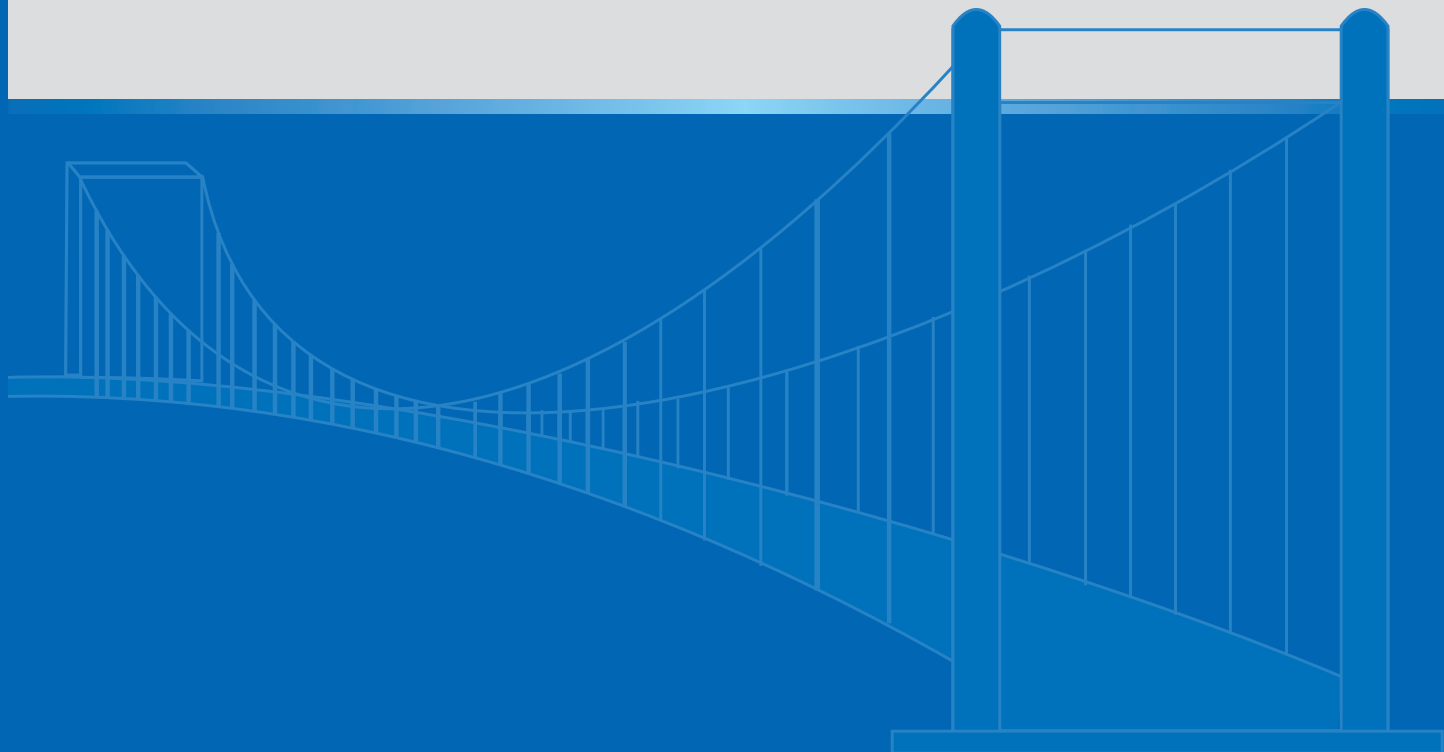




Annual Report
2008-2009







CORPORATE INFORMATION

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Board of Directors

Ravi Parthasarathy
Ved Jain
Anil Kumar Agarwal
Hari Sankaran
Arun Saha
Karunakaran Ramchand

Company Secretary

G. Venkateswar Reddy

Auditors

S R Batliboi & Associates
Chartered Accountants
205, 2nd Floor
Ashoka Bhoopal Chambers
Sardar Patel Road
Secunderabad – 500 003.

Bankers

Allahabad Bank
Axis Bank Limited
Bank of India
Bank of Maharashtra
BNP Paribas
HDFC Bank
HSBC Limited
ICICI Bank
IDBI Bank
Indian Overseas Bank
Indusind Bank Limited
ING Vysya Bank Limited
Kotak Mahindra Bank
Punjab National Bank
Standard Chartered Bank
State Bank of Hyderabad
State Bank of India
Vijaya Bank
Yes Bank Limited

Registrar & Share Transfer Agent

Karvy Computershare Private Limited
No. 17-24, Vittalrao Nagar, Madhapur,
Hyderabad - 500 081
Telephone No. 040 - 23420819 to 24
Fax No. 040 - 23420814, Email ID: einward.ris@karvy.com

Registered Office

6-3-1186/5/A, IIIrd Floor,
Amogh Plaza, Begumpet, Hyderabad – 500 016
Tel: +91-40-40409333; 23408100
Fax: 040-23401107
www.maytasinfra.com

Notice

Notice is hereby given that the Twenty First Annual General Meeting of the Members of Maytas Infra Limited will be held on Monday, the 9th day of November, 2009 at 10.30 a.m. at Sri Sathya Sai Nigamagmam, 8-3-987/2, Srinagar Colony, Hyderabad 500 073 to transact the following business :

ORDINARY BUSINESS :

1 To receive, consider and adopt the Audited Balance Sheet as at March 31, 2009, the Profit & Loss Account for the year ended on that date together with the Reports of the Directors and the Auditors thereon

2 To consider, and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution :

"RESOLVED THAT M/s SR Batliboi & Associates, Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting at a remuneration as may be determined by the Board of Directors of the Company"

SPECIAL BUSINESS :

3 To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr Ravi Parthasarathy, who was appointed as an Additional Director at the Meeting of the Board of Directors of the Company held on September 29, 2009 and who holds office upto the date of ensuing Annual General Meeting under Section 260 of the Companies Act, 1956 (the Act) and is eligible for re-appointment and in respect to whom the Company has received a notice in writing under Section 257 of the Act, from a Member proposing Mr Ravi Parthasarathy's candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation"

4 To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr Hari Sankaran, who was appointed as an Additional Director at the Meeting of the Board of Directors of the Company held on September 29, 2009 and who holds office upto the date of ensuing Annual General Meeting under Section 260 of the Companies Act, 1956 (the Act) and is eligible for re-appointment and in respect to whom the Company has received a notice in writing under Section 257 of the Act from a Member proposing Mr Hari Sankaran's candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation"

5 To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr Arun Saha, who was appointed as an Additional Director at the Meeting of the Board of Directors of the Company held on September 29, 2009 and who holds office upto the date of ensuing Annual General Meeting under Section 260 of the Companies Act, 1956 (the Act) and is eligible for re-appointment and in respect to whom the Company has received a notice in writing under Section 257 of the Act from a Member proposing Mr Arun Saha's candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation"

6 To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr Karunakaran Ramchand, who was appointed as an Additional Director at the Meeting of the Board of Directors of the Company held on September 29, 2009 and who holds office upto the date of ensuing Annual General Meeting under Section 260 of the Companies Act, 1956 (the Act) and is eligible for re-appointment and in respect to whom the Company has received a notice in writing under Section 257 of the Act from a Member proposing Mr Karunakaran Ramchand's candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation"

7 To consider and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule XIII to the Companies Act, 1956, the consent of Members of the Company be and is hereby accorded for the appointment of Mr B Narasimha Rao as Whole-time Director of the Company during the period from January 30, 2009 to September 29, 2009 (both days inclusive) and for the payment of remuneration of Rs 45,00,000/- (Rupees Forty-five lakhs only) per annum"

8 To consider and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification(s) or re-enactment thereof (the Act), relevant provisions of the Articles of Association of the Company, subject to approval of the Central Government, the consent of Members of the Company be and is hereby accorded for the appointment of Mr G Venkateswar Reddy as Manager of the Company for a period of one year with effect from September 29, 2009, on following terms & conditions, with authority delegated to the Board of Directors or Remuneration Committee thereof (hereinafter referred to as "the Board") to alter and vary the terms and conditions of the said appointment and/or the remuneration, subject to the relevant provisions of the Act.

- | | | |
|--------------------------------------|---|---|
| (a) Basic Salary | - | In the scale of Rs 45,000/- to Rs 75,000/- pm |
| (b) Other Allowances- | - | In the scale of Rs 55,000/- to Rs 85,000/- pm |
| (c) Special Bonus | - | One time payment of Rs 50,000/- if employed with the Company for a minimum period of one year |
| (d) Perquisites and Other facilities | - | Provident Fund, Gratuity, Leave Encashment, Group Mediclaim Insurance Coverage, Personal Accident Insurance Coverage, Performance Pay, Leave Travel Allowance, Provision for Car as per rules of the Company. In addition to this, Reimbursement of mobile phone charges for use of the Company business. |

“RESOLVED FURTHER THAT

- (a) Notwithstanding anything to the contrary herein contained where in any financial year during the currency of tenure of Manager, the Company has no profits or its profits are inadequate, remuneration by way of salary, performance based rewards/ incentive and perquisites shall not exceed the aggregate of the annual remuneration as provided above or the maximum remuneration payable as per the limits set out in Section II of Part II of Schedule XIII of the Act, whichever is lower, unless otherwise determined by the Board, subject to approval of the Central Government, if required

Explanation : For the purpose of calculating the limit under the Act, perquisites, allowances shall be evaluated as per Income Tax Rules wherever applicable. In the absence of any such rules, the perquisites, allowances shall be evaluated at the actual cost. Retirement benefits such as contribution to Provident Fund, Superannuation, Gratuity and Leave Encashment will not be included in the computation of the ceiling on perquisites

- (b) General Conditions :

- (i) The total remuneration payable to the Manager along with other Whole-time Directors of the Company, if any, shall not exceed 10% of the net profits during any Financial Year. In case there is no other Whole-time Director, the total remuneration payable to the Manager shall not exceed 5% of the net profits during any Financial Year or such other limit as may be prescribed by the Central Government
- (ii) The Manager shall be entitled to other privileges, allowance, facilities and amenities in accordance with rules and regulations as may be applicable to other employees of the Company and / or as may be decided by the Board, within the overall limits prescribed under the Act
- (iii) Mr G Venkateswar Reddy will cease to be Manager on cessation of his employment with the Company”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution”

- (9) 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 Sections 198, 269, 302, and 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the Act as amended from time to time (including any statutory modifications or re-enactment thereof for the time being in force) and subject to the approval of Central Government, the consent of the Company be and is hereby accorded to ratify and/or approve the payment of Rs 94,11,013/- made to Mr PK Madhav in excess of the remuneration payable to him in accordance with the provisions of Schedule XIII of the Act for the Financial Year 2008-09”

“RESOLVED FURTHER THAT subject to the approval of Central Government, the recovery by the Company of the excess amount of Rs 94,11,013/- paid to Mr PK Madhav for the Financial Year 2008-09, being the amount exceeding the statutory limits laid down under the Act, arising as a consequence of inadequacy and/or absence of profits, be and is hereby waived”

“RESOLVED FURTHER THAT any one of the Directors of the Company or Mr G Venkateswar Reddy, Company Secretary of the Company, be and are hereby, severally, authorized to make such application, provide such further information and explanation and to sign, execute and submit

the necessary applications, declarations, statements, affidavits, documents and writings as may be required in respect of the aforesaid application to be made to the Central Government pursuant to the provisions of Section 309 of the Act to give effect to this resolution as required from time to time”

- (10) 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 Sections 198, 269, 302, and 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the Act as amended from time to time (including any statutory modifications or re-enactment thereof for the time being in force) and subject to the approval of Central Government, the consent of the Company be and is hereby accorded to ratify and/or approve the payment of Rs 92,95,758/- made to Mr CS Bansal in excess of the remuneration payable to him in accordance with the provisions of Schedule XIII of the Act for the Financial Year 2008-09”

“RESOLVED FURTHER THAT subject to the approval of Central Government, the recovery by the Company of the excess amount of Rs 92,95,758/- paid to Mr CS Bansal for the Financial Year 2008-09, being the amount exceeding the statutory limits laid down under the Act, arising as a consequence of inadequacy and/or absence of profits, be and is hereby waived”

“RESOLVED FURTHER THAT any one of the Directors of the Company or Mr G Venkateswar Reddy, Company Secretary of the Company, be and are hereby, severally, authorized to make such application, provide such further information and explanation and to sign, execute and submit the necessary applications, declarations, statements, affidavits, documents and writings as may be required in respect of the aforesaid application to be made to the Central Government pursuant to the provisions of Section 309 of the Act to give effect to this resolution as required from time to time”

- (11) 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 sections 198, 269, 302, and 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the Act, as amended from time to time (including any statutory modifications or re-enactment thereof for the time being in force) and subject to the approval of Central Government, the consent of the Company be and is hereby accorded to ratify and/or approve the payment of Rs 80,876/- for the Financial Year 2008-09 and the payment of Rs 3,92,628/- for the period April 1, 2009 to September 29, 2009 made to Mr B Narasimha Rao in excess of the remuneration payable to him in accordance with the provisions of Schedule XIII of the Act”

“RESOLVED FURTHER THAT subject to the approval of Central Government, the recovery by the Company of the excess amount of Rs 80,876/- for the Financial Year 2008-09 and the payment of Rs 3,92,628/- for the period April 1, 2009 to September 29, 2009 paid to Mr B Narasimha Rao, being the amount exceeding the statutory limits laid down under the Act, arising as a consequence of inadequacy and/or absence of profits, be and is hereby waived”

“RESOLVED FURTHER THAT any one of the Directors of the Company or Mr G Venkateswar Reddy, Company Secretary of the Company, be and are hereby, severally, authorized to make such application, provide such further information and explanation and to sign, execute and submit

the necessary applications, declarations, statements, affidavits, documents and writings as may be required in respect of the aforesaid application to be made to the Central Government pursuant to the provisions of Section 309 of the Act to give effect to this resolution as required from time to time"

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

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (the Act), relevant circulars, notifications issued by the Reserve Bank of India (RBI), the relevant provisions of Securities and Exchange Board of India (Employees Stock Option Scheme & Employees Stock Purchase Scheme) Guidelines 1999, as amended, the provisions of the Income Tax Act 1961, and guidelines issued thereunder, the relevant provisions of Memorandum and Articles of Association of the Company and subject to such other rules, regulations and guidelines that may be issued by SEBI and/or such other authorities, from time to time and subject to the approvals, consents, permissions and/or sanctions as may be required from appropriate regulatory authorities/ institutions or bodies and subject to such terms and conditions as may be prescribed / imposed, approval be and is hereby granted to the Company to set up Employee Stock Option Scheme – 2009 (ESOS 2009) and to thereunder issue and allot 58,85,000 (Fifty-Eight Lakhs Eighty-Five Thousand only) Stock Options (or such adjusted numbers for any bonus, stock splits or consolidation or other re-organisation of the capital structure of the Company as may be applicable, from time to time) to its employees, which include permanent employees, Directors of the Company, whether Whole-time or not, including Alternate Directors, entitling the holders of such Stock Options to apply for Equity Shares of the Company and on conversion /exercise of such Stock Options, to issue and allot 58,85,000 (Fifty-Eight Lakhs Eighty-Five Thousand only) equity shares of the Company (or such adjusted numbers for any bonus, stock splits or consolidation or other re-organisation of the capital structure of the Company as may be applicable, from time to time) ranking pari passu with existing equity shares of the Company, on such terms and conditions and to such Employees as the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include the Remuneration Committee of the Board) may decide from time to time which inter alia include broad terms and conditions of the ESOS 2009 as provided in the Explanatory Statement to this Notice and which may be deemed to be part of this resolution for which approval be and is hereby granted"

"RESOLVED FURTHER THAT in case of any corporate action (s) such as rights issues, bonus issues, stock split, merger and sale of division and others, if any additional stock options are issued by the Board to the option grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the above ceiling of 58,85,000 stock options shall be deemed to be increased/adjusted to the extent of such additional options issued"

"RESOLVED FURTHER THAT the Board be and is hereby authorized to :

- (a) re-price the Stock Options as per the provisions of the Securities and Exchange Board of India (Employees

Stock Option Scheme & Employees Stock Purchase Scheme) Guidelines 1999

- (b) issue and allot such number of equity shares, on conversion /exercise of the Stock Options, all such equity shares shall rank pari-passu with the existing equity shares of the Company in all respects
- (c) settle all questions, difficulties or doubts that may arise in relation to the formulation and implementation of the ESOS 2009 (including any amendment or modifications thereto) without being required to seek any further consents or approvals of the Members
- (d) vary, amend, modify or alter the terms of the ESOS 2009 in accordance with and subject to any guidelines, rules or regulations that may be issued by any appropriate regulatory/ statutory authority
- (e) delegate all or any of the powers herein conferred to any Director(s) and/or Officer(s) of the Company
- (f) do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary in relation thereto; to give effect to the foregoing resolutions"

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

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (the Act), relevant circulars, notifications issued by the Reserve Bank of India (RBI), the relevant provisions of Securities and Exchange Board of India (Employees Stock Option Scheme & Employees Stock Purchase Scheme) Guidelines 1999, as amended, the provisions of the Income Tax Act 1961, and guidelines issued thereunder, the relevant provisions of Memorandum and Articles of Association of the Company and subject to such other rules, regulations and guidelines that may be issued by SEBI and/or such other authorities, from time to time and subject to the approvals, consents, permissions and/or sanctions as may be required from appropriate regulatory authorities/ institutions or bodies and subject to such terms and conditions as may be prescribed / imposed, approval be and is hereby granted to the Company to issue and allot Stock Options out of ESOS 2009 to employees of the holding company of the Company and to employees of the present and future subsidiary companies of the Company which include permanent employees, Directors (whether Whole-time or not, including Alternate Directors) and entitling the holders of such Stock Options to apply for equity shares of the Company and on conversion/ Exercise of such Stock Options, to issue and allot Equity Shares of the Company ranking pari passu with existing equity shares of the Company, on such terms and conditions and to such employees as the Board may decide from time to time where broad terms and conditions of ESOS 2009 are detailed in the Explanatory Statement to this Notice and which may be deemed to be part of this resolution to which approval is hereby granted"

"RESOLVED FURTHER THAT in case of any corporate action (s) such as rights issues, bonus issues, stock split, merger and sale of division and others, if any additional stock options are issued by the Board to the option grantees

for the purpose of making a fair and reasonable adjustment to the options granted earlier, the ceiling of 58,85,000 stock options in terms of ESOS 2009 shall be deemed to be increased/adjusted to the extent of such additional options issued"

"RESOLVED FURTHER THAT the Board be and is hereby authorized to

- (a) re-price the Stock Options as per the provisions of the Securities and Exchange Board of India (Employees Stock Option Scheme & Employees Stock Purchase Scheme) Guidelines 1999
- (b) issue and allot such number of equity shares, on conversion /exercise of the Stock Options, all such equity shares shall rank pari-passu with the existing equity shares of the Company in all respects
- (c) vary, amend, modify or alter the terms of the ESOS 2009 in accordance with and subject to any guidelines, rules or regulations that may be issued by any appropriate regulatory/ statutory authority

(d) delegate all or any of the powers herein conferred to any Director(s) and/or Officer(s) of the Company

(e) do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary in relation thereto; to give effect to the foregoing resolutions"

- (14) To consider and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 61 and other applicable provisions of the Companies Act, 1956, the consent of the Members be and is hereby accorded to the Company by ratifying the variation in the utilization of the Initial Public Offer (IPO) proceeds, as shown in the table given below, to the extent of Rs 105.40 Crores, by revising/ re-scheduling between the investments in associate companies and other project related investments and commitments in view of the competitive and dynamic nature of the business:

(Rs in Crore)

Sl. No	Particulars	Utilisation as proposed in the Prospectus	Actual status on utilization as at 31st March, 2009
A	Investment in Associate Companies :		
	(a) Bangalore Elevated Tollway for the construction of the elevated highway project of the Bangalore-Hosur section of NH7;	27.71	16.98
	(b) KVK Nilachal Power for developing, constructing and commissioning a 300 MW coal-based power plant in Orissa; and	127.44	41.24
	(c) SV Power for setting up a 56 MW coal washery reject based power plant and a 2.5 million metric tonne per annum coal washery at Korba District, Chhattisgarh	34.25	25.78
B	Purchase of Construction Equipment	33.29	33.29
C	Other Project related investments and commitments	-	105.40
D	General corporate purposes	74.76	76.05
E	Issue Expenses	30.00	28.71
	Total	327.45	327.45

By order of the Board
for **Maytas Infra Limited**

Date : September 29, 2009
Place: Mumbai

G Venkateswar Reddy
Company Secretary

NOTES:

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. BLANK FORM IS ATTACHED
- (2) The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business set out above is annexed hereto and forms part of the Notice
- (3) Details required under Clause 49 of the Listing Agreement with Stock Exchanges in respect of Directors seeking appointment / re-appointment at the Annual General Meeting are incorporated in the Report on Corporate Governance forming part of this Annual Report
- (4) Members / Proxies are requested to hand over the enclosed Attendance Slip duly filled in, at the entrance for attending the meeting
- (5) Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of Board Resolution authorizing their representatives to attend and vote on their behalf in the meeting
- (6) Documents referred to in the accompanying Notice and Explanatory Statement are available for inspection at the Registered Office of the Company during office hours between 9.30 a.m. and 6.00 p.m. on all working days prior to the date of the Annual General Meeting
- (7) The Register of Members and Share Transfer Books of the Company will remain closed from November 2, 2009 to November 9, 2009 (both days inclusive) for the Annual General Meeting
- (8) Members are requested to notify immediately any change of address to their Depository Participants (DPs) in respect of their holdings in electronic form and to the Registrars of the company i.e. Karvy Computershare Private Limited, Plot No. 17-24 Vittal Rao Nagar, Madhapur, Hyderabad – 500 081 in respect of their physical share folios, if any
- (9) Shareholders are requested to bring their copies of Annual Report to the Annual General Meeting
- (10) Members who hold shares in dematerialised form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting
- (11) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173 (2) OF THE COMPANIES ACT, 1956**Item Nos 3, 4, 5 & 6 :**

Pursuant to the order of Company Law Board (CLB) dated August 31, 2009, M/s Infrastructure Leasing and Financial Services Limited (IL&FS) became the new Promoter of the Company and have assumed the Management Control of the Company. In terms of the Order, IL&FS has appointed the following Directors

as its nominees on the Board of the Company with effect from September 29, 2009 :

- Mr Ravi Parthasarathy, Chairman, IL&FS
- Mr Hari Sankaran, Managing Director & CEO, IL&FS
- Mr Arun K Saha, Joint Managing Director, IL&FS; and
- Mr Karunakaran Ramchand, Head of Operations - Infrastructure, IL&FS

The four nominees of IL&FS have been appointed as Additional Directors in terms of Section 260 of the Companies Act, 1956 (the Act), and hold their office upto the date of this Annual General Meeting (AGM). The Company has received notices in writing under Section 257 of the Act from its shareholders along with requisite deposit, proposing the candidatures of Mr Ravi Parthasarathy, Mr Hari Sankaran, Mr Arun Saha and Mr Karunakaran Ramchand for Office of the Director of the Company

Mr Ravi Parthasarathy, Mr Hari Sankaran, Mr Arun Saha and Mr Karunakaran Ramchand are not disqualified from being appointed as Directors under Section 274(1)(g) of the Act and have complied with the requirement of obtaining the Director Identification Number in terms of Section 266A of the Act. The Company has received the requisite Form 'DD-A' from these Directors, in terms of Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act 1956) Rules 2003, confirming their eligibility for such appointment

A brief resume of Mr Ravi Parthasarathy, Mr Hari Sankaran, Mr Arun Saha and Mr Karunakaran Ramchand, nature of their expertise in specific functional areas and names of companies in which they hold Directorships and Memberships/ Chairmanships of Board/Committees, as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges are provided in Report on Corporate Governance separately which forms part of the Annual Report

The Board recommends the resolution for the approval of the Members

Except Mr Ravi Parthasarathy, Mr Hari Sankaran, Mr Arun Saha and Mr Karunakaran Ramchand, none of the Directors of the Company may be deemed to be concerned or interested in the resolutions relating to their respective appointments

Mr Ravi Parthasarathy, Mr Hari Sankaran, Mr Arun K Saha and Mr Karunakaran Ramchand do not hold any shares in the Company

Mr Ravi Parthasarathy, Mr Hari Sankaran, Mr Arun Saha and Mr Karunakaran Ramchand are not related to any Director of the Company and they are Nominees of IL&FS on the Board of the Company

Item No. 7 :

At the Meeting of the Board of Directors of the Company held on January 30, 2009, the Board had approved the appointment of Mr B Narasimha Rao as Whole-time Director (WTD) of the Company for a period of five years effective January 30, 2009 with a remuneration of Rs 45,00,000/- per annum.

The terms of appointment were not approved by the Remuneration Committee of the Board of Directors or Shareholders of the Company to complete the formalities as stipulated under the provisions of the Companies Act, 1956 (the Act). The Company has incurred losses during the Financial Year 2008-09 and as a result the Managerial Remuneration paid to the Whole-time Director was in excess of norms prescribed under Schedule XIII of the Act

In terms of the Order of Company Law Board dated August 31, 2009, Mr B Narasimha Rao remained on the Board of the Company till September 29, 2009 and submitted his resignation from the Board of the Company on that date

The brief profile of Mr.B.Narasimha Rao and the requisite details as required to be provided to Shareholders of the Company in terms of the provisions of Schedule XIII of the Act are provided under item no.9, 10 & 11 of explanatory statement and are not being provided under this item to avoid repetition. The shareholders may refer to item no.9, 10 & 11 of explanatory statement for the same.

The terms and conditions as set out in Resolution No.7 and above should also be treated as an abstract and memorandum of interest under Section 302 of the Companies Act, 1956

The Company now requests the approval of the Shareholders of the Company for the appointment of Mr B Narasimha Rao as Whole-time Director of the Company from January 30, 2009 to September 29, 2009

The Board recommends the resolution for the approval of the Members

None of the Directors of the Company may be deemed to be concerned or interested in the resolutions

Item No. 8 :

At the Meeting of the Board of Directors of the Company held on September 29, 2009, the Board has approved appointment of Mr Gogireddy Venkateswar Reddy, Company Secretary of the Company, as Manager of the Company in terms of Section 269 of the Companies Act, 1956 (the Act) for a period of one year effective September 29, 2009

Since the Company has incurred losses for Financial Year 2008-09, in terms of provisions of Clause B of Section II of Part II of Schedule XIII of the Act, ceilings are prescribed in terms of effective capital of the Company for payment of Managerial Remuneration. However, as per Schedule XIII provisions the concerned Company would be required to fulfill the following pre-conditions :

- (a) the Remuneration is approved by the Remuneration Committee;
- (b) the Company has not defaulted in repayment of any of its debts for a continuous period of 30 days in the preceding Financial Year before the date of such appointment; and
- (c) the appointment is approved by the Shareholders of the Company through a special resolution

Since the Company has defaulted repayment of loans to Banks/ Financial Institutions, the appointment of Manager requires the approval of Central Government. Thus, to comply with the provisions of the Act, the Company would approach the Central Government seeking its approval for the foregoing appointment and payment of managerial remuneration to the Manager of the Company

Brief Profile of Mr.G.Venkateswar Reddy

Mr.G.Venkateswar Reddy is a qualified Company Secretary with a post qualification experience of more than a decade in various capacities. He is also a post-graduate in Linguistics and Law Graduate from Osmania University. Mr.Venkateswar Reddy possesses vast experience in Company Law and other legal areas and dealt with several related issues in the past. Presently, he is an Assistant General Manager and Company Secretary of the Company. The Board is confident that his experience and expertise will be of immense use to the Company.

Information as required in terms of Schedule XIII of the Companies Act, 1956

The requisite details as required to be provided to Shareholders of the Company in terms of the provisions of Schedule XIII of the Act are provided under item no.9, 10 & 11 of explanatory statement and are not being provided under this item to avoid

repetition. The shareholders may refer to item no.9, 10 & 11 of explanatory statement for the same.

The Board recommends the resolution for the approval of the Members

None of the Directors of the Company may be deemed to be concerned or interested in the resolutions

The terms and conditions as set out in Resolution No 8 and above should also be treated as an Abstract of Memorandum of Interest under Section 302 of the Companies Act, 1956

Item Nos. 9, 10 and 11 :

Mr PK Madhav:

The Members of the Company in the Extra-Ordinary General Meeting of the Company held on December 30, 2006 had approved the appointment of Mr PK Madhav as a Whole-time Director of the Company for a period of 5 years with effect from November 1, 2006 with terms and conditions as stipulated therein. Mr PK Madhav had resigned as Whole-time Director with effect from January 30, 2009

Due to losses incurred during the Financial Year 2008-09, the managerial remuneration paid to Mr PK Madhav was in excess of the maximum permissible limit as prescribed under Schedule XIII of the Companies Act, 1956. The excess remuneration paid to Mr PK Madhav was Rs 94,11,013/- for the Financial Year 2008-09

As per the provisions of Section 309 of the Companies Act, 1956, any remuneration paid to a Director in excess of the maximum remuneration payable to him in accordance with the provisions of Schedule XIII of the Companies Act, 1956 is required to be refunded by the Director to the Company, unless such requirement is waived by the Company pursuant to receipt of permission from the Central Government

The Board of Directors at its Meeting held on September 29, 2009, have noted the foregoing and opined that Mr PK Madhav had requisite experience and expertise and contributed towards growth of the Company. The remuneration paid to him was in line with his long experience and expertise and have accordingly ratified, confirmed and approved, subject to the approval of the Shareholders and of the Central Government, the payment of aforesaid remuneration, in excess of the limits prescribed under Schedule XIII of the Act and have decided to waive the recovery of the excess remuneration paid to him, subject to approval of the Central Government in this regard. An application in this regard, will be made to Central Government for seeking its approval for waiver of the requirement for recovery of excess remuneration paid to Mr PK Madhav

The Board of Directors of your Company recommends the passing of this resolution.

None of your directors is in any way interested or concerned in this resolution.

Mr CS Bansal :

The Members in the 20th Annual General Meeting of the Company held on September 30, 2008 had approved the appointment of Mr CS Bansal as a Whole-time Director of the Company for a period of 5 years with effect from February 1, 2008 with terms and conditions stipulated therein. Mr CS Bansal, though resigned as Whole-time Director with effect from January 30, 2009, is still continuing as President of the Company and contributing towards the growth of the Company

Due to losses incurred during the Financial Year 2008-09, the managerial remuneration paid to Mr CS Bansal was in excess of

the maximum permissible limit as prescribed under Schedule XIII of the Companies Act, 1956

The excess remuneration paid to Mr CS Bansal was Rs 92,95,758/- for the Financial Year 2008-09

As per the provisions of Section 309 of the Companies Act, 1956, any remuneration paid to a Director in excess of the maximum remuneration payable to him in accordance with the provisions of Schedule XIII of the Companies Act, 1956 is required to be refunded by the Director to the Company, unless such requirement is waived by the Company pursuant to receipt of permission from the Central Government

The Board of Directors at its Meeting held on September 29, 2009, have noted the foregoing and opined that the remuneration paid to Mr Bansal was in line with his long experience and expertise and have accordingly ratified, confirmed and approved, subject to the approval of the Shareholders and of the Central Government, the payment of aforesaid remuneration, in excess of the limits prescribed under Schedule XIII of the Act and have decided to waive the recovery of the excess remuneration paid to Mr CS Bansal subject to approval of the Central Government in this regard. An application in this regard, will be made to Central Government for seeking its approval for waiver of the requirement for recovery of excess remuneration paid to Mr CS Bansal

The Board recommends the resolution for the approval of the Members

None of the Directors of the Company may be deemed to be concerned or interested in the resolution

Mr B Narasimha Rao:

The Board of Directors in their Meeting held on January 30, 2009 had appointed Mr B Narasimha Rao as a Whole-time Director of the Company for a period of five (5) years with immediate effect. However, pursuant to the order passed by the Company Law Board dated August 31, 2009, Mr Narasimha Rao has stepped down as Director of the Company with effect from September 29, 2009

Due to inadequacy of profit /losses incurred during the Financial Year 2008-09 and the trend is continuing in the Financial Year 2009-10, the managerial remuneration paid to Mr Narasimha Rao during Financial Year 2008-09 as well as during the period April 1, 2009 to September 29, 2009 is in excess of the maximum permissible limit as prescribed under Schedule XIII of the Companies Act, 1956. The excess remuneration paid to Mr B Narasimha Rao was Rs 80,876/- for the Financial Year 2008-09 and was Rs 3,92,628/- for the Financial Year 2009-10 (up to the date of approval of his resignation i.e. September 29, 2009)

As per the provisions of Section 309 of the Companies Act, 1956, any remuneration paid to a Director in excess of the maximum remuneration payable to him in accordance with the provisions of Schedule XIII of the Companies Act, 1956 is required to be refunded by the Director to the Company, unless such requirement is waived by the Company pursuant to receipt of permission from the Central Government

At the Meeting of the Board of Directors of the Company held on September 29, 2009, the Board accepted the resignation of Mr B Narasimha Rao as Whole-time Director of the Company, in terms of the order of the Company Law Board. The Board noted that Mr Rao provided valuable advice and put in efforts to stabilize the operations of the Company during difficult times. He also extended all possible help to the Board. The Board noted that the remuneration paid to Mr Rao as Whole-time Director was in line with the experience and expertise in infrastructure segment

The Board also noted that the aggregate remuneration paid to Mr Narasimha Rao is in excess of the limits prescribed under Schedule XIII of the Act. However, considering his contribution,

the Board recommends the resolution for the approval of the Members of the Company and to waive the recovery of excess remuneration paid, subject to requisite approvals from the Central Government. The Company would approach the Central Government to seek its approval for the excess remuneration paid to Mr B Narasimha Rao and to waive recovery thereof

The Board recommends the resolution for the approval of the Members

None of the Directors of the Company may be deemed to be concerned or interested in the resolutions

The requisite details in respect of the foregoing Directors/ Managerial persons as required to be provided to Shareholders of the Company in terms of the provisions of Schedule XIII of the Act are stated below:

Information as required in terms of Schedule XIII of the Companies Act, 1956

(a) General Information :

- (i) Nature of Industry : Construction & Infrastructure Development
- (ii) Date or expected date of commencement of commercial production:
Not applicable - the Company is an existing Company
- (iii) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus :
Not applicable
- (iv) Financial performance of the Company:

(Rs. in Lacs)

Particulars	FY 2008-09	FY2007-08	FY2006-07
Total Income	139246.35	167015.27	61252.29
Total Expenditure	185430.92	153559.34	53368.29
Profit/(Loss) After Tax	(48978.77)	9964.05	5311.99

Other Financial Data	FY 2008-09	FY2007-08	FY2006-07
Dividend (%)	-	15%	10%
Earning Per Share (Rs.)	(83.23)	18.44	10.62
Return on Networth	-	15.26	20.02

- (v) Foreign Investments or collaborators, if any : NIL

(b) Information about the Directors :

(i) Background Details.

Mr PK Madhav was the Whole-time Director & CEO of the Company. He joined the Board in October 2006. He holds a Bachelor's Degree in Commerce from University of Delhi and a Master's Degree in Business Management from the Faculty of Management Studies. He is also a member of the Institute of Company Secretaries of India, New Delhi. He has over 31 years of experience in finance, corporate planning and operations management. Prior to joining the Company, he worked with IDL Chemicals, Hyderabad as Deputy Manager - Finance from 1975 to 1978. From 1978 to 1982, he worked with Radiant Cables Limited as Financial Controller. From 1982 to 2001, he worked with Nagarjuna Fertilizers and Chemicals Limited (NFCL) and went on to become its Director - Finance. From 2001 to 2002, he was the President of Bharat Aluminium