pending allocation.
- Depreciation is excluding of ₹ 33.11 million pertaining to Goodwill written off during the previous period.
- During the year 2014-15 Hindustan Dorr-Oliver Limited, subsidiary of the Company has revalued its land situated at Chakala Andher (East) Mumbai at ₹ 1,047.19 million thereby increasing land value by ₹ 905.66 million and creating revaluation reserve of the same amount.
- The Company is in process of registration of title deeds of certain immovable properties aggregating to ₹ 254.75 million (Land freehold ₹ 75.68 million, Buildings ₹ 179.07 million) and WDV of ₹ 220.35 million (Land freehold ₹ 75.68 million, Buildings ₹ 144.67 million)
- Buildings include Company owned residential flats of the Book Value of ₹ 8.85 million (2014-15 : ₹ 8.85 million) including face value of shares held in Co-operative Housing Societies of ₹ 0.01 million in respect of which documents lodged with the Registrar of Properties for registration are yet to be received back.

12. Non-Current Investments

(₹ in million)

	As at 31.03.2016		As at 31.03.2015	
Long-Term Investments				
Investment in equity instruments				
In Subsidiaries	74.10		73.56	
In Partnership Firms	0.21		0.21	
In Associate Bodies Corporates – Unquoted	247.96		247.96	
Less : Provision for diminution in value of Investment	(73.51)		(73.51)	
		248.76		248.22
Other bodies corporates				
Quoted	0.46		0.46	
Unquoted	327.70		327.70	
Less : Provision for diminution in value of Investment	(22.73)		(22.73)	
		305.43		305.43
Investment in Debentures		131.03		131.03
Investment in Mutual Funds		2.00		102.00
		687.22		786.68

13. Deferred Tax Assets (Net)

(₹ in million)

	As at 31.03.2016		As at 31.03.2015	
(a) Deferred Tax Liability				
- Depreciation		(70.59)		(431.57)
(b) Deferred Tax Asset				
- Compensated Absences and Gratuity	10.71		88.67	
- Doubtful debts, Advances and Deposits	-		428.71	
- Business Loss / Unabsorbed Depreciation	95.71		95.71	
- Expenses relating to Amalgamation	-		3.74	
- Others	22.24	128.66	178.35	795.18
Deferred Tax Assets (Net)		58.05		363.61

14. Long-Term Loans and Advances

(₹ in million)

(Unsecured, considered good, unless otherwise specified)

	As at 31.03.2016	As at 31.03.2015
(a) Capital Advances	3.90	50.26
(b) Security Deposits	86.70	84.38
(c) Tax Deducted at Source and Advance Tax (net of provisions)	1,478.90	1,634.46
(d) Balance with Statutory / Government Authorities	0.76	3.82
(e) Loans and Advances to Related Parties		
- Subsidiaries	-	-
- Considered good	-	-
- Doubtful	1,422.37	1,422.37
	1,422.37	1,422.37
Less: Provision for Doubtful Advances	1,422.37	1,422.37
	-	-
- Associates	13.96	-
	1,584.22	1,772.92

Consolidated notes forming part of Financial Statements



15. Other Non-Current Assets

(Unsecured and considered good, unless otherwise specified)

(₹ in million)

	As at 31.03.2016	As at 31.03.2015
(a) Long-Term Trade Receivables		
- Considered good	6,742.84	6,778.58
- Doubtful	364.26	495.23
	7,107.10	7,273.81
Less: Provision for Doubtful Trade Receivables	364.26	495.23
	6,742.84	6,778.58
(b) Non-Current Bank Balances		
- Deposit with maturity period of more than 12 months	10.66	14.02
- Margin money	0.02	-
(c) Claims Receivable	810.00	810.00
(d) Interest accrued other than on Investments	34.06	34.22
(e) Other Receivables		
- Considered good		-
- Doubtful	474.71	474.71
	474.71	474.71
Less: Provision for Doubtful Other Receivables	(474.71)	(474.71)
	7,597.58	7,636.82

16. Inventories

(₹ in million)

	As at 31.03.2016	As at 31.03.2015
(a) At Project sites - (at cost)		
- Stores and Spares	1,315.28	1,700.46
- Work-in-Progress	1,024.85	945.05
(b) At Factory - (at lower of cost and net realisable value)		
- Stores and Spares	357.92	397.76
- Finished Goods	41.65	38.14
- Work-in-Progress	185.51	379.56
(c) Freehold Land	4,469.15	4,469.15
(d) Development Rights for Land	2,726.92	2,730.11
(e) Plots Stock	155.01	156.57
(f) Residential Properties	75.29	75.29
(g) Development Work-in-Progress	1,347.55	1,352.68
	11,699.13	12,244.77

17. Trade Receivables (Unsecured)

(₹ in million)

	As at 31.03.2016	As at 31.03.2015
(a) Outstanding for a period exceeding six months from the date they are due for payment		
- Considered good	13,065.02	12,682.78
- Doubtful	5,741.08	4,775.47
	18,806.10	17,458.25
Less: Provision for Doubtful Trade Receivables	5,741.08	4,775.47
	13,065.02	12,682.78
(b) Other Receivables		
- Considered good	4,116.55	6,311.38
- Doubtful	-	-
	4,116.55	6,311.38
Less: Provision for Doubtful Trade Receivables	-	-
	4,116.55	6,311.38
	17,181.57	18,994.16

Consolidated notes forming part of Financial Statements



18. Cash and Bank Balances

(₹ in million)

	As at 31.03.2016	As at 31.03.2015
(a) Cash and Cash equivalents		
- Cash on Hand	21.21	20.97
- Balances with Banks		
- Current Accounts	1,191.05	1,620.24
- Deposits with maturity period of less than 3 months	16.11	18.25
	1,228.37	1,659.46
(b) Other Bank Balances		
- Earmarked Balances		
- Margin Money	6.63	6.63
- Unpaid Dividend Accounts	2.98	4.74
- Share Application Money Due for Refund	0.48	0.48
- Term Deposits with maturity period of more than 3 months but less than 12 months	491.06	313.65
	501.15	325.50
	1,729.52	1,984.96

19. Short-Term Loans and Advances

(Unsecured and considered good, unless otherwise specified)

(₹ in million)

	As at 31.03.2016	As at 31.03.2015
(a) Loans and Advances to Related Parties		
- Associates	29.93	28.17
- Joint Ventures	1,043.04	1,024.60
- Directors	35.69	49.46
	1,108.66	1,102.23
- Considered good	943.99	938.76
- Doubtful	164.68	163.47
	1,108.67	1,102.23
Less: Provision for Doubtful Advances	164.68	163.47
	943.99	938.76
(b) Advance to Sub-Contractors and Suppliers		
- Considered good	4,014.18	4,448.27
- Doubtful	281.45	200.67
	4,295.63	4,648.94
Less: Provision for Doubtful Advances	281.45	200.67
	4,014.18	4,448.27
(c) Prepaid Expenses	84.51	144.29
(d) Other Deposits	374.33	399.02
(e) Balances with Statutory / Government Authorities	2,914.84	3,105.01
	3,373.68	3,648.32
- Considered good	3,093.18	3,314.27
- Doubtful	280.50	334.05
	3,373.68	3,648.32
Less: Provision for Doubtful Advances	280.50	334.05
	3,093.18	3,314.27
(f) Tax Deducted at Source and Advance Tax (net of provisions)	0.03	23.38
	8,051.38	8,724.68

Consolidated notes forming part of Financial Statements



20. Other Current Assets

(₹ in million)

(Unsecured, considered good unless otherwise specified)

	As at 31.03.2016	As at 31.03.2015
(a) Unbilled Revenue (Refer Note 34 & 48A(v))	16,536.40	18,897.00
(b) Receivable against Sale of Development Rights	1,523.13	1,523.13
(c) Claims Receivable	24.39	15.48
(d) Interest on Term Deposit with Banks	6.52	7.24
(e) Investment in Mutual Fund	-	2.20
(f) Income Tax Refund	259.74	371.79
	18,350.18	20,816.84
(g) Other Receivables (Refer Note 35)		
- Considered good	7,772.93	5,705.67
- Doubtful	161.70	-
	7,934.63	5,705.67
Less Provision for Doubtful Receivables	161.70	-
	7,772.93	5,705.67
	26,123.11	26,522.51

21. Income from Operations

(₹ in million)

	Year ended 31.03.2016	Year ended 31.03.2015
(i) Construction Revenue	23,657.53	30,945.96
(ii) Sale of Systems, equipment, services and Spares	1,886.35	1,170.23
(iii) Sale of Villas, Flats and Plots	19.82	94.65
(iv) Income from Toll Collection	1,725.91	1,296.82
(v) Sewerage Treatment Revenue	15.86	15.74
(vi) Sale of Bulk Water	1,979.21	1,783.38
(vii) Sale of Products		
i) Traded	919.08	2,280.74
ii) Others	-	617.72
(viii) Other Operating Income	31.54	48.50
	30,235.30	38,253.74

22. Other Income

(₹ in million)

	Year ended 31.03.2016	Year ended 31.03.2015
a) Profit on Sale of Investment	-	12.31
b) Interest Income		
- Advances to Sub-contractors	25.55	22.27
- Term Deposits with Banks	26.48	40.69
- Others	14.60	37.74
c) Dividend Income on Long-Term Investments	0.44	0.14
d) Liabilities no longer required written back	35.92	15.10
e) Income from Mutual Funds	25.71	9.19
f) Bad debts recovered	5.52	50.36
g) Provisions written back	373.67	182.90
h) Utility Shifting Income	-	141.93
i) Claims	-	121.60
j) Miscellaneous Income	159.96	192.14
k) Foreign Exchange Gain	0.74	231.81
l) Profit on sale of Fixed Assets	-	15.58
	668.59	1,073.76

Consolidated notes forming part of Financial Statements



23. A. Raw Material Consumed

(₹ in million)

	Year ended 31.03.2016	Year ended 31.03.2015
Opening Stock	358.73	426.94
Add: Purchases	318.28	334.77
Less : Closing Stock	312.07	358.73
	364.94	402.98

B. (Increase)/Decrease in Finished Goods, Work-in-progress and Development Rights

(₹ in million)

	Year ended 31.03.2016	Year ended 31.03.2015
Opening Balance	5,896.32	5,876.90
Less : Adjustment on account of non-consolidation of subsidiary	-	-
Closing Balance	5,700.77	5,896.32
	195.55	(19.42)

C. Construction Expenses

(₹ in million)

	Year ended 31.03.2016		Year ended 31.03.2015	
(a) Construction Stores, Spares and Materials Consumed				
- Opening Stock	1,672.34		2,048.06	
- Add: Purchases	4,875.55		6,022.91	
- Less : Closing Stock	1,288.05	5,259.84	1,672.35	6,398.62
(b) Development Expenditure		1.81		50.01
(c) Sub-contractors' work bills		12,932.08		15,177.35
(d) Masonry and other works		4,870.00		4,939.79
(e) Operation and Maintenance Expenses		470.59		335.21
(f) Manufacturing Expenses		124.30		152.35
(g) Resurfacing Expenses		821.05		350.34
(h) Indirect Taxes and Cess		853.55		855.04
(i) Machinery Hire Charges		825.59		784.32
(j) Repairs and Maintenance				
- Construction Machinery	216.89		238.00	
- Others	73.43	290.32	104.69	342.69
(k) Electricity and Water Charges		1,058.73		666.19
(l) Royalty		13.35		19.28
(m) Laboratory Testing Charges		16.66		15.88
(n) Others		514.35		-
		28,052.22		30,087.07

24. Employee Benefits Expense

(₹ in million)

	Year ended 31.03.2016	Year ended 31.03.2015
(a) Salaries, Wages and Bonus	1,532.60	1,907.82
(b) Contribution to Provident and Other Funds	137.65	226.61
(c) Staff Welfare Expenses	158.08	186.15
(d) Managerial Remuneration	20.04	6.76
Less: Amount transferred to Development Expenditure / Capital work-in-progress	-	-
	1,848.37	2,327.34

25. Other Expenses

(₹ in million)

	Year ended 31.03.2016	Year ended 31.03.2015
(a) Rent Expenses	105.61	126.85
(b) Office Maintenance	127.74	151.56
(c) Rates and Taxes	35.66	57.81
(d) Travelling and Conveyance	108.47	124.40
(e) Legal and Professional Charges	240.84	350.73
(f) Insurance	138.89	158.86
(g) Communication Expenses	34.66	41.90
(h) Printing and Stationery	19.16	24.03
(i) Tender Expenses	1.06	2.30
(j) Business Promotion	6.18	6.18
(k) Auditors' Remuneration	10.49	7.11
(l) Advertisement and Publicity	2.18	2.99
(m) Loss on Assets sold / discarded (Net)	16.05	23.82
(n) Provision for doubtful debts, advances and deposits	1,154.08	2,335.46
(o) Provision for diminution in the value of Investments	678.03	-
(p) Bad Debts Written Off	9.83	16.30
(q) Net loss on foreign currency transactions and translations	106.97	-
(r) Preliminary Expenses	-	-
(s) Miscellaneous Expenses	37.63	75.22
(t) Provision for foreseeable losses	-	2,128.46
(u) Intangible assets under development written off	20.50	143.27
	2,854.03	5,777.25

26. Finance Costs

(₹ in million)

	Year ended 31.03.2016	Year ended 31.03.2015
(a) Interest Expense	8,902.89	7,823.55
(b) Other Borrowing Cost	718.17	1,021.43
(c) Foreign Exchange Loss (Net)	63.09	121.27
	9,684.15	8,966.25

27. Intra-group turnover and profits on BOT construction contracts

The revenue and (Loss) / Profit in respect of intra-group BOT construction contracts during the year is ₹ 2,280.78 million and ₹ (2,092.83) million respectively. These intra-group transactions and the profits arising thereon are taken as realised and not eliminated for consolidation under Accounting Standard 21.

28. Reconciliation of Basic and Diluted shares used in computing Earnings Per Share

	Year ended 31.03.2016	Year ended 31.03.2015
(a) (Loss) / Profit After Tax before exceptional item for calculation of Basic and Diluted EPS (₹ in million)	(15,045.03)	(14,122.62)
(b) (Loss) / Profit After Tax after exceptional item for calculation of Basic and Diluted EPS (₹ in million)	(15,045.03)	(15,565.36)
(c) Weighted average number of equity shares outstanding for calculation of EPS	522,432,856	344,957,062
(d) Basic and Diluted EPS before exceptional item (₹)	(28.80)	(40.94)
(e) Basic and Diluted EPS after exceptional item (₹)	(28.31)	(45.12)

29. Contingent Liabilities and Commitments

(₹ in million)

	As at 31.03.2016	As at 31.03.2015
(i) Contingent Liabilities:		
(a) Bank Guarantees issued by the banks on behalf of the Company and Letter of Credits	13,291.59	16,747.72
(b) Corporate Guarantees issued by the Company on behalf of its subsidiaries, associates and others	54,226.13	51,161.46
(c) Claims against the Company not acknowledged as debts	5,889.42	2,820.08
(d) Income Tax demand under appeal	43.49	43.49
(e) Disputed Value Added Tax / Sales Tax / Service Tax / Central Excise, Customs Duty, Cess and Stamp Duty	9,936.00	4,567.45
(f) Others	1,512.71	1,250.85
(ii) Other Commitments:		
(a) Estimated amount of contracts to be executed on capital account (net of advances)	1,124.30	5,034.57
(b) Commitments towards investment in subsidiaries	985.31	973.71
(c) Other Commitments	-	-

- As more fully described in Note 37, the Company and the CDR lenders executed a Master Restructuring Agreement (MRA) in earlier year. The MRA as well as the provisions of the master circular on corporate debt restructuring issued by the Reserve Bank of India, gives a right to the lenders to get a recompense of their waivers and sacrifices made as part of the CDR proposals. The recompense payable by the Company is contingent on various factors including improved performance of the Company and many other conditions. As at March 31, 2016 the aggregate indicative recompense of the CDR lenders as per the MRA is ₹ 2,585.00 million, payment of which is contingent on various factors including improved performance of the Company and many other conditions, the outcome of which is currently uncertain and hence the proportion of amount payable as recompense has been treated as contingent liability.
- In case of IVRCL Indore Gujarat Tollways Limited, the company and CDR lenders executed a Master restructuring Agreement (MRA) during the period. The MRA as well as the provisions of the circular on corporate debt restructuring issued by the Reserve bank of India, gives a right to the lenders to get a recompense of their waivers and sacrifices made as part of the CDR proposals. The recompense payable by the company is contingent on various factors including improved performance of the Company and many other conditions, the outcome of which is currently uncertain and hence the proportion of amount payable as recompense has been created as contingent liability. The indicative aggregate value of the outstanding sacrifice made by the CDR lenders upto March 31, 2015 as per MRA is approximately ₹ 268.40 million (previous year ₹ 84.50 million) for the company.
- In case of RIHIM Developers Private Limited, the Company had entered into Joint Development Agreements (JDAs) during the year 2006 with various individual plot owners to jointly develop a property situated at "Cyber Enclave", Hi-tech City, Hyderabad. As per JDAs, the Company was required to amalgamate all the plots pertaining to "Cyber Enclave" and complete the development as per specified plan within a period of thirty months from the date of respective JDAs. As per terms and conditions of the agreement, all the plot owners have an obligation to enter into JDA to facilitate amalgamation of plots without which development cannot be completed. In case of delay in completion of the project by the Company, it would indemnify the loss occurring to the individual land owners as per agreed terms for the delayed period.
 - As at March 31, 2016, certain plot owners of Cyber Enclave have still not entered into the JDA with the Company. Accordingly, development of the property could not be completed by the Company and necessary permission and clearances from various authorities are pending.
 - The Company believes that plot owners will get the right to claim compensation for delayed period only when delay is caused by the Company. Since the Company has performed all the obligations on its part, payment of compensation to land owners for delay in the project is not probable. The liability, if any, that may arise on account of delay in development of the above property is not presently ascertainable.
 - Based on internal assessment and legal opinion, the management is confident that for the above mentioned contingent liabilities, no provision is required to be made as on March 31, 2016.
- Impact of pending legal cases: The Group is party to several cases with clients as well as contractors, pending before various forums/courts/arbitration proceedings. It is not possible to make a fair assessment of the likely financial impact of these pending disputes/litigations until the cases are decided by the appropriate authorities.

Consolidated notes forming part of Financial Statements



30. (i) The list of subsidiary companies which are included in the consolidation and the Company's holdings therein are as under:

Sl No.	Name of Subsidiaries Subsidiaries through direct, indirect control	Ownership in %		Country of Incorporation
		2015-16	2014-15	
1	Hindustan Dorr-Oliver Limited	55.28%	55.28%	India
2	IVRCL PSC Pipes Private Limited	66.43%	66.43%	India
3	IVR Enviro Projects Private Limited	97.49%	97.49%	India
4	Chennai Water Desalination Limited ¹	75.00%	75.00%	India
5	Salem Tollways Limited	100.00%	100.00%	India
6	Kumarapalyam Tollways Limited	100.00%	100.00%	India
7	IVRCL Steel Constructions & Services Limited	100.00%	100.00%	India
8	Jalandhar Amritsar Tollways Limited	100.00%	100.00%	India
9	IVRCL Indore Gujarat Tollways Limited ¹	100.00%	100.00%	India
10	IVRCL Chengapalli Tollways Limited	100.00%	100.00%	India
11	IVRCL Patalaganga Truck Terminals Private Limited ¹	100.00%	100.00%	India
12	IVRCL-Cadagua Hogenakkal Water Treatment Company Private Limited	60.00%	60.00%	India
13	Alkor Petroo Limited ¹	64.03%	64.03%	India
14	IVRCL Building Products Limited ¹	60.00%	60.00%	India
15	IVRCL Chandrapur Tollways Limited	100.00%	100.00%	India
16	Sapthashva Solar Limited ¹	51.00%	51.00%	India
17	RIHIM Developers Private Limited ¹	100.00%	100.00%	India
18	IVRCL TLT Private Limited	100.00%	100.00%	India
19	IVRCL Raipur Bilaspur Tollways Limited	100.00%	100.00%	India
20	IVRCL Narnual Bhiwani Tollways Limited	100.00%	100.00%	India
21	IVR Hotels and Resorts Limited ¹	66.88%	66.88%	India
22	SPB Developers Private Limited	100.00%	100.00%	India
23	IVRCL Lanka Private Limited ¹	100.00%	100.00%	Sri Lanka
24	First STP Private Limited	95.00%	95.00%	India
25	IVRCL Gundugolanu Rajahmundry Tollways Limited	100.00%	100.00%	India
26	IVRCL Patiala Bathinda Tollways Limited	100.00%	100.00%	India
27	IVR Prime Developers (Tambaram) Private Limited	100.00%	100.00%	India
28	HDO Technologies Limited ¹	55.28%	55.28%	India
29	Davymarkham India Private Limited ¹	55.28%	55.28%	India
30	IVR Prime Developers (Palakkad) Private Limited ¹	60.00%	60.00%	India
31	IVR Prime Developers (Guindy) Private Limited ¹	60.00%	60.00%	India
32	IVRCL Mega Malls Limited	100.00%	100.00%	India
33	Agaram Developers Private Limited	100.00%	100.00%	India
34	Mummidi Developers Private Limited	100.00%	100.00%	India
35	Samatteri Developers Private Limited	100.00%	100.00%	India
36	Annupampattu Developers Private Limited	100.00%	100.00%	India
37	Tirumani Developers Private Limited	100.00%	100.00%	India
38	Ilavampedu Developers Private Limited	100.00%	100.00%	India
39	Gajuwaka Developers Private Limited	100.00%	100.00%	India
40	Chodavaram Developers Private Limited	100.00%	100.00%	India
41	Simhachalam Prime Developers Private Limited	100.00%	100.00%	India
42	Siripuram Developers Private Limited	100.00%	100.00%	India
43	Bibinagar Developers Private Limited	100.00%	100.00%	India
44	IVR Prime Developers (Erode) Private Limited	100.00%	100.00%	India
45	IVR Prime Developers (Guntur) Private Limited	100.00%	100.00%	India
46	IVR Prime Developers (Araku) Private Limited	100.00%	100.00%	India
47	Absorption Aircon Engineer Private Limited	100.00%	100.00%	India
48	IVR Vaanaprastha Private Limited	66.67%	66.67%	India

Consolidated notes forming part of Financial Statements



SI No.	Name of Subsidiaries Subsidiaries through direct, indirect control	Ownership in %		Country of Incorporation
		2015-16	2014-15	
49	IVR PUDL Resorts & Clubs Private Limited	66.67%	66.67%	India
50	IVRCL Solar Energy Private Limited	100.00%	100.00%	India
51	IVR Prime Developers (Amalapuram) Private Limited	100.00%	100.00%	India
52	IVR Prime Developers (Red Hills) Private Limited	100.00%	100.00%	India
53	IVR Prime Developers (Tuni) Private Limited	100.00%	100.00%	India
54	IVR Prime Developers (Bobbilli) Private Limited	100.00%	100.00%	India
55	IVR Prime Developers (Bhimavaram) Private Limited	100.00%	100.00%	India
56	IVR Prime Developers (Adayar) Private Limited	100.00%	100.00%	India
57	IVR Prime Developers (Egmore) Private Limited	100.00%	100.00%	India
58	Geo IVRCL Engineering Limited	100.00%	100.00%	India
59	Duvvda Developers Private Limited	100.00%	100.00%	India
60	Kunnam Developers Private Limited	100.00%	100.00%	India
61	Vedurwada Developers Private Limited	100.00%	100.00%	India
62	Rudravaram Developers Private Limited	100.00%	100.00%	India
63	Geo Prime Developers Private Limited	100.00%	100.00%	India
64	Theata Developers Private Limited	100.00%	100.00%	India
65	Kasibugga Developers Private Limited	100.00%	100.00%	India
66	Vijayawada Developers Private Limited	100.00%	100.00%	India
67	Eluru Developers Private Limited	100.00%	100.00%	India
68	Chengapally Road Infra Private Limited	100.00%	100.00%	India

1 Consolidation based on Management certified accounts.

(ii) Subsidiaries not included in consolidation

SI No.	Name of Subsidiaries Subsidiaries through direct, indirect control	Ownership in %		Country of Incorporation
		2015-16	2014-15	
1	HDO (UK) Limited ²	55.28%	55.28%	United Kingdom
2	HDO Zambia Limited ²	55.28%	55.28%	Zambia
3	IVR Prime Developers (Mylapore) Private Limited ¹	100.00%	100.00%	India
4	IVR Prime Developers (Kakinada) Private Limited ¹	100.00%	100.00%	India
5	IVR Prime Developers (Pudukkottai) Private Limited ¹	100.00%	100.00%	India
6	IVR Prime Developers (Thandiarpet) Private Limited ¹	100.00%	100.00%	India
7	IVR Prime Developers (Gummidipundy) Private Limited ¹	100.00%	100.00%	India
8	IVR Prime Developers (Kodambakkam) Private Limited ¹	100.00%	100.00%	India
9	IVR Prime Developers (Arumbakkam) Private Limited ¹	100.00%	100.00%	India
10	IVR Prime Developers (Anna Nagar) Private Limited ¹	100.00%	100.00%	India
11	IVR Prime Developers (Anakapalle) Private Limited ¹	100.00%	100.00%	India
12	IVR Prime Developers (Rajampeta) Private Limited ¹	100.00%	100.00%	India
13	IVR Prime Developers (Tanuku) Private Limited ¹	100.00%	100.00%	India
14	IVR Prime Developers (Rajahmundry) Private Limited ¹	100.00%	100.00%	India
15	IVR Prime Developers (Ananthapuram) Private Limited ¹	100.00%	100.00%	India
16	IVR Prime Developers (Perumbadur) Private Limited ¹	100.00%	100.00%	India
17	IVR Prime Developers (Ashram) Private Limited ¹	100.00%	100.00%	India
18	IVR Prime Developers (Retiral Homes) Private Limited ¹	100.00%	100.00%	India
19	IVRCL Goa Tollways Limited ¹	100.00%	100.00%	India
20	IVRCL Multilevel Car Parking Private Limited ¹	51.00%	51.00%	India

1. Applications have been filed before the Registrar of Companies, Telangana to 'strike off' of names under the "Fast Track Exit Scheme".

Consolidated notes forming part of Financial Statements



(iii) Associates and Joint Ventures not included in consolidation

S. No	Name of the Company / Joint Venture	Share of Interest
1	IVRCL International Infrastructures & Projects LLC	49.00%
2	Sushee - IVRCL Arunachal Highway Limited	26.00%

31. Related Party Disclosure

Information regarding Related Party Transactions as per Accounting Standard 18 is given below:

31.1 List of Related Parties and Relationships

A Associate (Where the Company Exercises Significant influence)	
1	IVRCL International Infrastructures & Projects LLC
2	Sushee - IVRCL Arunachal Highway Limited
B Joint Ventures	
1	Bhanu - IVRCL Associates
2	IVRCL – Tantia (JV)
3	IVRCL, SEW & Prasad Hyderabad J.V
4	IVRCL, Navayuga & SEW Joint Venture
5	Navayuga, IVRCL & SEW Joint Venture
6	IVRCL – Harsha (JV)
7	SPCL - IVRCL JV
8	IVRCL - JL (JV)
9	UAN Raju IVRCL Construction JV
10	IVRCL – KBL (JV) Hyderabad
11	IVRCL – KBL – MEIL (JV) Hyderabad
12	IVRCL - CR18G (JV)
13	IVRCL – KMB – HDO Joint Venture
14	IVRCL-MEIL (NC-28) Joint Venture
15	IVRCL-MEIL (NC-33) Joint Venture
16	IVRCL - SUSHEE Consortium
17	IVRCL SEW & WPIL (JV) Hyderabad
18	IVRCL – MBL (JV) Hyderabad
19	IVRCL BATPASCO WPIL & MHI (JV) Hyderabad
20	IVRCL BATPASCO ABB & AAG (JV) Hyderabad
21	IVRCL - CR18G Consortium (J.V)
22	MEIL IVRCL HCC & WPIL (JV)
23	IVRCL – KIPL (JV)
24	IVRCL – RAJ (JV)
25	UNITY – IVRCL Joint Venture
26	IVRCL SAI SUDHIR (JV)
27	CR18G - IVRCL (JV)
28	IVRCL - SUSHEE JOINT VENTURE
29	IVRCL – RTE Joint Venture
30	KMB – IVRCL Joint Venture
31	IVRCL - BPL -UCC (JV)
32	IVRCL-MRT(JV)
33	SAPL & MBL – IVRCL (JV)
34	G.SHANKAR-IVRCL (J.V)
35	IVRCL-MEIL (J.V)
36	MEIL-IVRCL (J.V)
37	IVRCL – TAI INFRA (JV)
38	IVRCL LTD-AJAY PROTECH PVT.LTD.(JV)
39	SMC IVRCL - VUB(JV)
40	IVRCL-DRN INFRA (JV)
41	IVRCL-DCCM-TCL JV
42	IVRCL AMR JV
43	IVRCL MVPR (JV)
C Enterprises owned or significantly influenced by key management personnel or their relatives	
1	S.V.Equities Limited
2	Palladium Infrastructures & Projects Limited
3	Soma Hotels & Resorts Limited
4	Eragam Holdings Limited
5	Eragam Finlease Limited
6	Indus Palms Hotels & Resorts Limited
7	A.P.Enercon Engineers Private Limited
D Key Management Personnel	
1	Mr. E. Sudhir Reddy
2	Mr. K. Ashok Reddy
3	Mr. R. Balarami Reddy
4	Mr.B.Subrahmanyam
5	Mr.S.C.Sekaran
E Relatives of Key Management Personnel	
1	Mr. E. Ella Reddy
2	Mrs. E. Sujatha Reddy
3	Mr. E. Sunil Reddy

} Relative of Chairman & Managing Director

Consolidated notes forming part of Financial Statements



31.2 Disclosure of transactions between the Company and related parties and the status of closing balances

a) Transactions during the Year

(₹ in million)

	Joint Venture		Associates & Others	
	2015-16	2014-15	2015-16	2014-15
Contract Revenue / Other Operational Income	5,508.02	6,083.55	-	-
Interest Income	-	-	-	-
Purchase of Construction Material*	-	-	-	12.07
Hire Charges Income	-	-	-	-
Rent Expense	-	-	18.93	24.07
Sub-contracting Work Expenses	2,581.32	2,903.95	371.43	435.58
Sale of Construction Material	-	-	11.51	69.21
Sale of Assets	-	-	-	-
Interest Expense on Mobilisation Advance	21.74	35.27	-	-
Provision for Doubtful Advances	-	-	-	-
Investments	-	-	-	185.25
Mobilisation Advance Received	0.40	-	-	-

* Net of Purchase returns / Advances refund is Nil (₹ 927.40 million).

b) Closing Balances

(₹ in million)

	Joint Venture		Associates & Others	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Advances Receivable	1,043.03	1,024.60	29.93	28.17
Other Payables	690.69	421.57	-	--
Trade Payables for Construction Expenses	1,059.06	861.20	186.04	106.69
Provision for Doubtful Advances	153.02	153.02	-	-
Trade Receivables, Retention Money and Other Deposits	6,331.73	4,583.93	-	-
Mobilisation Advance Received	301.54	477.29	-	-
Mobilisation Advance Given	-	-	66.53	136.05
Retention Money Payable	593.01	482.19	114.06	260.54
Interest Accrued	-	-	33.79	33.99
Rent Deposit	-	-	6.60	6.60
Corporate Guarantee	-	20.00	-	-

(₹ in million)

Key Management Personnel/ Relatives	Designation	Remuneration		Office Rent		Rent Deposit		Advance	
		2015-16	2014-15	2015-16	2014-15	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Mr. E. Sudhir Reddy	Chairman & Managing Director	0.77*	16.20*	2.46	2.43	0.50	0.50	18.69	25.02
Mr. K. Ashok Reddy	Joint Managing Director	8.88*	6.96*	-	-	-	-	3.50	6.94
Mr. R. Balarami Reddy	Joint Managing Director & CFO	8.62*	7.08*	-	-	-	-	3.38	7.02
Mr. S. C. Sekaran	Executive – Director	1.39*	4.77*	-	-	-	-	18.78	0.37
Mr. B. Subrahmanyam	Company Secretary	1.73	1.81	-	-	-	-	-	-
Relatives		0.77*	-	-	7.45	-	1.44	-	10.11
Total		22.16	36.82	2.46	9.88	0.50	1.94	44.35	49.96

* Refer Note 33

Consolidated notes forming part of Financial Statements



32. Employee Benefit Plan

a) Gratuity Plan

(₹ in million)

Particulars	2015-16	2014-15
Components of Employer Expenses		
Current service cost	22.71	24.11
Interest cost	17.23	17.68
Expected return on plan assets	(7.60)	(7.97)
Benefits Transferred	-	-
Experience Adjustment / Non-management fund	-	-
Net Actuarial (Gain) / Loss to be recognized	(16.07)	35.84
Total expense recognised in the Statement of Profit and Loss	16.27	69.66
Actual Contribution & Benefit Payments		
Actual Benefit Payments	(42.83)	(46.32)
Actual Contribution	25.59	34.63
Net Asset / (Liability) recognized in Balance Sheet		
Liability at the end of the period	(199.60)	(229.36)
Fair value of plan assets at the end of the period	83.65	95.17
Experience Adjustment / Non-management fund	-	4.50
Net Asset/ (Liability) recognised in the Balance Sheet	(115.95)	(129.69)
Change in Defined Benefit Obligations (DBO)		
Present Value of DBO at beginning of period	229.36	200.43
Interest Cost	17.23	17.68
Current Service Cost	22.71	24.11
Benefits Paid	(42.95)	(46.32)
Actuarial (Gain) / Loss on obligations	(14.01)	33.46
Experience Adjustment / Non-management fund	(3.95)	-
Present Value of DBO at the end of period	199.61	229.36
Change in Fair Value of Plan Assets during the period		
Planned assets at beginning of the period	95.18	101.27
Expected return on planned assets	7.60-	7.97-
Other Planned assets		
Contributions	25.59	34.63
Benefit paid	(42.83)	(46.32)
Actuarial Gain / (Loss) on plan assets	(1.89)	(2.38)
Fair value of plan assets at the end of the period	83.65	95.17

Defined benefit plan – Gratuity Assumptions		
Discount rate	8.04%	8.00%
Salary Escalation Rate	5.00%	5.00%
Rate of return on plan assets	8.04%	8.00%

- b) In accordance with the payment of Gratuity Act, 1972 the Company provides for gratuity covering eligible employees. The liability on account of gratuity is covered partially through a recognized Gratuity Fund managed by Life Insurance Corporation of India and balance is provided on the basis of valuation of the liability by an independent actuary as at the period end. The invested return earned on the policy comprises bonus declared by LIC having regard to LIC's investment earnings. The information on the allocation of the fund into major asset classes and expected return on each major class are not readily available. The management understands that LIC's overall portfolio assets is well diversified and as such, the long term return of the policy is expected to be higher than the rate of return on Central Government Bonds.
- c) The expense pertaining to gratuity of ₹ 16.27 million (2014-15 : ₹ 69.66 million) has been considered in "Contribution to Provident and Other Funds" under Note 24.

33. During the year managerial remuneration paid to Chairman & Managing Director was in excess of the minimum remuneration allowable as per Companies Act, 2013, accordingly an amount of ₹ 12.46 million has been accounted as due from director. Total due from Chairman & Managing Director as at March 31, 2016 is ₹ 18.69 million.
34. Certain trade receivables, unbilled revenue, security deposit, withheld and other deposits including bank guarantee encashed by the customers of IVRCL aggregating to ₹ 16,004.17 million which are subject matters of various disputes / arbitration proceedings / negotiations with the contractee/clients due to termination / fore closure of contracts and other disputes. The management of the Company is confident of positive outcome of litigations / resolutions of disputes and recovering the aforesaid dues.
35. During the year, a lender of two subsidiary Companies (Hindustan Dorr Oliver Limited & HDO Technologies Limited) has invoked corporate guarantees and initiated recovery actions against the Company for ₹ 7,956.80 million in respect of such guarantees extended / executed by the Company in favour of such lender. The Company has not made any provision in respect of invocation these corporate guarantees.
36. As at March 31, 2016, equity investment of ₹ 657.53 million and loans and advances of ₹ 347.67 million in Hindustan Dorr Oliver Limited, a subsidiary company whose net worth has eroded and continues to incur losses as on March 31, 2016. The management of the Company is confident of improvement in the company's future operations and the financial statements have been prepared on going concern basis. The Company is of the view that above loans and advances are fully recoverable hence no provision is required and the investment in the Company is a long-term investment and no provision for diminution in the value of investment is necessary.
37. The company had entered into definitive sale agreement on March 30, 2013 with strategic investor for disinvestment in BOT projects relating to Salem Tollways Limited, Kumarapalyam Tollways Limited and IVRCL Chengapalli Tollways Limited, as a composite arrangement. The parties have in earlier year, agreed to extend and revise the key terms of the same. In respect of MOU/ definitive agreement entered into by the Company for divestment of subsidiary companies. Upto March 31, 2016, the Company has received an amount of ₹ 850.00 million (against furnishing of Bank Guarantee for equivalent amount) from strategic investor as part of advance towards the share purchase consideration, which is refundable in case strategic investor at its sole discretion decide not to proceed with share purchase transaction and does not execute the revised definitive agreement. However, during the year all condition precedent to revised definitive agreement have been substantially completed and the sale consideration agreed for such divestment is lower than the carrying value of investments and outstanding advances. This will result into losses on divestment/diminution aggregating to ₹ 3,391.76 million as on March 31, 2016. No provision has been made in books of account in respect of such losses.

In earlier year, the Company has signed a binding agreement for divestment of investment in its subsidiary Chennai Water Desalination Limited. As at March 31, 2016, detailed underlying terms for such agreement including approval of project authorities and lenders are under discussion and accordingly the investment in this subsidiary is considered as long-term investment. Based on the expected cash flow, no material adjustment is considered necessary to the carrying value of the investments.

38. The Company has outstanding loans and advances of ₹ 4,289.36 million given to subsidiaries engaged in BOT and other projects, which are under disputes with the concessionaire, and other subsidiaries that have significant accumulated losses as at March 31, 2016. The management of the Company is at various stages of negotiation/communication/arbitration with respective contractee/clients of such subsidiaries engaged in BOT and other projects to recover the dues and cost incurred by the Company and taking necessary steps to turnaround the loss making subsidiary Companies. In view of this no provision has been considered necessary by the management in respect of such advances.
39. The Company has Investment of ₹ 6,732.85 million in subsidiaries engaged in BOT and other projects, which are under disputes with the concessionaire, and other subsidiaries that have significant accumulated losses as at March 31, 2016. The management of the Company is at various stages of negotiation/communication/arbitration with respective contractee/clients of such subsidiaries engaged in BOT and other projects to recover the dues and cost incurred by the Company and taking necessary steps to turnaround the loss making subsidiary Companies. Considering the long term nature of investments the management has considered such investments as good and fully recoverable.

40. During the year the company has recognized claims of ₹ 610.70 million on certain irrigation projects which are at advance stage of approval / release of payment by the respective clients / departments and a claim of ₹ 338.40 million towards the cost escalation on a road project which has been accepted by the concessionaire, a subsidiary company and concessionaire is in the process of financing from the lenders. In the opinion of the management, no significant uncertainty exists as on March 31, 2016 in respect of realization of above claims.
41. As at March 31, 2016 certain trade receivables aggregating to ₹ 2,246.82 million and unbilled revenue amounting to ₹ 1,143.40 million, are outstanding respect of the projects having slow progress/no billing for long period of time for want of requisite funds and various other reasons. The management is hopeful of generating requisite finances and to resolve all the pending issues with contractee/clients to revive and recover the dues. In view of the above, such trade receivables and unbilled revenue have been considered good and fully recoverable by the management.
42. As at March 31, 2016 various advances, aggregating to ₹ 1,310.42 million are outstanding for long period of time which were given to various vendors/sub-contractors and other parties for various supplies/services to be made/provided. The management is confident that such advances are fully recoverable and no provision is considered necessary in respect of such advances.
43. During the year the Company has incurred a Net Loss of ₹ 10,604.39 million resulting in to accumulated losses of ₹ 20,401.42 million and substantial erosion of its Net worth. The Company has obligations towards borrowings aggregating to ₹ 53,430.08 million including an amount of ₹ 15,003.07 million falling due over next twelve months period, obligations pertaining to operations including unpaid creditors and statutory dues as at March 31, 2016. These matters require the Company to generate additional cash flows to fund the operations as well as other statutory obligations notwithstanding the current level of low operating activities. The Lenders of the Company had in earlier year approved a Corporate Debt Restructuring Scheme (CDR) with certain reliefs in relation to repayment timelines of loans and accumulated unpaid interest with certain conditions w.e.f June 30, 2014. The restructuring required certain sacrifices and additional funding in the form of priority lending from Lenders and commitments from the promoters in terms of infusion of additional funds and sale of certain land parcels and divestment of stake in certain subsidiaries undertaking BOT and other projects. The efforts to raise additional funds, however, could not materialize during the year and due to continuous irregularity in the account, the Joint Lenders have decided to adopt Strategic Debt Restructuring (SDR) in their meeting held in 26th November, 2015 as corrective Action Plan involving conversion of part of their debt into equity share capital to facilitate majority shareholding (i.e. more than 51%) by the Joint Lenders Forum (JLF). Accordingly, 26,95,44,648 nos. of equity shares have been allotted to the JLF converting a debt amounting to ₹ 3,735.85 million into equity share capital (including securities premium).

The Company is confident of implementing the divestment plan and approved restructuring scheme with lenders and meeting its obligations in due course of time. Accordingly financial statements have been prepared on the basis that the Company is a Going Concern.

44. Confirmation of balances could not be obtained for various loans aggregating to ₹ 1,628.98 millions by lender banks and for banks balances aggregating to ₹ 11.33 millions. Management believes that no material adjustments would be required in books of account upon receipt of these confirmations
45. During the year ended March, 31 2016 an under construction structure of a project in progress collapsed. The matter involving this accident is being investigated by the local police. The company is in process of assessment of damage and filing insurance claim for such loss. Pending assessment of loss in damage, no provision has been made in the books of accounts.
46. Certain creditors have filed winding up petitions against the Company under section 433, 434 and 439 of the Companies Act, 1956 before Hon'ble High Court of Telengana & Andhra Pradesh. The matter is presently subjudice and the Company is taking appropriate steps to settle the matter.

Consolidated notes forming part of Financial Statements



47. Segment Reporting

Information about Primary Business Segments

(₹ in million)

Particulars	Engineering & Construction	Real Estate & Others	Manufacturing	Eliminations	Total
Revenue:					
Total External Sales	27,378.51	1,937.72	919.08	-	30,235.32
	<i>35,243.64</i>	<i>2,392.38</i>	<i>617.72</i>	-	<i>38,253.74</i>
Add : Inter segment sales	38.47	-	12.41	(50.89)	-
	<i>375.83</i>	-	<i>2.71</i>	<i>(378.54)</i>	-
Total Revenue	27,416.98	1,937.72	931.50	(50.89)	30,235.32
	<i>35,619.47</i>	<i>2,392.38</i>	<i>620.43</i>	<i>(378.54)</i>	<i>38,253.74</i>
Segment result before interest, exceptional items and tax	(5,453.93)	(401.00)	3.99		(5,858.92)
					<i>(4,164.38)</i>
Less: Interest	8,059.42	1392.76	220.95		9,673.13
	<i>8,621.76</i>	<i>157.91</i>	<i>186.59</i>	-	<i>8,966.25</i>
Profit before Exceptional items and tax					(15,532.05)
					<i>(13,130.63)</i>
Exceptional items:					(252.97)
					<i>1,442.74</i>
Profit Before Tax					(15,279.08)
					<i>(14,573.37)</i>
Tax					(349.37)
					<i>1,108.29</i>
Profit After tax					(14,929.72)
					<i>(15,681.66)</i>
Segment Assets	131,948.30	18,886.47	1,789.03	(10,397.58)	142,226.22
	<i>136,367.82</i>	<i>11,429.11</i>	<i>4,084.45</i>	<i>(10,321.52)</i>	<i>141,559.86</i>
Unallocated Corporate Assets					1,759.26
					<i>2,164.31</i>
Total Assets					143,985.47
					<i>143,724.17</i>
Segment Liabilities	133,134.11	17,749.67	2,977.44	(11,237.52)	142,623.70
	<i>139,578.31</i>	<i>1,926.12</i>	<i>3,065.67</i>	<i>(11,228.76)</i>	<i>133,341.34</i>
Unallocated Corporate Liabilities					-
					<i>142,623.70</i>
Segment Depreciation	2,542.62	25.48	61.08	-	2,629.18
	<i>2,494.11</i>	<i>18.65</i>	<i>62.08</i>	-	<i>2,574.84</i>
Non - Cash Expenses other than Depreciation					1,676.00
					<i>6,258.95</i>

Figures in italics pertains to previous period

Consolidated notes forming part of Financial Statements



Geographical Segment

During the period under report, the Company has engaged in its business primarily within India. The conditions prevailing in India being uniform, no separate geographical disclosure is considered necessary.

48. Employee Share based Plan

ESOP 2013 Scheme

The IVRCL – ESOP 2013 Scheme was approved by the shareholders in the 26th Annual General Meeting held on September 26, 2013 to grant 10,000,000 options, convertible in to 10,000,000 shares of ₹ 2 on exercise of options granted to the employees. The Company is yet to grant these options to the employees.

49. Foreign Currency Exposure

(a) The details of un-hedged foreign currency exposures that have not been hedged by derivative instruments or otherwise are given below.

	Currency	As at 31.03.2016		As at 31.03.2015	
		Foreign currency in million	₹ million	Foreign currency in million	₹ million
External Commercial Borrowing	USD	11.37	754.10	11.37	711.56
Short-Term Borrowings	EURO	-	-	0.41	28.10
Trade Payables					
	AED	0.48	8.57	0.38	6.42
	SAR	0.43	7.66	0.43	7.21
	NPR	79.29	49.72	53.16	32.56
	KWD	0.85	186.11	0.81	167.48
	KES	393.22	256.70	222.90	150.24
	TZS	1152.14	34.79	257.13	8.65
Other Current Liabilities					
	AED	0.29	5.30	0.41	7.03
	NPR	359.59	224.57	359.17	219.99
	KWD	0.31	67.74	0.32	66.71
	KES	682.12	445.29	647.74	436.59
	TZS	3,259.91	98.45	3,752.08	126.22
Trade Receivables					
	AED	2.15	38.75	2.15	36.50
	NPR	5.78	3.61	5.19	3.18
	KWD	1.25	274.63	1.25	258.64
	KES	380.86	248.63	254.28	171.39
	TZS	-	-	714.63	24.04
Loans & Advances					
	AED	0.55	9.94	0.40	6.74
	TZS	1,954.29	59.02	1,227.41	41.29
	NPR	6.56	4.10	7.28	4.46
	KES	349.83	228.37	341.99	230.51
	KWD	0.05	10.54	0.01	1.21

50. Provision for resurfacing obligation

subsidiaries, has a contractual obligation to periodically maintain, replace or restore infrastructure at the end of each five years or earlier as per the terms of the concession agreement. The Company has recognised the provision in accordance with Accounting Standard-29 "Provision, Contingent Liabilities and Contingent Assets" i.e., at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

(₹ in million)

Particulars	As on April 1, 2015	Additions during the period	Amount used during the period	Amounts reversed during the period	As on March 31, 2016
Provision for resurfacing obligation	884.37	864.08	-	-	1,749.45
	884.37	864.08	-	-	1,749.45

51. Operating Lease

i. The Company has taken various plant and machinery including construction equipment under non-cancellable operating lease. The future minimum lease payments in respect of these as at March 31, 2016 are as follows:

(₹ in million)

	As at 31.03.2016	As at 31.03.2015
Payable not later than 1 year	108.14	106.12
Payable later than 1 year and not later than 5 years	-	-
Later than 5 year	-	-

ii. Lease payments in respect of obligation under non-cancellable operating lease of ₹ 193.02 million (2014-15 : ₹ 177.87 million) have been included under "Machinery Hire Charges".

52. Specific Notes relating to subsidiaries

A. Hindustan Dorr-Oliver Limited

- i) During the year the Company has incurred a Net Loss of ₹ 1,632.62 million (previous year ₹ 7731.56 million) resulting in to accumulated losses of ₹ 11,043.23 million (previous year ₹ 9410.61 million) and erosion of its net worth. The Company has obligations towards borrowings aggregating to ₹ 9,704.37 million (previous year ₹ 8455.76 million) which includes working capital loan from banks of ₹ 2,816.32 million (previous year ₹ 4376.59 million) outstanding letters of credit/bill discounting from banks of ₹ 384.85 million (previous year ₹ 1057.45 million) and current maturities of long term debts/ liabilities towards WCTL, FITL and WCL of ₹ 6,314.92 million (previous year ₹ 1188.23 million) falling due over next twelve months period, obligations pertaining to operations including unpaid creditors and statutory dues as at March 31, 2016. These matters require the Company to generate additional cash flows to fund the operations as well as other statutory obligations notwithstanding the current level of low operating activities. The Company has been unable to obtain financing for this purpose. The situation indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as going concern and therefore the company may be unable to realize its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustment in this respect.
- ii) National Stock Exchange of India Limited vide its letters dated June 19, 2014 and May 5, 2015 has directed the company to rectify the qualification raised by the Statutory Auditors. Accordingly the Company has rectified the qualification related to recognition of Deferred Tax Assets of ₹ 1089.37 million, Investment and Loans and advances to Foreign Subsidiary of ₹ 1495.88 million and Trade and Other Receivable of ₹ 515.28 million by providing for the same in the Books of Account.
- iii) Trade receivables and Retention as at March 31, 2016 include overdue amounts aggregating to ₹ 350.85 million (previous year ₹ 322.84 million) and ₹ 225.29 million (previous year ₹ 212.09 million) respectively for a long period of time, receivable from contractee/clients. These have been considered good and fully recoverable by the management as the Company is in continuous engagement with the parties and taking necessary steps for realization of its dues. Accordingly no provision has been made in books of account.

Consolidated notes forming part of Financial Statements



- iv) Unbilled revenue as at March 31, 2016 includes ₹ 867.27 million (previous year ₹ 839.60 million) in respect of certain projects where progress is insignificant during the year and the billing is pending for a long period/ years. In the opinion of management such unbilled revenue has been considered good and fully recoverable.
- v) The balances in Trade Receivables, Retention Money, Sundry Creditors and Advances and certain bank balances are subject to reconciliation/confirmations and adjustments, if any. Such adjustments, in the opinion of the management, are not likely to be material and will be carried out as and when ascertained.
- vi) The Company has not received any confirmation from one of the lender having outstanding of ₹ 1,520.10 million (including interest accrued of ₹ 276.36 million) as at March 31, 2016. In the opinion of the management there will be no material adjustment on the confirmation by the lender.
- vii) In respect of certain customer, the company has initiated discussion with the customer related to encashment of bank guarantee by the client. The trade receivables, retention, withheld money, unbilled revenue and other receivables from such customers as at March 31, 2016 aggregates to ₹ 538.60 million. Further, bank guarantee of ₹ 526.70 million was encashed subsequent to this year. The management is confident that the outcome of the negotiation will be favorable and no provision is considered necessary at this stage.
- viii) In respect of invocation of corporate guarantees of ₹ 1,411.80 million and initiation of recovery actions against the company in respect of such guarantees extended / executed for its one subsidiary in favour of the lender. The management has not made any provision in respect of this invoked corporate guarantee as the management are under discussion with the lender and confident that the same shall be settled amicably.
- ix) One lender has initiated recovery proceedings against the Company under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 in respect of outstanding loan aggregating to ₹ 5,961.16 million (including interest on WCTL and FITL of ₹ 177.92 million). The Bank has however demanded ₹ 6,545.00 million. The difference being penal and other charges, the company has not provided for the same as they are in the process of reconciliation of the difference amount as stated above.
- x) In the opinion of the Board, Current Assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.
- xi) Certain creditors have filed winding up petitions against the Company under section 433 and 439 of the Companies Act, 1956 before the Hon'ble High Court of Mumbai. The company is taking necessary steps including signing of Memorandum of Understanding and/ or filing the Consent Terms in the High Court with the creditors for withdrawal of such petitions. The matter is subjudice and the outcome of which is subject to the Company fulfilling the payment conditions of Memorandum of Understanding/ Consent Terms.
- xii) The Subsidiary company, HDO Technologies Limited, has suffered losses during the year which resulted in increase in accumulated losses and erosion of its net worth as at the balance sheet date. The management, considering the future business prospects believes that, growth in operations of the Company will result into increase in its revenue and consequently profitability and net worth. In the opinion of the management, the carrying value of Goodwill aggregating to ₹ 1,290 million arising on consolidation of this subsidiary represents its recoverable amount and no provision is required at this stage.

xiii) Un-hedged foreign currency exposure

Particulars	Currency	As at 31.03.2016		As at 31.03.2015	
		(in million)	₹(in million)	(in million)	₹(in million)
Payables-Loans	USD	18.75	1,243.74	18.75	1,173.58
Interest payable on Loan	USD	4.17	276.36	2.47	154.73

Particulars of derivative instruments outstanding

Particulars	Purpose	As at	As at
		31.03.2016	31.03.2015
		(in million)	(in million)
Interest Swap	Hedge against exposure to variable interest outflow on foreign currency loan. Swap to receive variable rate of interest of 3 Month USD LIBOR and pay a fixed rate equal to 6.50% p.a. on the notional amount. (As per agreement rate was 3 months USD LIBOR + 300 bps)	USD 18.75	USD 18.75

Consolidated notes forming part of Financial Statements



- xiv) The consolidated financial statements present the consolidated financial statements of Hindustan Dorr-Oliver Limited with the following subsidiaries:

S No	Name of the Company	Country of incorporation	Extent of equity shares held	Date on which become subsidiary
1	HDO Technologies Limited*	India	100%	July 20, 2006
2	Davy Markham India Private limited*	India	100%	May 26, 2010

* Unaudited Financial Statement

- xv) Current year's and previous years consolidated financial statements does not contain financial statements of certain foreign subsidiaries reflecting total assets of ₹ 110.50 million as at March 31, 2015, total revenue is Nil, net loss of ₹ 0.29 million and net cash outflow of ₹ 0.19 million for the period then ended.

B. HDO Technologies limited

- i. In respect of HDO Technologies Limited, a subsidiary company, as per unaudited financial statements, during the year ended March 31, 2016, the Company has incurred a Net Loss of ₹ 293.48 million (previous year ₹ 324.39 million) during the year resulting in to accumulated losses of ₹ 830.25 million (previous year ₹ 536.77 million) and erosion of its net worth. The Company has obligations towards borrowings aggregating to ₹ 1,647.15 million (previous year ₹ 1660.30 million) which includes working capital loan from banks of ₹ 431.10 million (previous year ₹ 875.16 million) outstanding letters of credit/bill discounting from banks is Nil (previous year ₹ 200 million) and current maturities of long term debts / liabilities towards WCTL, FITL & WCL of ₹ 1,109.12 million (previous year ₹ 100.83 million) falling due over next twelve months period, obligations pertaining to operations including unpaid creditors and statutory dues as at March 31, 2016. These matters require the Company to generate additional cash flows to fund the operations as well as other statutory obligations notwithstanding the current level of low operating activities. The Company has been unable to obtain financing for this purpose. The situation indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustment in this respect.
- ii. In respect of HDO Technologies Limited, a subsidiary company, deferred tax assets, on business losses, aggregating to ₹ 95.71 million have been recognized on the basis of business plan prepared by the management. The management believes that, growth in operations of the Company will result into increase in its revenue and profitability and consequently sufficient future taxable income will be available against which such deferred tax assets can be realized.
- iii. In respect of HDO Technologies Limited, a subsidiary company, trade receivables as at March 31, 2016 include ₹ 612.70 million (previous year ₹ 576.47 million) outstanding for a long period. The company is in engagement with the customers for realization of dues. In the opinion of the management the receivables are good and fully recoverable.
- iv. In respect of HDO Technologies Limited, a subsidiary company, the balances in Trade Receivables, Sundry Creditors, Retention Money and Advances are subject to confirmations and adjustments, if any. Such adjustments, in the opinion of the management, are not likely to be material and will be carried out as and when ascertained.
- v. In respect of HDO Technologies Limited, a subsidiary company, One lender has initiated recovery proceedings against the company under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 in respect of outstanding loan of aggregating to ₹ 1,251.80 million. The bank has however demanded ₹ 1,411.80 million. The difference being penal and other charges, the company has not provided for the same as it is in the process of reconciliation of the difference amount as stated above.
- vi. In respect of HDO Technologies Limited, a subsidiary company, In respect of invocation of corporate guarantees of ₹ 6,545 million and initiation of recovery actions against the company in respect of such guarantees extended / executed for its holding company in favour of the lender. The management has not made any provision in respect of this invoked corporate guarantee as the management is under discussion with the lender and confident that the same shall be settled amicably.

Consolidated notes forming part of Financial Statements



C. Chennai Water Desalination Limited

- i) Income from Operations: The income in respect of Water Capacity Charges (WCC) has been recognized in the books of account on accrual basis, and an amount of ₹ 117.76 million (₹ 72.78 million) representing differential amount of WCC from April 01, 2015 to March 31, 2016, to be received as per Schedule V of Bulk Water Purchase agreement, has been considered as receivable pending receipt of the amount from CMWSSB. The total amount receivable on this account from CMWSSB up to March 31, 2016 is ₹ 780.89 million.
- ii) Net notional loss on Mark to Market (MTM) Valuation of Derivative Contracts:

Date	Name of the Bank	Currency (\$ million)	Conversion Rate	(₹ million)	(Gain) / Loss
Currency Swap - 31.03.2016	ICICI Bank Limited	-	-	45.91	Notional loss/ (Gain)
31.03.2016	Standard Chartered Bank	0.17	52.50	(8.93)	Notional loss/ (Gain)
Net (Gain) / Loss on Currency swap				(36.98)	

- iii) Un-hedged foreign currency exposure

Particulars	Currency	As at 31.03.2016		As at 31.03.2015	
		(in million)	₹ (in million)	(in million)	₹ (in million)
Payables Loans	EURO	4.92	369.52	6.32	427.11

Particulars of derivative instruments outstanding

Particulars	Purpose	As at 31.03.2016	As at 31.03.2015
		(in million)	(in million)
Interest Swap	Hedge against exposure to variable interest outflow on foreign currency loan. Swap to receive variable rate of interest of 3 Month EURIBOR and pay a fixed rate equal to 2.46% p.a. on the notional amount.	EURO 4.92	EURO 6.32
Currency Swap	Hedge against principal installment outflow on foreign currency loan. Swap the EURO principal payments to USD.	EURO 0.35	EURO 0.35
	Hedge against principal installment outflow on foreign currency loan. Swap the USD payments to INR.	USD 0.45	USD 0.45

- iv) Interest of ₹ 855.06 million (₹ 669.41 million) calculated at Indian lenders' interest rates applicable to the company, on the claims receivable from EPC contractor, has not been accounted, pending final documentation.
- v) Additional penalty of ₹ 56.58 million (₹ 56.58 million) recovered by CMWSSB from the amounts receivable by the Company towards Water capacity charges and Water variable charges from CMWSSB was not as per contractual terms and hence was not accounted as expenditure in the books of account. The cumulative loss up to 31.03.2016 is ₹ 79.61 million.

D. IVR Hotels & Resorts Limited

The Company has incurred an aggregate cost of ₹ 3,911.58 million as at March 31, 2016 (₹ 3,913.20 million), on acquisition of certain land parcels and project expenditure incurred on some of these land parcels. The Company has acquired various land parcels and is into initial stage of project implementation. As per the Company's business plan, the projects will have multiple properties consisting of integrated townships, golf course, golf club, service apartments and mega malls which will be classified under fixed assets, investment properties and inventories as the case may be, based on ultimate end use pattern as per final business plan of the Company. Pending such reclassification, the cost incurred on development of projects in respect of balance land parcels is included under the head 'inventory'.

Consolidated notes forming part of Financial Statements



The said land parcels / projects are being carried in the books at cost, which in the opinion of the Management is lower than the Net Realisable Value / Value in use, based on the assessment carried out by the Management. Accordingly, no adjustment has been made to the carrying value of these land parcels / projects.

E. IVRCL TLT Private Limited

The company has earned profit in current financial year; however its accumulated losses are in excess of its net worth. The company has also drawn up plans to operate efficiently and to improve future operations. The company is confident of implementing its business plan and considering the future prospects, the financial statements have been prepared on the basis that the company is a going concern and that no adjustments are required to the carrying value of assets and liabilities.

F. IVRCL Indore Gujarat Tollways Limited

(i) The implementation of the project was delayed due to delay in handing over of land, handing over Right of Way and delay in utility shifting which was beyond the control of the company. Out of the total stretch request for delinking of 16.20 km related to bird sanctuary on forest land was also requested and approved. Further, the Company has also faced liquidity challenges during the year. This has resulted into realignment and rescheduling of work. In view of substantial technical and administrative work being carried out, capitalization of borrowing cost of ₹ 1,504.05 million is continued towards cost of the project.

(ii) The NHAI has issued an Intention to termination notice vide Letter No. NHAI/MP/BOT/1102/04/2007/49301 dated February 24, 2014 under clause 37.1.2 of the Concession agreement due to non-achievement of various milestones. The Company has requested to withdraw its notice citing the reasons of delay in handing over Right of the Way (RoW) in time and submitted a program for execution of balance work for approval. Further, the National Highway Authority of India vide letter dated 04 June, 2014 has demanded liquidated damages up to May 31, 2014 amounting to ₹ 1,227.85 million for non-achievement of milestone-II and III and COD which is 0.1% of the amount of the performance security for delay of each day until such milestone is achieved. The Management of the Company is confident of amicable resolution of the issue with the National Highway Authoring of India.

(iii) Corporate Debt Restructuring Scheme

- a. The company approached Corporate Debt Restructuring (CDR) cell with a scheme seeking certain reliefs in relation to repayment of loans and accumulated unpaid interest and additional funding to complete the projects. Further this restructuring envisages certain sacrifices from lenders and commitments from the company in terms of infusion of additional equity by the promoters. The Corporate Debt Restructuring (CDR) empowerment committee approved the restructuring scheme dated March 20, 2014 with cut-off date October 1, 2013. The restructuring scheme was further amended dated March 28, 2015 with sanction of additional ₹ 2,080.00 million in form of priority debt.
- b. During the previous year, the Company had transferred Interest accrued and due to funded loan of those banks who had signed Master Restructuring Agreement and accounted in its books of account up to March 31, 2014 and Interest accrued and due of other banks are disclosed as Interest accrued and due in the Financial Statement.
- c. Additional security:(a) Corporate Guarantee of IVRCL Limited infavour of the security trustee acting for the benefit of all the CDR lenders.(b) Personal Guarantee in favour of the security trustee acting for the benefit of all the CDR lenders.(c) Third party security provider corporate guarantees to the extent of land value in favour of the security trustee acting for the benefit of all the CDR lenders.(d) a first ranking pari passu pledge over 51% of the equity shares with voting rights of the borrower held by the promoter upto the second anniversary of the COD and 26% of the equity shares with voting rights of the borrower held by the promoter thereafter, provided that no event of default as occurred or is continuing with, in dematerialized form and shall also include any fresh issuances of equity shares to the promoter.(e) land of fellow subsidiaries are provided as additional security against the loan.
- d. Restructure Debt Lender shall have a right to convert entire/ part of defaulted interest and entire/ part of defaulted principal into equity shares of Borrower, as per applicable guidelines. However, in the case of those lenders who already have default conversion rights, the same would be governed by existing loan covenants.

Borrower/promoters shall take necessary steps and obtain all requisite/necessary/statutory/other approvals for such allotment of equity shares or a part of it in terms of their existing loan agreements.

- e. In case of debt outstanding beyond the final repayment date envisaged under the restructuring package, the Restructured Debt Lenders shall have a right to convert (at any time after such period) into equity up to 20% of such outstanding (as on date of conversion) as per SEBI guidelines/loan covenants, whichever is applicable. In the event the lenders or any of the lenders exercises its right to sell the shares issued in terms of the conversion clause above, the first right of refusal to buy back the shares would be offered to the Promoters.
- f. The FITL Facility extended by the CDR Lenders except IIFCL amounting to ₹ 984.00 million shall be converted into the CDR Lender Equity Shares within three months from the effective date i.e. March 28, 2015.

G. SPB Developers Private Limited

- a. The implementation of the project was delayed due to delay in handing over of land, handing over Right of Way and delay in utility shifting which was beyond the control of the company. Further, the Company has also faced liquidity challenges during the year. This has resulted into realignment and rescheduling of work. The management is confident of obtaining necessary land, ROW etc. Hence, the management has capitalised interest expenses amounting to ₹ 229.25 million for the period April 1, 2015 to March 31, 2016 towards cost of the project.
- b. During the year the company has sent notices for intention of termination and termination notice for the project work pursuant to clause 37.2.2. of concession agreement stating prolonged delays in curing the defaults and indecisiveness on compensation proposal by the government and the government is in violation of clause 10.3.2., 35.2 & clause 25.2.3 of the concession agreement. The financial statements have been prepared on the basis that company is going concern as management expects prolonged litigation the company is in process of submission of entitled termination payments as per concession agreement.
- c. Financial restructuring package:
 - (i) During the year, Andhra Bank vide letter Dt. March 30, 2015, has approved the company's financial restructuring package in respect of term loans and interest effective from January 01, 2015.
 - (ii) Restructure Debt Lender shall have a right to convert entire/ part of defaulted interest and entire/ part of defaulted principal into equity shares of Borrower, as per applicable guidelines. However, in the case of those lenders who already have default conversion rights, the same would be governed by existing loan covenants. Borrower/ promoters shall take necessary steps and obtain all requisite/ necessary/ statutory/ other approvals for such allotment of equity shares or a part of it in terms of their existing loan agreements.
 - (iii) In case of debt outstanding beyond the final repayment date envisaged under the restructuring package, the Restructured Debt Lenders shall have a right to convert (at any time after such period) into equity up to 20% of such outstanding (as on date of conversion) as per SEBI guidelines/loan covenants, whichever is applicable. In the event the lenders or any of the lenders exercises its right to sell the shares issued in terms of the conversion clause above, the first right of refusal to buy back the shares would be offered to the Promoters.
 - (iv) Personal guarantee of Chairman & Managing Director, IVRCL Limited covering all the debt facilities to be provided.
 - (v) Pledge of equity shares held by the sponsors in the share capital of the company to be retained at 51% till the end of repayment of debt facilities.

H. IVRCL Chengapalli Tollways Limited

The Company has given material advance of ₹ 458.09 million to EPC contractor (Related Party) not obligated by the EPC contract.

I. Alkor Petroo Limited

Interest of ₹ 313.58 million on unsecured loan was not provided for the year ended 31st March, 2016. If the interest on unsecured loan was provided, the Capital Work in Progress would have increased to ₹ 2,540.66 million.

J. IVRCL Building Products Limited

Interest of ₹ 42.84 million on unsecured loan was not provided for the year ended 31st March, 2016. If the interest on unsecured loan was provided, the loss would have increased to ₹ 42.96 million.

Consolidated notes forming part of Financial Statements



53. The following investments in equity shares have been pledged in respect of loans taken by the subsidiaries and associates:

Name of the Company	No. of Shares as at 31.03.2016	No. of Shares as at 31.03.2015	Pledged in favour of
(a) Salem Tollways Limited	26,164,612	26,164,612	IDBI Trusteeship Limited
	15,237,039	15,237,039	TATA Capital Financial Services Limited
	5,000,000	5,000,000	SBICAP Trustee Company Limited
(b) Kumarapalyam Tollways Limited	18,855,516	18,855,516	IDBI Trusteeship Limited
	9,920,869	9,920,869	TATA Capital Financial Services Limited
(c) IVRCL Indore Gujarat Tollways Limited	13,075,395	13,075,395	IDBI Trusteeship Limited
	12,562,635	12,562,635	IFCI Financial Services Limited
(d) IVRCL Chengapalli Tollways Limited	11,094,673	10,044,583	IDBI Trusteeship Limited
	10,659,587	9,650,677	IFCI Financial Services Limited
(e) IVRCL Chandrapur Tollways Limited	11,370,450	11,370,450	IDBI Trusteeship Limited
	5,127,870	5,127,870	IndusInd Bank
	5,796,580	5,796,580	SBICAP Trustee Company Limited
(f) SPB Developers Private Limited	14,079,060	8,281,800	Andhra Bank
	8,281,800	8,281,800	ICICI Bank
(g) Jalandhar Amritsar Tollways Limited	4,560,000	4,560,000	Canara Bank
	31,654,527	31,654,527	SBICAP Trustee Company Limited
(h) Chennai Water Desalination Limited	66,166,080	66,166,080	Canara Bank
	25,947,482	25,947,482	IndusInd Bank
(i) IOT Utkal Energy Services Limited	36,750,000	36,750,000	IDBI Trusteeship Limited
	60,250,000	60,250,000	SBICAP Trustee Company Limited
(j) Sushee-IVRCL Arunachal Highway Limited	6,630	6,630	IDBI Trusteeship Limited
	6,162,000	6,162,000	Sushee Infra Private Limited
(k) Hindustan Dorr-Oliver Limited	21,155,306	21,155,306	Bank of India
(l) IVRCL PSC Pipes Private Limited	167,000	167,000	SBICAP Trustee Company Limited
(m) IVR Enviro Projects Private Limited	2,924,550	2,924,550	SBICAP Trustee Company Limited
(n) IVRCL Goa Tollways Limited	49,990	49,990	SBICAP Trustee Company Limited
(o) IVRCL Steel Construction & Services Limited	50,000	50,000	SBICAP Trustee Company Limited
(p) IVRCL-Cadagua Hogenakkal Water Treatment Company Pvt Ltd	6,000	6,000	SBICAP Trustee Company Limited
(q) IVRCL Building Products Limited	599,995	599,995	SBICAP Trustee Company Limited
(r) Saptashva Solar Limited	52,100	52,100	SBICAP Trustee Company Limited
(s) IVRCL TLT Private Limited	10,000	10,000	SBICAP Trustee Company Limited
(t) IVRCL Raipur – Bilaspur Tollways Limited	49,990	49,990	SBICAP Trustee Company Limited
(u) IVRCL Narnual Bhiwani Tollways Limited	49,990	49,990	SBICAP Trustee Company Limited
(v) IVRCL Multilevel Car Parking Private Limited	5,100	5,100	SBICAP Trustee Company Limited
(w) First STP Private Limited	2,850,000	2,850,000	SBICAP Trustee Company Limited
(x) IVRCL Gundugolanu Rajahmundry Tollways Limited	49,900	49,900	SBICAP Trustee Company Limited
(y) IVRCL Patiala Bathinda Tollways Limited	49,900	49,900	SBICAP Trustee Company Limited
(z) IVR Prime Developers (Tambaram) Private Limited	10,000	10,000	SBICAP Trustee Company Limited
(aa) RIHIM Developers Private Limited	10,000	10,000	SBICAP Trustee Company Limited
(bb) Salem Tollways Limited	26,164,612	26,164,612	IDBI Trusteeship Limited

Consolidated notes forming part of Financial Statements



54. Development rights for land

Inventories include Earnest Money Deposits paid towards consideration for acquiring development rights of land as per Development Agreements amounting to ₹ 2,726.93 million (₹ 2,730.11 million).

55. Details of purchase and sale of traded goods:

	(₹ in million)	
	2015-16	2014-15
Purchase:		
Construction material / steel / equipment	603.92	2,283.47
Sale:		
Construction material / steel / equipment	605.01	2,280.74

In view of the large number and heterogeneous types of steel, it has not been considered necessary to furnish separately the respective quantitative information.

56. The Assessments of Income Tax completed up to the A.Y 2013-14 (including the Block of Assessments). Provisions relating to the earlier years of Income Tax up to Assessments completed had been set off against the Tax Deducted at Source and Advance Tax. The advance / provision left over if any in excess of the liability has been charged off / credited to Profit and Loss account during the year. Further deferred tax aggregating to ₹ 306.52 million has been charged off to profit and loss account during the year.
57. **Figures for the previous year have been regrouped /rearranged wherever considered necessary to conform to the figures presented in the current year.**

In terms of our report attached

For CHATURVEDI & PARTNERS
Chartered Accountants
Firm Registration No. 307068E

For and on behalf of the Board of Directors

RAVINDRA NATH CHATURVEDI
Partner
Membership No. 092087

E. SUDHIR REDDY
Chairman & Managing Director
DIN: 00023518

R. BALARAMI REDDY
Joint Managing Director & CFO
DIN: 00022176

B. SUBRAHMANYAM
Company Secretary

Date : May 30, 2016
Place : Hyderabad

Statement containing salient features and financials of subsidiaries/ associate companies/ joint ventures



Part "A": Subsidiaries

S. No	Name of the Company	Capital (1)	Reserves (2)	Total Assets (3)	Total Liabilities (4) (excluding 1&2)	Details of Investment (except in case of investment in Subsidiaries)	Turnover/ Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	% of shareholding
1	Hindustan Dorr-Oliver Limited	144.01	8,942.72	7,853.53	16,652.26	-	2,093.03	(1,618.99)	13.63	(1,632.62)	-	55.28
2	IVRCL PSC Pipes Private Limited	2.51	(4.94)	70.39	72.82	-	-	(0.03)	-	(0.03)	-	66.43
3	IVR Enviro Projects Private Limited	30.00	(31.23)	44.95	46.18	-	-	(3.77)	-	(3.77)	-	97.49
4	IVRCL Steel Construction & Services Limited	0.50	0.03	190.24	189.71	-	0.04	0.01	-	0.01	-	100
5	IVRCL Patalaganga Trucks Terminal Private Limited	0.53	27.81	170.92	142.58	-	9.44	(11.27)	-	(11.27)	-	100
6	Alkor Petroo Limited	87.85	(56.32)	2,237.53	2,206.00	-	0.87	(1.49)	-	(1.49)	-	64.03
7	IVRCL Building Products Limited	10.00	(191.95)	122.07	304.02	-	0.04	(0.12)	-	(0.12)	-	51
8	Sapthasha Solar Limited	1.02	(22.93)	32.64	54.54	-	-	(2.12)	0.98	(3.09)	-	100
9	RIHM Developers Private Limited	0.10	5,265.94	5,772.94	506.89	-	11.88	(0.62)	-	(0.62)	-	100
10	IVRCL TLT Private Limited	0.10	72.83	525.81	452.88	-	289.65	5.29	0.05	5.23	-	60
11	IVRCL-Cadagua Hogenakkal Water Treatment Company Private Limited	0.10	21.77	71.12	49.25	-	81.33	8.24	2.55	5.69	-	66.88
12	IVR Hotels and Resorts Limited	3.58	4,294.12	5,010.07	712.36	-	23.90	(99.58)	-	(99.58)	-	95
13	First STP Private Limited	30.00	49.47	166.34	86.87	-	15.92	7.01	1.34	5.67	-	100
14	Jalandhar Amritsar Tollways Limited	489.39	(288.80)	5,097.71	4,897.12	-	442.27	(438.05)	-	(438.05)	-	75
15	Chennai Water Desalination Limited	1,729.83	(1,914.43)	3,567.58	3,752.18	-	1,992.39	(276.14)	-	(276.14)	-	100
16	Kumarapalayam Tollways Limited	375.72	(689.30)	3,736.28	4,049.86	-	546.01	(151.77)	-	(151.77)	-	100
17	Salem Tollways Limited	1,013.03	855.65	5,597.13	3,728.45	-	487.89	(391.70)	-	(391.70)	-	100
18	SPB Developers Private Limited	290.62	1,321.11	3,787.36	2,175.63	-	-	-	-	-	-	56.75
19	IVRCL Indore Gujarat Tollways Limited	588.42	3,254.88	19,535.45	15,692.15	-	-	-	-	-	-	100
20	IVRCL Chengapalli Tollways Limited	217.54	1,741.88	11,881.78	9,922.36	-	336.20	(211.51)	-	(211.51)	-	100
21	IVRCL Chandrapur Tollways Limited	228.13	3,524.17	8,362.64	4,610.33	-	-	-	-	-	-	100
22	IVRCL Raipur Bilaspur Tollways Limited	0.50	(18.94)	121.62	140.05	-	-	(0.10)	-	(0.10)	-	100
23	IVRCL Narnaul Bhiwani Tollways Limited	0.50	-	0.52	0.02	-	-	-	-	-	-	100
24	IVRCL Gundolanu Rajahmundry Tollways Limited	0.50	-	1.41	0.91	-	-	-	-	-	-	100
25	IVRCL Patiala Bathinda Tollways Limited	0.50	-	20.03	19.53	-	-	-	-	-	-	100
26	IVRCL Lanka Private Limited	385.19	16.88	1,144.75	742.68	-	-	-	-	-	-	100
27	HDO Technologies Limited	12.88	701.85	3,239.29	2,524.56	-	560.08	(293.48)	-	(293.48)	-	55.28
28	IVR Prime Developers (Palakkad) Private Limited	0.10	(1.92)	2.99	4.81	-	-	(0.03)	-	(0.03)	-	100
29	IVR Prime Developers (Guindy) Private Limited	0.10	(1.60)	3.28	4.78	-	-	(0.03)	-	(0.03)	-	100
30	Mummididi Developers Private Limited	0.10	(0.24)	64.87	65.00	-	-	(0.02)	-	(0.02)	-	100
31	Samatteri Developers Private Limited	0.10	(0.23)	54.66	54.79	-	-	(0.02)	-	(0.02)	-	100
32	IVR Prime Developers (Amalapuram) Private Limited	0.10	(0.21)	0.55	0.65	-	-	(0.02)	-	(0.02)	-	100

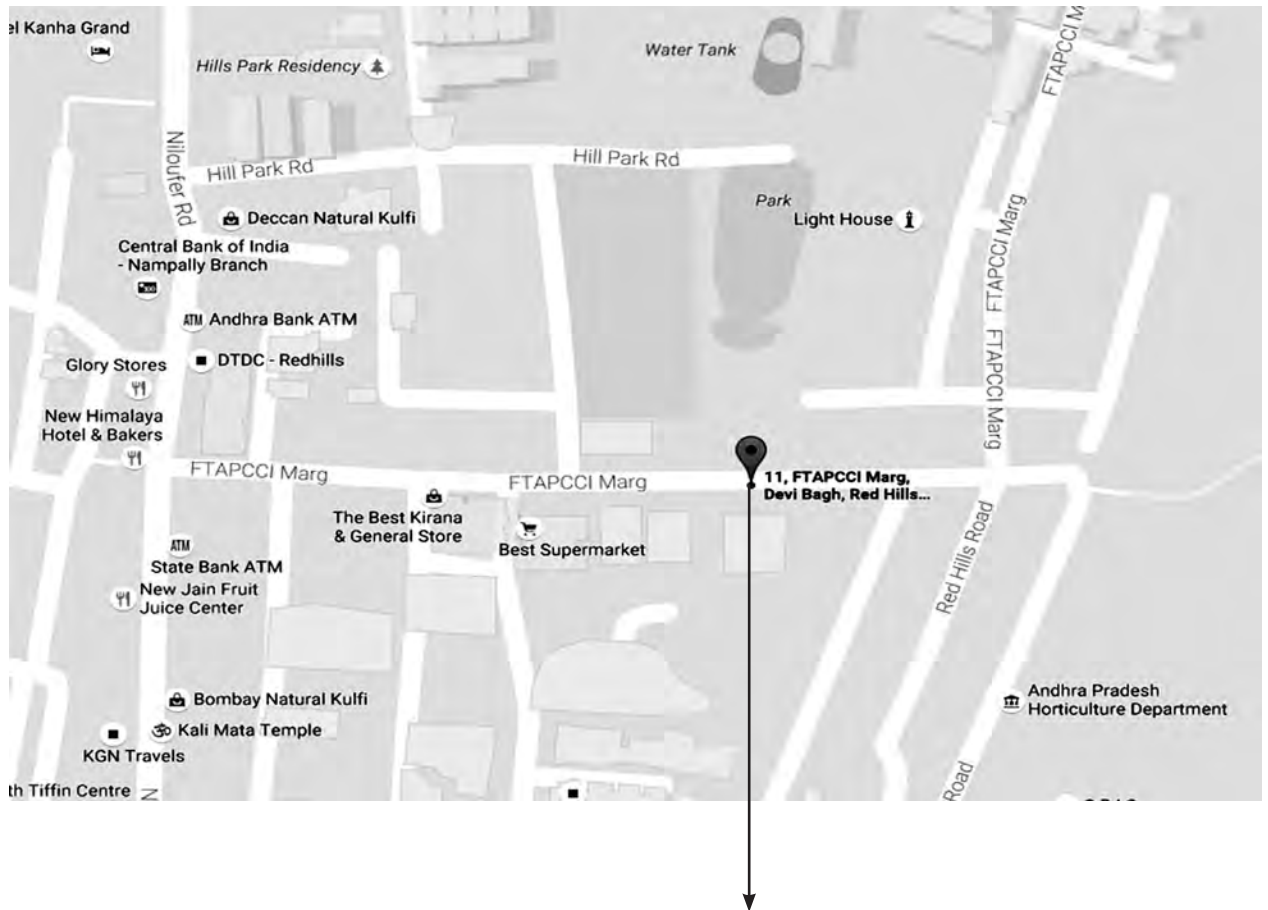
Part "A": Subsidiaries

S. No	Name of the Company	Capital (1)	Reserves (2)	Total Assets (3)	Total Liabilities (4) (excluding 1&2)	Details of Investment (except in case of Investment in Subsidiaries)	Turnover/ Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	% of shareholding
33	IVR Prime Developers (Guntur) Private Limited	0.10	(0.21)	36.38	36.48	-	-	(0.02)	-	(0.02)	-	100
34	Absorption Aircon Engineer Private Limited	0.37	(0.60)	111.52	111.75	-	-	(0.02)	-	(0.02)	-	100
35	IVRCL Solar Energy Private Limited	0.50	(0.18)	0.34	0.02	-	0.02	(0.01)	-	(0.01)	-	100
36	Bibinagar Developers Private Limited	0.10	(0.18)	22.74	22.82	-	-	(0.02)	-	(0.02)	-	100
37	IVR Prime Developers (Red Hills) Private Limited	0.10	(0.18)	59.83	59.92	-	-	(0.02)	-	(0.02)	-	100
38	IVR Prime Developers (Tuni) Private Limited	0.10	(0.19)	28.19	28.27	-	-	(0.02)	-	(0.02)	-	100
39	IVR Prime Developers (Bobbili) Private Limited	0.10	(0.18)	33.19	33.27	-	-	(0.02)	-	(0.02)	-	100
40	IVR Prime Developers (Bhimavaram) Private Limited	0.10	(0.18)	22.98	23.06	-	-	(0.02)	-	(0.02)	-	100
41	Simhachalam Prime Developers Private Limited	0.10	(0.21)	91.07	91.17	-	-	(0.02)	-	(0.02)	-	100
42	Agaram Developers Private Limited	0.10	(0.24)	34.92	35.05	-	-	(0.02)	-	(0.02)	-	100
43	Siripuram Developers Private Limited	0.10	(0.21)	35.78	35.89	-	-	(0.02)	-	(0.02)	-	100
44	IVR Prime Developers (Araku) Private Limited	0.10	(0.21)	0.93	1.04	-	-	(0.02)	-	(0.02)	-	100
45	IVR Prime Developers (Erode) Private Limited	0.10	(0.21)	1.12	1.23	-	-	(0.02)	-	(0.02)	-	100
46	IVR Vaanaprastha Private Limited	0.15	(0.36)	14.08	14.30	-	-	(0.02)	-	(0.02)	-	67
47	IVR PUDL Resorts & Clubs Private Limited	0.15	(0.31)	113.04	113.20	-	-	(0.02)	-	(0.02)	-	67
48	IVRCL Megamalls Limited	0.50	(0.38)	32.40	32.28	-	0.01	(0.02)	-	(0.02)	-	100
49	Annapampattu Developers Private Limited	0.10	(0.23)	23.89	24.02	-	-	(0.02)	-	(0.02)	-	100
50	Ilavampedu Developers Private Limited	0.10	(0.23)	20.08	20.21	-	-	(0.02)	-	(0.02)	-	100
51	Chodavaram Developers Private Limited	0.10	(0.21)	28.46	28.57	-	-	(0.02)	-	(0.02)	-	100
52	Gajuwaka Developers Private Limited	0.10	(0.21)	176.99	177.09	-	-	(0.02)	-	(0.02)	-	100
53	Tirumani Developers Private Limited	0.10	(0.21)	91.89	92.00	-	-	(0.02)	-	(0.02)	-	100
54	IVR Prime Developers (Adayar) Private Limited	0.10	(0.19)	20.95	21.04	-	-	(0.02)	-	(0.02)	-	100
55	IVR Prime Developers (Egmore) Private Limited	0.10	(0.19)	24.83	24.91	-	-	(0.02)	-	(0.02)	-	100
56	Geo IVRCL Engineering Limited	0.50	(0.05)	43.28	42.82	-	0.05	0.03	0.01	0.02	-	100
57	Geo Prime Developers Private Limited	0.10	(0.21)	178.53	178.64	-	-	(0.02)	-	(0.02)	-	100
58	Kasibugga Developers Private Limited	0.10	(0.21)	127.65	127.76	-	-	(0.02)	-	(0.02)	-	100
59	Kunnam Developers Private Limited	0.10	(0.23)	143.72	143.85	-	-	(0.02)	-	(0.02)	-	100
60	Rudravaram Developers Private Limited	0.10	(0.21)	142.86	142.97	-	-	(0.02)	-	(0.02)	-	100
61	Theata Developers Private Limited	0.10	(0.21)	172.28	172.39	-	-	(0.02)	-	(0.02)	-	100
62	Vedurwada Developers Private Limited	0.10	(0.21)	164.95	165.06	-	-	(0.02)	-	(0.02)	-	100
63	Vijayawada Developers Private Limited	0.10	(0.21)	212.55	212.66	-	-	(0.02)	-	(0.02)	-	100
64	Duvvda Developers Private limited	0.10	(0.21)	130.89	131.00	-	-	(0.02)	-	(0.02)	-	100
65	Eluru Developers Private limited	0.10	(0.21)	104.85	104.96	-	-	(0.02)	-	(0.02)	-	100
66	IVR Prime Developers (Tambaram) Private Limited	0.10	(0.23)	23.26	23.39	-	-	(0.02)	-	(0.02)	-	100
67	Davymarkham India Private Limited	0.10	(0.05)	0.10	0.05	-	-	(0.05)	-	(0.05)	-	55.28

Part B: Associate and Joint Venture

S. No.	Name of the Associate / Joint Ventures	Shares of Associate / JV held by the Company at the year end				Description of how there is significant influence	Reason why the associate/ Joint Venture not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit/Loss considered in consolidation	Profit/ Loss not considered in consolidation
		Latest audited B/S date	No.	Amount of investment in Associate / JV	Extent of Holding					
	ASSOCIATES									
1	IVRCL International Infrastructures & Projects LLC	31.03.2016	49	0.91	49.00%	Significant influence due to % of Share Capital	Audited Financial Statements are not available for consolidation	N.A	N.A	
2	Sushee - IVRCL Arunachal Highway Limited	31.03.2016	12,350,000	247.00	26.00%	Significant influence due to % of Share Capital	Audited Financial Statements are not available for consolidation	N.A	N.A	
	JOINT VENTURES									
1	Bhanu IVRCL Associates	31.03.2016	NA	0.01	50.00%	Significant influence due to % of Share Capital	Audited Financial Statements are not available for consolidation	N.A	N.A	
2	IVRCL - Tantia Joint Venture(AOP)	31.03.2016	NA	0.20	50.00%	Significant influence due to % of Share Capital	Audited Financial Statements are not available for consolidation	N.A	N.A	

ROUTE MAP TO AGM VENUE



FTAPCCI (The Federation of Telangana & Andhra Pradesh Chambers of Commerce and Industry),
Federation House, 11-6-841, Red Hills, Hyderabad-500004.

Landmark: Near ICAI Bhawan



IVRCL LIMITED

CIN:L45201AP1987PLC007959

Registered Office: M-22/3RT, Vijayanagar Colony, Hyderabad - 500 057, Telangana, India.

Ph. No. 040 23343550; Fax No. 040 23345004, E-Mail: in_grievances@ivrinfra.com; Website: www.ivrcl.com

ATTENDANCE SLIP

(To be presented at the entrance)

29th ANNUAL GENERAL MEETING ON MONDAY, 26th SEPTEMBER 2016 at 3.30.P.M

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

Folio No: DP ID: Client ID: No. of Shares:

Name of the Member Signature :

Name of the Proxy Holder Signature :

1. Only Member/ Proxy holder can attend the Meeting
2. Member / Proxy holder should bring his/her copy of the Annual Report for reference at the Meeting.



IVRCL LIMITED

CIN:L45201AP1987PLC007959

Registered Office: M-22/3RT, Vijayanagar Colony, Hyderabad - 500 057, Telangana, India.

Ph. No. 040 23343550; Fax No. 040 23345004, E-Mail: in_grievances@ivrinfra.com; Website: www.ivrcl.com

PROXY FORM

{Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014}

Name of the Member :

Registered Address :

E-Mail Id :

Folio No. / Client ID.No: DP. ID No.:

I / We, being the member(s) of shares of IVRCL Limited, hereby appoint

1. Name : E-Mail Id :
Address:
Signature : or failing him
2. Name : E-Mail Id :
Address:
Signature : or failing him
3. Name : E-Mail Id :
Address:
Signature :

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 29th Annual General Meeting of the Company, to be held on Monday, 26th September 2016 at 3.30.P.M 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, and at any adjournment thereof in respect of such resolutions as are indicated below :

	Ordinary Business		Special Business
1	Adoption of Financial Statements for the year ended March 31, 2016, together with the Reports of Board of Directors and Auditors thereon.	4	To re-appoint Mr. R. Balarami Reddy as Joint Managing Director.
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.	5	Remuneration payable to Mr. K. Ashok Reddy, Joint Managing Director
3	To ratify the appointment of M/s. Chaturvedi & Partners, Chartered Accountants as Statutory Auditors.	6	To adopt new Articles of Association of the Company.
		7	Remuneration payable to Cost Auditor
		8	To appoint Auditors to the Branch Offices of the Company.

Signed this day of 2016

Signature of Shareholder Signature of Proxyholder(s)

Affix
Re 1/-
Revenue
Stamp

- Notes :**
1. This proxy Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at M-22/3RT, Vijayanagar Colony, Hyderabad -57, not less than 48 hours before the commencement of the Meeting.
 2. Please complete all details, including details of member(s) in above box before submission.



Corporate Office:

“Mihir”, 8-2-350/5A/24/1B, Road No.2, Banjara Hills, Hyderabad -500 034, Telangana, INDIA.
Tel :+91-40-2335 6613/ 15/ 18/ 21/ 51 to 55 | +91-40-3093 1111 /1444
e-mail: info@ivrinfra.com

Regd.office:

M-22/3RT, Vijayanagar colony, Hyderabad -500 057, Telangana, INDIA
Tel : +91-40-2334 3678/ 3550/ 8467/ 5130/ 3093 1999

www.ivrcl.com