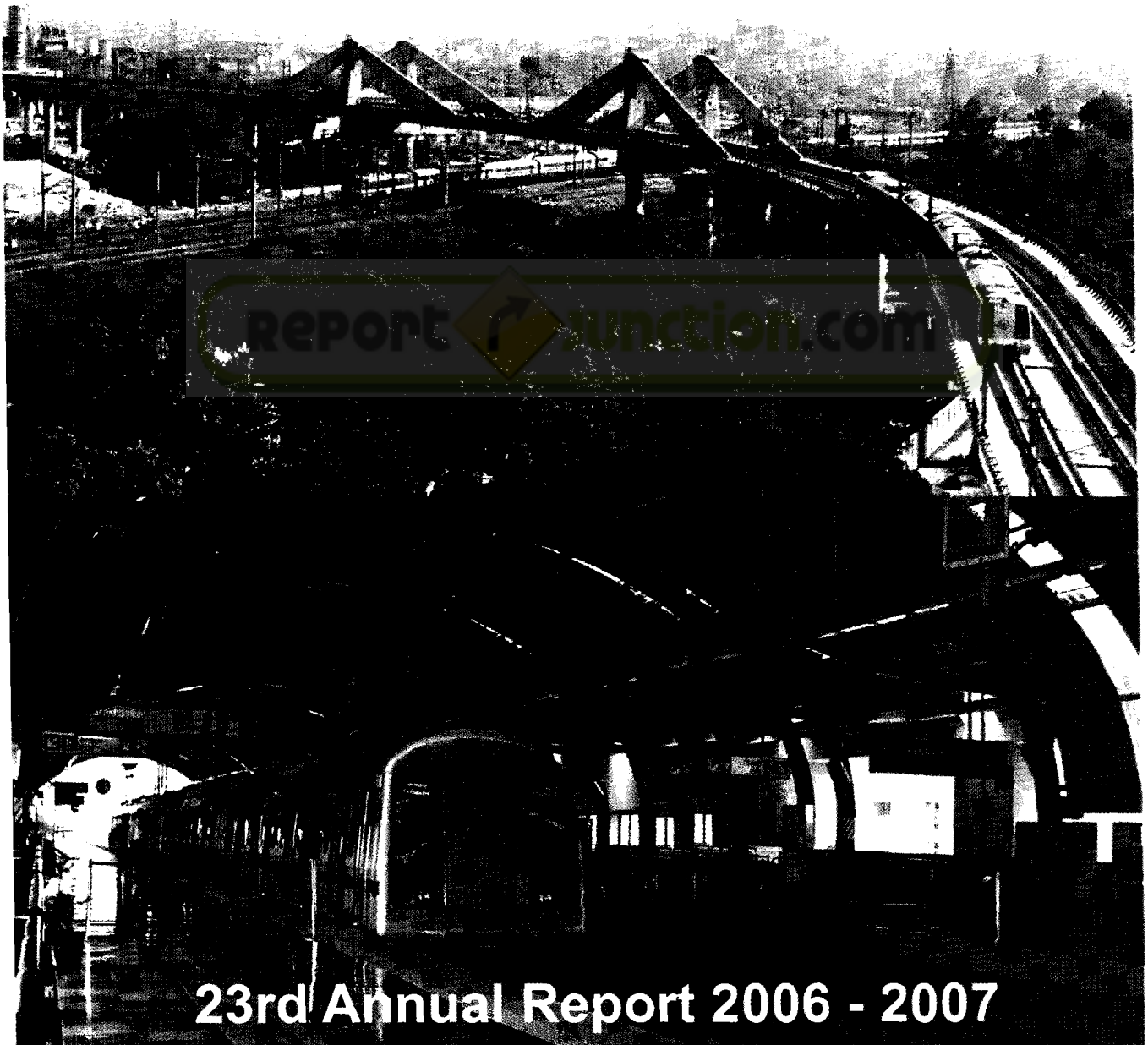
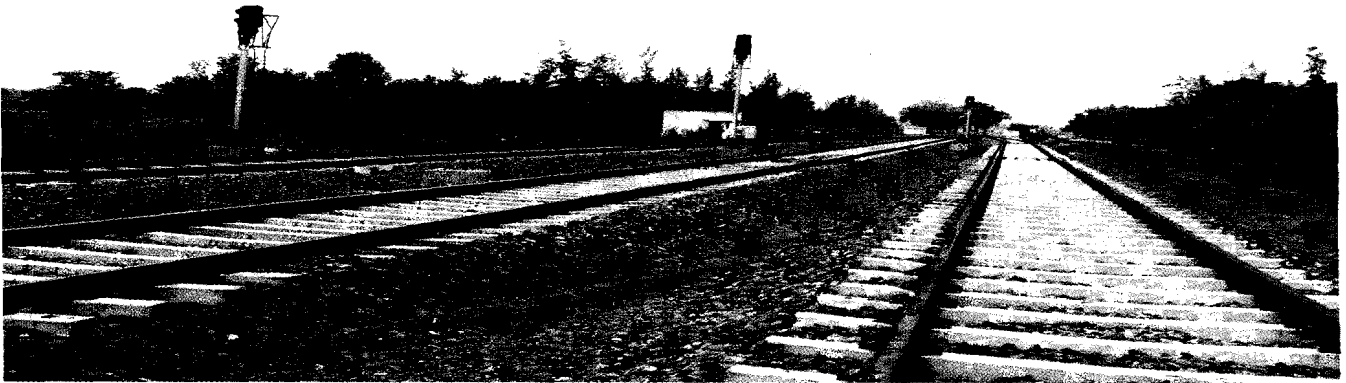
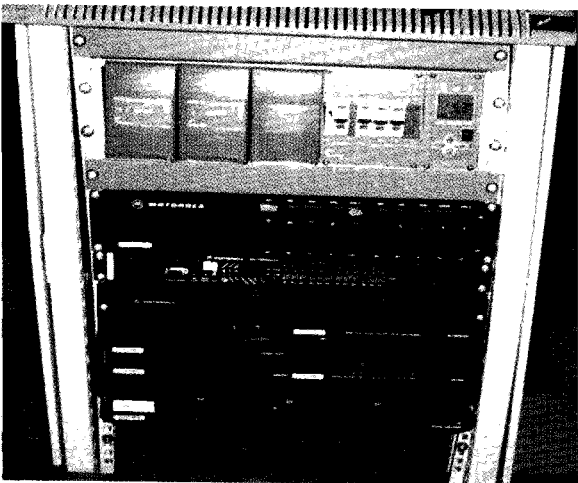
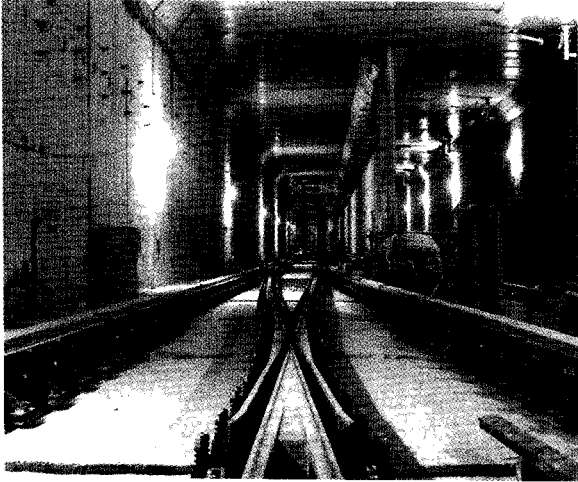


KALINDEE RAIL NIRMAN (ENGINEERS) LIMITED



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KALINDEE RAIL NIRMAN (ENGINEERS) LIMITED

MANAGEMENT

BOARD OF DIRECTORS

Mr. R D Sharma, Chairman & Managing Director
Mr. S D Sharma, Wholetime Director
Mr. Arvind Gemini, Wholetime Director
Mr. S P Sharma, Wholetime Director
Mr. Niraj Kumar Singh, Director
Mr. S K Khanna, Director
Mr. Shanti Narain, Director
Mr. S P Mehta, Director

BANKERS

State Bank of India
Overseas Branch, Jawahar Vyapar Bhawan
1, Tolstoy Marg, New Delhi 110 001

State Bank of Patiala
Commercial Branch, Chandralok Building,
36, Janpath, New Delhi 110 001

Yes Bank Ltd
48, Nyay Marg, Chanakyapuri,
New Delhi 110 021

AUDITORS

Prem Arun Jain & Co.,
Prem Villa, B 3/19, DLF City, Phase 1
Gurgaon 122 002 (Haryana)

REGISTERED OFFICE

F - 5, Gautam Nagar
Gulmohar Park Road,
New Delhi-110 049
Tel. 011 - 32947325, 26857375
Fax: 011 - 26851279

REGISTRAR & TRANSFER AGENT

MCS Ltd.
Sri Venkatesh Bhawan
W 40, Okhla Industrial Area
Phase II, New Delhi 110 020
E mail : admin@mcs.del.com

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**CHAIRMANS' MESSAGE****Dear Members**

At the outset I would like to welcome all of you at the 23rd Annual General Meeting. I on behalf of the Board of Directors and employees and staff of Kalindee Family extend my sincere gratitude to you for trust bestowed on us.

Another year has gone by and another significant year of progress on our chosen path. The investment made on expansion is beginning to provide benefits in the domestic and international markets. The technological advantage and management perception has put us on a better footing as evidenced by our financial figures and the name and recognition we have been able to fetch because of our scintillating performance.

Despite substantial increase in input costs of various raw-materials and labour cost, we have been able to maintain and improve profitability through effective cost management. Though the competition has become keener, market share of your company remains intact.

The 11th five-year plan as unveiled by Indian Railways has been focussed on doubling transport capacity and reducing unit cost of transportation by increasing volumes. The emphasis would be on Short-term strategy - investing in low cost high return projects for eliminating bottlenecks and ensuring intensive asset utilization. The year would see a judicious mix of mid and long-term strategy with twin pronged approach of network expansion and modernization and technical upgradation. The approach of Public-private partnership projects will play an important role.

Indian Railways is the second largest rail network of the world with more than 63,300 route kms network. It constitutes the lifeline and mainstay of country's transport infrastructure carrying about 40% of freight traffic and 20% of passenger traffic accounting for 2.3% of country's GDP directly and several times larger with forward and backward linkages. Over the last few years, Indian Railways has managed to achieve a dramatic reinvention of its business and is presently witnessing one of the most impressive and unprecedented expansion in its history. The freight and passenger traffic on Indian Railways has been growing at average rate of 9.2% and 7% respectively during last three years and is projected to grow even faster in coming years. Traffic growth of Railways now exceeds that of GDP a phenomenon without precedent. It has been assessed that Indian Railways would need to spend around Rs. 2,20,000 crore (US \$ 50 billion) on various capacity enhancement measures over the next 5 -10 years period. In the past Indian Railways had made several attempts to rope in private participation in Joint Ventures for rail infrastructure projects which were however limited in scale and scope. The current strategy is to leverage private capital through PPPs to the maximum extent in areas which are amenable to PPPs to improve efficiencies and control costs. To begin with following projects have been identified to be implemented on PPP route:



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- a) A new Dedicated Freight Corridor initially covering about 2700 route kms equivalent to around 5000 track kilometers at an approximate cost of Rs. 28,000 crores (US \$ 5 billion) linking the ports of western India and ports and mines of Eastern India to Delhi and Punjab.
- b) World class Railway Stations particularly at Metro cities eg. Delhi, Mumbai etc.
- c) High Speed corridors on linking a few of bustling metropolises with high speed rail link to facilitate train travel over 600-1000 kms within 2 to 4 hours.
- d) Operation of container trains and construction of Private Sidings etc.
- e) Port Connectivity works and other Infrastructure Projects through Rail Vikas Nigam Ltd (RVNL), New Delhi etc.

Dedicated Freight Corridor

The biggest railway project and India's largest infrastructure Project approved in 2005 by committee on Infrastructure headed by Prime Minister. Construction on Rs. 600 billion project is originally planned to commence in 2007-08 and will be completed in 11th Five year Plan (2007-12). Once completed, it would add 10,000 kms to existing rail network which is extremely significant considering that only 9625 kms has been added since 1950-51. The corridor will initially encompass western and eastern routes with about 2,700 route km (equivalent to about 5,000 km of track). Indian Railways will construct a multimodal high axle load freight corridor with computerized control with Rs. 28,000 crores approx in the first phase. This is the largest spending Railways will undertake in a decade after the ambitious Konkan Railways project. The Corridor will link the ports of western and eastern India to New Delhi and Punjab. The corridor project is being implemented through a Special Purpose Vehicle (SPV) Freight Corridor Corporation of India Limited (DFCCIL) with an authorised capital of Rs. 40 billion created through a mix of engineering, procurement and construction and public-private partnership methods. Other freight corridors are to follow, leading to 11,500 km of dedicated freight corridors.

Railway Safety

Number of rail accidents has decreased despite substantial increase in volume of traffic since more effort has been made on railway signaling systems which is again a specialized area of operation of your company.

The future too promises to be full of exciting opportunities. With various capital expenditure underway by Ministry of Railways and Delhi metro, the construction sector is set for rapid growth. In anticipation of the increase in demand, in India, we have taken major steps to increase our quality of services as we believe that quality is the key word in Service Industry. Our efforts are to bring your company in a position enabling us to capitalize on a booming economy and take the company forward in its relentless pursuit to a significant position in the world of Construction. Your company being a key player in Construction particularly in Railway segment shall look forward to every opportunity that comes at its disposal in identified and/or unidentified form so as to exploit it to its fullest potential.

Further developments in Railway sector bring in massive and unprecedented business opportunity to your company in coming years. Some of them may be enumerated as under:

Favourable Rail Budget:

Largest ever annual plan of Rs 31,000 crores (Rs 310 billion) for FY08, dedicated to modernization, development and investment in new railway lines.

The Indian Railway is targeting a freight loading of 1100 million tonne and passenger traffic of 840 crores with investment of about Rs 1,600 crores on construction of new lines and another Rs 2,400 crore in gauge conversion. Of these 26 outstanding projects, 16 projects will be completed in 2008-09 rest in 2009-10

Indian Railways have launched an ambitious program to enhance their capacity. Large number of signaling, telecom, track and bridge works have been sanctioned and are under process of execution

Urban Transport Authorities are introducing Metro Rail Systems

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Encouragement to Public- Private partnerships for development and expansion of the Railway Network 100% FDI permitted in railway infrastructure under the automatic route

All large industrial projects, power generation units, mining projects etc need Rail linkages with main Railway lines for smooth, efficient and reliable transportation of raw materials, finished goods etc.

With the faster Industrial growth envisaged in line with anticipated economic growth, demand for Rail linkages, Rail yards, Rail siding etc enabling huge business opportunities in this sector.

Your company has already executed / commissioned such projects in the past for Mumbai port, Vishakhapatnam port, Adani port, Paradip port, BPCL, HPCL etc.

Your company is presently executing Rail siding projects for Reliance for their power project in Yamuna Nagar, Haryana, Vedanta for their Aluminum Project in Orissa, Dalmia (OCL) for their Cement Project in Orissa etc.

DELHI METRO

PHASE I

Mass Rapid Transport Systems (MRTS) projects are gaining momentum and are being implemented through SPV DMRC owned by Union Government and Delhi State Government. The progress of the Delhi MRTS project is notable. In all, 65 kms of Delhi Metro under Phase I is fully operational comprising Line 1 (Shahdara-Trinagar-Rithala: 22.06 kms), Line 2 (Delhi University to Central Secretariat: 10.84 kms), Line 3 (Indraprastha Barakhamba Road Dwarka subcity: 32.10 kms)

PHASE - II

Further expansion of Delhi Metro in other parts of city and outside in NCR region is under high momentum of execution covering a length of 55.81 km at a cost of Rs. 8100 crore approx expected to be completed in 2010.

OTHER METRO PROJECTS

MRTS projects of Mumbai, Bangalore and Hyderabad have already got Union Cabinet approval in March, 2006.

Mumbai MRTS Project is to be implemented by MRDA through SPV route under BOT scheme in phases covering a length of about 145.38 kms and is expected to cost about Rs. 195.25 billion expected to be completed in 2021. In August 2004, Maharashtra Government approved the implementation of first section (Versova Andheri Ghatkopar) of phase I on BOT through PPP model with Reliance Energy as preferred bidder and is expected to be completed by December, 2009.

Bangalore MRTS Project is to be implemented by Bangalore Mass Rapid Transit Ltd (BMRTL) through SPV created by Karnataka Govt. and is proposed to be implemented in several phases spanning about 33 kms with an estimated outlay of Rs. 6395 crores. While Karnataka Government cleared the proposal in March, 2005, Union Government gave its approval in April, 2007. Work on first elevated section of 7 kms started in December, 2006.

Hyderabad MRTS Project cleared in Jan, 2007 is proposed to be implemented by a SPV Hyderabad Metro Rail Limited through PPP route on BOT basis with authorised capital of Rs. 10 billion and is expected to cost about Rs. 8760 crores. It was expected to commence in January, 2007 and is likely to be completed in 2011 with 66.39 kms long stretch.

The points enumerated above put forth a broad picture of opportunities and challenges available to your company, I once again thank you for the confidence reposed in us.

Sd/-

R D Sharma

Chairman and Managing Director



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NOTICE

To the Members of **KALINDEE RAIL NIRMAN (ENGINEERS) LIMITED :**

Notice is hereby given that the 23rd Annual General Meeting of the Members of Kalindee Rail Nirman (Engineers) Limited will be held at Pearey Lal Bhawan (Gandhi Memorial Hall), 2, Bahadur Shah Zafar Marg, New Delhi 110 002 on Wednesday, 26th September, 2007 at 4.00 P.M. to transact the following business:

ORDINARY BUSINESS

To receive, consider and adopt the Audited Annual Accounts of the Company for the year ended March 31, 2007 and the report of the Directors and Auditors thereon.

To appoint a Director in place of Mr S.D.Sharma who retires by rotation and being eligible offers himself for re-appointment.

To appoint a Director in place of Mr Arvind Gemini who retires by rotation and being eligible offers himself for re-appointment.

To appoint a Director in place of Mr S.P.Sharma who retires by rotation and being eligible offers himself for re-appointment.

To declare a final dividend on equity shares.

To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to Section 149(2A) and any other applicable provision, if any, of the Companies Act, 1956, consent of the shareholders be and is hereby accorded to commence the clause no. 17 of Part III C of the Objects Clause i.e the other objects clause of the Memorandum of Association.

Clause No. 17. To carry on the business of electrical engineers, electricians, contractors, manufacturers, constructors, suppliers of and dealers in all kinds of electrical machinery and electrical apparatus for any purpose whatsoever and to manufacture, sell, supply and deal in electric motors, fans, furnitures, household appliances, batteries, cables, wire, lines, drycells, accumulators, lamps and works and to generate, accumulate, distribute and supply electricity for the purpose of light, heat, motive power and for all other purposes for which electrical energy can be employed subject to the provision of the Electricity Act and Rules.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all necessary and incidental acts and to execute the various powers herein conferred so as to give effect to this resolution."

2. 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 Section 31 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or enactment thereof for the timing in force) and subject to such approvals, consents, sanctions, and permissions, the Articles of Association of the Company be and is hereby altered and adopted in total exclusion and substitution of the existing Articles of Association of the Company as per "annexure A" with immediate effect."

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RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this resolution”.

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

“Resolved that in partial modification of Resolution passed in 21st Annual General Meeting dt. 30.9.2005 and 22nd Annual General Meeting dt. 12.8.2006 approving the reappointment and terms of remuneration of Mr. R.D.Sharma, Chairman cum Managing Director of the company and in accordance with the provisions of Section 198, 269, 309, 311 & Schedule XIII and all other applicable provisions of the Companies Act, 1956 (the “Act”) and subject to the limits prescribed under the Act and also subject to such approvals as may be necessary, the Company hereby approves the variation in terms of remuneration for a period of three years as under:

SALARY including Perquisites: Rs.3,50,000/- per month

Perquisites will include: Facilities (at actual cost of the company ,and where actual cost is not possible, the same be evaluated as per Income Tax Rules) like residential accommodation, reimbursement of expenses towards gas, electricity, water and furnishing, club fees, personal accident insurance, medical and other reimbursements, leave travel concessions for self and family members to anywhere including hotel accommodation and other expenses (ex-gratia, bonus) and other perquisites, allowances, benefits, facilities and amenities (collectively called perquisites).

In addition to the above, the Chairman cum Managing Director will also be entitled to the following benefits, the value of which will not be included for the aforesaid ceiling on perquisite as provided in schedule XIII.

- A. Company's contribution to the Provident Fund and superannuation Fund.
- B. Payment of gratuity.
- C. Company's car with driver.
- D. Telephone & Fax at residence.

Wherever, personal use of car, telephone and fax, the same shall be debited to his account.

The above remuneration, salary and perquisites be the minimum remuneration and shall not exceed the limits specified in Section II of the part II in schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this resolution”.

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

“Resolved that in partial modification of Resolution passed in 21st Annual General Meeting dt. 30.9.2005 and 22nd Annual General Meeting dt. 12.8.2006 approving the reappointment and terms of remuneration of Mr. S.D.sharma, Wholetime Director of the company and in accordance with the provisions of Section 198, 269, 309, 311 & Schedule XIII and all other applicable provisions of the Companies Act, 1956 (the “Act”) and subject to the limits prescribed under the Act and also subject to such approvals as may be necessary, the Company hereby approves the variation in terms of remuneration for a period of three years as under:



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SALARY including Perquisites: Rs.3,00,000/- per month

Perquisites will include: Facilities (at actual cost of the company, and where actual cost is not possible, the same be evaluated as per Income Tax Rules) like residential accommodation, reimbursement of expenses towards gas, electricity, water and furnishing, club fees, personal accident insurance, medical and other reimbursements, leave travel concessions for self and family members to anywhere including hotel accommodation and other expenses (ex-gratia, bonus) and other perquisites, allowances, benefits, facilities and amenities (collectively called perquisites).

In addition to the above, the Wholetime Director will also be entitled to the following benefits, the value of which not be included for the aforesaid ceiling on perquisite as provided in schedule XIII.

- a. Company's contribution to the Provident Fund and superannuation Fund.
- b. Payment of gratuity.
- c. Company's car with driver.
- d. Telephone & Fax at residence.

Wherever, personal use of car, telephone and fax, the same shall be debited to his account.

The above remuneration, salary and perquisites be the minimum remuneration and shall not exceed the limits specified in Section II of the part II in schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this resolution".

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

"Resolved that in partial modification of Resolution passed in 21st Annual General Meeting dt. 30.9.2005 and 22nd Annual General Meeting dt. 12.8.2006 approving the reappointment and terms of remuneration of Mr. Arvind Gemini, Wholetime Director of the company and in accordance with the provisions of Section 198, 269, 309, 311 & Schedule XIII and all other applicable provisions of the Companies Act, 1956 (the "Act") and subject to the limits prescribed under the Act and also subject to such approvals as may be necessary, the Company hereby approves the variation in terms of remuneration for a period of three years as under:

SALARY including Perquisites: Rs.3,00,000/- per month

Perquisites will include: Facilities (at actual cost of the company, and where actual cost is not possible, the same be evaluated as per Income Tax Rules) like residential accommodation, reimbursement of expenses towards gas, electricity, water and furnishing, club fees, personal accident insurance, medical and other reimbursements, leave travel concessions for self and family members to anywhere including hotel accommodation and other expenses (ex-gratia, bonus) and other perquisites, allowances, benefits, facilities and amenities (collectively called perquisites).

In addition to the above, the Wholetime Director will also be entitled to the following benefits, the value of which will not be included for the aforesaid ceiling on perquisite as provided in schedule XIII.