



CREATING HIGHWAYS TO SUCCESS

ANNUAL REPORT 2009-10

FORWARD-LOOKING STATEMENT

Statements in the Management Discussion and Analysis Report with regard to projections, estimates and expectations have been made in good faith. The achievement of results is subject to risks, uncertainties and even less than accurate assumptions. Market data and information gathered from various published and unpublished reports and their accuracy, reliability and completeness cannot be assured.

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CORPORATE INFORMATION

Directors

Mr. Ram Gopal Maheshwari
Chairman

Mr. Anjanee Kumar Lakhotia
Whole-time Director & CEO

Mr. Maruti Maheshwari
Executive Director

Mr. Surinder Singh Kohli
Independent Director
(Appointed as Additional Director
w.e.f. 25.06.2010)

Mr. Ashwini Kumar Singh
Independent Director

Mr. Kumar Singh Baghel
Independent Director

CFO

Mr. Anil Kumar Agarwal

Company Secretary

Mr. Nitin Bagaria

Bankers

State Bank of Mysore
State Bank of Bikaner & Jaipur
Bank of India
State Bank of Patiala
Standard Chartered Bank
Yes Bank Limited
Allahabad Bank
State Bank of Hyderabad
DBS Bank Limited

Auditors

M/s Agrawal S. Kumar & Associates

Registered Office

23A, Netaji Subhas Road
3rd Floor, Room No. 14
Kolkata - 700001

Corporate Office

Delhi
Corporate One Tower
Suite # 303, 3rd Floor
Jasola, New Delhi - 110025

Kolkata
Divine Bliss
2/3, Judges Court Road,
1st Floor
Kolkata - 700027



VISION

To be a leading infrastructure enterprise committed to quality, customer satisfaction, excellence and enhancement of stakeholder value

MISSION

- To serve in building the nation
- To become the customers' most preferred choice
- To create maximum value for stakeholders
- To enhance support to our associates
- To deliver timely output with the highest quality standards
- To encourage innovation, excellence, integrity, professionalism and team work with an optimum mix of latest technologies, human intelligence and enterprise
- To ensure a safe work environment
- To implement environmental and eco-friendly measures towards our commitment to achieving a cleaner and greener world
- To contribute to society as part of our corporate social responsibility



BUSINESS



- Executes civil engineering projects with a specialisation in roads and highways
- Enjoys over a decade's experience in executing highway infrastructure construction, operation and maintenance projects
- Operates on an integrated business model for EPC and BOT projects
- Has a pan-India presence with projects currently running in nine states
- Has an operational BOT
- Among the first set of contractors to be awarded sections of the prestigious North-South and East-West corridors by NHAI and the first to complete projects out of these



CLIENTS



NHAI



MPRDC



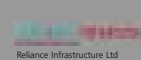
MPRDC



SAIL



HUDA



Reliance Infrastructure Ltd

and state PWDs, among others



DIRECTORS' REPORT

Dear Members

The Directors have pleasure in presenting the Fifteenth Annual Report on the business and operations of the Company and the financial accounts for the year ended 31st March 2010:

Financial Results

The Financial results of the Company are as under:

(Rs. in Lacs)

	Standalone		Consolidated	
	2009-10	2008-09	2009-10	2008-09
Gross Revenue	62954.27	50647.49	63765.49	51427.68
Earnings Before Interest, Taxes and Depreciation	8421.95	6697.25	9201.15	7454.10
Less : Interest & Finance Charges	2819.33	2538.47	3024.67	2802.20
Less : Depreciation	433.95	343.56	666.29	833.20
Profit Before Tax	5168.67	3815.22	5510.19	3818.70
Provision for Current Tax	1170.00	735.00	1228.05	735.36
Deferred Tax (Net)	582.62	335.46	582.62	336.64
Fringe Benefit Tax	--	6.36	--	6.38
Profit After Tax	3416.05	2738.40	3699.52	2740.32
Balance Brought Forward From Last Year	1789.83	1240.36	1693.66	1142.27
Amount Available for Appropriation	5205.88	3978.76	5393.18	3882.59
Appropriations :				
Proposed Dividend	350.27	229.86	350.27	229.86
Corporate Dividend Tax	58.18	39.07	58.18	39.07
Transfer to General Reserve	3500.00	1920.00	3500.00	1920.00
Balance Carried To Balance Sheet	1297.43	1789.83	1484.73	1693.66



Dividend

Your Directors are pleased to recommend dividend @ 20% i.e. Rs. 2 per equity share of face value of Rs. 10 each aggregating to Rs. 350.27 lacs.

Operations and Overview

During the year under review your Company has achieved gross turnover of Rs. 62954.27 Lacs as against Rs. 50647.49 Lacs for the previous year registering a growth of 24.30% over the previous year. The earnings before interest, tax and depreciation (EBIDTA) increased to Rs. 8421.95 Lacs from Rs. 6697.25 Lacs in the previous year, the Net Profit after tax (PAT) increased to Rs. 3416.05 lacs as against Rs. 2738.40 Lacs in the previous year.

Consolidated results were in line with the above. The consolidated gross turnover was Rs. 63765.49 Lacs for the financial year 2009-2010 as against Rs. 51427.68 Lacs

for the previous financial year 2008-2009 registering a growth of 24% over the previous year. The earnings before interest, tax and depreciation (EBIDTA) increased to Rs. 9201.15 Lacs from Rs. 7454.10 Lacs in the previous year, the Net Profit after tax (PAT) increased to Rs. 3699.52 lacs as against Rs. 2740.32 Lacs in the previous year.

Your Company feels proud to be the FIRST on various categories. Some of these are as under:

- FIRST batch of contractors to be awarded the contracts of the prestigious NSEW (North-South and East-West) corridors by the NHAI and was the first to complete the project.
- FIRST to be awarded the prestigious RECYCLING PROJECTS relating to various roads in Delhi.
- FIRST to be awarded the comprehensive maintenance of the Ring Road, the most important corridors of Delhi.

Our focus area continues to be the execution of civil engineering projects with specialisation in construction and maintenance of roads and highways.

In view of the unprecedented opportunities available in its core competency area, the Company expects substantial increase in the Order Book position in near future which stood at Rs. 170250 lacs as on 31.03.2010.

NEW BOT PROJECT AWARDED

The Directors of your Company are pleased to inform that your Company has been awarded project of "Four / Two Laning of Rimuli-Roxy-Rajamunda of NH - 215 in the State of Orissa" by NHAI under Phase - III of National Highways Development Program. Project will be executed on a Design, Build, Finance, Operate & Transfer (Toll) basis with a concession period of 19 years including construction period of 910 days. The project has been awarded to the consortium led by

the Company; the other partner being SREI Infrastructure Finance Limited.

Management Discussion and Analysis Report

A separate section presenting the Management Discussion and Analysis Report is enclosed with the Directors' Report.

Public Issue

During the year under review, your Company entered the Capital Market and made its Initial Public Offering (IPO) of 57,00,000 equity shares of Rs. 10 each at a premium of Rs. 170 per share through 100% Book Building Process. The IPO was over-subscribed. The equity shares of the Company were listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited on 11th January 2010.

On behalf of the Company, your Directors take this opportunity to thank all the

investors for their overwhelming response to the IPO and confidence reposed by them in the Company.

Finance

Avenues for raising long term funds will be explored further to increase the pace of growth.

Directors

The information on the particulars of directors seeking appointment / reappointment forms part of the Notice calling the Annual General Meeting.

Directors' Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors, based on the representations received from the operating management confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting

standards have been followed;

- (ii) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- (iii) the Directors had taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the annual accounts on a going concern basis.

Subsidiary Companies

Your Company firmly believes in partnering with the Government in implementing and managing infrastructure projects under the concept of Public-Private Partnership (PPP).

The project of Seoni - Balaghat - Gondia Road on BOT basis has been successfully implemented through SPV, AAP Infrastructure Ltd., a wholly owned subsidiary of the Company.

A Statement pursuant to Section 212(1)(e) of the Companies Act, 1956, is at Annexure A.

Corporate Governance

The Company is committed to high standards of the corporate ethics, professionalism and transparency. A separate section titled "Report on Corporate Governance" including a certificate from the Auditors of the Company confirming compliance of the clauses of Corporate Governance as stipulated

under Clause 49 of the Listing Agreement is annexed hereto and forms a part of the Report.

Auditors

M/s. Agrawal S. Kumar & Associates, Chartered Accountants, Statutory Auditors of the Company, retire at ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received their letter to the effect that the appointment, if made, would be within the prescribed limits under Section 224 (1-B) of the Companies Act, 1956 and they are being proposed for reappointment as auditors of the Company at the ensuing Annual General Meeting.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Conservation of energy is an ongoing process

in the Company's activities. As the core activities of the Company are not energy intensive activity, no information is to be furnished regarding Technology Absorption. Your Company has not undertaken any research and development activity for any manufacturing activity nor any specific technology was obtained from any external sources which needs to be absorbed or adapted. The particulars of expenditure and earnings in foreign currency is furnished in item no. 3(q) of Notes to Accounts in Schedule - 21.

Public Deposits

The Company has not accepted any Public Deposit.

Human Resource Development

We believe that a combination of our reputation in the market, our working environment and competitive compensation programs allow us to attract and retain talented people. Our senior management team consists of experienced individuals with diverse skills.

We believe that our team of more than 400 employees are the key to our success. Your Company aims to become “employer of choice” in the industry and is on course to achieve the same.

Corporate Social Responsibility

An essential component to the Company's Corporate Social Responsibility is to care for the community. The Company endeavours to make a positive contribution towards various social causes by supporting a wide range of socio-economic initiatives, engaging in socially responsible employee relations

and making a commitment to the community around it.

Particulars of employees

There was no employee of the Company who received remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

Appreciation

The Bankers of the Company have since long shown full confidence in your Company and have been partners in its growth.

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from the Company's Bankers and all Government Departments during the year under review.

Your Directors wish to place on record their deep sense of appreciation for the devoted

services of the Executives, Staffs and Workers of the Company for its success.

By Order of the Board

Ram Gopal Maheshwari
Chairman

Place: Kolkata

Dated: The 30th Day of May 2010