

BOARD OF DIRECTORS

Suresh Kumar Prithani	-	Chairman
Sanjeev Kumar Prithani	-	Managing Director
Gopal Bachani	-	Whole Time Director
Satish Chander Gupta	-	Independent Director
Om Kumar	-	Independent Director
Rajesh Sharma	-	Independent Director

COMPANY SECRETARY

Nidhi Lochan

AUDITORS

A. B. Bansal & Company

Chartered Accountants

218-220, Durga Chambers

1335, D.B. Gupta Road, Karol Bagh, New Delhi – 110 005

Phone: 91-11-28755325, 28752325

E-mail: abbansalca@bol.net.in

REGISTERED OFFICE

BRAHMAPUTRA HOUSE

A-7, Mahipalpur (NH 8 – Mahipalpur Crossing),

New Delhi – 110 037

Phone : 91-11-4229 0200 (50 Lines)

Fax : 91-11-4168 7880, 2678 7068

E-mail : secretarial.bipl@brahmaputragroup.com

18TH ANNUAL GENERAL MEETING

Day	: Thursday
Date	: 30 th September, 2010
Time	: 10.00 A.M.
Venue	: Govindam Banquet, Behind Mother Dairy, Sector-7, Dwarka, New Delhi – 110075

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NOTICE

Notice is hereby given that the 18th Annual General Meeting of the members of the Brahmaputra Infraproject Limited will be held on Thursday, the 30th day of September, 2010 at 10.00 am at Govindam Banquet, Behind Mother Dairy, Sector 7, Dwarka, New Delhi – 110 075 to transact the following businesses:

ORDINARY BUSINESSES:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2010, the Profit and Loss account for the year ended on that date and the Report of the Directors' and the Auditors' thereon.
2. To appoint a director in place of Mr. Gopal Bachani, who retires by rotation and, being eligible, seeks re-appointment.
3. To appoint a director in place of Mr. Om Kumar, who retires by rotation and, being eligible, seeks re-appointment.
4. To appoint A.B. Bansal & Co., Chartered Accountants, as the Statutory Auditor of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting at a remuneration to be mutually agreed between the Auditors and the Board of Directors.

SPECIAL BUSINESSES:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as ordinary resolution:
"Resolved that Mr. Sanjeev Kumar Prithani, who was appointed as an Additional Director of the Company and further designated as the Managing Director of the Company and who holds the office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a shareholder proposing him as a Candidate for being appointed as the Director under provisions of Section 257 of the Companies Act, 1956 along with a deposit of Rs 500 and who is eligible for appointment be and is hereby appointed as Director who will continue to be the Managing Director of the Company."
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as ordinary resolution:
"Resolved that pursuant to provisions of Sections 198, 269, 309, 310, Schedule XIII and other applicable provisions of the Companies Act 1956, if any, approval of the members of the Company be and is hereby accorded, for appointment of Mr. Sanjeev Kumar Prithani as Managing Director of the company for a period of 5 years w.e.f 5th October, 2009 to 4th October, 2014 on the terms and conditions as detailed below:-
 - I. **Salary**
Salary will be 12,00, 000/- (Rupees Twelve Lakhs Only) per annum with the confirmation of the Board of Directors based on the recommendation of the Remuneration committee.
 - II. **Perquisites**
Perquisites as follows will be paid and / or provided in addition to salary. Perquisites shall be valued in terms of actual expenditure incurred by the Company. However in cases where the actual amount of expenditure cannot be ascertained with reasonable accuracy the perquisites shall be valued as per Income Tax Rules:
 - a) **Housing**
The Company will be providing the rent free unfurnished accommodation to the Managing Director.
 - b) **Medical Reimbursement**
Reimbursement of medical expenses actually incurred for self and dependent family members, in India or abroad.
 - c) **Leave Travel Concession / Allowance:**
For self and family, once in a year, subject to a maximum of one month's salary.
 - d) **Club Fees**
Fees of Club subject to a maximum of the clubs. No admission and life membership fee is allowed.
 - e) **Provident Fund, Pension Fund & Superannuation Fund**
Company's Contribution to provident Fund, Pension fund & Superannuation Fund as per the rules of the Company.
 - f) **Gratuity**
Gratuity is payable as per the rules of the Company.
 - g) **Car**
Use of Company's Car with driver for official purpose and will get the reimbursement for the other business trips and tours.
 - h) **Telephone**
Provision of telephone for use of company's business at residence will not be considered as perquisites and Official Mobile phone bill will be reimbursed by the company. Personal long distance calls on telephone shall be billed by the company separately.

i) Earned leave

On full pay and allowances as per the rules of the company, but not exceeding one month's leave for every eleven months of service and leave accumulated shall be en-cashable at the end of the tenure. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

j) Children Education Allowance

The Children Education Allowance is being paid for the education of the Children (maximum two Children).

k) Business Development Expenses

All expenses incurred for the purpose of the Business Development and other promotional activities will be reimbursed by the company.

III. Overall Remuneration

That the total remuneration (i.e., salary, perquisites, commission and Allowances) in any one financial year shall not exceed the limits prescribed from time to time under section 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act, as may for the time being, be in force and any amendments thereto. In case of any doubt / discrepancy / clarification that may arise with respect to payment of remuneration the same shall be determined and decided by the Board of Directors on the recommendation of Remuneration Committee of Directors. Further, within the overall remuneration, the individual components may be changed as desired by Mr. Sanjeev Kumar Prithani and accepted by the Remuneration Committee.

IV. Minimum Remuneration

In the event of loss or inadequacy of profits, in any financial year during the currency of tenure of service, the payment of salary, commission, perquisites and other allowances shall be governed under Section II of part II of Schedule XIII to the Companies Act, 1956, including any statutory modifications or re-enactment thereof, as may, for the time being, be in force.

Further Resolved that Ms. Nidhi Lochan, Company Secretary be and is authorised to do all acts and deeds, incidental and ancillary thereto to give effect to the above resolution like intimating the Registrar of Companies and other requisite authorities."

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

"Resolved that in supersession of the resolution passed at the Extraordinary General Meeting of the Shareholders of the Company held on 23rd March, 2009, the consent of the members be and is hereby accorded in terms of section 293(1)(a) and other applicable provisions, if any, of the Companies Act 1956 for the creation by the Board of Directors of the Company (hereinafter referred to as "the Board" which expression shall also include a Committee thereof) of such mortgages, charges and hypothecations in addition to the existing mortgages, charges and hypothecations created by the Company as the Board may direct on such of the assets of the Company, both present and future, in such manner as the Board may direct together with the power to take over the management of the Company in certain events, to or in favour of all or any of the financial institutions / banks / any other investing agencies / trustees for the holders of debentures / bonds / other instruments which may be issued to and subscribed by all or any of the financial institutions / banks / any other investing agencies or any other person(s) / bodies corporate by way of private placement or otherwise to secure all present and future rupee loans, foreign currency loans, debentures, bonds or other instruments of an equivalent aggregate value shall not, at any time exceed to Rs. 700 crores (Rupees Seven Hundred Crores only) together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on pre-payment, or on redemption, costs, charges, expenses and all other monies payable by the Company to the aforesaid parties or any of them under the Agreements / Arrangements entered into / to be entered into by the Company in respect of the said loans / debentures / bonds or other instruments.

Further Resolved that the Board be and is hereby authorized to finalize with the aforesaid parties or any of them, the documents for creating the mortgages / charges / hypothecations and accepting or making any alterations, changes, variations to or in the terms and conditions, to do all such acts, deeds, matters and things and to execute all such documents and writings as it may consider necessary, for the purpose of giving effect to this Resolution."

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

"Resolved that in supersession of the resolution passed at the 16th Annual General Meeting of the Shareholders of the Company held on 29th September, 2008, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company pursuant to Section 293(1)(d) and other applicable provisions of the Companies Act, 1956, for borrowing from time to time, any sum or sums of money for the purposes of the Company upon such terms and conditions

Brahmaputra Infraproject Limited

and with or without security as the Board of Directors may in its discretion think fit, notwithstanding, that the money or monies to be borrowed by the Company (apart from the Temporary loans obtained or to be obtained from time to time from the Company's Bankers in the ordinary course of business) together with the money already borrowed, may exceed the aggregate of the Paid-up share Capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose(s), provided however that the money or monies to be borrowed by the Company together with the money already borrowed shall not, at any time exceed Rs. 700 Crores (Rupees Seven Hundred Crores only)".

On Behalf of Board of Directors
Brahmaputra Infraproject Limited
Sd/-
Nidhi Lochan
Company Secretary

Place : New Delhi
Date : 13.08.2010

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.**
2. An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, relating to the Special Businesses to be transacted at the Meeting is annexed hereto.
3. The register of the members and share transfer books of the Company shall remain closed from 26.09.2010 to 30.09.2010 (Both days inclusive) in connection with the Annual Report.
4. The members seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
5. Members are requested to notify immediately any change in their address (with PINCODE), if any, quoting their registered folio numbers. In case of demat shareholders the change of address, if any, may be notified to their respective Depository Participants.
6. Members holding shares in physical form who have not yet provided the Bank details are once again requested to provide their Bank Account Number, name of Bank and address of the Branch, quoting their folio number, so that the same can be printed on dividend warrant, to avoid the incidence of fraudulent encashment of the instrument. In respect of the members holding shares in electronic mode, bank details as are furnished by the depositories will be printed on the dividend warrant.
7. Members are requested to quote their folio number, DP ID/Client ID and the Company's name in all correspondence with M/s Link Intime India (Private) Limited, who are acting as our Registrars and Share Transfer Agents.
8. Corporate members intending to send their representatives are requested to send a duly certified copy of Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
9. Pursuant to the provisions of Article of Association, Mr. Gopal Bachani and Mr. Om Kumar, Directors of the Company are retiring by rotation at the ensuing Annual General Meeting of the Company and shall be re-appointed. Mr. Sanjeev Kumar Prithani, who was appointed as an Additional Directors and further designated as Managing Director of the Company during the financial year 2009-10, will hold the office upto ensuing Annual General Meeting. However, he will be re-appointed as Directors liable to retire by rotation in said Annual General Meeting. The brief resume of such Directors and other information as per Clause 49 of the Listing Agreement with the Stock Exchanges are given in the Report of Corporate Governance.
10. The Company's shares are compulsorily traded in demat form; hence the members who are holding equity shares in physical form are requested to get them dematerialized.
11. In the financial year 2009-10, the Company has declared an Interim dividend @ Rs. 0.75/- per equity shares in the financial year 2009-10. Pursuant to section 205A of the Companies Act, The unpaid dividend has been transferred to the unpaid or unclaimed dividend account for a period of seven years from the date of such transfer and further it shall be transferred to the Investor Education and Protection Fund established under section 205C of the Companies Act, 1956.

5. Shareholders' Grievance Committee

The committee was formed to review and redress the investors' grievances / letters regarding various matters. It constitutes three members i.e. Mr. Gopal Bachani, Mr. Satish Chander Gupta and Mr. Rajesh Sharma with Mr. Satish Chander Gupta, a Non-executive Director as the Chairman of the committee.

Ms. Nidhi Lochan, Company Secretary has been designated as Compliance Officer of the Company.

The committee met four times during the year on 30th May, 31st August, 30th November of 2009 and 22nd March of 2010 where the attendance of members was as follows:

Name of the Members	Current Status	Date of Appointment	No. of meetings held	No. of meetings attended
Mr. S. C. Gupta	Chairman	24.02.2009	4	3
Mr. Gopal Bachani	Member	13.11.2008	4	3
Mr. Rajesh Sharma	Member	13.11.2008	4	4

The minutes of the meetings of the Shareholders' Grievance Committee were discussed and taken note of by the Board of Directors.

The functions of the committee include effective redressal of the complaints of the shareholders such as dematerialization, transfer, non-receipt of balance sheet etc. The committee recommends steps to be taken for further improvement in the quality of service to the investors.

During the year, the company has received one complaint but there is no complaint pending as on 31st March, 2010.

No share transfer / transmission and demat request was pending as on 31st March, 2010.

6. General Body Meetings

The location and time of the Annual General Meetings held during the last three years were as follows:

Financial Year	AGM	Date	Location of Meetings	Time
2006-2007	AGM	28.09.2007	4117, 1 st Floor, Naya Bazar, Delhi-110 006	11.30 A.M.
2007-2008	AGM	29.09.2008	4117, 1 st Floor, Naya Bazar, Delhi-110 006	09.30 AM
2008-2009	AGM	29.09.2009	Sylvan Chef, Central School Road, Behind Spinal Injuries Hospital, Vasant Kunj, New Delhi- 110 070	10.00 AM

Note: One special resolution was passed in the Annual General Meeting held on 29th September, 2008, under section 293 (1) (d) to delegate power to the Board of Director for borrowing fund upto a limit of Rs. 200 crores.

No resolution is proposed to be passed by postal ballot at the forthcoming Annual General Meeting.

7. Disclosures

- There are no materially significant related party transactions entered in to by the company with its promoters, Directors or Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large. A statement in summary form of transactions with the related parties during the year in the ordinary course of business is disclosed in Note B-5 of Schedule- 17 to the financial statement in the Annual Report.
- The Company has generally complied with all the mandatory requirements as stipulated under revised clause 49 of the Listing Agreement with the Stock Exchanges, to the extent these apply and extend to the Company.
- While preparation of the financial statement during the year under review, no accounting treatment which was different from that prescribed in the Accounting Standards was followed. The significant accounting policies applied in preparation and presentation of financial statements has been sent out in Schedule-14 forming part of the financial statements.
- The Company has laid down procedures to inform the Board Members about the risk assessment and minimization procedures covering the entire gamut of business operations of the company. These procedures are periodically reviewed to ensure that executive management controls risks by means of a properly defined framework.
- The designated Senior Management Personnel of the Company have disclosed to the Board that no material, financial and commercial transactions have been made during the year under review in which they have personal interests, which may have a potential conflict with the interests of the Company at large.

Committees of the Board

The Board of Directors have constituted the following committees with adequate delegation of powers to discharge day-to-day affairs of the Company as well as to meet the exigencies of the business of the Company.

3. Audit Committee

The Audit Committee comprises of three Directors. The members consist of Mr. Om Kumar, Mr. Satish Chander Gupta and Mr. Rajesh Sharma with Mr. Satish Chander Gupta, a Non-executive Independent Director as Chairman.

The terms of reference of the Audit Committee are in line with the powers, duties and responsibilities stipulated in Clause 49 of the Listing Agreement.

The functions of Audit Committee are as per Company Law and Listing Agreement with Stock Exchanges. These include overseeing of Company's financial reporting process, recommending the appointment and removal of external auditors, reviewing the annual financial statements, financial management policy, adequacy of internal control system and internal audit functions.

The committee met Five times during the year on 23rd June, 29th July, 23rd October, 29th October of 2009 and 29th January of 2010 and the attendance of members was as follows:

Name of the Members	Current Status	Date of Appointment	No. of meetings held	No. of meetings attended
Mr. Om Kumar	Chairman	13.11.2008	5	5
Mr. S. C. Gupta	Member	24.02.2009	5	4
Mr. Rajesh Sharma	Member	18.04.2008	5	5

The Secretary of the Company acts as the Secretary of the Audit Committee.

The minutes of the meetings of Audit Committee were discussed and taken note of, by the Board of Directors.

4. Remuneration Committee

The Remuneration Committee comprises of three Directors. The members consist of Mr. Om Kumar, Mr. Satish Chander Gupta and Mr. Rajesh Sharma with Mr. Om Kumar, a Non-executive Independent Director as Chairman.

As present, the Company does not have any policy for payment of remuneration to non-executive independent directors except by way of sitting fee at the rate of Rs. 20,000/- for each meeting of Board of Directors and Rs. 5,000/- for each committee meeting thereof attended by any such Director, w.e.f. 31st May, 2010, prior to this, sitting fee was payable at the rate of Rs. 10,000/- for each meeting of Board of Directors and Rs. 5,000/- for each committee meeting thereof attended. The details of remuneration paid to the Directors/ Managing Director for the financial year ended 31st March, 2010 are set out below:

(a) Non-Executive Independent Directors:**(Amount In Rs.)**

Name of Directors	Sitting Fees
Mr. Om Kumar	110,000
Mr. S.C. Gupta	140,000
Mr. Rajesh Sharma	145,000

(b) Executive Directors:**(Amount in Rs.)**

Name & Designation	Salary	Perquisites	Total
Mr. Suresh K. Prithani, Chairman	61,290	—	61,290
Mr. Sanjeev K. Prithani, Managing Director	587,097	—	587,097
Mr. Gopal Bachani, Whole time Director	585,000	615,000	12,00,000

The functions of Remuneration Committee are as per Company Law and Listing Agreement with Stock Exchanges. These include overseeing of payment of remuneration to the Directors and review the same from time to time.

The committee met once during the year on 5th October of 2009 and the attendance of members was as follows:

Name of the Members	Current Status	Date of Appointment	No. of meetings held	No. of meetings attended
Mr. S.C. Gupta	Chairman	24.02.2009	1	1
Mr. Om Kumar	Member	13.11.2008	1	1
Mr. Rajesh Sharma	Member	13.11.2008	1	1

The minutes of the meetings of Remuneration Committee were discussed and taken note of, by the Board of Directors.

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

(Pursuant to clause 49 of the Listing Agreements entered into with the Stock Exchange)

1. Company's Philosophy on Code of Governance

The Company is committed to benchmarking itself with the best in all areas including Corporate Governance. The Company's philosophy of Corporate Governance is aimed at strengthening the confidence among shareholders, clients, employees and ensuring a long term relationship of trust by maintaining transparency and disclosures. The Company believes in maintaining highest standards of quality and ethical conduct, in all the activities of the Company.

2. Board of Directors**Composition & Size of Board**

As on date, the Board consists of 6 directors, out of which 2 directors are executive (33.33%) and 4 directors (66.67%) are non-executive where as out of 4 non executive directors, 3 directors are independent and 1 is from the promoter group. The detailed composition of the Board and other related information is given in the table below:

Director	Category of Directorship	Number of Directorship in other companies	Number of Committee position held in other Companies	
			Member	Chairman
Mr. Suresh Kumar Prithani, Chairman	Non-Executive	7	0	0
Mr. Sanjeev Kumar Prithani Managing Director	Executive	10	1	0
Mr. Gopal Bachani Whole-time Director	Executive	0	0	0
Mr. Om Kumar	Non-Executive, Independent	2	1	1
Mr. Satish Chander Gupta	Non-Executive, Independent	12	4	3
Mr. Rajesh Sharma	Non-Executive, Independent	2	0	0

Board Meetings and Attendance

During the previous year, nine board meetings were held on 23rd June, 26th June, 29th July, 31st August, 5th October, 23rd October, 29th October 2009 and 29th January & 22nd March, 2010.

The attendance at the Board Meetings and Annual General Meeting were as under:

Name of Director	Date of Appointment	No. of Board Meetings		Attendance at the last AGM
		Held	Attendend	
Mr. Suresh Kumar Prithani	18.04.2008	9	9	Yes
Mr. Sanjeev Kumar Prithani	05.10.2009	5	5	No
Mr. Gopal Bachani	13.11.2008	9	6	No
Mr. Om Kumar	13.11.2008	9	7	Yes
Mr. S. C. Gupta	24.02.2009	9	8	Yes
Mr. Rajesh Sharma	18.04.2008	9	9	Yes

Code of Business Conduct

The Board has adopted a Code of Conduct for the Board Members and Senior Management personnel of the Company. The same has also been posted on the website of the Company. All Board Members and Senior Management personnel have affirmed their Compliance with the code. A declaration signed by the Managing Director is given below:

"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 conduct for Directors and Senior Management personnel in respect of financial year ended 31st March, 2010."

On behalf of the Board
Brahmaputra Infraproject Limited
 Sd/-

Sanjeev Kumar Prithani
 Managing Director

Place : New Delhi
 Date : 13.08.2010

1. **Turnover:** The Company's gross turnover increased by 83.84% during the year as compared to the previous year.
2. **Finance charges:** Finance charges for the year amounted to Rs. 203.84 lacs as against the previous year of Rs. 75.50 lacs. This is due to increased working capital limit and short / long term / loans.
3. **Depreciation:** The current year depreciation amounted to Rs. 288.94 lacs as against Rs. 18.61 lacs of previous year.
4. **Profit:**
 - a) **Profit before Depreciation and Taxation** amounted to Rs. 2228.56 Lacs as against the previous year of Rs. 336.80 Lacs.
 - b) **Provision for taxation & deferred tax** for the year amounting to Rs. 694.70 Lacs as against the previous year of Rs. 110.80 Lacs.
 - c) **Profit after tax** for the year amounted to Rs. 1244.92 Lacs as against the previous year of Rs. 207.38 Lacs.
5. **Fixed Assets:** During the year the Company added Rs. 2173.32 lacs in fixed assets.
6. **Inventories:** Inventories amounted to Rs. 1768.83 Lacs as against Rs. 832.25 Lacs of previous year.
7. **Sundry Debtors:** Customers receivable amounted to Rs. 597.39 as against Rs. 344.30 lacs of previous year.
8. **Loans and Advances:** Loans and advances of Rs. 2788.41 Lacs representing advances paid for raw materials, stores and spares, advance taxes, un-utilized CENVAT / Service Tax credit, sundry deposits etc.
9. **Current liabilities and Provisions:** The amount of Rs. 2224.45 lacs include Creditors for suppliers of raw materials, stores and spares, provisions for expenses and taxes, dividend and tax payable thereon, liabilities for gratuity and leave encashment. The Company remained prompt, as usual, in repayment of principal and interest and during the year.

Human resource / Industrial relations

Industrial relations have continued to be cordial throughout the year. Measures for safety of employee, scientific training, welfare, performance based appraisal system, compensation, career growth and social security schemes continued to remain key priority of the Company.

Cautionary statement

The Management Discussion and Analysis Report may contain some statements that might be considered forward looking. These statements are subject to certain risks and uncertainties. Actual results may differ materially from those expressed in the statement as important factors could influence Company's operations such as Government policies, economic development, political factors and such other factors beyond the control of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS**Overview**

India is the world's largest democracy by population size and one of the fastest growing economies in the world. The quick and decisive response by RBI and the government to tackle the adverse impact of the global Liquidity Crisis has yielded results. With a stable government in the centre, and its increased focus on the infrastructure sector, we expect opening up of unprecedented opportunities in the area of its core competency. We are also poised to reap these opportunities.

Opportunities and Strengths

The construction industry is an integral part of the Indian economy. It is the second largest industry of the country after agriculture and it has to play a vital role in the nation's progress towards achieving the status of "developed nation" from "developing nation". However, there are certain inadequacies that have become a hindrance in realizing the potential growth of GDP of the nation. The Government has realized this and to embark upon the ambitious project of infrastructure development in India, both State and Central government has taken initiatives. The programmes that ensure strengthening and consolidating recent infrastructure as well as sectoral initiatives and strategies, such as the Rajiv Gandhi Grameen Vidyutikaran Yojana, Accelerated Power Development and Reforms Programme, Jawaharlal Nehru National Urban Renewal Mission, National Highways Development Programme etc.

The growth potential in the infrastructure space is remarkably significant and your Company is well positioned, on the back of its experience & expertise in this field, to make the most of burgeoning opportunity. The Company has developed excellent engineering, planning and project execution skills during this period. It is well recognized for quality consciousness and timely completion of projects without cost over-run. The proven skills of employees of the Company at various levels will be useful in further improving the performance of the Company in the year to come.

Threats, Risks and concerns

The construction sector is characterized by a plethora of players as there are so many construction companies currently operating in India. The construction company is marked with low entry barriers, with several regional & national players entering the competitive industry. As a result, despite of the strong demand, the margins in the sector have remained low. That apart, the working capital cycle has elongated significantly for many companies over a period of time. Thus, the construction companies lack the bargaining power not only in the terms of pricing but also in negotiating payment terms in the contract.

The Company has taken measures to provide adequate security, facilities and also insurance coverage. The Board is providing oversight and reviewing the risk and the Audit committee is entrusted with the responsibility of risk management process, which in turn is assisted by Functional heads of the Company who have the primary responsibility of identification, mitigation and monitoring the risk.

The Company undertakes on daily management of project process and adequate monitoring controls of project execution for achieving set milestones. The Company however takes pride in executing prestigious works in the nation building task.

Outlook

There is enormous opportunity for the growth in the infrastructure industry. The Country has huge potential for growth, considering major emphasis of the Government on infrastructure development. Investment in the infrastructure sector is expected to be around USD 425.2 billion during the Eleventh Five Year Plan (2007-12), as against USD 191.3 billion during the Tenth Plan. This investment is likely to be fulfilled through Public-Private-Partnership projects that are based on long-term concessions. The company is looking forward to take advantage in the operations & maintenance segment that will be encashed for rapid growth and higher profits in the years to come.

Internal control systems and their adequacy

The Company has adequate internal control systems commensurate with the size of the Company and framed to ensure effectiveness and high efficiency of operations and sufficiently safeguard all its assets adequately protected against losses from un-authorized use or disposition and all transactions are duly authorized and recorded. The insurance coverage of such assets is adequate. The internal control provides necessary financial controls and compliance with applicable laws and regulations. The Company has further strengthened the internal audit set up by its own team by appointing an outside agency. Audit committee of Directors has been in existence for the overall monitoring. The Company has extended the ERP.

Financial performance and results

The Financial statements have been prepared in compliance with the requirements of the Companies Act and the Accounting Standards issued by the Institute of Chartered Accountants of India.