

*28th*  
Annual Report  
2006-2007



**Constructing Landmarks  
Engineering Growth**



**AHLUWALIA CONTRACTS (INDIA) LIMITED**



# Contents

## Page No.

Company Snapshot

1

Vision and Mission

2

Message from the Chairman

3

Financial Highlights

4

Performance Indicators

5

Management Team

6

Directors' Report

8

Management Discussion and Analysis

12

Corporate Governance Report

17

Auditors' Report

25

Balance Sheet

30

Profit & Loss Account

31

Schedules

32

Cash Flow Statement

54

Balance Sheet Abstract

55



## Company Profile

Ahluwalia Contracts (India) Ltd is India's leading EPC service provider, having business interests in varied segments including IT Parks, Retail, Multi storeyed Housing Complexes, Industrial Complexes, Luxury Hotels and Hospitals. It has the rare distinction of being one of India's few ISO 9001, ISO 14001 & OHSAS 18001 certified companies. With a pan India presence, ACIL has successfully executed more than 50 projects in the past 5 years, valued in excess of Rs. 1800 crore. It has a market capitalisation of Rs. 640 crores, and are listed at BSE, DSE, JSE and CSE.

## Bankers

- Allahabad Bank
- Axis Bank Ltd
- Canara Bank
- ICICI Bank Ltd
- Punjab & Sind Bank
- Standard Chartered Bank
- Syndicate Bank
- Yes Bank Ltd.

## Board of Directors

**Mr. Bikramjit Ahluwalia**  
Chairman & Managing Director

**Mr. Shobhit Uppal**  
Deputy Managing Director

**Mrs. Sudershan Walia**  
Whole Time Director

**Mr. Vikaas Ahluwalia**  
Whole Time Director

**Mr. Arun K. Gupta**  
Director

**Mr. S.K. Chawla**  
Director

**Mr. V.K. Sachdeva**  
Director

**Mr. Balbir Singh**  
Director

## Auditors

M/s Arun K. Gupta & Associates  
Chartered Accountants  
D-58, 1<sup>st</sup> Floor, East of Kailash,  
New Delhi-110065

[www.acilnet.com](http://www.acilnet.com)

Registered Office

4, Community Centre, Saket, New Delhi-110017  
Tel.: +91 11 41664016, Fax : +91 11 26852036

Corporate Office

M-1, Saket, New Delhi - 110017  
Tel.: +91 11 40504500, Fax: +91 11 4054558

Head Office

B-4/205, Safdarjung Enclave, New Delhi-110029  
Tel.: +91 11 26194643



## Vision

To lead the Real Estate and Infrastructure Industry with innovation, customer service, technology and profitability

## Mission

ACIL is committed to consistently achieve client satisfaction by providing end to end solutions in Real Estate & Urban Infrastructure.

The mission of the Company is to continually improve and integrate systems Safety, Health, Environmental, Personnel, Industrial Relations and Quality Assurance to ensure a seamless, consistent and effective management system.





## Message from the Chairman

Every day you may make progress. Every step may be fruitful. Yet there will stretch out before you an ever-lengthening, ever-ascending, ever-improving path. You know you will never get to the end of the journey. But this, so far from discouraging, only adds to the joy and glory of the climb.

-Sir Winston Churchill

Dear Shareholders,

The year gone by has been an inflection point in Ahluwalia Contracts' journey to success. Not only was your company awarded projects even more prestigious than before, the order book also swelled to Rs 1622 crores at year ended 31 March, 2007.

Thus it gives me immense pleasure and sense of deep satisfaction to share the results of your Company for the financial year 2006-07 and the company's strategy going forward.

The revenue from operations for this fiscal stood at an impressive Rs. 674.68 crores, representing a 61% increase from last years Rs 419.69 crores. We maintained the same growth rate in operating profit also, which registered a growth of 73% in year 2006-07 at Rs. 72.50 crores, as compared to previous year's Rs. 41.19 crores.

Consequently the Net profit was up by 61% to Rs 31.19 crores. Last years profit stood at Rs.19.35 crores.

This has been a benchmark year for us in terms of order inflow. We managed to add orders worth more than Rs 170 crores in the year 2006-07.

It also gives me extreme pride and pleasure to share with you the news that your company very recently was awarded the Common Wealth Residential Project worth Rs. 700 crores in August 2007. Awarded by Emaar MGF.

These are exciting times for the Indian construction industry. Coupled with the Union India's commitment to urban infrastructure, strong economic growth momentum and the FDI inflow into this sector, the industry is poised to take a flight to success.

Your company is alert to the ever changing dynamics of this sector and by default of its strong position in this segment, is fully geared to exploit the potential to optimum by exploring new opportunities and mitigating existing risks.

By diversifying into BOT projects, we believe we can add depth to our portfolio. Your company has already been awarded a BOT Project by the Rajasthan State Government, and we are in various stages of negotiation for other such projects.

We, at ACIL always keep our shareholders interests at the forefront. We announced 10% Interim Dividend in year 2006-07, and have proposed a final dividend of 15% for the year ending 31<sup>st</sup> March, 2007. In fiscal 2007-08, the company has been stock split from Rs.10 each to Rs.2 each equity shares.

Your company was listed in the Bombay Stock Exchange in the month of February, 2007, debuting at a record price of Rs. 620 per share, again reaffirming the confidence that you have placed on us. The company will shortly be listed in National Stock Exchange (NSE).

We also take this opportunity to thank all our clients, business associates, shareholders and members of the Board as also our employees and their families for their continued support.

With best wishes,

Bikramjit Ahluwalia





## Financial Highlights

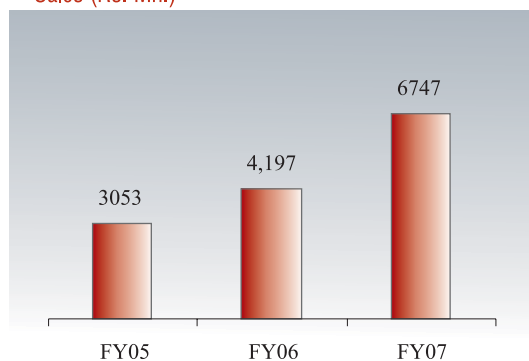
|   |                   |                   |                  |                  | Rs. in Lacs      |
|---|-------------------|-------------------|------------------|------------------|------------------|
| Particulars                                   | 2006-07<br>162200 | 2005-06<br>145200 | 2004-05<br>67300 | 2003-04<br>46700 | 2002-03<br>41600 |
| Orders in Hand                                |                   |                   |                  |                  |                  |
| Turnover                                      | 67468             | 41969             | 30526            | 26310            | 17542            |
| Operating Profit (Profit before Int.& Dep.)   | 7250              | 4119              | 1646             | 999              | 1130             |
| Profit before Tax (PBT)                       | 4841              | 2921              | 993              | 419              | 759              |
| Profit after Tax (PAT)                        | 3119              | 1935              | 439              | 259              | 459              |
| Share Capital                                 | 1255              | 1255              | 314              | 314              | 314              |
| Reserves & Surplus                            | 6713              | 3960              | 3183             | 2798             | 2541             |
| Net Worth (Share Capital+ Reserves)           | 7968              | 5215              | 3497             | 3112             | 2855             |
| Capital Employed (Total Assets)               | 13888             | 9304              | 6026             | 4705             | 4053             |
| EPS (in Rs.)                                  | 24.85             | 15.41             | 14.00            | 8.27             | 14.62            |
| Cash EPS (in Rs.)                             | 40.69             | 23.18             | 28.65            | 20.30            | 21.86            |
| Return on Net Worth (%) (PAT/N.W.*100)        | 39.14             | 37.10             | 12.57            | 8.33             | 16.10            |
| Return on Capital Employed (%) (PAT/C.E.*100) | 22.64             | 20.80             | 7.29             | 5.51             | 11.32            |
| EBDIT %                                       | 10.75             | 9.81              | 5.39             | 3.80             | 6.44             |
| EBIT %  | 7.80              | 7.49              | 3.85             | 2.33             | 5.09             |
| PAT %   | 4.63              | 4.61              | 1.44             | 0.99             | 2.62             |

\* After Bonus shares

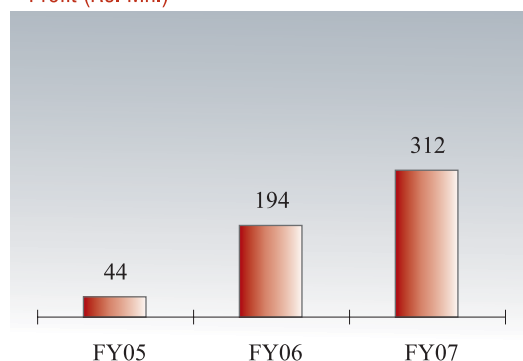


## Performance Indicators

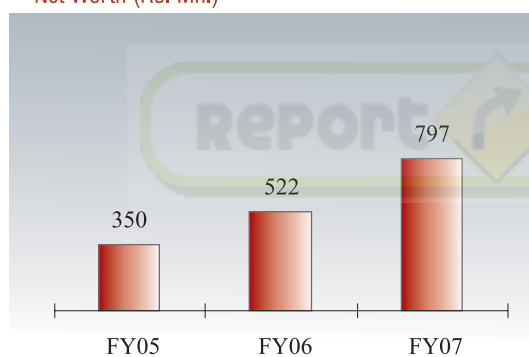
Sales (Rs. Mn.)



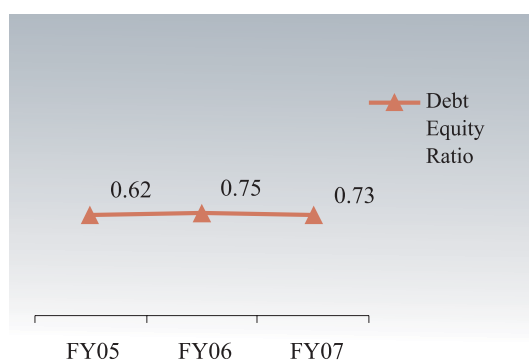
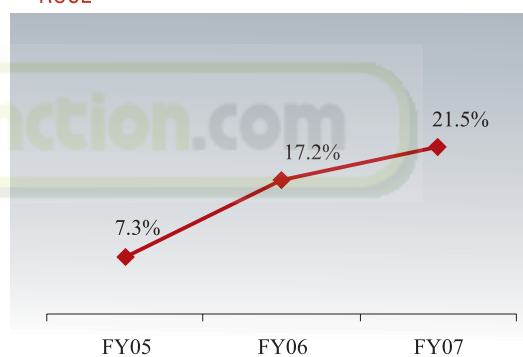
Profit (Rs. Mn.)



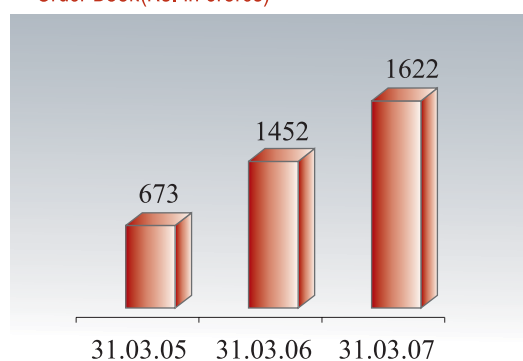
Net Worth (Rs. Mn.)



ROCE



Order Book(Rs. in crores)





## Management Team

MR. BIKRAMJIT AHLUWALIA  
Chairman-cum-Managing Director

Our Founder Chairman cum Managing Director has more than 40 years of experience in the construction industry. A civil engineer by profession, Mr. Ahluwalia has been actively involved in planning & execution of multifarious projects, involving varying levels of complexities.

MR.SHOBHIT UPPAL  
Deputy Managing Director

A Graduate Electrical Engineer, Mr. Uppal has been associated with the company since 1990. Having an experience of around 20 years, our Deputy Managing Director oversees the Civil Engineering aspect of the business.

MRS. SUDERSHAN WALIA  
Whole Time Director

Mrs. Walia is actively involved in General Administration, Human Resources Development and Labour Welfare Schemes of ACIL.

MR.VIKAAS AHLUWALIA  
Whole Time Director

Mr. Ahluwalia, is Civil Engineer by education, he is in charge of the Ready Mix Concrete (RMC) Division of the company.

MR. ARUN K. GUPTA  
Independent Director

A graduate from SRCC, and a Chartered Accountant & Cost Works Accountant by profession, Mr. Gupta has more than 35 years of Tax Planning & Corporate Restructuring experience and has been providing Management Consultancy to companies for many years. He joined our Board of Directors in year 2000.





**MR. SURINDER KUMAR CHAWLA**  
Independent Director

Mr. Chawla graduated with Honours as a Civil Engineer from IIT Kharagpur. An awardee of the prestigious Asiad Jyoti Award, our Director retired from the position of Chief Engineer, CPWD. He has a professional standing of more than 41 years and has graced our Board since 2000.

**MR. VIRENDER KUMAR SACHDEVA**  
Independent Director

Mr Sachdeva, graduated in Law and completed his Master's in Economics from Agra University. Having a professional standing of around 40 years, Mr. Sachdeva retired as Chief Commissioner (Income Tax) in 1991 and thereafter joined the Law Ministry as Member-Appellate Tribunal. A registered member of Bar Council of India, he has been associated with our Board since year 2000.

**MR. BALBIR SINGH**  
Independent Director

A distinguished professional, Mr. Balbir Singh graduated from IIT-Kharagpur as a Civil Engineer. His post graduate degrees encompass M-Tech from IIT Kharagpur & Diploma in Industrial Relations & Personnel Management. He retired from the post of Director General, CPWD. He has been a part of our Board since 2003.



## DIRECTORS' REPORT

To the Members,

We are delighted to present our 28<sup>th</sup> Annual Report on the business and operations of the company for the year ended 31st March 2007.

(Rs. lacs)

| Particulars                                      | Year Ended March |        |          |
|--|------------------|--------|----------|
|  | 2007             | 2006   | Growth % |
| Sales & Other Income                             | 67,468           | 41,969 | 61%      |
| EBITDA   | 7,495            | 4,301  | 74%      |
| Financial Charges                                | 665              | 405    | 64%      |
| Depreciation                                     | 1,989            | 975    | 104%     |
| Profit before Tax                                | 4,841            | 2,921  | 66%      |
| Provision for Taxes                              | 1,722            | 986    | 75%      |
| Profit after Tax                                 | 3,119            | 1,935  | 61%      |
| Add : Balance brought forward from previous year | 3,452            | 2,773  | –        |
| Amount available for appropriation               | 6,571            | 4,708  | –        |
| Less : Appropriation                             |                  |        |          |
| a) Interim Dividend                              | 126              | 0      | –        |
| b) Proposed Final Dividend                       | 188              | 188    | –        |
| c) Tax on Dividend                               | 50               | 27     | –        |
| d) Transfer to General Reserve                   | 500              | 100    | –        |
| Balance Carried to Balance Sheet                 | 5707             | 4393   | –        |

Your company has again delivered to its shareholders expectations; achieving an impressive turnover of Rs. 674.68 crores for the year ended March 31, 2007 as against Rs. 419.69 Crores in the previous financial year, registering a growth of 61%.

Driven by a substantial increase in order book and average order size, the Company has reported a Net Profit of Rs.31.19 Crores, as against Rs.19.35 Crores in the previous year, recording a growth of 61%.

EPS for the financial year 2006-07 stood at Rs. 24.85, as against Rs. 15.41 in the previous year ending 31 March 2006.

### DIVIDENDS

Your company declared 10% Interim Dividend in the month of December, 2006. Your Directors take pleasure in recommending Final Dividend @ 15% for the approval of the Members. The said dividend, if approved, at the 28th Annual General Meeting by the members, will be paid to all those equity shareholders whose names appear in the register of members as on 21<sup>st</sup> September 2007.