



**Ahluwalia Contracts  
(India) Limited**

**Solid  
foundations.  
Sustained  
progress.**



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## Board of Directors

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

**Mr. Shobhit Uppal**  
Deputy Managing Director

**Mrs. Sudershan Walia**  
Whole-time Director

**Mr. Vikaas Ahluwalia**  
Whole-time Director

**Mr. Vinay Pal**  
Whole-time Director

**Mr. Arun K. Gupta**  
Director

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

**Mr. Balbir Singh**  
Director

**Dr. Sushil Chandra**  
Director

**Mr. S.S. Kohli**  
Director

**Compliance Officer**  
**Mr Vipin Kumar Tiwari**  
GM (Corporate) &  
Company Secretary

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

### Bankers

Allahabad Bank  
Axis Bank Ltd.  
Bank of India  
Bank of Maharashtra  
Canara Bank  
CitiBank N.A.  
ICICI Bank Ltd.  
IDBI Bank Ltd.  
IndusInd Bank Ltd.  
ING Vysya Bank Ltd.  
Kotak Mahindra Bank Ltd.  
Punjab & Sind Bank  
Standard Chartered Bank  
State Bank of Patiala  
Syndicate Bank  
Yes Bank Ltd.

### Registered Office

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New Delhi-110017  
Tel.: +91 11 29561854  
Fax: +91 11 26852036

### Head Office

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### Corporate Office

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# Chairman's Message

*Dear Shareholders,*

We meet at the end of another challenging year of your company, which has been moving ahead confidently on the road to progress, prosperity, growth, expansion and development.

In line with its forward-looking vision, your company has been growing remarkably well, successfully achieving its various targets over the past four decades. The year gone by saw the company's growth scale new levels as we continued to march towards achievement of new goals and realization of new dreams.

During the year, we set certain objectives, goals and targets, and achieved them with relative ease despite several challenges on our way. The year saw the company expand, sectorally and geographically, to add many new projects across diverse verticals.

## SUSTAINED REVENUE AND GROWTH

The growth of any company is manifested best and most in its numbers. The year 2010-11 saw the company achieve a major landmark in this regard, crossing the ₹1,650 crore revenue mark during the year. It gives me great pleasure to inform you that your company has approx. ₹5,850 crore worth of orders in hand, of which around ₹1,200 crore will be completed this year.

Your company will be adding another ₹1,500 crore worth of orders to its portfolio, making it a whopping ₹6,000 crore orders in hand by year end.

Notwithstanding the challenging environment in the construction industry, your company continued to sustain its growth levels of the last several years.

## MOVING FAST ON BOT TRACK

As we continued to expand our position in the traditional sectors of growth within the construction industry – residential, commercial, industrial, hotels, etc. Our focus shifted increasingly to the BOT space. Your company, on the platform of its solid foundations and intrinsic strengths, is well-positioned to grasp the opportunities in the BOT space and is moving fast on the BOT track.

We have already bagged a prestigious BOT (Build Operate Transfer) Project at Kota, Rajasthan, comprising a bus terminal with commercial complex, valued at ₹ 72 crores to be licensed for 40 years. The company is also in various stages of negotiation for other BOT projects, which we feel shall augment our revenues manifold, going ahead.

## NEW FORAYS, NEW GOALS

Undoubtedly, the company's growth over the years has been remarkable, enabling us to set the pace for future progress. However, we do realize that the key to the sustained progress of a company is dependent as much on its ability to de-risk as on its strengths and capabilities.

In line with this philosophy, and in an effort to continuously leverage the opportunity matrix across new lines of business, it has been your company's consistent effort to move into new areas of business and set new goals to take it to the next level.

Our plans to foray into construction of power projects – a highly lucrative business opportunity in my opinion, are aimed at making the most of the potential in this field. We are currently in discussion for pre-qualification with a number of players and see in this business a huge growth opportunity for your company.



*" The year gone by saw the company's growth scale new levels as we continued to march towards achievement of new goals."*

Another area of future growth, I personally feel, lies in water and sewage treatment projects. At present, Residential and Commercial contributes 47% of the company's order book while the infrastructure segment contributes 11%. A crash in the real estate market in 2008-09 resulted in muted order inflow for the company. With this in view, the company has identified JNNURM funded urban infrastructure projects as the next driver of growth.

On the basis of Union Government initiatives and our own research, we believe the sewage treatment sector will provide a boost to our bottom line. We were a part of the Sonia Vihar water treatment project and have a number of other such projects in the pipeline. The company is currently scouting for potential acquisition target with capabilities in implementation of water & sewage treatment projects.

We are now also looking at a higher degree of engagement in Inorganic Growth through acquisition or joint venture opportunities in urban infrastructure segment and real estate, which will provide synergy to existing business and enable us to generate higher returns.

#### READY TO FACE FUTURE CHALLENGES

As we face the future, we do so with the knowledge that we are

fully capable of addressing all challenges, on the back of our robust strengths on which we have built the foundation for our sustained progress.

So let us be more aggressive in incorporating expansion possibilities in our growth plans. And let us ensure that our strategies and our actions will enable us to always LIVE THE FUTURE! I am confident that we can count on your continued support and commitment to achieve greater heights in the years ahead.

On this positive note, let me take this opportunity to express my heart-felt gratitude to all our patrons, shareholders, financiers, bankers, stake holders, employees and also to record our sincere appreciation for the co-operation extended by the Central & State Governments, other statutory authorities and others associated with your company.

Warm Regards,

**Bikramjit Ahluwalia**  
Chairman & Managing Director





# Management Discussion and Analysis Report

## 1. ECONOMY AND MARKET

Construction is essential part of Country's infrastructure and industrial development. Broadly, construction can be classified into three segments: Infrastructure, Industrial and Real estate. Infrastructure Segment involves construction projects in different sectors like roads, ports, rails, irrigation, power, telecom, etc. Construction industry, with its backward and forward linkages supports various other industries such as Cement, Steel, Pipes, Paint, Electric Appliances, Tiles & Fittings & Construction equipment. Size of Construction Industry was estimated to be about ₹978 billion in FY10.

In India, Construction is second largest economic activity after agriculture. Construction accounts for nearly 65 per cent of total investment in infrastructure and is expected to be the biggest beneficiary of surge in infrastructure investment over the next five years. ₹14400 bn is likely to be invested in the infrastructure sector over the next 5 to 10 years-in power, roads, bridges, city infrastructure, ports, airports, telecommunications, which would provide the necessary impetus to the construction industry as a whole which has been overdue for long. Thus, infrastructure sector has been seeing lot of action for past three years and they are:

- Government's aim to develop infrastructure,
- Government's funding,
- Allowing foreign agencies for funding, and,
- Encouraging Public Private Participation (PPP).

With this, considerable investments have been made especially in road, power, housing, airport and port sectors by Government as well as private sector. As opportunities in the sector continue to come to the fore, foreign direct investment has been surging. The real estate and construction sectors received FDI of ₹12.96 bn in the first half of the FY 2010-11. The tremendous opportunities in the construction industry can be witnessed by the ever increasing order book by the key players in the market. It is worthy to note that the areas of order book have been in the segments of power, airports and urban development.

Economic Growth, as measured by the GDP, improved to 8.5% in 2010-11 from 8% in 2009-10 due to better than farm output and construction activities and financial services performances. Growth of Construction Sector stood at 8.1% as against 7% in previous year. In fact, there has been consistent deceleration in the pace of growth from robust 9.4 per cent in the quarter ended March 2010 to 9.3 per cent in the quarter ended June 2010, which gave way for 8.9 per cent growth in the quarter ended September 2010 and 8.3 per cent in the quarter ended December 2010. Now, even 8 per cent is broken down, and the country has settled with mere 7.8 per cent growth in GDP in the quarter ended March 2011.

As per the Annual Plans and documents of the Planning Commission for the 11th Five Year Plan, the roads, bridges, rail, civil aviation, telecommunication, power generation, water supply, ports and irrigation sectors are going to witness investments of ₹595.91 bn during 2011-12.





Investments in key industrial sectors are expected to soar up to ₹2056.15 bn over the next five years.

Among the infrastructure sectors, electricity, transport and telecommunication are key sectors for raising the overall economic growth rate and sustaining the economy in the long term.

Govt. of India has put strong impetus on infrastructure development in the current budget by allocating a significant portion of the planned allocation towards infrastructure development. Sustained focus of the Government to improve infrastructure especially roads, power and housing would result in strong order book for the players in the construction industry.

## 2. INDUSTRY PERFORMANCE

Indian Construction Industry is an integral part of the economy and a conduit for a substantial part of its development investment, is poised for growth on account of industrialization, urbanization, economic development and people's rising expectations for improved quality of Living.

The Construction sector in 2010-11 stood at ₹591,864 Crores at current prices by economic activity, showing a growth of 18 per cent over previous year's ₹501,706. But the overall contribution to the GDP decreased marginally to 8.1 percent compared to 8.2 percent.

At the constant prices (2004-05), the construction sector showed a growth of 8.1 percent in 2010-11 compared to 7 percent growth in 2009-10. It contributed ₹384,629 (7.9 percent) to the GDP at constant prices.

In the coming years ahead, the construction industry in India has to overcome various challenges-be it with respect to housing, environment, transportation, power or natural hazards. Technocrats associated with the Indian Construction industry need to employ innovative technologies and skilled project handling strategies to overcome these challenges. The Outstanding performance under demanding situations in the future will stand in good stead and give confidence to the Indian Construction industry to bring about an overall development in the infrastructure of the nation. The gains of large investments in the mega-projects eventually will feedback to the construction industry itself in the form of better economy and improved work conditions.

Monetary tightening over the past couple of months along with volatility in commodity prices has induced delays in Capital Expenditure decisions. Once the macro environment begins to improve, government sector and private sector activity will pick up.

We also expect state governments investment to gather pace. Now, since the elections in some large states are over, however, the focus on containing the fiscal deficit is likely to limit such spends. In terms of Central Government outlay, we expect the momentum in road project awards to continue and hope for speedier investment activity from the railways in FY12.

## 3. BUSINESS PORTFOLIO

ACIL has always focused on adding value across different elements of the infrastructure delivery chain. In a sense, today, the Company operates a portfolio of different skill



# Management Discussion and Analysis Report

sets and operates under varying risk return profiles. The entire gamut of activities is unified under the ACIL value chain. The diverse yet integrated portfolio includes the following businesses:

- **Engineering and Construction**

This is the company's core business, which focuses on residential, commercial, power, water supply and industrial construction projects. The business has been extended to offering complete Engineering Procurement Services (EPC) services.

- **Infrastructure and Real Estate**

ACIL is developing a portfolio of assets from planning and conceptualization to execution, and retains ownership rights on the assets created. Returns are generated from utilization of the assets leading to expansion of value.

## ENGINEERING AND CONSTRUCTION

The Company's order backlog as on 31st March, 2011 was ₹ 584,707.00 Lacs. The order backlog is well distributed across various sectors including industrial, commercial, power, residential, hotels, hospitals, BOT, etc.

### Some of the few projects are:

- **Commercial**

- Construction of civil and allied works of aluminum smelter project at Jharsuguda, Orissa for ₹24429.65 Lakhs (Private)
- Construction of Commercial complex GYS Vision Sector - 62, Gurgaon for M/s Dignity Buildcon Pvt. Ltd. ₹18937.30 Lakhs (Private)
- Civil & Retrofit Works at Motilal Oswal Project at Prabhadevi, Mumbai for ₹ 2325.99 Lakhs (Private)

- **Hospital**

- Construction of General Building Finishing & miscellaneous works to Tata Medical Centre Kolkata, for ₹ 5000.00 Lakhs (Private)
- Construction of Hospital Building, Medical College, Hostels for Boys & Girls, Admin,

Buildings, Residential Complex for Doctors & Nurses, Clubs, Shopping Complex & Cafeteria at BPS Mahila Vishwadiyalaya, Khanpur Kalan Sonipat for NBCC Ltd. for ₹ 21922.56 Lakhs (Private)

- **Hotels**

- Construction of DIAL AND NOVOTEL Hotel and Commercial Project at New Delhi for Caddie Hotel Pvt. Ltd. for ₹ 17729.36 Lakhs (Private)
- Construction of RCC Shell Work for Hotel Projects at Juhu Mumbai for HDIL for ₹ 6018.00 Lakhs (Private)

## BUILDINGS AND HOUSING AND REAL ESTATE

The residential segment accounts for about 5-6 per cent of the country's GDP. Despite this, the country's housing shortage is estimated at 26.53 million houses in the Eleventh Five Year Plan. In the Union budget 2011-12, the government increased urban development allocation from ₹30.6 bn to ₹54 bn, allocation to Housing and Urban Poverty Alleviation was raised from ₹8.5 bn to ₹10 bn, allocation to Indira Awas Yojna from ₹1.5 bn to ₹12.7 bn.

### Some of the few projects are:

- **Residential**

- Package for Sub-structured Works at Kolkata Riverside at Bata Nagar, Kolkata for Riverbank Developers Pvt. Ltd. for ₹ 33589.67 Lakhs (Private)
- Civil & Structural Works for Logix Blossom Green Project at Sector 143, Noida for Logix Infratech Pvt. Ltd. for ₹ 23500.00 Lakhs (Private)

- **BOT**

- Construction of Bus Terminal with Commercial Complex & Depot Workshop at DCM Road, Kota for ₹7200.00 Lakhs (Government)

- **Infrastructure**

- Construction of Metro Train Depot cum Workshop at Peenya for Bangalore Metro Rail Corporation Ltd. for ₹ 11644.02 Lakhs (Government)





- Construction of Civil Work at Khaprideo, Mumbai for Omkar Realtors and Developers Pvt. Ltd. for ₹7683.93 Lakhs (Private)
- Construction of New Integrated Passenger Terminal Building at Birsa Munda Airport, Ranchi for Airport Authority of India for ₹10,994.70 Lakhs (Government)

#### ■ Industrial

- Construction of ITC Cigarette Factory Modernization Project at Kidder Pore for ITC Ltd. for ₹ 8992.00 Lakhs (Private)
- Civil Works of Cold Rolling Mill (CRM) at Kalinga Nagar Industrial Complex, Orissa for Jindal Stainless Ltd. ₹2703.22 Lakhs (Private)

#### ■ Institutional

- Construction of IInd Corporate Office Building on Plot No. C-4 "G" Block at Bandra Kurla Complex, Mumbai for Bank of India for ₹ 4930.24 Lakhs (Private)
- Construction of Institutional Buildings, Hostels and Residential Accomodations, etc. for Indian Institute of Corporate Affairs, MCA, Govt. of India at Manesar (Haryana) for NBCC Ltd. for ₹10564.15 Lakhs (Government)

#### ■ Power

##### Some of the few projects are:

- Construction of GCW-II Package-2 for 6x600MW Ultra Mega Power Project, Sasan, MP for

Reliance Infrastructure Ltd. (Reliance Energy) for ₹10,328.54 Lakhs (Private)

- Design, Engineering, Manufacturing & Testing of Equipment, Erection, Commissioning along with other allied works on Turnkey basis at Maliana & Bhatolikalan, Shimla for HPSEB for ₹ 1971.00 Lakhs (Private)

## 4. OPERATIONAL PERFORMANCE

The Company had entered the year with a healthy order book, and in 2010-11, the Company efficiently executed these orders more or less as per schedule. ACIL is confident that in the Long term, opportunities in the industry are vast and there will be a pick-up in new projects and issues if pending will be resolved at an industry level to get back the growth momentum.

The financial highlights of ACIL's performance on a stand-alone basis in 2010-11 are:

- Order Book at ₹584,707.00 Lacs at the close of 2010-11
- Revenue from operations increased by from ₹ 157,343.36 Lacs in 2009-10 to ₹ 169,576.41 Lacs in 2010-11.
- EBITDA amounts to 9.26%
- PAT amounts to ₹ 7078.61 Lacs
- ROCE in 2010-11 is 14.58%, while RONW is 22.03%

While the Company maintained its top-line growth in line with the project execution schedule for the year, it is commendable that this was achieved by maintaining



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EBITDA margins in an inflationary environment, through a judicious mix of projects and effective monitoring of operational costs across projects.

Interest Costs, on the other hand have been high, largely due to an increase in working capital requirements given the delays in payment and settlement of claims by some clients and this impacted the bottom line. To an extent, the Company has controlled capital requirements by increasing subcontracting activities across its different projects.

## 5. QUALITY, SAFETY, HEALTH & ENVIRONMENT

The Company firmly believes that without a safe, clean environment and healthy working conditions overall economic growth cannot be achieved and maintained. The Company looks at QSHE as its corporate social responsibility and focuses on energy conservation and maintaining a clean sustainable environment by promoting usage of eco-friendly fuels, recycling of waste and water.

### ■ QUALITY & SAFETY

- The Company has provided Training at various sites through Head of QA/QC department.
- A large number of persons including Supervisor/ Engineer/Project Manger (PM)/Assistant general Manger (AGM) have undergone training through QA/QC department.
- At working Level around 3000 persons have been addressed by head of QA/OC/SHE Department on sound quality and Safety Projects.

### ■ HEALTH

- A Training program on Safety and Health awareness for workers at:
  - "GYS SITE", Gurgaon, Sector -62
  - "LOTUS SITE", Noida, Sector-100
- "LOGIX BLOSSOM GREEN SITE", Noida, Sector-142
- Free Medical Check-up for staff and workers at Corporate Office at New Delhi

### ■ ENVIRONMENT

To protect the environment, the company was awarded environment friendly project:

- DLF CYBER GREEN--- India's First Complete Green Building.
- ITCCORPORATE OFFICE, GURGAON---- Complete Green Initiated building.
- TECHNOLPOLIS, KOLKATA----- India's few platinum Rated Green Building.

## 6. CORPORATE SOCIAL RESPONSIBILITY (CSR)

ACIL's mission statement setting out nation-building as a core theme has ensured that social responsibility is intrinsic to the Company's culture. At ACIL, we firmly believe that an organization's true worth lies beyond its business, and is best reflected by the service it renders to the community and the society.







Businesses have a responsibility to subserve larger social goals as they have the ability to contribute significantly and impactfully to sustainable and inclusive development. Corporate Social Responsibility (CSR) is not a public relations exercise for us. ACIL defines CSR as conducting business in ways that provide Social, Environmental & Economic benefits for the communities and geographies where we operate. The greatest value is in making a difference in lives of people.

Likewise, we have tied-up a program with Indian Building Congress regarding inauguration of Workmen Training Centre at Noida for the "LOTUS" Site. We have taken this initiative to train the workmen in the category of Masonary and Shuttering.

## 7. RISK AND CONCERNS

ACIL undergoes the process of Enterprise Risk Management (ERM) which is a Holistic, Integrated, Structured and Disciplined approach to managing risks with the objective of maximizing shareholder's value. It aligns Strategy, Processes, People & Culture, Technology and Governance with the purpose of evaluating and managing the uncertainties faced by the organization while creating value. Effective risk management allows ACIL to:

- Effectively constrain threats to acceptable levels,
- Have increased confidence in achieving its desired goals and objectives,
- Take informed decisions about exploiting opportunities.

ACIL realizes the need to better understand, anticipate and mitigate business risks in order to minimize the frequency and impact of risks. As the company contends with the new responsibility for the risk management, it is looking for greater assurance that there is a system in place, with well-documented, effective mitigation plans and accountability, which provides relevant information for decision making to the appropriate people in a timely manner.

### 7.1 Principles for ACIL'S Risk Management Framework

- **Shareholder Value Based:** Risk management will

be focused on sustaining the creation of shareholder value and protecting against erosion.

- **Supported and assured:** Risk management will provide support in establishing appropriate processes to ensure that current risks are being managed appropriately and assurance is provided to relevant shareholders over the effectiveness of these processes.
- **Reviewed:** Effectiveness of the risk management program will be reviewed on a regular basis to ensure in a dynamic and changing business environment.

### 7.2 Risk Management Process

Risk Management process adopted by ACIL comprises of the following steps

- Risk Identification with focus on Strategic, Operational, Financial, and Compliance.
- Risk Prioritization to identify the key risks for the business.
- To monitor risks on an ongoing basis.
- To develop a robust monitoring mechanism at the enterprise level to monitor the mitigation plans.

### 7.3 RISK MANAGEMENT AT ACIL

- **Credit Risks:** As a matter of business practice, the payment collection process may extend over a period of time. Customers budgeting constraints can impact their ability to make the required payments. In addition, the creditworthiness of our clients may deteriorate and we can be adversely affected by bankruptcies or other business failures of our customers.

**Initiatives:** ACIL credit terms are standard and there is rigorous process in following up with customers for payments as and when the invoice fall due for payment. The Company has suitably streamlined its process to develop a more focused and aggressive receivables management systems to ensure timely collections as a result of the global liquidity crunch.

- **Contractual Risk:** The primary contractual risks that

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ACIL faces pertains to obligations of ACIL to provide services with full adherence to contracted terms of quality, time deadlines, output per hour, protection of confidential information, etc. ACIL has a rigorous process to evaluate the legal risks involved in a contract, ascertains its legal responsibilities under the applicable law of the contract and tries to restrict its liabilities to the maximum extent possible.

**Initiatives:** ACIL attempts to protect itself with “no consequential losses” clauses. ACIL also ensures that risks are protected through various insurances like professional liability, workers compensation, director’s and officer’s Liability insurance. The Company’s past significant damages awarded against impact on our financial position.

- **Execution Risks:** A significant number of ACIL clients are Large Banking, Corporates, Financial Institutions, Govt. Authorities (RITES, NBCC, PNB, BANK OF INDIA, IDBI, CPWD, TATA HOUSING, HOTEL LEELA VENTURE, RAHEJA DEVELOPERS LTD., NITESH HOUSING DEVELOPERS PVT. LTD., HOUSING DEVELOPMENT AND INFRASTRUCTURE LTD., LOGIX INFRA TECH PVT. LTD., ETC...)

These clients need high quality and timely delivery of services with very stringent services level bench agreements, product features and functionalities that could adversely affect ACIL relationship with clients, which could potentially impact ACIL revenues and profitability.

**Initiatives:** ACIL has continuously invested in Processes, People, Training, Information Systems, Quality Standards to mitigate the risks associated with execution of projects. Adoption of quality models and practices such as ISO have ensured that risks are identified and mitigated at various levels in the planning and execution process. Further, senior management personnel, project managers and process leaders are entrusted with responsibility to meet the project and service level expectations on various engagements. Planned intervention and escalation systems are further deployed to minimize risks.

- **Directors and Officers Liability Risks:** The Directors and Officers of ACIL are required to take material decisions in the best interest of the Company. Such decisions might result in errors and omission and ACIL might be sued by the other counterparts.

**Initiatives:** To mitigate this risk, the Directors and Officers take legal and expert advice when required and have taken various insurance policies. The Company attempts to limit its contractual liability for damages arising from negligent acts, errors, mistakes or omissions by Directors and Officers in rendering services, there can be no assurance that the limitations of liability set forth in its service contracts will be enforceable in all instances or will otherwise protect the company from liability for damages. Though the Company maintains general Liability insurance coverage, Company maintains general liability insurance coverage, including coverage for errors or omissions, going forward, there can be no assurance that such coverage will be available on reasonable terms and in sufficient amount to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. The successful assertion of one or more large claims against the Company could adversely affect the Company’s results of operations and financial condition.

- **Competition Risks:** Increasing Competition from domestic and international construction companies affects the market share and profitability.

**Initiatives:** Investment in processes, technical skills, equipments, specialized manpower and brand building exercise. Company has adequate strong customer franchise consisting of large and mid-sized corporations.

- **Political Risks:** Uncertainties regarding Government policies.

**Initiatives:** The Govt. has been prioritizing infrastructure investments, limiting the inherent policy risks. The residual risks is managed by seeing opportunities to control costs to hedge from adverse policy changes.





- **Assets and Inventory Risks:** Risks of fire, theft, accident, etc. impacting company's operations affect profitability.

**Initiatives:** Company undertakes requisite steps to provide security its assets and inventory by taking appropriate Workmen Compensation Insurance Policy/ Fidelity Insurance Policy, etc. to avoid or mitigate the above risks.

## 8. SWOT ANALYSIS

### ■ STRENGTH

- Timely Project execution and Healthy Order Book
- Employment and Training opportunities in the field of construction.
- Construction of the multi building projects on the feasible locations
- Good structured network facilities
- Availability of Low cost well-educated and skilled labour force
- Sufficient availability of raw material and natural resources in the country

### ■ WEAKNESSES

- Significant part of business transactions are with private authorities
- Chances of Natural Disadvantages
- Effectiveness of Training is itself a challenge

### ■ OPPORTUNITIES

- Govt. focus on infrastructure development

### ■ THREATS

- Volatility in prices of raw materials
- Volatility in Exchange rate
- Volatility in commodity prices and interest costs for future contracts
- Competition from existing players at the bidding stage
- Change in Govt. policies or decrease in budgetary allocation for infrastructure.
- Volatility in real estate prices dampens housing demand

## 9. INFORMATION TECHNOLOGY

The Company uses Information Technology to provide reliable, contemporary and integrated business processes which enables it to improve all round operational efficiencies. To achieve these objectives, ACIL recognizes Information Technology as a critical business enabler that connects people, officers, companies and all stakeholders through automation and application. The IT function at ACIL has focused on providing end-user satisfaction by ensuring high uptimes, latest modes of communication, business aligned applications and proactive compliance to industry and regulatory needs. All this has improved productivity of users with smooth workflow across all functions of the organization. This has also improved consistency in management practices applied across all the systems.

## 10. ACIL'S STRENGTH

At ACIL, we believe that change is the only thing that is



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constant, which is why our consistent endeavour is to stay in step with the times if not ahead of it. Keeping up with the challenges of the 21st century, we have gone in for extensive mechanization and specialization. This not only allows us to a strict control over quality but also helps us in honouring deadlines.

Amongst the new age, state of the arts equipments we have are:

- Automatic concrete batching plant
- Concrete transit mixers
- Concrete Pumps
- Mobile and Stationary Heavy duty cranes
- Ultra modern Carpentry Workshop with Seasoning Plant

We are also in the course of developing wide area network covering all our sites such that there are no gaps in the system, there is transparency and purchasing, project Management, Inventory Control, etc. can all be done on real-time basis.

As a result of its consistent quest towards quality, safety and customer satisfaction our organization has got ISO 9001 certification which demonstrates our capabilities at par with the international market now.

## 10.1 WINNING STRATEGIES

In order to continually improve our system, expansion of business and venture into new disciplines, we will need to develop some winning strategies which will help combat the initial expenditure and get us major profits in near future. Cost reduction and cost control by effective and efficient

planning profitability by adoption of latest techniques for Project Management, Inventory Control, Quality Management and Introduction of Risk Management, Scope Management, Resource Management.

### Efficient Tax Planning:

- R&D to be able to come up with better and more cost effective techniques and methods.
- More mechanization to improve our efficiency.
- Adoption of latest management tools and techniques.
- Proper collection and analysis of records to be able to learn from our mistakes and implementation of corrective and preventive actions in each and every department and project of our organization.
- Introduction of Information Technology in a big way to make everyone updated and to provide better communication and in hand information from any department and any project anywhere to the top Management.

## 10.2 TECHNOLOGY

The scenario of present days construction related works has considerably changed and has advanced with latest type of technology in Designing, Construction, Architecture, and other related works- so has the role of Plant & Machinery advanced for timely completion of these modern time bound project works with quality by deployment of suitable modern equipments.

For competing these activities, Ahluwalia Contracts (India) Limited is no more behind and has also moved ahead by earning a name with good reputation in the construction







industry within country by building landmark projects such as Housing Colonies, Hotels, Malls, Hospitals and Corporate offices, etc. spread all over the major cities of the country and is scaling all peaks of the Industry.

## 11. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The internal control systems of the Company are effective and adequate for business processes with regards to efficiency of the operations, compliance with applicable laws and regulations, financial reporting, etc. which commensurate with the size and complexities of the operations. It provides a reasonable material mismanagement or loss. The capital budgetary control system is in place to ensure that actual spending is in line with budgeting.

The Company has engaged professional firms of Chartered Accountants to conduct internal audit which is required to be carried out as per law. The internal auditors review the adequacy of control systems and suggest improvements. The internal auditors have expressed their satisfaction about the adequacy of the control systems and the manner in which the company is updating its systems and procedures to meet the challenging requirements of business needs. The Audit Committee of Directors enquired with the Management about the quality and depth of the control systems and offered suggestions for improvements.

The recommendations of the Internal Auditors and Audit Committee are followed up effectively for implementation. Following objectives of the internal audit is forming part of audit plan as approved by Audit committee.

- Adherence to the Operating System and manual.
- Performance of operating activities in efficient and effective manner.
- Compliance with the risk management procedures.
- Compliance with the legislative and regulatory provisions.

Audit Committee reviews audit report and also hold discussion with Internal/Statutory Auditors.

## 12. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Human resources is one of the key elements to achieve the objectives and strategies of the Company. The Company, therefore, looks at its employees as "Capital Asset". It provides to its employees fair and equitable work environment in which senior colleagues provide ample support to their junior colleagues with a view to develop their skills and capabilities. The Company continues to maintain Constructive relationship with its employees with a Positive environment so as to improve efficiency. The Company Continues to invest in upgrading the Knowledge and Skills of the employees. The Company continuously works to nurture this environment to keep its employees highly motivated, result-oriented and adaptable to changing business environment.

Industrial relations continue to be cordial. Regular communication meetings are held with the workmen representatives to exchange views and to address mutual issues. It is noteworthy that not a single manday has been lost during the year on account of labour relations at any of the manufacturing plants of the Company.

The strength of permanent employees as on 31st March, 2011 are more than 18,076 which includes 2459 Staff and 15,617 Labour(Approx).

## CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the Company's Objectives, projections, estimates & expectations may be "Forward Looking Statements" within the meaning of applicable laws and regulations.

Actual result might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's Operations include Unavailability of finance at competitive rates- global or domestic or both, reduction in number of viable infrastructure projects, significant changes in political and economic environment abroad, tax Laws, Litigation, interest and other Costs.



# NOTICE

Notice is hereby given that the 32nd Annual General Meeting of the Members of Ahluwalia Contracts (India) Limited will be held as under:

Day : Friday

Date : September 30, 2011

Time : 4.00 P.M.

Venue : Ahlcon Public School, Mayur Vihar, Phase-I, Delhi-110091

to transact the following business:

## ORDINARY BUSINESS:-

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2011, the Balance Sheet as at that date and Profit and Loss account together with the reports of the Directors and the Auditors thereon for the financial year ended 31st March, 2011.
2. To declare dividend on Equity Shares of the Company for the financial year ended 31st March, 2011.
3. To appoint a Director in place of Mr. Shobhit Uppal who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Balbir Singh who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Arun K. Gupta who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors and fix their remuneration.

To consider re-appointment of Statutory Auditors and if, thought fit, to pass the following resolution as Ordinary Resolution, with or without modification(s).

"RESOLVED THAT pursuant to the provisions of Section 224A and other applicable provisions, if any, of the Companies Act, 1956 M/s Arun K. Gupta & Associates, Chartered Accountants Firm Registration No.000605N the retiring auditors be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at such remuneration as may be decided by the

Board/ Audit Committee of the Board plus reimbursement of out of pocket expenses as may be incurred in the performance of their duties."

**By order of the Board  
For Ahluwalia Contracts (India) Ltd.**

**Vipin Kumar Tiwari  
GM (Corporate) & Company Secretary**

## REGISTERED OFFICE

**Ahluwalia House,  
4, Community Centre,  
Saket, New Delhi-110017  
Date: 12.08.2011**

## 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/ HER SELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN, 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books of the company shall remain closed from **19th September 2011 to 30th September 2011** (both days inclusive) for the purpose of Annual General Meeting and payment of dividend. The dividend, as recommended by the Board and if approved in ensuing Annual General Meeting of the Company will be paid to those members whose names are on the Register of Members of the Company as on the closing hours of **September, 18th 2011**
3. **Payment of Dividend**

The Dividend on Equity Shares for the year ended March, 2011, if declared in the Annual General Meeting to be held on 30th September, 2011 will be paid to members whose names will appear on the Register of Members of the Company as on the closing hours of September 18th, 2011.

The members are hereby informed that the Company would transfer the unpaid dividends, which remain unclaimed for a period of 7 years, to the Investor Education and Protection Fund (IEP FUND) constituted by the Central Government under section 205C of The Companies Act, 1956.





The following are the details of dividends paid by the Company and Last date for claiming unpaid Dividend.

Sl. No.	Financial Year	Date of Declaration of dividend	Last date for claiming unpaid Dividend
1	2004-2005	30/09/2005	29/09/2012
2	2005-2006	30/09/2006	28/09/2013
3	2006-2007 - Interim	27/12/2006	26/12/2013
4	2006-2007 - Final	29/09/2007	27/09/2014
5	2007-2008	30/09/2008	29/09/2015
6	2008-2009	30/09/2009	29/09/2016
7	2009-2010	17/09/2010	16/09/2017

The Company shall not be in a position to entertain the claims of the shareholders for the unclaimed dividends which have been transferred to IEP Fund.

In view of the above, the shareholders are advised to send their requests for payment of unpaid dividend pertaining to the years **2004-05 to 2009-10** to The Share Transfer Agent at New Delhi for Revalidation of Dividend Warrants/Demand Drafts before the due dates for transfer to the IEP Fund.

Investors holding shares in physical form are advised to forward the particulars of their bank account name, branch and address of the bank to our Share Transfer Agent immediately, if not sent earlier, so as to enable them to incorporate such details on dividend warrants.

#### 4. Company on the Net

The website of your company is [www.acilnet.com](http://www.acilnet.com) where you can find more information about the Company, its subsidiaries. The details of various services being provided to the investors, guidance and procedure to be followed by the investors in respect of Transfer, Transmission and Transposition of shares, dematerialization and re-materialization of shares, quarterly, half yearly and Annual Results etc. are available at the page of Financial Results and News Alert for Investors Service Centre. ([investor\\_relations@acilnet.com](mailto:investor_relations@acilnet.com))

#### 5. Share Transfer Agent

LINK INTIME INDIA PVT. LTD. (RTA)  
A-40, 2nd Floor, Near Batra Banquet Hall,  
Nariana Industrial Area, Phase-II,  
New Delhi-110028  
Tel. No.-011-41410592-94 Fax No. - 011-41410591  
e.mail: [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in)

#### 6. Members are requested to:

- Send their queries, if any, to reach the Company's Corporate Office at New Delhi at least 10 days before the date of the Meeting so that information can be made available at the meeting.
- All documents referred in the notice are open for inspection at the Registered Office of the company between 11.00 a.m. to 1.00 p.m. on working days up to the date of the Annual General Meeting.
- Members/ Proxies should bring the attendance slips duly filled in for attending the meeting. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
- Shareholders are requested to bring their copy of Annual Report to the meeting.
- Shareholders are requested to intimate immediately the change in address, if any, to the Company's Registrar and Share Transfer Agent (RTA) **M/s Link Intime India Pvt. Ltd.** A-40, 2nd Floor, Naraina Industrial Area, Phase-II, Near Batra Banquet Hall, New Delhi - 110028. Those who are holding their Shares in dematerialized form may notify to their Depository participants, Change / correction in their address / Bank Account particulars etc.
- At the ensuing Annual General Meeting, Mr. Shobhit Uppal, Mr. Arun K. Gupta, Mr. Balbir Singh of the Company, shall retire by rotation and being eligible, offer themselves for re-appointment. Pursuant to Clause 49 of the Listing Agreement the particulars of above said Directors are given below:

#### Mr. SHOBHIT UPPAL

Mr. SHOBHIT UPPAL (Dy. Managing Director), aged 44 years is a graduate engineer by qualification and has worked on various multistoreyed prestigious projects involving high quality finishing for 21 years. He joined the Board of the company on 25.03.1994. He is a member of Audit Committee and also a member of Shareholder and transfer Committee.

#### Mr. BALBIR SINGH

Mr. BALBIR SINGH (Professional Director), aged 76 years is a Civil Engineer by qualification and former Director General of CPWD. He joined the Board of the company on 15.03.2003. He is having a wide experience in construction and infrastructure industry. He is also a Fellow Member of the Institute of Engineers, India.



**Mr. ARUN K. GUPTA**

Mr. ARUN K. GUPTA (Professional Director), aged 63 years is a Chartered Accountant by profession. He joined the Board of ACIL on 28.08.2000. He is a fellow member of ICAI and ICWAI and was also nominated the central council of the ICAI for the period 1992-1995. He has been involved in providing management consultancy services to many companies for the past few years. He is having a long standing experience of more than three decades in various subjects relating to tax planning, corporate re-structuring, and management information system and company law matters.

He is a Chairman of Audit Committee and member of Remuneration Committee.

He holds Directorship in following companies:

- Satia Synthetics Pvt. Ltd.
- Ahlcon Parenterals (India) Ltd.
- Enmas Andritz Pvt. Ltd.

**By order of the Board  
For Ahluwalia Contracts (India) Ltd.**

**Place : New Delhi  
Date : 12.08.2011**

**Vipin Kumar Tiwari  
GM (Corporate) & Company Secretary**

**IMPORTANT COMMUNICATION**

IN ORDER TO PROTECT THE ENVIRONMENT AND AS A "GO GREEN" INITIATIVE, THE COMPANY HAS TAKEN AN INITIATIVE OF SENDING INTIMATION FOR DIVIDEND FOR FINANCIAL YEAR 2010-11 BY E-MAIL. PHYSICAL CREDIT INTIMATION WAS SENT TO ONLY THOSE SHAREHOLDERS WHOSE E-MAIL ADDRESSES WERE NOT REGISTERED WITH THE COMPANY AND FOR THE BOUNCED E-MAIL CASES.

MINISTRY OF CORPORATE AFFAIRS HAS ISSUED CIRCULAR ON FEBRUARY 18TH, 2011 TO DISPENSE NOTICE WITH BALANCE SHEET, PROFIT AND LOSS ACCOUNT, AUDITORS' REPORT, DIRECTORS' REPORT, AND EXPLANATORY STATEMENT ETC. THROUGH E-MAIL TO ALL THE SHAREHOLDERS.

SHAREHOLDERS ARE REQUESTED TO REGISTER THEIR E-MAIL ADDRESSES WITH LINK INTIME INDIA PRIVATE LIMITED (FOR SHARES HELD IN PHYSICAL FORM) AND WITH THEIR DEPOSITORY PARTICIPANT (FOR SHARES HELD IN ELECTRONIC FORM) FOR RECEIVING DIVIDEND CREDIT INTIMATION, AND OTHER INFORMATION ON E-MAIL.





# Directors' Report

To the Members,

On the behalf of the Board of Directors, I have great pleasure in presenting to you the 32nd Annual Report on the working of the Company, together with the Audited Accounts for the year ended 31st March, 2011.

## FINANCIAL HIGHLIGHTS

(₹ In Lacs)

FINANCIAL	Year Ended 31st March, 2011	Year Ended 31st March, 2010
Gross Income	1,69,576.41	1,57,343.37
Profit before Interest and Depreciation	15,709.59	17,453.15
Less: Interest	1577.37	1626.51
Less: Depreciation	3381.47	3306.69
Profit/(Loss) before Tax	10,750.75	12,519.95
Less: Provision for Taxation	3,672.14	4,341.61
Profit/(Loss) after Tax	7078.61	8178.33
Balance of profit brought forward for appropriation	21107.17	14414.33
Less: Proposed Dividend on Equity Shares	251.05	502.10
Less: Tax on Dividend	40.73	83.39
Less: Transfer to General Reserves	700.00	900.00
Balance Carried Forward to Balance Sheet	27194.00	21107.17

## PERFORMANCE REVIEW

During the year, Company's performance was quite satisfactory despite the increase of the cost of the material, your company continuing with its growth impetus and achieved a turnover of ₹1695.76 Crores for the Year ended March 31st, 2011 as against ₹1573.43 Crores in the previous financial year. The inflationary trend in the economy increased the input cost. Thereby putting pressure on margins. Thus, your Company sealed new heights in revenue/turnover. Company registered profit of ₹70.79 Crores.

EPS for the financial year 2010-11 stood at ₹11.28. On consolidated basis, the total income of your Company and its subsidiaries stands at ₹1752.98 Crores. The Consolidated profit before tax (PBT) and profit after tax (PAT) stood at ₹108.62 Crores and ₹72.05 Crores respectively.

The inflationary trend in the economy increased the input cost, thereby putting pressure on margins.

## DIVIDEND

Your Company follows a policy to pay continued dividend considering its growth of the company after taking into account the financial results of the Company during the year, have recommended dividend of ₹0.40 per share (20%) for the year 2010-

11. The dividend on equity shares, together with the tax on distributed profits, will absorb a sum of ₹2.92 Crores and will be paid to those members of the company who are entitled to receive the same as on the book closure date.

## TRANSFER TO RESERVES

The Company proposes to transfer ₹7.00 Crores to the General Reserve out of the amount available for appropriations and an amount of ₹ 60.87 Crores is proposed to be retained in the Profit and Loss Account.

## SALES/INCOME FROM OPERATIONS

Your Company has achieved sales/ Income from operations of ₹1689.55 Crores as compared to ₹1567.69 Crores in 2010-2011.

## PROFIT

Your Company has maintained gross profit of ₹107.51 Crores and profit after tax of ₹70.79 Crores in 2010-11.

## RENEWAL OF RATINGS BY CARE

CARE has maintained Company's rating to "CARE PR1+ (PR One)/ CARE A1 (A One).



PR-1+ indicates those instruments with this rating have strong capacity for timely payment of short-term debt obligations and carry lowest credit risk.

CARE A1, indicates those instruments with rating are considered to have very strong degree of safety and timely payment of financial obligations. Such instruments carry lowest credit risk.

#### **PUBLIC DEPOSITS**

The Company has not accepted any deposits from the public during the year under review.

#### **SUBSIDIARIES**

As on March 31, 2011, the Company has SIX subsidiaries namely Ahlcon Ready Mix Concrete Pvt. Ltd., Preamsagar Merchants Pvt. Ltd., Splendor Distributors Pvt. Ltd., Jiwanjyoti Traders Pvt. Ltd., Dipesh Mining Pvt. Ltd. and Paramount Dealcomm Pvt. Ltd.

The Ministry of Corporate Affairs vide its Circular No. 2/2011 dated February 08th, 2011 has granted general exemption, according to which the report and accounts of subsidiaries are not required to be attached to the company's accounts, subject to fulfillment of conditions stipulated there under. Therefore the Company is not attaching the audited accounts of the subsidiary companies to the annual accounts of your Company for the current year. The annual accounts of the subsidiary companies and related detailed information will be made available to any member of the Company or subsidiary company upon request and are also available for inspection by any member of the Company, during the business hours, at the registered office of the company and that of the subsidiary company concerned. The annual accounts of the subsidiary companies shall also be made available on the website of the company.

#### **DIRECTORS**

In accordance with the provisions of Section 255 and 256 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Shobhit Uppal (DIN: 00305264), Mr. Balbir Singh (DIN: 00328985) and Mr. Arun K. Gupta (00371289) retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offer themselves for reappointment.

Mr. Shobhit Uppal (Dy. Managing Director), aged 44 years. He has about 22 years of experience in handling construction projects. He is an Engineer by profession. He has been involved in construction business since 1990 and serving continuously till date. He holds 4308000 equity shares of the company. He is also member of the Audit committee and Shareholder's and Grievance Committee.

Mr. Balbir Singh (Independent Director), aged 76 years. He is a graduate from IIT-Kharagpur as a Civil Engineer. Since, retired from the post of Director General CPWD, Mr. Singh has been a part of our

Board. He holds 400 equity shares of the Company.

Mr. Arun K. Gupta (Independent Director), aged 63 years. He is a Chartered Accountant and Cost and works Accountant by profession. He has vast experience in Tax planning and Corporate Restructuring and has been providing management consultancy to companies for many years. He joined Our Board of Directors in the year 2000. He holds 632 equity shares of the Company. He is Chairman of Audit committee and member of Remuneration Committee. He holds Directorship in Satia Synthetics Pvt. Ltd., Ahlcon Parenterals (India) Ltd. and Enmas Andritz Pvt. Ltd.

#### **DIRECTORS RESPONSIBILITY STATEMENT**

In terms of Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that:

- (i) In the preparation of the Annual Accounts, all the applicable Accounting Standards have been followed along with proper explanation relating to the material departures.
- (ii) The Company has selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on 31st March, 2011 and of the Profit & Loss Account of the Company for the year ended on that date.
- (iii) The Company has taken proper and sufficient care for the maintenance of adequate 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) These Accounts have been prepared on a going concern basis.

#### **LISTING WITH STOCK EXCHANGES**

The equity shares of the Company continue to remain listed with the National Stock Exchange of India Limited (NSE), Bombay Stock Exchange Limited (BSE), Jaipur Stock Exchange (JSE), Delhi Stock Exchange (DSE) and Calcutta Stock Exchange (CSE). The Listing fees payable to all the exchanges for the financial year 2011-12 have been paid.

#### **HUMAN RESOURCE DEVELOPMENT MANAGEMENT**

Human resource development continued to be accorded high priority during the year under review, with emphasis being placed on improving skill, competence and knowledge through regular training and in-house/external professional development programmes. Your Company's commitment to building harmonious employee's relations was evident in successful completion of challenging works. The management had periodical discussions with employees, with such discussions being aimed at providing the best possible work environment and facilities to them. Your



Company has a consultative and participative management style, which has facilitated achievement of its corporate goals. The morale of employees continued to remain high during the year under review, contributing positively to the progress of your Company.

#### RESEARCH AND DEVELOPMENT

The constant challenge faced by the Indian Companies across all sectors is to keep pace with the evolving dynamics of the Markets. Your Company has a dedicated Research & Development cell, which enables ACIL to be home to the latest cutting edge technologies and innovative techniques, ensuring that our clients get the best possible services. ACIL follows a comprehensive Value Engineering system, constantly reinventing and improving on every aspect of engineering function. The Company fully understands and supports the initiatives undertaken to preserve our ecosystem and accordingly has a dedicated cell which caters to Waste Material management and designing of Eco friendly "Green Buildings".

#### CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Social welfare and community development is at the core of the ACIL'S CSR philosophy and this continues to be a top priority.

We have tied-up a program with Indian Building Congress regarding inauguration of Workmen training Centre at Noida for the "LOTUS" Site. We have taken this initiative to train the workmen in the category Masonary of and Shuttering.

#### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

#### SAFETY, HEALTH AND ENVIRONMENTAL PERFROMANCE

The Company has a defined policy on general health, safety and environmental conservation. Every employee; especially those in the field are responsible for the observance of the measures designed to prevent accidents, promote good health and avoid environmental pollution.

We create awareness amongst our employees, suppliers and interested parties through communication and training.

The safety committee members also includes representatives of workers and executives from various departments. Detailed review is stated in the Management Discussion Analysis Report.

#### QA/QC/HSE VERTICAL

- The Company has moved forward in the areas of Quality, Safety, Health & Environment Practices and opened a new vertical with a Head of the Department and Senior Quality/ Safety Managers to address the issue PAN India.

#### WORKMEN TRAINING

- We have also launched an intensive drive in the field of Training the Workmen in collaboration with Indian Buildings Congress (IBC).
- Officers from Delhi Metro Rail Corporation (DMRC) have also contacted IBC & M/s Ahluwalia Contracts (India) Ltd. for imparting training to their construction workers at our training centers. Modalities are being worked out.
- The first batch of our trained masons and shuttering carpenters went through a grueling skill test at IBC's Dev Nagar Assessment Centre in New Delhi. The assessment was carried out by an independent agency on behalf of DGET, Govt. of India under Modular Employable Skills (MES) Programme of the Directorate General of Employment & Training (DGET). Results are likely to be declared shortly after which the successful candidates will be issued with certificates by Directorate of Apprenticeship and Training, DGET, GOI. Issue of these certificates which are valid both in India and abroad will imply a career progression for the successful construction workers and is likely to result in an increased output from the individuals on the ground. This will also motivate fellow construction workers to go in for training and similar certification and upgrade their skills in the field.

#### CORPORATE GOVERNANCE REPORT

Pursuant to clause 49 of the Listing Agreements with the Stock Exchanges, a detailed report on Corporate Governance is included in the Annual Report. Company Secretary certifying the Company's compliance with the requirements of Corporate Governance stipulated under Clause 49 of the Listing Agreement is attached with the Corporate Governance Report.

#### AUDITORS

M/s Arun Kumar Gupta & Associates, Chartered Accountants, (Regn. No. 000605N) Auditors of the Company will retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for reappointment. The Company has received a certificate from the Auditors to the effect that their re-appointment, if made, would be in accordance with the provisions of Section 224 (1B) of the Companies Act, 1956.

#### AUDITORS' REPORT

The observations of the Auditors in their report read together with the Notes on Accounts are self explanatory therefore, do not call for any further explanations.

#### PARTICULARS OF EMPLOYEES

No employee was in receipt of remuneration exceeding specified limits as prescribed under section 217(2A) of the Companies Act, 1956 read with the Companies Act (Particulars of Employees) Rules 1975.





## **INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956**

The information required to be disclosed under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 with respect to conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, is given under mentioned and forms a part of this Report.

### **FOREIGN EXCHANGE EARNINGS AND OUTGO**

	<b>Current Year (₹)</b>	<b>Previous Year (₹)</b>
Foreign Exchange Earnings	NIL	NIL
Foreign Exchange Outgo		
a. Raw Material*	4,64,75,124	8,57,33,646
b. Capital Goods	1,19,38,388	21,41,956
c. Advance Payment for Raw Materials	38,65,522	NIL
d. Advance Payment for Capital Goods	4,82,584	NIL
e. Travelling Expenses	5,44,609	11,14,343
f. Consultancy Charges/ Technical Fee	58,76,193	1,92,45,762

\*Includes ₹1,17,77,483/- (p.y. ₹48,08,480/-) payment made to sub contractors.

### **CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION**

Since your company does not own any manufacturing facility the requirements pertaining to disclosure of particulars relating to

conservation of energy, research & development and technology absorption, as prescribed under the Companies (Disclosure of Particulars in the Report of Board of Directors) rules, 1988 are not applicable.

### **ACKNOWLEDGEMENTS**

Your Directors would like to express their appreciation for assistance and cooperation received from Banks, Government Authorities, Clients, Vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the executives, staff and workers of the Company.

On behalf of the Board of Directors

**Regd. Office:**  
Ahluwalia House  
4, Community Centre, Saket  
New Delhi-110017  
Dated: 12-08-2011

**(BIKRAMJIT AHLUWALIA)**  
Chairman-cum-Managing Director



# Report on Corporate Governance

In accordance with Clause 49 of the Listing agreement with the Bombay Stock Exchange Limited (BSE), National Stock Exchange Limited (NSE), Jaipur Stock Exchange (JSE), Delhi Stock Exchange (DSE) and Calcutta Stock Exchange (CSE) and some of the best practices followed internationally on Corporate Governance, the report containing the details of corporate governance systems and processes at Ahluwalia Contracts (India) Limited is as under:

## 1. STATEMENT ON COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is about maximizing shareholder value legally, ethically and on a sustainable basis, while ensuring fairness to every stakeholder- Our clients, employees, investors, vendor-partners, the governments of the countries in which we operate, and the community.

Good Corporate Governance is a set of systems and practices to ensure that the affairs of the company are being managed in a way which ensures accountability, transparency, fairness, in all its transactions in the widest sense and meet its stakeholder's aspirations and societal expectations.

ACIL defines Corporate Governance as a systematic process through which Companies are directed for enhancing their wealth generating capacity. Corporate Governance is also the application of best management practices, compliance of Law and adherence to ethical standards to achieve company objective of enhancing shareholder value and discharge of social responsibility.

ACIL believes that good Governance generates Goodwill among business partners, customers, and investors and investors earn respect from society at large.

We believe that sound corporate governance is critical to enhance and retain investor trust. Accordingly, we always seek to ensure that we attain our performance rules with integrity.

Corporate Governance extends beyond Corporate Laws. Its fundamental objective is not the mere fulfillment of the requirements of law, but also the institution of, and adherence to, systems for and procedure ensuring commitment of the Board in managing a company in a transparent manner for the maximization of Long-term shareholder's value.

ACIL Commits for practicing sound governance principles. We guide following principles:

- **Transparency**

To maintain the highest standards of transparency in all respects of our interactions and dealings.

- **Disclosures**

To ensure timely dissemination of all price sensitive information and matters of interest to our stakeholders.

- **Empowerment and Accountability**

To demonstrate the highest levels of personnel accountability and ensure that employee consistently pursue excellence in everything they do.

- **Compliances**

To ethical with all the laws and regulations as applicable to the Company.

- **Ethical Conduct**

To conduct the affairs of the Company in an ethical manner.



- **Stakeholder's Interests**

To promote the interests of all stakeholders including of clients, shareholders, employees, lenders, vendors, governments and the community.

The demands of corporate governance require professionals to raise their competency and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics. It has thus become crucial to foster and sustain a culture that integrates all components of good governance by carefully balancing the complex inter-relationship among the Board of directors, audit Committee, accounting team, auditors and senior management- the CEO and CFO.

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Social welfare and community development is at the core of the ACIL'S CSR philosophy and this continues to be a top priority. ACIL commits for behaving its business ethically and contributing towards economic development.

Through CSR Concept ACIL voluntarily contributes for a better society and a cleaner environment. ACIL follows this concept in which it integrates social and environmental concerns in their business operations and interacts with Stakeholders on voluntary basis.

Corporate Social Responsibility is an important activity. As globalization accelerates and large Corporations serve as global providers, these Corporations have progressively recognized the benefits of providing CSR programs in their various locations.

**Key drivers for CSR:**

- Enlightened Self-Interest.
- Brings Social Investment.
- Brings Transparency and Trust.
- Increases Public Expectations.

Likewise, we have tied-up a program with Indian Building Congress regarding inauguration of Workmen training Centre at Noida for the "LOTUS" Site. We have taken this initiative to train the workmen in the category of Masonary and Shuttering.

**QUALITY, ENVIRONMENT, HEALTH & SAFETY POLICY**

Ahluwalia Contracts (India) Ltd. is committed to achieve higher Client satisfaction by providing excellent quality in construction and related services, including design on turnkey basis and assuring timely completion of projects within budget.

**ACIL organizes:**

To work through integrated management system for Safety, Health, environment, Personnel, Industrial Relations and Quality Assurance and to ensure for satisfying its relationship with all employees.

ACIL strives to continually improve performances and simultaneously ensures no undue adverse effect is caused to any one. For protection of environment we follow the principle of prevention of pollution.

We are committed to comply with all applicable legislation, regulations and other requirements of Environment, Health and Safety.

We create awareness amongst our employees, suppliers and interested parties through communication and training.

**SHAREHOLDERS' COMMUNICATION**

The Board recognizes the importance of two-way communication with shareholders and giving a balanced report of results and progress and responds to questions and issues raised in a timely and consistent manner. Ahluwalia's Corporate Website:





www.acilnet.com has information for institutional and retail shareholders alike. Shareholders seeking information may contact the Company directly or via dedicated shareholder contact points with this report or through any of Investor service centres of the Company's Registrars and Transfer Agents, details of which are available on the Company's Website www.acilnet.com. The Company ensures that queries, complaints and suggestions are responded in a timely and consistent manner. A shareholder reference is provided with this report which is quite comprehensive and informative.

## CODE OF CONDUCT

The Board of Directors of your Company has prescribed Code of Conduct for all members of the Board and the Senior Management of your Company. The Code of conduct is available on your Company's website www.acilnet.com

All the members of the Board and the Senior Management personnel of your Company have confirmed their compliance with Code of Conduct for the year ended March 31, 2011.

## CEO/CFO CERTIFICATION

In terms of the requirements of clause 49 (V) of the Listing Agreement the Executive Chairman & CEO and Executive Director (Finance & Accounts) & CFO have submitted necessary certificate to the Board stating the particulars specified under the said clause. This certificate has been reviewed by the Audit Committee and taken on record by the Board of Directors at their meeting held on 30/05/2011

## ROLE OF COMPANY SECRETARY IN OVERALL GOVERNANCE PROCESS

Company Secretaries play a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary (ACIL) ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings. The Company Secretary is primarily responsible to ensure compliance with applicable statutory requirements and is the interface between the management and regulatory authorities for governance matters. All the Directors of the Company have access to the advice and services of the Company Secretary.

## OBSERVANCE OF THE SCERETARIAL STANDARDS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA

The Institute of Company Secretaries of India (ICSI), one of the premier professional bodies in India, has issued Secretarial Standards on important aspects like Board meetings, General Meetings, Payment of Dividend, maintenance of Registers and Records, Minutes of Meetings, Transmission of shares and Debentures, passing of Resolutions by Circulation, Affixing of Common Seal, Forfeiture of Shares and Board's Report. Although these standards are recommendatory in nature, the Company substantially adheres to the standards voluntarily.

## 2. BOARD OF DIRECTORS

### Composition of the Board (as at March 31, 2011)

The Company is managed by the Board of Directors, which formulates strategies, policies and reviews its performance periodically. The Chairman & Managing Director (CMD) and 4 Whole-time Directors manage the business of the company under the supervision, control and guidance of the Board.

The company has a strong and broad-based Board consisting of ten directors with adequate blend of professional, executive, non-executive and independent directors. The Board is having an executive Chairman and comprised of executive and non-executive directors, conforming to the norms as mentioned in the listing agreement.

As on March 31, 2011, the Company has ten Directors with Executive Chairman. Of the Ten Directors, five (i.e. 50%) are Executive Directors and rest five (i.e.50%) are Non-Executive Independent Directors. The Composition of the Board is in conformity with Clause 49 of the Listing Agreements entered into with the Stock Exchanges.

None of the Directors on the Board, are members of more than ten Committees or Chairman of more than five committees across all the companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2011 have been made by the Directors.



Composition of the Board of Directors as on March 31, 2011 is as follows:

**Director, Executive/ Non-Executive/ Independent**

Sh. Bikramjit Ahluwalia	Chairman & Managing Director	Sh. Arun K. Gupta	Director-Non-Executive & Independent
Sh. Shobhit Uppal	Dy. Managing Director-Executive	Sh. Balbir Singh	Director-Non-Executive & Independent
Smt. Sudershan Walia	Whole Time Director-Executive	Sh. S.K. Chawla	Director-Non-Executive & Independent
Sh. Vikaas Ahluwalia	Whole Time Director-Executive	Dr. Sushil Chandra	Director-Non-Executive & Independent
Sh. Vinay Pal	Whole Time Director-Executive	Sh. S.S. Kohli	Director-Non-Executive & Independent

**BOARD PROCEDURE**

• **SCHEDULING AND SELECTION OF AGENDA ITEMS FOR BOARD/ COMMITTEE MEETINGS:**

- Meetings are convened by giving appropriate notices in advance after obtaining approval of the Chairman of the Board/ Committee. Detailed agenda, reports and other statements are circulated in advance as per prescribed format.
- Agenda papers are prepared by the concerned officials, being submitted for obtaining approval of the Chairman and Managing Director, well in advance.
- The meetings of the Board/ Committees are generally held in Registered Office or Corporate Office in New Delhi.
- Members of the Board/Committee have complete access to all information of the Company. The Board is free to recommend inclusion of any matter in agenda for discussion. Senior management are called to provide additional inputs to the items being discussed by the Board/ Committee, as and when necessary.

• **RECORDING MINUTES OF PROCEEDING AT THE BOARD MEETINGS:**

Minutes of the proceedings of each Board/ Committee meeting are recorded. Draft minutes are circulated amongst all members of the Board/ Committee for their comments. Comments are recorded in minutes and thereby confirmed in minutes in next Board/ Committee meeting.

**BOARD MEETINGS**

During the Year 2010-2011, Five Board Meetings were held on May 29th, 2010; August 14th, 2010; November 13th, 2010; January 19th, 2011 and February 14th, 2011.

The maximum and minimum interval between any two Board meetings was 75 days and 14 days, respectively.



### Composition and Attendance:

Name of Directors	Category of Directorship	Board Meeting Attended	Attendance at the Last AGM held on 17/09/2010	No. of Directorship in other Companies	Number of Committee membership held in other Companies		Remarks
					Chairman	Member	
Sh. Bikramjit Ahluwalia	Chairman & Managing Director (Promoter & Executive)	5	Yes	3	NIL	NIL	Re-appointment for a period of Five years from 01/04/2007
Sh. Shobhit Uppal	Dy. Managing Director (Executive)	5	Yes	NIL	NIL	NIL	Re-appointed for a period of five years from 01/04/2007
Smt. Sudershan Walia	Whole Time Director (Promoter & Executive)	5	Yes	3	NIL	NIL	Re-appointed for a period of five years from 01/04/2007
Sh. Vikaas Ahluwalia	Whole Time Director (Executive)	5	Yes	9	NIL	NIL	Re-appointed for a period of five years from 01/04/2007
Sh. Vinay Pal	Whole Time Director (Executive)	5	Yes	6	NIL	NIL	14/08/2010
Sh. Arun K. Gupta	Independent Director (Non-Executive)	5	Yes	3	1	1	28/08/2000
Sh. S.K. Chawla	Independent Director (Non-Executive)	4	Yes	NIL	NIL	NIL	28/08/2000
Sh. Balbir Singh	Independent Director (Non-Executive)	4	Yes	NIL	NIL	NIL	15/03/2003
Dr. Sushil Chandra	Independent Director (Non-Executive)	5	Yes	1	NIL	1	08/03/2010
Sh. S.S. Kohli	Independent Director (Non-Executive)	3	Yes	7	NIL	NIL	02/08/2010

### Independency of Directors

As mandated by Clause 49, a director considered as independent, if the Board determines that the Director does not have any direct or indirect material pecuniary relationship with the Company. The Board has adopted guidelines which conforms applicable legal requirements.

- Apart from receiving Director remuneration does not have any material pecuniary relationship or transaction with the company, its promoters, its directors, its senior management or its subsidiaries and associates which may affect independence of the Director.
- Are not related to promoters or persons occupying management positions at the Board Level or at one level below the Board.





- Have not been an executive of the Company in the immediately preceding three financial Years.
- Are not partners or executives or were not partners or executives during the preceding three years of the :
  - Statutory Audit Firm or the internal audit firm that is associated with the company
  - Legal firm(s) and consulting firm(s) that have a material association with the company.
- Are not material suppliers, service providers or customers or lessors or lessees of the Company, which may affect independence of the directors.
- Are not substantial shareholders of the Company i.e. do not own 2% or more of the block of voting of shares.
- Are not less than 21 years of age.

**Information Supplied to the Board**

- Formation/ Reconstitution of Board Committees.
- Appointment, remuneration and resignation of Directors.
- General notices of Interest of Directors.
- Annual Operating plans & budgets and any update thereof.
- Capital Budgets and any updates thereof.
- Quarterly results for the Company and its operating divisions or business segments.
- Minutes of Board meetings and Audit Committee and other Committees of the Board.
- Dividend Declaration.
- Quarterly summary of all long-term borrowings made, bank guarantee issued, Loans and investments made.
- Significant Changes in accounting policies and internal controls.
- Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business.
- Materially important shows cause notice, demand, prosecution notices and penalty notices.
- Appointment or resignation of Chief Financial Officer and Company Secretary.
- Statement of significant transactions and arrangements entered by unlisted Subsidiary companies.
- Quarterly details of foreign exchange exposure and the steps taken by the management to limit the risk of adverse exchange rate movement, if material.
- Making of Loans and Investments of surplus funds.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the company, or substantial non payment for services sold by the company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the company.
- Quarterly Internal Audit Reports of Head Office & Project Sites.

The Board periodically reviews internal control and compliances with laws applicable to the company as well as steps taken by the company to rectify instances of non compliances.

**II. AUDIT COMMITTEE**

i. The Audit Committee of the Company is constituted in line with the provision of Clause 49 of the Listing Agreements with the Stock Exchange read with Section 292A of the Companies Act, 1956.

ii. The terms of the reference of the Audit Committee are broadly as under:

- Over viewing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements reflect that a true and fair position and that sufficient and credible information is disclosed.
- Review the remuneration payable to Statutory Auditors as audit fee and for any other service so rendered.
- To review the payments made/to be made to outsourced internal auditors.
- Reviewing the company's financial and risk management policies.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To review the functions / terms of reference / appointment of outsourced internal auditors and review their reports.
- Reviewing the financial Statements and draft audit report, including the quarterly/ half-yearly financial information.
- Reviewing with management, annual financial statement before submission to the Board of Directors for approval, focusing primarily on:
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Matters required to be included in the Directors Responsibility Statement.
  - Significant adjustments made in the financial statement arising out of audit findings.
  - Compliances with accounting standards.
  - Compliances with Stock Exchange and legal requirements concerning financial statements.
  - Disclosure of any related Party transactions as per Accounting Standard 18.
  - Significant adjustments arising out of audit.
  - Changes, if any, in accounting policies and practices.
  - Qualifications if any, in the Draft Audit Report.
- Management Discussion and analysis of financial condition and results of operation.

a) Five Audit Committee Meetings were held during the year on the following dates:-

April 30th, 2010; May 29th, 2010; August 14th, 2010; November 13th, 2010; February 14th, 2011.

The necessary quorum was present for all meetings.

b) The composition of Audit Committee and the details of meetings attended by its members are given below:

Name of the Directors	Designation	Nature of Directorship	Number of Meetings during the Year 2010-11	
			Held	Attended
Sh. Arun K. Gupta	Chairman	Independent Director	5	5
Sh. S. K. Chawla	Member	Independent Director	5	5
Sh. Shobhit Uppal	Member	Dy. Managing Director	5	5
Sh. Vinay Pal*	Member	Whole Time Director	5	3
Dr. Sushil Chandra	Member	Independent Director	5	5
Sh. S.S. Kohli**	Member	Independent Director	5	2

\* Appointment of Mr.Vinay Pal, Whole Time Director on 14-08-2010 and member of Audit Committee w.e.f. 14-08-2010

\*\* Appointment of Mr.S.S.Kohli, Director on 02-08-2010 and member of Audit Committee w.e.f. 14-08-2010



### III. REMUNERATION COMMITTEE

The Company has a Remuneration Committee of Directors. The Committee approves the annual remuneration plan of the Company. The Composition of the Remuneration Committee and the details of meetings attended by its members are given below:

Name of the Directors	Designation	Category
Sh. S.K. Chawla	Chairman	Independent Director
Sh. Arun K. Gupta	Member	Independent Director
Dr. Sushil Chandra	Member	Independent Director

The Remuneration Committee reviews that Company's policies on specific remuneration package and overall remuneration structures of Whole Time directors. The Remuneration policy of the Company is directed towards rewarding performance based on review of achievements on a periodic basis.

Mr. Vinay Pal was appointed as Whole Time Director during 2010-11. His remuneration was considered and approved by Remuneration Committee. Since there was no proposal for enhancement in the remuneration of the directors during the year. Hence, no remuneration committee meeting was held during the year.

#### REMUNERATION POLICY

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to its Managing Director and the Executive Directors. During the year 2010-11, your company paid remuneration to its Executive Directors within Limits envisaged under the applicable provisions of the Companies Act, 1956. The remuneration paid to the Executive Directors was approved by the Board and remuneration Committee with in limits approved by the Shareholders. The remuneration determines your company's policy on specific remuneration packages for the executive Directors.

During the year 2010-11, the Company paid sitting fee to its non-executive directors for attending meetings of the Board and meetings of Committees of the Board.

The remuneration policy of the Company is in consonance with the experience and performance of the Directors and as per existing industry practice.

The aggregate value of Remuneration of the Directors for the financial year ended 31st March, 2011 is as follows:-

Name of Directors	Salary Allowances (in ₹)	Perquisites (in ₹)	Sitting Fee (in ₹)	Total (in ₹)
Sh. Bikramjit Ahluwalia	72,00,000	6,80,872	NIL	78,80,872
Sh. Shobhit Uppal	60,00,000	3,48,938	NIL	63,48,938
Smt. Sudershan Walia	7,80,000	21,672	NIL	8,01,672
Sh. Vikaas Ahluwalia	10,20,000	28,332	NIL	10,48,332
Sh. Vinay Pal	29,56,452	NIL	NIL	29,56,452
Sh. Arun K. Gupta	NIL	NIL	42,500	42,500
Sh. S. K. Chawla	NIL	NIL	37,500	37,500
Sh. Balbir Singh	NIL	NIL	17,500	17,500
Dr. Sushil Chandra	NIL	NIL	37,500	37,500
Sh. S. S. Kohli	NIL	NIL	20,000	20,000
<b>TOTAL</b>	<b>17,956,452</b>	<b>10,79,814</b>	<b>1,55,000</b>	<b>1,91,91,266</b>

During the year 2010-11, the Company did not advance any Loan to any its Directors except advance for travel or other purposes to discharge their official duties in the normal course of business.

There is no provision for any stock option scheme and any severance fee payable to any Director on cessation of their employment and Directorship with the Company.





The remuneration structure for the Executive Directors of your Company has following components:

Name of Directors	Basic Salary in ₹ P.M.	Perquisites in ₹ P.M.	Sitting Fee Per Board Meeting in ₹	Total in ₹ P.M.
Sh. Bikramjit Ahluwalia	6,00,000	56,739	NIL	6,56,739
Sh. Shobhit Uppal	5,00,000	29,078	NIL	5,29,078
Smt. Sudershan Walia	65,000	1,806	NIL	66,806
Sh. Vikaas Ahluwalia	85,000	2,361	NIL	87,361
Sh. Vinay Pal	3,90,000	NIL	NIL	3,90,000
<b>TOTAL</b>	<b>16,40,000</b>	<b>89,985</b>	<b>NIL</b>	<b>17,29,985</b>

Particulars of the Board of Directors as on 31/03/2011

Name of Directors & Designation	Age	Educational & Professional Qualifications	Shareholding in the Company as on 31.03.2011	Other Directorship
Sh. Bikramjit Ahluwalia, Chairman & Managing Director (Promoter & Executive)	72	Civil Engineering	5181198 8.26%	Ahlcon Parenterals (India) Ltd. Ahluwalia Builders and Development Group Pvt. Ltd. Capricon Industrials Ltd.
Sh. Shobhit Uppal, Dy. Managing Director (Executive)	44	Bachelor's Degree in Electrical Engineering	4308000 6.86%	NIL
Smt. Sudershan Walia, Whole Time Director (Executive)	64	Matriculation	20889380 33.28%	Ahlcon Parenterals (India) Ltd. Ahluwalia Builders and Development Group Pvt. Ltd. Capricon Industrials Ltd.
Sh. Vikaas Ahluwalia, Whole Time director (Executive)	37	Bachelor's Degree in Civil Engineering	33500 0.05%	Tidal Securities Pvt. Ltd. Procon One International Pvt. Ltd. Ahluwalia Builders and Development Group Pvt. Ltd. Ahlcon Ready Mix Concrete Pvt. Ltd. Premasagar Merchants Pvt. Ltd. Splendor Distributors Pvt. Ltd. Paramount Dealcomm Pvt. Ltd. Dipesh Mining Pvt. Ltd. Jiwanjyoti Traders Pvt. Ltd.
Sh. Arun K. Gupta, Independent Director (Non Executive)	63	Chartered Accountant & Cost and Work Accountant	632	Satia Synthetics Pvt. Ltd. Ahlcon Parenterals (India) Ltd. Enmas Andritz Pvt. Ltd.
Sh. S. K. Chawla, Independent Director (Non Executive)	71	Bachelor's Degree in Civil Engineering	400	NIL
Sh. Balbir Singh, Independent Director (Non Executive)	76	Bachelor's Degree in Civil Engineering	400	NIL
Sh. Vinay Pal, Whole Time Director (Executive)	51	Graduate	NIL	Complete Design Solutions Pvt. Ltd. Premasagar Merchants Pvt. Ltd. Splendor Distributors Pvt. Ltd. Paramount Dealcomm Pvt. Ltd. Jiwanjyoti Traders Pvt. Ltd. Dipesh Mining Pvt. Ltd.
Dr. Sushil Chandra, Independent Director (Non Executive)	73	Master Degree	NIL	Andhra Cement Ltd.
Sh. S. S. Kohli, Independent Director (Non Executive)	65	B.Sc. (Mechanical Engineering) and Diploma in Industrial Finance	NIL	Maharashtra Airport Development Co. Ltd. SME Rating Agency of India Ltd. Infrastructure Development Finance Company Ltd. MBL Infrastructure Ltd. SPML Infra Ltd. PTC Financial Ltd. SV Creditline Pvt. Ltd.



## 5. INVESTORS GRIEVANCE AND SHAREHOLDER COMMITTEE

The Company has a Shareholders/Investors Grievance Committee having Directors as its members to look into the redressal of Complaints of investors such as transfer or credit of shares, non-receipt of dividend/ notices/ annual reports, etc.

**The Composition of the Shareholders/ Investors Grievance Committee**, Comprising of Sh. S.K. Chawla (Chairman), Smt. Sudershan Walia (Member) and Sh. Shobhit Uppal, (Member).

Six Shareholders and Grievance Meetings were held during the year. The dates on which the said meetings were held are as follows:

30/04/2010, 15/05/2010, 14/08/2010, 15/11/2010, 31/12/2010, 15/03/2011.

The Committee inter-alia approves issue of duplicate Certificates and oversees and reviews all matters connected with the securities transfers. The Committee also looks into redressal of shareholder's Complaints like Dematerialization and Rematerialization of Shares, transfer of shares, non- receipt of balance sheet etc. The Committee oversees the performance of the Registrar and Transfer Agents, and recommends measures for overall improvement in the quality of investor services. The Board of Directors has delegated the power of approving transfer of securities to the Company Secretary.

The Board had designated Shri Vipin Kumar Tiwari, GM (Corporate) & Company Secretary, as the Compliance Officer. No complaints were pending for redressal from any shareholder at the end of current year.

Name designation and address of Compliance Officer:

Mr. Vipin Kumar Tiwari

G. M. (Corporate) & Company Secretary

Ahluwalia Contracts (India) Limited

Corporate Office:

Plot No. 1, Okhla Industrial Area,

Phase-III, Okhla,

New Delhi-110020

Telephone: 011-49410502

Fax: 011-49410553/575/529

Details of Investor Complaints received and redressed during the year 2010-11 are as follows:

Opening Balance	Received during the Year	Resolved during the year	Closing Balance
NIL	NIL	NIL	NIL

## 6. SUBSIDIARY MONITORING FRAMEWORK

All subsidiary companies of the Company are managed by their Boards having the rights and obligations to manage such companies in the best interest of their stakeholders. The Company monitors performance of subsidiary companies, inter alia, by following means:

- Financial Statements, in particular the investments made by the unlisted subsidiary companies, are reviewed quarterly by the Audit Committee of the Company.
- A statement containing all significant transactions and arrangements entered into by the unlisted subsidiary companies is placed before the Company's Board.

Mr. Vikaas Ahluwalia and Mr. Vinay Pal, Whole Time Directors of the Company have been appointed nominee Director(s) on the Board of all the Six Subsidiary Companies.

**7. GENERAL BODY MEETINGS**

The particulars of Annual General Meeting (AGM) of the Company are under. The Shareholders passed all the resolutions set out in the respective notices.

F.Y.	GM	Venue	Date	Time
2007-2008	AGM	Ahlcon Public School Auditorium, Mayur Vihar, Phase-I, Delhi-110091	30th September, 2008	4.30 p.m.
2008-2009	AGM	Ahlcon Public School Auditorium, Mayur Vihar, Phase-I, Delhi-110091	30th September, 2009	4.00 p.m.
2009-2010	AGM	Ahlcon Public School Auditorium, Mayur Vihar, Phase-I, Delhi-110091	17th September, 2010	4.00 p.m.

**Postal Ballot**

No postal ballot was conducted during the year 2010-11

**DISCLOSURES****I) RELATED PARTY TRANSACTIONS**

The related party transactions are entered into based on the consideration of various business exigencies and company's long term strategy. All the transactions entered during the financial year 2010-2011 with related parties are reported under notes of the financial statements.

**II) DETAILS OF NON-COMPLIANCES**

Details of non-compliance by the company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years.

No penalty or strictures had been imposed on the Company by any regulatory authorities relating to capital markets during the Last three years.

**III) DISCLOSURE OF NUMBER OF SHARES HELD BY NON-EXECUTIVE DIRECTORS**

Sh. Arun K. Gupta holds 632 Equity Shares, Sh. S.K. Chawla holds 400 Equity Shares, Sh. Balbir Singh holds 400 equity Shares and no other non-executive directors holds any equity shares of the company.

**IV) WHISTLE BLOWER POLICY**

Disclosure relating to Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee.

The Company has implemented a whistle Blower Policy in the Company and no personnel have been denied access to the Audit Committee of the Company.

**V) SECRETARIAL AUDIT**

A qualified practicing Company Secretary carried out secretarial audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

**8. MEANS OF COMMUNICATION**

The quarterly, half- yearly and annual financial results of the Company are published in leading newspapers in India which include Financial Express in English and Rashtriya Sahara/Jansatta in Hindi. The results are also promptly forwarded to the Bombay Stock Exchange, National Stock Exchange, Delhi Stock Exchange, Calcutta Stock Exchange and Jaipur Stock Exchange. The results are also displayed on the Company's website [www.acilnet.com](http://www.acilnet.com). Press releases made by the Company from time to time are also displayed on the company's website. Presentations made to the Institutional investors and analysts after the declarations of the quarterly, half-yearly and annual financial results are displayed on the company's website.

Management Discussion and Analysis Report is attached to and forms part of the Annual Report.





## 9. GENERAL SHAREHOLDER INFORMATION

- Annual General Meeting :**

Date	: 30th September, 2011
Day	: Friday
Time	: 4.00 p.m.
Venue	: Ahlcon Public School, Mayur Vihar, Phase-I, New Delhi-110091

- Financial Calendar:**

Year Ending	: March 31, 2011
AGM on	: September, 30th 2011
Dividend Payment	: The dividend if declared, shall be credited by October 5th, 2011 in the respective Bank Account.

- Date of Book Closure/ Record Date : As mentioned in the Notice of the AGM the register of member and share transfer book shall remain closed from 19/09/2011 to 30/09/2011 (Both the days are inclusive)
- Listing on Stock Exchange : Bombay Stock Exchange, National Stock Exchange, Jaipur Stock Exchange, Delhi Stock Exchange, Calcutta Stock Exchange

- Stock Codes/ Symbol:**

National Stock Exchange	: AHLUCONT
Delhi Stock Exchange	: 7526
Bombay Stock Exchange	: 532811
Jaipur Stock Exchange	: 0922
Calcutta Stock Exchange	: 011134

- Corporate Identification Number** : L45101DL1979PLC009654 (CIN) of the Company
- Demat ISIN Numbers in NSDL & CDSL for Equity Shares:** ISIN No. INE758C01029
- Designated Exclusive e-mail-ID :**

The Company has designated the following email-ids exclusively for investor servicing.

- For queries on Annual Report- investor\_relations@acilnet.com
- For queries in respect of shares in physical mode-- investor\_relations@acilnet.com

- Dividend Policy :**

Dividends, other than interim dividend(s), are to be declared at the Annual General Meetings of Shareholders based on the recommendation of the Board of Directors. Generally, the factors that may be considered by the Board of Directors before making any recommendations for dividend include, without limitation, the Company's future expansion plans and capital requirements, profits earned during the fiscal year, cost of raising funds from alternate sources, liquidity position, applicable taxes including tax on dividend, as well as exemptions under tax laws available to various categories of investors from time to time and general market conditions. The Board of Directors may also from time to time pay interim dividend(s) to shareholders.

**Dividend Payment Date:** The Board has recommended the dividend of ₹2.51 Crores of ₹0.40 paise per Equity Share having a face value of ₹ 2/- each which is subject to the approval of the Shareholders. The Dividend, if declared at the AGM will be paid to those members, whose names are on the Register of Members of the Company as on closing hours of Monday, 18th September, 2011.



- **Payment of Listing Fees:** Annual Listing fee for the year 2011-2012 (as applicable) has been paid by the company to BSE, NSE, JSE, CSE and DSE. Annual maintenance and listing agency fee for the financial year 2011-2012 has been paid by the Company to the NSDL and CDSL.

- **REGISTRARS AND TRANSFER AGENTS:**

LINK INTIME INDIA PVT. LTD.  
A-40, 2nd Floor, Near Batra Banquet Hall,  
Naraina Industrial Area, Phase-II, New Delhi-110028  
Tel: 011-41410592-94, Fax: 011-41410591  
e-mail: delhi@linkintime.co.in

**BRANCHES:**

**Mumbai:**

Link Intime India Pvt. Ltd.  
C-13, Pannalai Silk Mills Compound,  
L.B.S., Marg, Bhandup (West)  
Mumbai-400078  
Tel: 022-25963838  
E-mail id: mt.helpdesk@linkintime.co.in

**AHMEDABAD:**

Link Intime India Pvt. Ltd.  
211 Sudarshan Complex,  
Near Mithakhali Underbridge,  
Navrangpura,  
Ahmedabad-380009  
Tel: 079-26465179  
E-mail id: ahmedabad@linkintime.co.in

**VADODARA:**

Link Intime India Pvt. Ltd.  
B Tower, 102 B and 103,  
Shangrila Complex, 1st floor, Opp. HDFC Bank,  
Near Radhakrishna Char Rasta,  
Akota, Vadodara- 390020  
Tel: 0265-2356573/2356794  
E-mail id: vadodara@linkintime.co.in

**PUNE:**

Link Intime India Pvt. Ltd.  
Block No. 202,  
2nd Floor, Akshay Complex,  
Near Ganesh Temple,  
Off. Dhole Patil Road,  
Pune-411001  
Tel: 020-26051629/26050084  
E-mail id: pune@linkintime.co.in

**BANGALORE:**

Link Intime India Pvt. Ltd.  
543/A, 7th Main, 3rd Cross,  
Bangalore- 560019  
  
Tel: 080-26509004  
E-mail id: bangalore@linkintime.co.in

**COIMBATORE:**

Link Intime India Pvt. Ltd.  
Surya 35,  
Mayflower Avenue,  
Behind Senthil Nagar,  
Sowripalayam Road,  
Coimbatore- 641028  
E-mail id: coimbatore@linkintime.co.in

**KOLKATA:**

Link Intime India Pvt. Ltd.  
59 C, Chowringhee Road,  
3rd Floor, Kolkata- 700020  
  
Tel: 033-22890539/22890540  
E-mail id: kolkata@linkintime.co.in



## COMPLIANCE

### MANDATORY REQUIREMENTS

The company is fully compliant with the applicable mandatory requirements of the revised clause 49:

### COMPLIANCE REPORT

Particulars	Clause of Listing Agreement	Compliance Status (Yes/No)	Remarks
1	2	3	4
<b>I. Board of Directors</b>	49(I)		
a) Composition of Board	49(IA)	YES	
b) Non-Executive Directors compensation & disclosures	49(IB)	YES	
c) Other provision as to Board and Committees	49(IC)	YES	
d) Code of Conduct	49(ID)	YES	
<b>II. Audit Committee</b>	49-II		
a) Qualified & Independent Audit Committee	49(IIA)	YES	
b) Meeting of Audit Committee	49(IIB)	YES	
c) Powers of Audit Committee	49(IIC)	YES	
d) Role of Audit Committee	49 II (D)	YES	
e) Review of Information by Audit Committee	49 (IIE)	YES	
f) Code of Conduct	49 (ID)	YES	
<b>III. Subsidiary Companies</b>	49 (III)	YES	Ahlcon Ready Mix Concrete Pvt. Ltd. Premsagar Merchants Pvt. Ltd. Splendor Distributors Pvt. Ltd. Paramount Dealcomm Pvt. Ltd. Jiwanjyoti Traders Pvt. Ltd. Dipesh Mining Pvt. Ltd.
<b>IV. Disclosures</b>	49(IV)		
a) Basis of related party transactions	49 (IV A)	YES	
b) Disclosure of Accounting Treatment	49 (IV B)	YES	
c) Board Disclosures	49 (IV C)	YES	
d) Proceeds from public issues, rights issues, preferential issues, etc.	49 (IV D)	YES	
e) Remuneration of Directors	49 (IV E)	YES	
f) Management	49 (IV F)	YES	
g) Shareholders	49 (IV G)	YES	
<b>V. CEO/ CFO Certification</b>	49 (V)	YES	
<b>VI. Report on Corporate Governance</b>	49-VI	YES	
<b>VII. Compliance</b>	49-VII	YES	

#### Quarterly Compliances (For the year 2011-12):

First Quarter : By August, 2011

Second Quarter : By November, 2011

Third Quarter : By February, 2012

Fourth Quarter : By May, 2012



**MARKET PRICE DATA**

The High and Low of the share price of the Company during each month in the Last Financial year at BSE and NSE Website were as under:

MONTH	MUMBAI STOCK EXCHANGE			NATIONAL STOCK EXCHANGE		
	HIGH (₹)	LOW (₹)	VOLUME	HIGH (₹)	LOW (₹)	VOLUME
April, 2010	245.95	213.00	16990	246.00	213.00	4181946
May, 2010	234.95	193.00	595726	234.95	195.00	1179641
June, 2010	215.00	192.50	742459	214.00	192.25	1991764
July, 2010	242.50	201.00	2946275	242.65	201.00	3351546
Aug, 2010	234.80	202.25	1083851	234.50	205.00	1677887
Sep, 2010	229.25	197.00	1052511	229.90	196.00	1742719
Oct, 2010	224.00	172.40	818151	224.30	171.50	1515207
Nov, 2010	201.50	147.00	554017	201.50	148.25	1700600
Dec, 2010	165.00	125.00	1714216	165.00	125.10	2566383
Jan, 2011	156.40	135.00	457657	156.00	132.15	1050141
Feb, 2011	144.00	114.00	221096	145.00	112.55	572630
Mar, 2011	130.05	107.00	876086	131.00	108.35	1376107

**SHARE TRANSFER SYSTEM:**

99.44 % of the equity shares of the Company are in electronic form. Transfer of these shares is done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form the transfer documents can be lodged with Link Intime India Pvt. Ltd. (Registrar and Share Transfer Agent) at the abovementioned address.

Transfer of Shares in physical form is normally processed within ten to twelve days from the date of receipt, if the documents are complete in all respects. The Company Secretary is severally empowered to approve transfers.

**DISTRIBUTION SCHEDULE OF SHAREHOLDING AS ON 31ST MARCH, 2011:**

Categories of Equity Shareholding as on March 31st, 2011

CATEGORY	Number of Shares Held	% of Shares Held	Number of Shares Pledged	% of Shares Pledged
Promoters	45,543,918	72.57	11,771,380	25.85
Other entities of the Promoter Group	25,000	0.04	NIL	NIL
Mutual funds/ UTI	50,82,029	8.10	NIL	NIL
Financial Institutions/ Banks	1,610	0.0025	NIL	NIL
Foreign Institutional Investor	52,10,516	8.30	NIL	NIL
Corporate Bodies	45,57,811	7.26	NIL	NIL
Indian Public (Individuals)	20,45,411	3.25	NIL	NIL
Directors & their relatives	1,432	0.0022	NIL	NIL
Non Resident Indians	1,40,283	0.22	NIL	NIL
Hindu Undivided Family	1,14,940	0.18	NIL	NIL
Trusts	1,000	0.0015	NIL	NIL
Clearing Members	38,610	0.0615	NIL	NIL



#### DISTRIBUTION OF EQUITY SHAREHOLDING AS ON MARCH 31ST, 2011

Number of Shares	Holding	% to Capital	Share Amount	% to total amounts
Upto 2,500	7581	95.287	19,39,894	1.545
2,501 – 5,000	135	1.697	4,81,154	0.383
5,001 – 10,000	88	1.106	6,58,398	0.525
10,001 – 20,000	54	0.679	8,27,364	0.659
20,001 – 30,000	18	0.226	4,45,706	0.355
30,001 – 40,000	8	0.101	2,90,226	0.231
40,001 – 50,000	5	0.063	2,27,362	0.181
50,001 – 1,00,000	16	0.201	11,40,708	0.909
1,00,001 & Above	51	0.641	11,95,14,308	95.211
<b>TOTAL</b>	<b>7956</b>	<b>100</b>	<b>12,55,25,120</b>	<b>100</b>

#### PROMOTER AND PROMOTER GROUP HOLDING AS ON 31ST MARCH, 2011

Name of Shareholder	Total Shares Held		Shares pledged or otherwise encumbered		
	Number	As a % of grand total (A) + (B) + (C)	Number	% of total shares held	As a % of grand total (A) + (B) + (C)
Bikramjit Ahluwalia	51,81,198	8.26	15,00,000	28.95	2.39
Ram Piari	42,59,900	6.79	NIL	NIL	NIL
Pushpa Rani	39,56,100	6.3	NIL	NIL	NIL
Rachna Uppal	12,27,500	1.96	NIL	NIL	NIL
Shobhit Uppal	43,08,000	6.86	NIL	NIL	NIL
Sudarshan Walia	20,889,380	33.28	10,271,380	49.17	16
Mukta Walia	33,500	0.05	NIL	NIL	NIL
Vikaas Ahluwalia	33,500	0.05	NIL	NIL	NIL
Rohini Ahluwalia	29,81,840	4.75	NIL	NIL	NIL
Raman Pal	26,73,000	4.26	NIL	NIL	NIL
Tidal Securities Private Limited	25,000	0.04	NIL	NIL	NIL
<b>TOTAL</b>	<b>45,568,918</b>	<b>72.61</b>	<b>11,771,380</b>	<b>25.83</b>	<b>18.76</b>

#### PUBLIC SHARE HOLDING MORE THAN 1% OF THE TOTAL NO. OF SHARES AS ON 31ST MARCH, 2011

Name of Share holder	Number of Shares	Shares as a percentage of total number of shares
ICICI Prudent Emerging Star (Stock Targets D At Returns) Fund	7,66,094	1.22
FII Trustee Company Pvt Ltd A/C Fidelity India Special Situations Fund	10,67,995	1.70
Nalanda India Fund Ltd	35,22,192	5.61
Taurus Asset Management Company Ltd	17,93,029	2.86
<b>TOTAL</b>	<b>71,49,310</b>	<b>11.39</b>



## DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories in India i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Equity shares of the Company representing 99.44% of the Company's equity share capital are dematerialized as on March 31, 2011.

The Company's equity shares are regularly traded on the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited, in dematerialized form.

## DIVIDEND INTIMATION THROUGH E-MAIL:

In order to protect the environment and as a "GO GREEN" initiative, the Company has taken an initiative of sending intimation for dividend for financial year 2010-11 by e-mail. Physical credit intimation will be sent only to those shareholders whose e-mail addresses are not registered with the company and for the bounced e-mail cases.

Ministry of Corporate Affairs has issued circular on February 8th, 2011 to dispense Notice with Balance Sheet, Profit and Loss Account, Auditors' Report, Directors' Report, and Explanatory Statement etc. through e-mail to all their Shareholders.

Shareholders are requested to register their e-mail addresses with Link Intime India Private Limited (for shares held in Physical form) and with their Depository Participant (for shares held in electronic Form) for receiving dividend credit intimation, and other information on e-mail.

## ADDRESSES FOR CORRESPONDENCE:

### AHLUWALIA CONTRACTS (INDIA) LIMITED

#### Regd. Office:

4, Community Centre,  
Saket, New Delhi-110017  
Te. No.- 011-40504500  
Fax No.- 011-40504553

#### Corporate Office:

Plot No. 1,  
Okhla Industrial Estate, Phase-III,  
New Delhi-110020  
Tel. no.-011-49410517  
Fax No.- 011-49410553  
E-mail id: delhi@linkintime.co.in

For Share transfer, transmission and dematerialization request

LINK INTIME INDIA PVT. LTD.  
A-40, 2ND FLOOR, NEAR BATRA BANQUET HALL, NARAINA INDUSTRIAL AREA,  
PHASE- II, NEW DELHI-110028  
Tel. No.- 011- 41510592-94, Fax No.- 011-41510591  
E-mail id: delhi@linkintime.co.in

**For and on behalf of the Board of Directors  
For Ahluwalia Contracts (India) Ltd.**

**Place: New Delhi  
Dated: 12-08-2011**

**(Vipin Kumar Tiwari)  
GM (CORPORATE) & COMPANY SECRETARY**

## Declaration under Clause 49-I(D)(ii) of the Listing Agreement

To the Members of Ahluwalia Contracts (India) Limited

I hereby declare that all the Board Members and the Senior Management Personnel of the Company have affirmed the compliance with the provisions of the Code of Conduct for the period ended 31st March, 2011.

**For Ahluwalia Contracts (India) Limited**

**Place: New Delhi  
Dated: 12-08-2011**

**(Bikramjit Ahluwalia)  
CHAIRMAN & MANAGING DIRECTOR**



Ahluwalia Contracts (India) Limited

## Auditors' Certificate on Corporate Governance

The Members

M/s. Ahluwalia Contracts (India) Limited

4, Community Centre,

Saket, New Delhi - 110017

We have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in clause 49 of the listing agreement entered into, by the Company, with the Stock Exchanges, for the year ended 31st March 2011.

The Compliance of conditions of corporate governance is the responsibility of the management. Our Examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the Compliance of the conditions of the corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review, and the information and explanations given to us by the Company.

Based on such a review, in our opinion, the Company has complied with the conditions of Corporate Governance, as stipulated in clause 49 of the Listing Agreements. We further state that, such compliance is neither an assurance as to the future viability of the Company, nor as to the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Arun K. Gupta & Associates**

Chartered Accountants

Firm Registration No. 000605N

**Gireesh Kumar Goenka**

Partner

M.No. 96655

Place: New Delhi

Date: 30-05-2011





# Certificate by Chief Executive Officer and Chief Financial Officer

(Under Clause 49 of the Listing Agreement with Stock Exchanges)

The Board of Directors

**Ahluwalia Contracts (India) Ltd.**

- a. We have reviewed the financial statements, read with the cash flow statement of Ahluwalia Contracts (India) Ltd. for the financial year ended 31st, March 2011 and that to the best of our knowledge and belief, we state that:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, Applicable Laws and Regulations.
- b) To the best of our Knowledge and belief, no transactions entered into by the Company during the financial year ended 31st March, 2011 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the Auditors and Audit Committee and steps have been taken to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
- (i) Significant changes in internal control over financial reporting during the year;
  - (ii) Significant changes in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

New Delhi  
30-05-2011

**S.K.SACHDEVA**  
Executive Director (F&A)  
(CFO)

**BIKRAMJIT AHLUWALIA**  
Chairman & Managing Director  
(CEO)

## **STANDALONE FINANCIAL STATEMENTS**



# Auditors' Report

To  
The members of

**Ahluwalia Contracts (India) Limited**

1. We have audited the attached Balance Sheet of M/s. Ahluwalia Contracts (India) Limited, as at 31st March, 2011 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto and the cash flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, issued by Central Govt. of India in terms of section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters applicable to the company as specified in the paragraph 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of accounts as required by law, have been kept by the company so far as appears from our examination of the books except for as referred to in point No.(i)(a) of the Annexure to the report;
  - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in section 211(3C) of the Companies Act, 1956;
  - e) On the basis of written representations received from the directors as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of Sub-section (1) of section 274 of the Companies Act, 1956;
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies and notes there on in schedule 19 give a true and fair view in conformity with the accounting principles generally accepted in India:
    - i) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
    - ii) in the case of Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
    - iii) in the case of Cash Flow statement of the cash flow for the year ended on that date.

**For Arun K. Gupta & Associates**  
Firm Registration No. 000605N  
Chartered Accountants

**Gireesh Kumar Goenka**  
Partner  
M.No. 96655

Place : New Delhi  
Date : 30.05.2011



## Annexure to Auditors' Report

### Annexure referred to in paragraph 3 of our report of even date

Ahluwalia Contracts (India) Limited

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets except for shuttering and scaffolding materials for which considering the nature of the business of the company, maintenance of record is not feasible.
- (b) All fixed assets have not been physically verified by the management during the year. There is a regular programme of verification of fixed assets except for shuttering and scaffolding materials which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the said programme part of the fixed assets have been physically verified by the management during the year. As informed, no material discrepancies were noticed on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of major items of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The company is mainly engaged in the business of construction. In view of multifarious jobs at different sites spread at different locations and practical difficulties, proper records of inventory of only major inputs have been maintained. No material discrepancies were noticed on physical verification of such stocks.
- (iii) (a) The company has granted interest free unsecured loans to its five subsidiary companies listed in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹472.25 lacs and the year end balance of loans granted to such companies was ₹472.25 lacs and the terms and conditions of the loans are not prima facie prejudicial to the interest of the company.
- (b) The aforesaid loan is repayable on demand & there is no repayment schedule.
- (c) Since the loan is repayable on demand, we are unable to comment whether there has been default in repayment.
- (d) As informed to us, the company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly the provisions of clause 4(iii) (e, f and g) of the companies (Auditor's Report) order, 2003 are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and also for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls in respect of these areas.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered into the register maintained under section 301 of the Companies Act 1956 have been made at prices which are reasonable having regard to prevailing market prices wherever available at the relevant time.





- (vi) According to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of section 58A & 58AA of the companies Act, 1956 and the rules framed there under.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has not prescribed for maintenance of cost records under Section 209 (I) (d) of the Companies Act, 1956, for the Company.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income-tax, value added tax, wealth-tax, custom duty, excise duty, service tax, cess have generally been regularly deposited with the appropriate authorities except for *delays in some cases in Service Tax & TDS*.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees state insurance, income-tax, sales-tax, wealth-tax, custom duty, excise duty, service tax, cess and other undisputed statutory dues were outstanding at the year end for a period of more than six months from the date they became payable.
- (c) According to the records of the company, the dues outstanding of sales-tax, income-tax, custom duty, wealth-tax, excise duty, service tax, cess on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (₹ in Lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act	Demand for Excise Duty	46.37	1998-1999 & 2000-2001	CESTAT, New Delhi
Income Tax Act	Income Tax Demand	1.37	2008-2009	Commissioner of Income Tax (Appeal), New Delhi
Indian Stamp Act	Stamp duty on Real Estate Project	57.42	1990-1991	Allahabad Revenue Tribunal
Work Contract Tax Act, Delhi	Works Contract Tax Demand	15.26	2004-2005	Hon'ble Delhi High Court
Work Contract Tax Act, West Bengal	Works Contract Tax Demand	3.01	1998-1999	Tribunal, Kolkata
Value Added Tax Act, Haryana	VAT Demand	5.93	2005-2006	VAT Tribunal, Chandigarh
Value Added Tax Act, Karnataka	VAT Demand	7.79	2006-2007	Tribunal Court, Bangalore
Value Added Tax Act, Karnataka	VAT Demand	305.75	2006-2010	Joint Commissioner (Appeal-3), Karnataka
Value Added Tax Act, Maharashtra	VAT Demand	16.43	2005-2006	Dy. Commissioner (Audit), Mumbai
Value Added Tax Act, Punjab	VAT Demand	492.98	2005-2008	High Court, Chandigarh
Value Added Tax Act, Ghaziabad	VAT Demand	31.59	2006-2007	Commissioner Appeals-IV / Tribunal-I, Ghaziabad
Value Added Tax Act, Delhi	VAT Demand	12597.39	2006-2009	Commissioner, DVAT, New Delhi



Value Added Tax Act, West Bengal	VAT Demand	56.66	2004-2005 & 2006-2007	Directorate of Commercial Tax/ Jt. Commissioner, Kolkata
Value Added Tax Act, West Bengal	VAT Demand	1.54	1997-1998	Settlement Commissioner, Kolkata
The Finance Act 2004 and the Service Tax Rules	Service Tax Demand	7309.99	2004-2009	Appeal Tribunal, CETATE, New Delhi
	Service Tax Demand	211.95	2008-2009	Tribunal, CESTATE, New Delhi
	Service Tax Demand	7078.83	2008-2010	Commissioner Service Tax, Delhi
	Service Tax Demand	829.80	2008-2009	Commissioner Service Tax, Gurgaon
	Service Tax Demand	1434.97	Sept. 04 to Jan 08 & Apr 08 to Aug 08	Commissioner Service Tax, Kolkata
	Service Tax Demand	99.09	2006-2009	Commissioner / Joint Commissioner Service Tax, Ludhiana
	Service Tax Demand	15.74	2006-2009	Superintendent (AR Service Tax), Jamnagar
	Service Tax Demand	1240.99	2004-2008	Asstt. Commissioner, Division-III, Service Tax, Mumbai
	Service Tax Demand	1381.42	July 2004 to March 2008	Superintendent, Service Tax, Range-27, Noida
	Service Tax Demand	8.71	2007-2008	Asstt. Commissioner Service Tax, Rajkot

- (x) The company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution or banks.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chitfund, nidhi / mutual benefit fund and societies.
- (xiv) In respect of dealing in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained for the transactions and contracts and timely entries have been made therein. The shares, debentures and other securities have been held by the company in its own name.
- (xv) According to the information and explanations given to us, the company has given corporate guarantee for loans taken by its wholly owned subsidiary namely M/s. Ahlcon Ready Mix Concrete Pvt. Ltd. from bank amounting to ₹27.00 crores. In our opinion the terms & conditions are not prejudicial to the interest of the company.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.



- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet and cash flow statement of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act 1956.
- (xix) The company did not have any debenture outstanding during the year.
- (xx) The company has not raised any money by public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

**For Arun K. Gupta & Associates**  
Firm Registration No. 000605N  
Chartered Accountants

**Gireesh Kumar Goenka**  
Partner  
M.No. 96655

Place : New Delhi  
Date : 30.05.2011

**Balance Sheet** as at 31st March, 2011

(₹)

PARTICULARS	SCH. No.	AS AT 31.03.2011		AS AT 31.03.2010	
<b>SOURCES OF FUNDS:</b>					
<b>SHAREHOLDERS FUND</b>					
Share Capital	1		125525120		125525120
Reserves & Surplus	2		3087697762		2409182214
<b>LOAN FUNDS</b>					
Secured Loans	3		1641749929		1237535329
Unsecured Loans	4		0		0
<b>TOTAL</b>			<b>4854972811</b>		<b>3772242663</b>
<b>APPLICATION OF FUNDS</b>					
<b>Fixed Assets</b>	5				
Gross Block		2842912628		2295320121	
Less: Depreciation		1364314978		1027543229	
Net Block		1478597650		1267776892	
Capital work-in-progress (Including Capital Advances)		155073279	1633670929	63860629	1331637521
<b>INVESTMENTS</b>	6		80378940		80378940
<b>DEFERRED TAX ASSETS (Net)</b>			162049723		150264404
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>					
Inventories	7	1679347651		1485725299	
Sundry Debtors	8	5041059134		3337502190	
Cash & Bank Balances	9	1497401772		1707722013	
Other Current Assets	10	67030099		68096561	
Loans & Advances	11	702001652		466059654	
		8986840308		7065105717	
<b>Less :Current Liabilities &amp; Provisions</b>	12				
Current Liabilities		5949239476		4758834589	
Provisions		58727613		96309330	
<b>NET CURRENT ASSETS</b>			2978873219		2209961798
<b>TOTAL</b>			<b>4854972811</b>		<b>3772242663</b>
<b>Significant Accounting Policies and Notes on Accounts</b>	19				

As per our report of even date annexed

For **ARUN K. GUPTA & ASSOCIATES**  
 Firm Registration No. 000605N  
 CHARTERED ACCOUNTANTS

**GIREESH KUMAR GOENKA**  
 Partner  
 M.No. 096655

Place : New Delhi  
 Date : 30-05-2011

On behalf of the Board of Directors

**BIKRAMJIT AHLUWALIA**  
 Chairman & Managing Director  
 (Chief Executive Officer)

**S.K. SACHDEVA**  
 Executive Director - F&A  
 (Chief Financial Officer)

**VIPIN KUMAR TIWARI**  
 G.M. (Corporate) & Company Secretary

**SHOBHIT UPPAL**  
 Dy. Managing Director

**VIJAY KUMAR JAIN**  
 General Manager - F&A





# Profit & Loss Account for the Year Ended 31st March, 2011

(₹)

PARTICULARS	SCH. No.	For the Year Ended 31.03.2011		For the Year Ended 31.03.2010	
<b>INCOME</b>					
Income from operations	13	16895541286		15676865963	
Other Income	14	62099526		57470999	
			16957640812		15734336962
			(118235544)		200774670
Increase/ (Decrease) in stock	15				
			16839405268		15935111632
<b>EXPENDITURE</b>					
Operating Expenses	16		14074134054		13179860973
Administrative & Other Expenses	17		1151969915		962138553
Interest & Other Finance Charges	18		200079778		210460285
Depreciation		338313936		330836862	
Less Transfer from Revaluation Reserve		167586	338146350	167586	330669276
Provision for Diminution/ (written back) in value of Investment			0		(12127)
<b>PROFIT BEFORE TAX</b>			1075075171		1251994672
Provision for Income Tax			371385828		458344558
Provision for Wealth Tax			500000		450000
Provision for Deferred Tax Liability/(Assets)			(11785319)		(24786453)
Provision for Fringe Benefit Tax			0		0
Provision for Tax for earlier years			7113840		153170
<b>NET PROFIT AFTER TAX</b>			707860822		817833397
Balance brought forward from previous year			2110717273		1441433186
Profit Available for Appropriation			2818578095		2259266583
Transferred to General Reserve			70000000		90000000
Proposed Dividend			25105024		50210048
Tax on Dividend			4072663		8339262
Balance carried to Balance sheet			2719400407		2110717273
Earning per share(Basic) ₹			11.28		13.03
Earning per share(Diluted) ₹			11.28		13.03
(Face Value ₹ 2/- each)					
<b>Significant Accounting Policies and Notes on Accounts</b>	19				

As per our report of even date annexed

For **ARUN K. GUPTA & ASSOCIATES**  
Firm Registration No. 000605N  
CHARTERED ACCOUNTANTS

**GIREESH KUMAR GOENKA**  
Partner  
M.No. 096655

Place : New Delhi  
Date : 30-05-2011

On behalf of the Board of Directors

**BIKRAMJIT AHLUWALIA**  
Chairman & Managing Director  
(Chief Executive Officer)

**S.K. SACHDEVA**  
Executive Director - F&A  
(Chief Financial Officer)

**VIPIN KUMAR TIWARI**  
G.M. (Corporate) & Company Secretary

**SHOBHIT UPPAL**  
Dy. Managing Director

**VIJAY KUMAR JAIN**  
General Manager - F&A



# Schedules

## SCHEDULE NO. 1 SHARE CAPITAL

(₹)

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
<b>AUTHORISED CAPITAL</b> 10,00,00,000, Equity Share of ₹ 2/- each (P.Y. 10,00,00,000 Equity Share of ₹ 2/- each)	200000000	200000000
<b>ISSUED,SUBSCRIBED &amp; PAIDUP</b> 6,27,62,560 , Equity Shares of ₹. 2/- each (P.Y. 6,27,62,560 Equity Shares of ₹ 2/- each) fully paid up (out of this 3,50,030 Equity shares of ₹ 2/- each have been issued for other than cash and 5,58,39,900 Equity shares of ₹ 2/- each have been issued as bonus shares by way of capitalisation of accumulated profits)	125525120	125525120
<b>TOTAL</b>	<b>125525120</b>	<b>125525120</b>

## SCHEDULE NO. 2 RESERVES & SURPLUS

(₹)

PARTICULARS	AS ON 1.4.2010	ADDITIONS DURING THE PERIOD	ADJUSTMENTS	AS ON 31.03.2011
Revaluation Reserve	7674698	0	167586	7507112
Securities Premium Account	16000000	0	0	16000000
General Reserve	274790243	70000000	0	344790243
Profit And Loss Account	2110717273	608683134	0	2719400407
<b>TOTAL</b>	<b>2409182214</b>	<b>678683134</b>	<b>167586</b>	<b>3087697762</b>
Previous year	1650065713	759284087	167586	2409182214

## SCHEDULE NO. 3 SECURED LOANS

(₹)

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
<b>TERM LOANS</b>		
From Banks (Refer Note No. 8(c) & (d) in schedule 19)	62670886	26772865
From Others (Refer Note No. 8(e) in schedule 19)	94312230	44170742
<b>VEHICLE LOANS</b>		
From Banks	988942	2197481
From others (Secured by way of hypothecation of specified vehicles. Further secured by personal guarantee of the Managing Director)	521921	3323078
<b>WORKING CAPITAL LOANS</b>		
From Banks (Refer Note No. 8(b) in schedule 19) (Term Loan & Working Capital Demand Loan due within next one year ₹10,31,83,221/- Previous year ₹ 48,89,54,889/-)	1483255950	1161071163
<b>TOTAL</b>	<b>1641749929</b>	<b>1237535329</b>

**SCHEDULE NO. 4 UNSECURED LOANS**

(₹)

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
Loan from Body Corporate	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>

**SCHEDULE NO. 5 FIXED ASSETS**

(₹)

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	COST AS ON 1/4/2010	ADDITIONS DURING THE YEAR	SALES ADJUSTMENTS DURING THE YEAR	TOTAL AS ON 31/03/2011	UPTO 31/03/2010	DURING FOR THE YEAR	ADJUSTMENTS DURING THE YEAR	TOTAL AS ON 31/03/2011	W.D.V AS ON 31/03/2011	W.D.V AS ON 31/3/2010
LAND-LEASEHOLD	26817315	0		26817315	1409205	363860		1773065	25044250	25408110
LAND-FREEHOLD	27251750	0		27251750	0	0		0	27251750	27251750
BUILDING	35860471	20880000		56740471	5489188	774746		6263934	50476537	30371283
TEMPORARY STRUCTURES	25317678	6176997		31494675	19916595	8170616		28087211	3407464	5401083
PLANT & MACHINERY	1025780621	163400806	3261868	1185919559	167596416	52469000	59075	220006341	965913218	858184205
SHUTTERING MATERIAL	808207626	295654905		1103862531	699022875	238211001		937233876	166628655	109184751
EARTH MOVERS	45458179	3290167		48748346	22854726	5265824		28120550	20627796	22603453
VEHICLES	104622924	22759054	3719417	123662561	34552967	10740561	1483112	43810416	79852145	70069957
COMMERCIAL VEHICLES	113868837	14863886		128732723	42408962	13890753		56299715	72433008	71459875
FURNITURE & FIXTURES	11415988	3775378		15191366	7708512	784391		8492903	6698463	3707476
OFFICE EQUIPMENTS	25194788	5185674		30380462	7709880	1207758		8917638	21462824	17484908
AIR CONDITIONERS	10118439	1099992		11218431	2117051	516762		2633813	8584618	8001388
COMPUTERS	32105676	8912089		41017765	15330332	4912919		20243251	20774514	16775344
INTANGIBLES ASSETS										
COMPUTER SOFTWARE	3299830	8574843		11874673	1426520	1005745		2432265	9442408	1873310
<b>GROSS TOTAL</b>	<b>2295320122</b>	<b>554573791</b>	<b>6981285</b>	<b>2842912628</b>	<b>1027543229</b>	<b>338313936</b>	<b>1542187</b>	<b>1364314978</b>	<b>1478597650</b>	<b>1267776893</b>
PREVIOUS YEAR	2329053747	391024007	424757632	2295320122	1119031583	330836862	422325216	1027543229	1267776893	1210022164
CAPITAL WORK-IN-PROGRESS									155073279	63860629

**NOTE :**

- 1) Gross Block of Plant & Machinery, Shuttering Material, Earth Movers, Vehicles and Commercial Vehicles includes ₹18,68,28,476 /- (P.Y. ₹18,27,20,775/-), ₹16,08,07,724/- (P.Y. ₹ 1,45,18,750/-), ₹16,65,167/- (P.Y. ₹36,31,228/-), ₹1,13,34,079/- (P.Y. ₹1,29,25,852/-), ₹1,85,53,855/- (P.Y. ₹1,65,02,844/-) taken on hire purchase/ finance respectively.
- 2) Land lease hold includes ₹1359872/- pending registration in the name of the company.
- 3) Building includes cost of floor ₹1,36,80,000/- pending registration in the name of the company.
- 4) Capital Work-in-Progress includes capital advances ₹37,20,533/- (P.Y. ₹ 9,05,000/-), Plant & Machinery in transit ₹37,78,163/-, (P.Y. ₹92,04,613/-), Service concession arrangement (Refer Notes to Accounts in Schedule 19) ₹14,75,74,583/- (P.Y. ₹5,37,51,016/-).



## SCHEDULE NO. 6 INVESTMENTS

(₹)

PARTICULARS	Balance As at 01.04.2010	Additions During the Year	Sale/ Adjustment During the Year	Balance As at 31.03.2011
<b>A. LONG TERM TRADE INVESTMENTS FULLY PAID UP (AT COST)</b>				
<b>UNQUOTED</b>				
(1) 1662 (P.Y. 1662) Equity shares of ₹ 100/- each M/s. Ahluwalia Builders & Development Group Pvt. Ltd. a company in which directors are interested	166200	0	0	166200
(2) 2500 (P.Y. 2500) Equity shares of ₹ 100/- each M/s Ahlcons India Pvt. Ltd. a company in which directors are interested	250000	0	0	250000
(3) 17274 (P.Y. 17274) Equity shares of ₹ 10/- each M/s. Capricon Industrials Ltd. a company in which directors are interested	172740	0	0	172740
(4) 6549000 (P.Y. 6549000) Equity shares of ₹10/- each M/s. Ahlcon Ready Mix Concrete Pvt. Ltd. company on hiving off the division (wholly owned subsidiary)	65490000	0	0	65490000
(5) 10000 (P.Y. 10000) Equity shares of ₹10/- each M/s. Preamsagar Merchants Pvt. Ltd. (wholly owned subsidiary)	2860000	0	0	2860000
(6) 10000 (P.Y. 10000) Equity shares of ₹10/- each M/s. Paramount Dealcomm Pvt. Ltd. (wholly owned subsidiary)	2860000	0	0	2860000
(7) 10000 (P.Y. 10000) Equity shares of ₹10/- each M/s. Splendor Distributors Pvt. Ltd. (wholly owned subsidiary)	2860000	0	0	2860000
(8) 10000 (P.Y. 10000) Equity shares of ₹10/- each M/s. Dipesh Mining Pvt. Ltd. ( wholly owned subsidiary)	2860000	0	0	2860000
(9) 10000 (P.Y. 10000) Equity shares of ₹10/- each M/s. Jiwan Jyoti Traders Pvt. Ltd. (wholly owned subsidiary)	2860000	0	0	2860000
	80378940			80378940
Less Provision for diminution in value of investments	0			0
<b>TOTAL</b>	<b>80378940</b>			<b>80378940</b>

## SCHEDULE NO. 7 INVENTORIES

(Taken as valued and certified by the Management)

(₹)

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
Work in Progress	446599851	564835395
Material at Site	1183437399	752936306
Material in Transit	49310401	26478818
Real Estate in Stock	0	141474780
<b>TOTAL</b>	<b>1679347651</b>	<b>1485725299</b>



**SCHEDULE NO. 8 SUNDRY DEBTORS**

(₹)

PARTICULARS	AS AT 31.03.2011		AS AT 31.03.2010	
<b>Debts outstanding for a period exceeding six months</b>				
<b>Unsecured, considered good</b>				
Retention Money	175987056	392143872	100601004	328658641
Against Running Bills	216156816		228057637	
<b>Unsecured, considered doubtful</b>				
Retention Money	2400502	30040268	667291	10392836
Against Running Bills	27639766		9725545	
<b>Others debts</b> (Unsecured, considered good)				
Retention Money	887722897	4648915262	672709903	3008843549
Against Running Bills	3761192365		2336133645	
Less: Provision for doubtful debts		30040268		10392836
<b>TOTAL</b>		<b>5041059134</b>		<b>3337502190</b>

**SCHEDULE NO. 9 CASH AND BANK BALANCES**

(₹)

PARTICULARS	AS AT 31.03.2011		AS AT 31.03.2010	
Cash in Hand (Including Imprest)		87214388		75126799
Balances with Scheduled Banks				
i) On Current Accounts	851952884	1410187384	1259130045	1632595214
ii) On Fixed Deposits Accounts	557862753		373185292	
iii) On Unpaid Dividend Account	371747		279877	
<b>TOTAL</b>		<b>1497401772</b>		<b>1707722013</b>

**SCHEDULE NO. 10 OTHER CURRENT ASSETS**

(₹)

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
Interest Receivable on deposits	29130115	30305104
Prepaid Expenses	37899984	37791457
<b>TOTAL</b>	<b>67030099</b>	<b>68096561</b>

**SCHEDULE NO. 11 LOANS & ADVANCES**

(₹)

PARTICULARS	AS AT 31.03.2011		AS AT 31.03.2010	
<b>Unsecured, considered good</b>				
Loan to Body Corporate		47225162		47225162
Staff advances		12463164		11416914
Advances recoverable in cash or in kind or for value to be received				
i) Advance against Real Estate project	205000000	642313326	55000000	407417578
ii) Earnest Money Deposit	54698982		53906688	
iii) Due from companies in which Directors are interested	37960273		60379801	
iv) Advance to Suppliers & Petty Contractors	152407310	107598943	130532146	
v) Advance Income Tax/TDS (Net of Provisions)	53074406		-	
vi) Others	139172355			
<b>Unsecured, considered doubtful</b>				
Advance against Real Estate project		18000000		18000000
Less: Provision for doubtful advances		720001652		484059654
		18000000		18000000
<b>TOTAL</b>		<b>702001652</b>		<b>466059654</b>

**SCHEDULE NO. 12 CURRENT LIABILITIES & PROVISIONS**

(₹)

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
<b>CURRENT LIABILITIES</b>		
Sundry Creditors		
- Dues to Micro and Small Enterprises (Refer Note No. 5 of Notes to Accounts Schedule 19)	6572969	2634117
- Others	2872703034	2099692207
Mobilisation Advance	2159806822	1606251361
Advance against Material at Site	394609336	502451636
Book Overdraft	2369774	16622608
Statutory Liability	204801771	207576323
Due to Directors	7662167	8179449
Other Liabilities	299230471	314774443
Interest accrued but not due on loans	1111385	372568
Unclaimed Dividend	371747	279877
(There is no amount due for payment to the Investor Protection Fund under Section 205C of The Companies Act, 1956 as at the year end.)		
	<b>5949239476</b>	<b>4758834589</b>
<b>PROVISIONS</b>		
For Income Tax (Net of Advance / TDS payments)	0	11606935
For Wealth Tax	500000	450000
For Gratuity	29049926	25703085
Proposed Equity Dividend	25105024	50210048
Tax on proposed Equity Dividend	4072663	8339262
	<b>58727613</b>	<b>96309330</b>

**SCHEDULE NO. 13 INCOME FROM OPERATIONS**

(₹)

PARTICULARS	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
Contract Work Receipts	16602439112	15618481861
Sales Trading (Construction related Material)	62830714	41632299
Sale Real Estate Stock	210000000	0
Sale (Scrap)	20271460	16751803
<b>TOTAL</b>	<b>16895541286</b>	<b>15676865963</b>

**SCHEDULE NO. 14 OTHER RECEIPTS**

(₹)

PARTICULARS	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
Interest on deposits (TDS ₹38,20,698/- , P.Y. ₹ 52,71,416/-)	37044028	42534859
Rent	7965768	7675968
Liabilities Written Back	7077111	3475834
Profit on sale of Fixed Assets	0	47438
Exchange Fluctuation (net)	1521648	2213897
Provision for Doubtful Debts Written Back	4953471	0
Bad Debts recovered	3500000	0
Sales Tax Refund	0	1485503
Dividend on Long Term Investment (Trade Unquoted)	37500	37500
<b>TOTAL</b>	<b>62099526</b>	<b>57470999</b>

**SCHEDULE NO. 15 INCREASE/(DECREASE) IN STOCK**

(₹)

PARTICULARS	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
<b>Work-in-Progress</b>		
Opening Stock:	564835395	364060725
Closing Stock	446599851	564835395
<b>TOTAL</b>	<b>(118235544)</b>	<b>200774670</b>

**SCHEDULE NO. 16 OPERATING EXPENSES**

(₹)

PARTICULARS	YEAR ENDED 31.03.2011		YEAR ENDED 31.03.2010	
Goods for Resale		49072144		29269864
Material Consumed		7853814536		8214886839
Cost of Goods Sold (Real Estate)		141474780		0
Sub-Contract		3134753140		2715808752
Professional Charges		37330859		49581892
<b>Cost of Labour</b>				
Labour Wages & Amenities	1778050280		1330786148	
Contribution to Provident & Other Funds	23976260		20247059	
Hutment Expenses	8106746		7586302	
Labour Welfare	84140231	1894273517	74613204	1433232713
Power & Fuel		333308122		286039254
Machinery & Shuttering Hire Charges		388439693		249073366
Machinery Repair & Maintenance		102717753		94426166
Commercial Vehicle Running & Maintenance		8335748		2658923
Testing Expenses		11736488		10920920
Insurance Expenses		32154879		30757727
Watch & Ward Expenses		86722395		63204557
<b>TOTAL</b>		<b>14074134054</b>		<b>13179860973</b>

**SCHEDULE NO. 17 ADMINISTRATIVE AND OTHER EXPENSES**

(₹)

<b>PARTICULARS</b>	<b>YEAR ENDED 31.03.2011</b>	<b>YEAR ENDED 31.03.2010</b>
Salaries and other Amenities to Staff (Including Directors Remuneration ₹1,90,36,266/- previous year ₹1,60,04,321/-)	<b>771132579</b>	624996857
Employees Welfare	<b>41907733</b>	31129015
Employer's Contribution to Provident and Other Funds.	<b>29938528</b>	28775505
Electricity & Water Charges	<b>4425611</b>	4495304
Rent	<b>96593051</b>	61531270
Travelling & Conveyance Expenses	<b>37646383</b>	31817647
Travelling & Conveyance (Directors)	<b>5331000</b>	4181931
Legal & Professional Charges	<b>17948727</b>	14498860
Repairs & Maintenance : -		
Building	<b>327720</b>	825632
Others	<b>15551966</b>	11081137
Vehicle Running & Maintenance	<b>28522981</b>	25200331
Postage, Telegram and Telephone Expenses	<b>23023036</b>	21863667
Printing and Stationery	<b>17956170</b>	16965429
Advertisement	<b>2548047</b>	3261833
Business Promotion	<b>1812288</b>	2058802
Charity & Donation (other than Political party)	<b>1305635</b>	688505
Insurance Charges	<b>2592049</b>	1276894
Watch & Ward Expenses	<b>1861512</b>	1439957
Rates & Taxes	<b>1097128</b>	3292106
Workman Compensation	<b>3836946</b>	1990587
Miscellaneous Expenses	<b>10231946</b>	8381421
Payment to Auditors	<b>2653813</b>	1399080
Loss on Sale of Fixed Assets	<b>2912903</b>	898723
Theft Loss	<b>5000000</b>	0
Misc. Expenses Written Off	<b>0</b>	195000
Bad Debts Written Off	<b>1056260</b>	31430224
Provision for doubtful debts	<b>24600903</b>	10392836
Provision for doubtful advances	<b>0</b>	18000000
Directors Sitting Fees	<b>155000</b>	70000
<b>TOTAL</b>	<b>1151969915</b>	<b>962138553</b>

**SCHEDULE NO. 18 INTEREST & OTHER FINANCIAL CHARGES**

(₹)

<b>PARTICULARS</b>	<b>YEAR ENDED 31.03.2011</b>	<b>YEAR ENDED 31.03.2010</b>
Interest on Term Loans	<b>13662737</b>	17389002
Interest on Working Capital & Others	<b>144074566</b>	140213031
Interest on Income Tax	<b>0</b>	5048793
Bank Charges	<b>42342475</b>	47809459
<b>TOTAL</b>	<b>200079778</b>	<b>210460285</b>

**SCHEDULE - 19 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS FORMING PART OF BALANCE SHEET & PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31-03-2011****(I) NATURE OF OPERATIONS**

Ahluwalia Contracts (India) Limited is primarily in the business of construction of structural and buildings.

**(II) SIGNIFICANT ACCOUNTING POLICIES****(A) BASIS OF PREPARATION OF FINANCIAL STATEMENT**

- (i) The Financial statements are prepared under the historical cost convention, in accordance with the generally accepted accounting principles, in compliance with the Accounting Standards issued by the Institute of Chartered Accountants of India from time to time and provisions of the Companies Act, 1956 as adopted consistently by the company, unless otherwise stated.
- (ii) The company generally follows Mercantile System of accounting and recognises items of Income and Expenditure on accrual basis except:-  
  
Works contract tax deducted at source including on advances by clients are charged to profit and loss account in the year of deduction and the refunds, if any, are accounted for in the year of receipt.
- (iii) Expenditure incurred in respect of additional costs/delays is accounted in the year in which they are incurred. Claims made in respect thereof are accounted as work receipts in the year of receipt of arbitration award or acceptance by client or evidence of acceptance received from the client.

**(B) REVENUE RECOGNITION**

- (i) Revenue recognition and valuation of the contract WIP are as per Accounting Standard AS-7. Work receipts are taken on percentage completion method, stated on the basis of physical measurement of work actually completed at the balance sheet date, taking in to account the contractual price and revision thereto. The site mobilisation expenditure for site installation is apportioned over the period of contract in proportion to value of work done. Foreseeable losses are accounted for when they are determined except to the extent they are expected to be recovered through claims presented or to be presented to the customer or in arbitration.
- (ii) Sub contracts expenses are accounted on the basis of bills certified by principal. Cost of sub contract includes the cost of material wherever applicable.
- (iii) In respect of Real Estate projects the sales are accounted for at the time of handing over the possession of the flat / space to the buyers.
- (iv) Stage / percentage of completion is determined with reference to the certificates given by the Clients / Consultants appointed by Clients as well as on the billing schedule agreed with them for the value of work done during the year.

**(C) FIXED ASSETS**

- (i) Fixed Assets are stated at Cost of acquisition. Fixed Assets acquired under Hire Purchase Schemes are capitalised at their principal value and hire (finance) charges are charged off as revenue expenditure.
- (ii) Company's Land & Buildings have been revalued as on 31-03-1992 by Government approved registered valuer on the basis of their prevailing day value. Difference between the total value of these assets on revaluation and written down value as on 31.03.1992 of ₹ 10,691,246/- had been credited to revaluation reserve account.

**(D) DEPRECIATION / AMORTISATION**

- (i) Depreciation is provided on straight line method in accordance with Schedule XIV of the Companies Act, 1956.
- (ii) Depreciation on Addition/Deletion from the assets during the year is provided on pro-rata basis.
- (iii) Depreciation on shuttering material issued @ 100% on prorata basis. Items costing below ₹ 5000/- are provided @ 100% on prorata basis / charged to the Profit & Loss Account.
- (iv) Depreciation is charged on the historical cost of Fixed Assets (Except for Revalued Assets) including taxes, duties and installation costs.
- (v) Depreciation on revalued amount of Fixed Assets is being charged to Revaluation Reserve Account.
- (vi) Lease hold land is amortised over the period of lease.

**(E) INTANGIBLES**

Software costs relating to acquisition of initial software licence fee and installation cost are capitalized in the year of purchase and amortized on straight line basis over its useful life, which is considered to be of a period of five years.





**(F) IMPAIRMENT OF ASSETS**

The company makes an assessment of any indicator that may lead to impairment of assets on an annual basis. An impairment loss is recognised wherever the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is greater of the net selling price and value in use. In assessing value in use valuation is done by the estimated future cash flows (discounted to their present value, based on an appropriate discounting factor) are used. Impairment losses are recognised in the Profit and Loss Account.

**(G) BORROWING COST**

Borrowing Costs specifically related to acquisition of fixed assets are capitalized as part of the cost of fixed assets till the date ready to put to use. Other borrowing costs are charged to Profit & Loss Account amount.

**(H) INVESTMENTS**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline, other than temporary, in the value of such investments.

**(I) INVENTORIES**

- (i) Stocks are valued at cost or net realisable value which ever is lower.
- (ii) Work-in-progress is valued on the basis of expenditure attributed to project up to the date of Balance sheet.

**(J) EMPLOYEE BENEFITS**

**(a) Short-term employee benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period.

**(b) Post-employment benefits:**

- (i) Retirement benefits in the form of the Company's contribution to Provident Fund charged to the Profit & Loss Account of the year when the contributions to the respective funds are due.
- (ii) The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on government securities as at the balance sheet date.

When the calculation results in a benefit to the company, the recognized asset is limited to the net total of any unrecognized actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses are recognized immediately in the profit & loss account.

**(K) FOREIGN EXCHANGE TRANSACTIONS**

- (i) Transactions arising in Foreign Currency are converted at the exchange rates prevailing as on date of transactions. Monetary Assets & Liabilities denominated in Foreign Currencies are restated at year end exchange rates. All exchange difference arising on conversion are charged to Profit & Loss Account.
- (ii) *Forward Exchange Contracts (Derivative Instruments) not intended for trading or speculation purposes*

The Company uses derivative financial instruments including forward exchange contracts to hedge its risk associated with foreign currency fluctuations. The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.



**(L) CONCESSION ARRANGEMENT**

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Significant assumptions used in accounting for the intangible asset are given below:

The intangible assets are measured at cost, i.e. fair value of the construction service. The exchange of construction services for an intangible asset is regarded as a transaction that generates revenue and costs, which will be recognized by reference to the stage of completion of the Construction. The intangible asset is assumed to be received only upon completion of construction and recognized on such completion. Until then, the expenditure incurred on this project will be debited as "Capital Work in Progress" under the main head of "Fixed Assets". The value of the intangible asset shall be amortized over the estimated useful life. The carrying value of intangible asset is reviewed for impairment when events or changes in circumstances indicate that the carrying value may be recoverable.

**(M) TAXATION**

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred Tax resulting from timing differences between book & tax profits is accounted for under the liability method, at the substantively enacted rate of tax on the balance sheet date, to the extent that the timing differences are expected to crystallise/capable of reversal as deferred tax charge/benefit in the profit & loss account and as deferred tax liability/assets in the balance sheet.

**(N) PROVISIONS**

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

**(O) LEASES**

Where the Company is the lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the Profit & Loss Account on a straight-line basis over the lease term.

**(P) SEGMENT REPORTING POLICIES**

**(i) Identification of segments:**

The Company's operating businesses are organized and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products and serves different markets.

**(ii) Inter Segment Transfers:**

Inter segment transfers have been priced based on market prices charged to external customers for similar goods. These are then eliminated.

**(iii) Unallocated items:**

Common unallocable costs and corporate income and expenses are considered as a part of un-allocable income and expense, which are not identifiable to any business segment.

**(Q) EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating Diluted Earnings per Share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential Equity shares.

**(III) NOTES TO ACCOUNTS****1. CONTINGENT LIABILITIES NOT PROVIDED FOR**

S.No.	Particulars	March 31, 2011 (₹)	March 31, 2010 (₹)
a)	Counter guarantees given to bankers against Bank guarantees	<b>4,73,24,73,185</b>	4,26,10,06,857
b)	Indemnity Bonds/Performance Bonds/ Surety Bonds / Corporate guarantees given to clients	<b>1,26,43,95,704</b>	1,19,48,99,037
c)	Value Added Tax liability	<b>1,50,70,38,998</b>	28,95,57,881
d)	Demand of stamp duty on Real Estate Project	<b>57,41,980</b>	57,41,980
e)	Claims against the company not Acknowledged as debt	<b>29,33,60,739</b>	29,56,42,739
f)	Excise duty demand for F.Y. 1998-99 & 2000-2001	<b>46,37,000</b>	46,37,000
g)	Service tax demand on allegedly wrong availment of abatement on account of free supply of material by the Client	<b>1,96,11,49,906</b>	1,08,37,50,234
h)	Income tax demand	<b>5,02,111</b>	-

Based on legal opinion taken by the Company, discussions with the advocates etc, the Company believes that there is fair chance of decisions in its favour in respect of all items listed in (c) to (g) above and hence no provision is considered necessary against the same. The reply/appeal have been filed before appropriate authority/Court. Disposal is awaited.

- 2 a) The company has executed Common Wealth Games Village Project. The company has raised R.A. bills amounting to ₹ 638,87,67,898/- up to the March, 2010 which have been certified to the extent of ₹ 571,84,67,898/- . The company has further raised bills and lodged the claims of ₹ 418,02,86,608/- on the client with respect to additional works on account of deviations and other aspects. The client has in turn raised a counter claim on the company for ₹ 250,92,91,002/-. Negotiations for the settlements are in progress and affect will be given on final settlement as per the policy consistently followed by the Company. The management is of the opinion that the demand raised by the client is not sustainable.
- b) On 19th Jan, 2011 Sri Sumeru Realty Pvt. Ltd (SSRPL) Bangalore, a client invoked the Bank Guarantees amounting to ₹ 500,44,760/- and terminated the Contract on 10.03.11. The Company filed petition in the District and Sessions Court, Bangalore to restrain the Bank for release of Payment against these Bank Guarantees. The Company has also filed application to secure claims of ₹ 22,74,79,303/- The Court restrained the Bank to release the payment of Bank Guarantees.  
  
The matter is being pursued as per direction of the Court. The effect for recovery of dues and assets at site will be accounted for on final settlement/ court order.
- c) The Construction of Festival City, Ludhiana was awarded on 10.03.2006 for a contract value of ₹ 110,00,00,00/- for the period of 15 months. . The project was delayed due to various reasons and under suspension since June 2009. During the course of the execution of the project, the Company had entered in to an agreement to create strategic account & agreement to sell in April 2007 for contiguous office space of 28744 sq ft. for a total sale consideration of ₹ 6,46,74,743/-.  
  
The Client's bankers have taken over possession of the project (Building) under SARFESI Act and have filed a suit for recovery in Debt Recovery Tribunal (DRT).  
  
The Company has filed separate petition dated 21/24.06.2010 with DRT II u/s 17 (3) of SARFESI Act (i) to set- aside the possession notice for the space 28744 Sqft (ii) to stay all actions with regard space 28744 Sqft already allotted to the Company by the Client. The matter as such is sub judice.  
  
The recovery of the Company's dues are dependent upon decision of the judicial process. The management is of the opinion that the dues as per books of account are fully recoverable.
3. Capital commitments :- Capital contracts remaining to be executed (net of payments) and not provided for ₹ 58,39,37,834/- (Previous Year ₹ 66,86,43,984/-)
4. In the opinion of the Board, Current Assets, Loans and Advances are approximately of the value stated if realised in the ordinary course of business. The provisions for depreciation and for all known liabilities are adequate and not excess of the amount considered necessary.
5. The Company has initiated the process of obtaining confirmation from suppliers who have registered themselves under the Micro Small Medium Enterprises Development Act, 2006 (MSMED Act, 2006). Based on the information available with the Company, the



balance due to Micro & Small Enterprises as defined under the MSMED Act, 2006 is as under:

No.	Details of Dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006	As at 31st Mar, 2011 (₹)	As at 31st Mar, 2010 (₹)
i	The Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year. Principal Amount Unpaid Interest Due	65,72,969 4,52,257	26,34,117 3,30,069
ii	The amount of interest paid by the buyer in terms of section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year Payment made beyond the Appointed Date Interest Paid beyond the Appointed Date	- -	- -
iii	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006	-	-
iv	The amount of interest accrued and remaining unpaid at the end of the year; and	10,10,326	5,58,069
v	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

- 6 The Company has 100% subsidiaries namely of M/s. Ahlcon Ready Mix Concrete Pvt. Ltd., Dipesh Mining Pvt. Ltd., Jiwan Jyoti Traders Pvt. Ltd., Paramount Dealcomm Pvt. Ltd., Premsagar Merchants Pvt. Ltd. and Splendor Distributors Pvt. Ltd. As a result of which these companies have become wholly owned subsidiaries of the company.
- 7 (a) Sundry Debtors, Advances Recoverable and Sundry Creditors balances appearing in the Balance Sheet are subject to confirmation.  
(b) Advance payments received towards contracts are secured by Bank Guarantees and/or indemnity bonds issued by the company.
- 8 (a) Fixed Deposit Receipts to the tune of ₹ 44,20,35,886/- (P.Y. ₹ 36,59,44,451/-) along with interest accrued ₹ 2,83,78,990/- (P.Y. ₹ 3,01,57,404/-) have been pledged with the Company's Bankers as margin for Bank Guarantees, Letters of Credits, Security Deposit under lien for Loans obtained from Banks and FDRs are deposited with the court for legal cases against the company.  
(b) Working Capital Facilities availed by the company
- 1) From Canara Bank are secured by way of
    - a) Personal guarantee of (i) Mr. Bikramjit Ahluwalia (ii) Mr. Shobhit Uppal, (iii) Mrs. Sudershan Walia and (4) Mr. Vikaas Ahluwalia.
    - b) First Paripassu charge on Stock and Book Debts.
    - c) Equitable mortgage of Commercial property at Plot. No.A-177,Okhla Industrial Area, Phase-I, New Delhi- ₹ 2,28,00,000/-, valuation report dated 3.3.2007, Equitable mortgage of Commercial property at Plot No. 4, Community Centre, Saket, New Delhi - ₹ 9,76,00,000/- valuation report dated 8.12.2007, Equitable mortgage of Residential property at Plot No. B-7, Saket, New Delhi - ₹ 5,79,00,000/-, valuation report dated 3.3.2007.
  - 2) From Yes Bank Limited are secured by way of
    - a) First paripassu charge on the current assets of the company.
    - b) Personal guarantee of (1) Mr. Shobhit Uppal and (2) Mr.Vikaas Ahluwalia
    - c) Demand Promissory Note for ₹ 20,00,00,000/-.



- 3) From Standard Chartered Bank are secured by way of
  - a) First paripassu charge on the current assets of the company along with other Banks in multiple banking arrangements
  - b) Personal guarantee of (i) Mr. Bikramjit Ahluwalia (ii) Mr. Shobhit Uppal (iii) Mrs. Sudershan Walia and (iv) Mr. Vikaas Ahluwalia.
- 4) From Axis Bank are secured by way of
  - a) First paripassu charge on the current assets of the company along with other banks in Multiple Banking Arrangement.
  - b) Personal Guarantee of (i) Mr. Bikramjit Ahluwalia (ii) Mr. Shobhit Uppal (iii) Mrs. Sudershan Walia (iv) Mr. Vikaas Ahluwalia.
- 5) From Kotak Mahindra Bank Ltd. are secured by way of First pari passu charge on all existing and future current assets of the company.
  - a) Personal guarantee of (i) Mr. Bikramjit Ahluwalia (ii) Mr. Vikaas Ahluwalia.
  - c) Undated cheque in bank's format for the facility amount.
- 6) From IndusInd Bank Ltd. are secured by way of
  - a) First paripassu charge on current assets of the company
  - b) Personal guarantee of (i) Mr. Bikramjit Ahluwalia (ii) Mr. Shobhit Uppal (iii) Mrs. Sudershan Walia and (iv) Mr. Vikaas Ahluwalia.
- 7) From Citi Bank N.A. are secured by way of
  - a) First paripassu charge on present and future stocks and book debts of the company.
  - b) Personal guarantee of (i) Mr. Bikramjit Ahluwalia and (ii) Mrs. Sudershan Walia
  - c) Demand Promissory Note and letter of continuity for ₹ 58,00,00,000/-.
- 8) From Bank of Maharashtra are secured by way of
  - a) First paripassu charge on all current assets of the company alongwith other multiple member banks.
  - b) Personal guarantee of (i) Mr. Bikramjit Ahluwalia (ii) Mr. Shobhit Uppal (iii) Mrs. Sudarshan Walia (iv) Mr. Vikaas Ahluwalia.
  - c) Pledge of 15,00,000 Equity shares of the company belonging to the promoters of the Company.
- 9) From IDBI Bank Ltd. are secured by way of
  - a) First paripassu charge on entire current assets of the company along with other banks in multiple banking arrangement.
  - b) Personal Guarantee of (i) Mr. Bikramjit Ahluwalia (ii) Mrs. Sudarshan Walia.
- 10) From State Bank of Patiala are secured by way of
  - a) First paripassu charge on the entire current assets of the company along with other banks under multiple banking arrangement.
  - b) Personal Guarantee of (i) Mr. Bikramjit Ahluwalia (ii) Mr. Shobhit Uppal (iii) Mrs. Sudarshan Walia (iv) Mr. Vikaas Ahluwalia.
- 11) From ING Vysya Bank Ltd. are secured by way of
  - a) First paripassu charge on the entire present and future current assets of the company with other banks.
  - b) Personal Guarantee of (i) Mr. Bikramjit Ahluwalia (ii) Mrs. Sudarshan Walia (iii) Mr. Shobhit Uppal (iv) Mr. Vikaas Ahluwalia.
- 12) From Punjab & Sind Bank are secured by way of
  - a) First paripassu charge on current assets both present & future viz Raw Materials, Semi finished and finished goods, Consumables, Stores and Spares, Book Debts etc. with participating Lenders.
  - b) Pledge of 102,71,380 equity shares of the company of the promoters.
  - c) Personal Guarantee of (i) Mr. Bikramjit Ahluwalia (ii) Mrs. Sudarshan Walia (iii) Mr. Vikaas Ahluwalia.
- 13) From ICICI bank, Fund based facilities for ₹ 10,00,00,000/- are secured by way of
  - a) First Paripassu charge on entire stocks and book debts, both present and future
  - b) Personal Guarantee of (i) Mr. Shobhit Uppal (ii) Mr. Vikaas Ahluwalia





- 14) From ICICI Bank Ltd., Bank Guarantee facilities of ₹ 50,00,00,000/- is secured by way of Personal guarantee of (i) Mr. Shobhit Uppal (ii) Mr. Vikaas Ahluwalia
- 15) From Bank of India are secured by way of
  - a) First Paripassu charge on entire current assets of the company along with other working capital lenders.
  - b) Personal Guarantee of (i) Mr. Bikramjit Ahluwalia (ii) Mrs. Sudershan Walia
- 16) From G.E. Capital Services India for working capital/general corporate purpose are secured by way of
  - a) Hypothecation of specified equipments.
  - b) Demand promissory Note for ₹ 7,00,00,000/-
  - c) Undated cheque for ₹ 7,00,00,000/-
- (c) Term Loan facilities availed by the company -
  - 1) From Standard Chartered Bank is secured by way of
    - a) First and exclusive charge of assets financed by the bank.
    - b) Personal guarantee of Mr. Bikramjit Ahluwalia
    - c) Post dated cheque for repayment of interest and principal.
  - (d) 1) Term Loan facilities taken for machinery / vehicle from, ICICI Bank Ltd., HDFC Bank Ltd. are secured by way of hypothecation of specified machinery / vehicle.
  - 2) Term loan facilities taken for vehicles from Bank of Maharashtra are secured by way of hypothecation of specified vehicles and personal guarantee of Mr. Bikramjit Ahluwalia
  - (e) Other Term Loan from TML Financial Services Ltd., L&T Finance Ltd., Magma Fincorp Ltd., SREI Equipments Finance Pvt. Ltd., First Leasing Company of India Ltd. are secured by way of hypothecation of specified machinery / vehicle.
  - (f) Bank Guarantees Facilities availed from -
    - 1) Allahabad Bank is secured by way of
      - a) First paripassu charge/ Hypothecation charge over entire current assets of the company both present and future.
      - b) Personal Guarantee of (i) Mr. Bikramjit Ahluwalia (ii) Mrs. Sudershan Walia (iii) Mr. Shobhit Uppal (iv) Mr. Vikaas Ahluwalia
    - 2) ICICI Bank Ltd. of ₹ 90,00,00,000/- is secured by way of
      - a) First paripassu charge on entire stocks and book debts, both present and future
      - b) Personal Guarantee of (i) Mr. Bikramjit Ahluwalia (ii) Mrs. Sudershan Walia.
    - 3) Syndicate bank is secured by way of 100% margin of ₹ 55,00,000/-.
9. (i) Loan to Body Corporate (shown under schedule 11) due from subsidiary companies includes ₹ 4,72,25,162/- (P.Y. ₹ 4,72,25,162/-) (maximum amount due at any time during the year ₹ 4,72,25,162/- (P.Y. ₹ 10,27,60,649/-).
- (ii) Sundry creditors includes amount due to subsidiary companies in which Directors are interested ₹ 2,67,14,172/- (P.Y. ₹ 1,98,46,806/-) (maximum amount due at any time during the year ₹ 2,89,22,104/-) (P.Y. ₹ 2,39,84,369/-).
- (iii) Sundry debtors includes amount due from companies in which Directors are interested ₹ 3,03,750/- (P.Y. ₹ 60,750/-) (Maximum balance at any time during the year ₹ 3,03,750/- (P.Y. ₹ 1,04,406/-).
- (iv) Sundry debtors includes amount ₹ 1,83,00,582/- (P.Y. ₹ 51,29,325/-) (Maximum balance at any time during the year ₹ 1,83,00,582/- (P.Y. ₹ 51,29,325/-) due from Chairman & Managing Director Mr. Bikramjit Ahluwalia / proprietary concerns of Mr. Bikramjit Ahluwalia.
- (v) Advance recoverable in cash or in kind or for value to be received includes amount due from companies in which directors are interested ₹ 3,79,60,273/- (P.Y. ₹ 6,03,79,801/-) Maximum balance due at any time during the year ₹ 15,70,33,188/- (P.Y. ₹ 18,38,51,952/-).



10. Loans & Advances in the nature of Loans given to Subsidiary Companies :-

S.No.	Subsidiary Companies	As at 31.03.2011 (₹)	Maximum Balance during the year (₹)	As at 31.03.2010 (₹)	Maximum Balance during the year (₹)
i)	Ahlcon Ready Mix Concrete Pvt. Ltd.	-	-	-	5,55,35,487
ii)	Dipesh Mining Pvt. Ltd.	1,04,41,304	1,04,41,304	1,04,41,304	1,04,41,304
iii)	Jiwan Jyoti Traders Pvt. Ltd.	84,46,795	84,46,795	84,46,795	84,46,795
iv)	Paramount Dealcomm Pvt. Ltd.	84,46,005	84,46,005	84,46,005	84,46,005
v)	Premasagar Merchants Pvt. Ltd.	1,04,45,203	1,04,45,203	1,04,45,203	1,04,45,203
vi)	Splendor Distributors Pvt. Ltd.	94,45,855	94,45,855	94,45,855	94,45,855
	<b>TOTAL</b>	<b>4,72,25,162</b>	<b>4,72,25,162</b>	<b>4,72,25,162</b>	<b>10,27,60,649</b>

11. A sum of ₹ 45,781/- Debit (P.Y. ₹ 75,652/- Debit), relating to earlier years have been considered in respective heads of accounts.

12. Bus Terminal and Depot and Commercial Complex at Kota

- The Company entered into an "Agreement to Develop" with Rajasthan State Road Transport Corporation (RSRTC), grantor, for Development/Construction of Bus Terminal and Depot and Commercial Complex at Kota, on 19th September, 2007. The project was to be completed within 18 months. Delay in approval of drawing by Statutory Authorities effected the progress of the project and delay in completion. In a meeting held on 13.06.2011, with the Statutory Authorities and RSRTC grantor, it was decided that the project shall be completed and no penalty shall be levied till Dec. 2011.
- The project cost has been estimated ₹ 72,00,00,000/- out of which ₹ 14,75,74,583/- have been spent till 31.03.2011. The expenditure incurred has been shown in Balance Sheet under the main head "Fixed Assets" and sub-head "Capital Work in Progress" as "Intangible Asset". The total expenditure will be amortised during the useful period taking into account the revenue receivable for remaining useful period.
- Right to Lease Commercial Complex: The period of lease of right of Commercial complex is 40 years (30 years + 10 years extended period) from the date of completion of the project. Thereafter, the Commercial Complex will be handed over to RSRTC.
- Revenue from Advertisement, outside the building shall be 50% to RSRTC. No Revenue sharing from Advertisement etc. inside the building.
  - The revenue from commercial complex will be shared with RSRTC in the following manner:

S.No.	Details of area/space to be used for shops/stalls or other occupants at B/s Kota	License fee upto 36 months	License fee after 36 months upto the license period of 30 years	License fee after 30 years for a further period of 10 years
1)	For the space area 15 Sqm or more area	₹ 10/- per Sqm per month	₹50/- per Sqm per month with 10% cumulative increase after every three years.	License fee effective as on Completion of 30 years and others terms & conditions will remain unchanged.
2)	For space less than 15 Sqm	₹150/- per month in each case.	₹750/- per month in each case with 10% cumulative increase after every three years.	License fee effective as on completion of 30 years and others terms & conditions will remain unchanged.

- Maintenance Obligations: The maintenance of Bus Terminal and Depot is the responsibility of RSRTC. It will be Contractual obligations to maintain the commercial complex. The actual maintenance charges will be recovered from the occupants of the commercial complex.

13. Employee Benefits:

- Effective from 1st January'2007, the Company adopted Accounting Standard 15 (Revised 2005) on "Employee Benefits" issued by the Institute of Chartered Accountant of India.



b) The following table sets out the status of the gratuity scheme plan as at 31st March, 2011.

**Assumptions:**

	<b>As on 31.03.2009</b>	<b>As on 31.03.2010</b>	<b>As on 31.03.2011</b>
Discount Rate:	7.00%	7.60%	<b>7.90%</b>
Rate of increase in Compensation levels:	5.00%	7.00%	<b>7.00%</b>
Rate of Return on Plan Assets:	9.25%	9.25%	<b>9.25%</b>

**I. TABLE SHOWING CHANGES IN PRESENT VALUE OF OBLIGATIONS DURING THE PERIOD**

(₹)

Present Value of Obligation as at the beginning of the period	3,31,20,731	4,20,91,635	<b>5,59,67,851</b>
Acquisition adjustment	–	–	–
Interest Cost	26,49,658	29,46,414	<b>42,53,557</b>
Past Service Cost	–	–	–
Current Service Cost	60,46,480	80,67,523	<b>90,36,588</b>
Curtailement Cost / (Credit)	–	–	–
Settlement Cost / (Credit)	–	–	–
Benefit Paid (i) Directly paid by the enterprise	(3,24,154)	NIL	<b>NIL</b>
(ii) Payment made out of the fund	(22,35,194)	(15,15,742)	<b>(12,64,106)</b>
Actuarial (gain)/ loss on obligations	28,34,114	43,78,021	<b>13,90,160</b>
Present Value of Obligation as at the end of the period	4,20,91,635	5,59,67,851	<b>6,93,84,050</b>

**II. TABLE SHOWING CHANGES IN THE FAIR VALUE OF PLAN ASSETS DURING THE PERIOD**

(₹)

Fair Value of Plan Assets at the beginning of the period	1,12,98,607	2,06,21,365	<b>3,02,64,766</b>
Acquisition Adjustments	–	–	–
Expected Return on Plan Assets	10,33,823	19,07,476	<b>33,66,066</b>
Contributions	98,51,244	86,69,356	<b>79,67,398</b>
Benefits Paid	(22,35,194)	(15,15,742)	<b>(12,64,106)</b>
Actuarial Gain /( loss) on Plan Assets	6,72,885	5,82,311	<b>NIL</b>
Fair Value of Plan Assets at the end of the period	2,06,21,365	3,02,64,766	<b>4,03,34,124</b>

**III. TABLES SHOWING FAIR VALUE OF PLAN ASSETS**

(₹)

Fair value of plan asset at the beginning of period	1,12,98,607	2,06,21,365	<b>3,02,64,766</b>
Acquisition Adjustments	–	–	–
Actual return on plan assets	17,06,708	24,89,787	<b>33,66,066</b>
Contributions	98,51,244	86,69,356	<b>79,67,398</b>
Benefits Paid	(22,35,194)	(15,15,742)	<b>(12,64,106)</b>
Fair value of plan assets at the end of period	2,06,21,365	3,02,64,766	<b>4,03,34,124</b>
Funded Status	(2,14,70,270)	(2,57,03,085)	<b>(2,90,49,926)</b>
Excess of actual over expected return on plan assets	6,72,885	5,82,311	<b>NIL</b>



#### IV. ACTUARIAL GAIN / LOSS RECOGNIZED FOR THE PERIOD

(₹)

	As on 31.03.2009	As on 31.03.2010	As on 31.03.2011
Actuarial gain/(loss) for the period - Obligation	(28,34,114)	(43,78,021)	(13,90,160)
Actuarial (gain)/loss for the period - Plan Assets	(6,72,885)	(5,82,311)	NIL
Total (gain) / loss for the period	21,61,229	37,95,710	13,90,160
Actuarial (gain) / loss recognized in the period	21,61,229	37,95,710	13,90,160
Unrecognized actuarial (gains) / losses at the end of period	-	-	-

#### V. THE AMOUNTS TO BE RECOGNIZED IN BALANCE SHEET AND STATEMENTS OF PROFIT AND LOSS

(₹)

Present Value of Obligation as at the end of the period	4,20,91,635	5,59,67,851	6,93,84,050
Fair Value of Plan Assets as at the end of the period	2,06,21,365	3,02,64,766	4,03,34,124
Funded Status	(2,14,70,270)	(2,57,03,085)	(2,90,49,926)
Unrecognized Actuarial (gains) / losses	-	-	-
Unrecognized Past Service Cost (Non Vested Benefits)	-	-	-
Net Liability Recognized in Balance Sheet	2,14,70,270	2,57,03,085	2,90,49,926

#### VI. EXPENSE RECOGNIZED IN THE STATEMENT OF PROFIT AND LOSS FOR THE PERIOD

(₹)

Current Service Cost	60,46,480	80,67,523	90,36,588
Past Service Cost	-	-	-
Interest Cost	26,49,658	29,46,414	42,53,557
Expected Return on Plan Assets	(10,33,823)	(19,07,476)	(33,66,066)
Curtailement Cost / (Credit)	-	-	-
Settlement Cost / (Credit)	-	-	-
Net actuarial (gain)/ loss recognized in the period	21,61,229	37,95,710	13,90,160
Expenses Recognized in the statement of Profit & Loss	98,23,544	1,29,02,171	1,13,14,239

#### VII. AMOUNT FOR THE CURRENT PERIOD

(₹)

Present Value of Obligation	4,20,91,635	5,59,67,851	6,93,84,050
Plan Assets	2,06,21,365	3,02,64,766	4,03,34,124
Surplus (Deficit)	(2,14,70,270)	(2,57,03,085)	(2,90,49,926)
Experience adjustments on plan liabilities - (Loss)/Gain	(95,38,068)	(15,70,556)	(41,04,710)
Experience adjustments on plan assets - (Loss)/Gain	6,72,885	5,82,311	NIL

**VIII. RECONCILIATION STATEMENT OF EXPENSE IN THE STATEMENT OF PROFIT AND LOSS**

(₹)

	<b>As on 31.03.2009</b>	<b>As on 31.03.2010</b>	<b>As on 31.03.2011</b>
Present value of obligation as at the end of period	4,20,91,635	5,59,67,851	<b>6,93,84,050</b>
Present value of obligation as at the beginning of the period	(3,31,20,731)	(4,20,91,635)	<b>(5,59,67,851)</b>
Benefits Paid:			
(i) Directly paid by the enterprise	3,24,154	NIL	<b>NIL</b>
(ii) Payment made out of the fund	22,35,194	15,15,742	<b>12,64,106</b>
Actual return on plan assets	(17,06,708)	(24,89,787)	<b>(33,66,066)</b>
Expenses recognized in the statement of profit & losses	98,23,544	1,29,02,171	<b>1,13,14,239</b>

**IX. MOVEMENT IN THE LIABILITY RECOGNIZED IN THE BALANCE SHEET**

(₹)

Opening Net Liability	2,18,22,124	2,14,70,270	<b>2,57,03,085</b>
Expenses as above	98,23,544	1,29,02,171	<b>1,13,14,239</b>
Benefits paid directly by the enterprise	(3,24,154)	NIL	<b>NIL</b>
Contributions Paid into the Fund	(98,51,244)	(86,69,356)	<b>(79,67,398)</b>
Closing Net Liability	2,14,70,270	2,57,03,085	<b>2,90,49,926</b>

**X. MAJOR CATEGORIES OF PLAN ASSETS (as percentage of total plan assets)**

Government of India Securities	-	-	-
State Government Securities	-	-	-
High Quality Corporate Bonds	-	-	-
Equity Shares of listed Companies	-	-	-
Property	-	-	-
Special Deposit Scheme	-	-	-
Funds managed by Insurer	100%	100%	<b>100%</b>
Bank Balance	-	-	-
Fixed Deposit	-	-	-
Other Assets	-	-	-
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

IX. The Company's Gratuity fund is managed by Life Insurance Corporation of India. The plan assets under the fund are deposited under approved securities.

**14. AUDITORS' REMUNERATION**

(₹)

<b>S.No.</b>	<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
(i)	As Audit Fee	<b>17,64,800</b>	11,03,000
(ii)	Tax Audit Fee	<b>4,41,200</b>	2,20,600
(iii)	Certification & other matters	<b>4,09,213</b>	13,236
(iv)	Out of pocket expenses	<b>38,600</b>	62,244
	<b>Total</b>	<b>26,53,813</b>	13,99,080





15. Managerial Remuneration paid/payable to Chairman and Managing Director, and other Directors for the period are as follows:

(₹)

Particulars	Current Year	Previous Year
Salaries and allowances	1,79,56,452	1,50,00,000
Perquisites	10,79,814	10,04,321
<b>Total</b>	<b>1,90,36,266</b>	<b>1,60,04,321</b>
Directors sitting fees	1,55,000	70,000

16. a) Current tax is calculated in accordance with the tax laws applicable to the current financial year and accordingly charged to the profit and loss account for the year.
- b) The breakup of net deferred tax liability / (assets) is as under :-

Particulars	As on 31.03.2011		As on 31.03.2010	
	Deferred Tax liability	Deferred Tax Assets (₹)	Deferred Tax liability	Deferred Tax Assets (₹)
Depreciation difference between book & Income tax	-	13,58,57,748	-	12,81,73,604
Expenses allowable on actual payments	-	2,61,91,975	-	2,20,90,800
<b>Total</b>	-	<b>16,20,49,723</b>	-	<b>15,02,64,404</b>
Net deferred tax liability / (assets) as on date	-	<b>(16,20,49,723)</b>	-	<b>(15,02,64,404)</b>
Net deferred tax liability / (assets) for the year	-	<b>(1,17,85,319)</b>	-	<b>(2,47,86,453)</b>

17. The Company has taken various residential, office and warehouse premises under operating lease agreements. These are generally not non-cancellable and are renewable by mutual consent on mutually agreed terms. There are no restrictions imposed by Lease Agreement. There are no subleases.

Particulars	Lease Payments 2010-2011 (₹)	Lease Payments 2009-2010 (₹)
Total lease payment for the year (recognized in Profit & Loss Account)	9,65,93,052	6,15,31,270
Minimum Lease Payments		
Not later than one year	5,68,65,273	2,14,96,668
Later than one year but not later than five years	4,47,53,107	99,89,592
Later than five years	-	-

**18. Related Party Disclosure:**

- i) **List of Related Parties (as ascertained by the management)**

**1. Parties under common control & Associates:**

M/s Ahlcon Parenterals (India) Limited  
M/s Tidal Securities Private Ltd.  
M/s Ahlcons India Private Limited  
M/s. Capricon Industrials Ltd.  
M/s. Ahluwalia Builders & Development Group Pvt. Ltd.

**2. Parties under Subsidiary Companies**

M/s. Ahlcon Ready Mix Concrete Pvt. Ltd.  
M/s. Dipesh Mining Pvt. Ltd.  
M/s. Jiwanjyoti Traders Pvt. Ltd.  
M/s. Paramount Dealcomm Pvt. Ltd.  
M/s. Prem Sagar Merchants Pvt. Ltd.  
M/s. Splendor Distributors Pvt. Ltd.



3. **Key Management Personnels:**

Mr. Bikramjit Ahluwalia	Chairman & Managing Director
Mr. Shobhit Uppal	Dy. Managing Director
Mr. Vikaas Ahluwalia	Whole Time Director
Mrs. Sudershan Walia	Whole Time Director
Mr. Vinay Pal	Whole Time Director (Appointed on 14.08.2010)

4 **Relative of Key Management Personnels & Relationship:**

Mrs. Rohini Ahluwalia	Daughter of Chairman & Managing Director
Mrs. Rachna Uppal	Daughter of Chairman & Managing Director
Mrs. Mukta Ahluwalia	Daughter of Chairman & Managing Director
Mrs. Pushpa Rani	Sister of Chairman & Managing Director
Mrs. Ram Piari	Sister of Chairman & Managing Director
Mrs. Raman Pal	Mother of Whole Time Director

5. Enterprises over which key managerial personnel is able to exercise significant influence.

Karam Chand Ahluwalia Hospital & Medical Research Society

ii) **Transactions During the Year with Related Parties**

(₹)

Particulars	Current Year	Previous Year
i) <u>Interest paid</u> Parties under common control & Associates	-	-
ii) <u>Sale of goods</u> Parties under Subsidiary Companies Key management personnel and their relatives	- -	1,41,00,576 -
iii) <u>Rent received</u> Parties under common control & Associates Parties under Subsidiary Companies	10,03,968 2	10,03,968 2
iv) <u>Payment against contract work</u> Parties under common control & Associates Parties under Subsidiary Companies	30,21,62,130 3,71,16,981	31,43,63,833 2,53,60,235
v) <u>Purchase of materials</u> Parties under common control & Associates Parties under Subsidiary Companies	33,31,670 8,65,87,728	85,19,155 9,92,77,404
vi) <u>Rent Paid</u> Key management personnel & their relatives	72,60,000	72,60,000
vii) <u>Managerial Remuneration</u> Key management personnel	1,90,36,266	1,60,04,321
viii) <u>Loan repaid</u> Parties under common control & Associates	-	-
ix) <u>Dividend received</u> Parties under common control & Associates	37,500	37,500
x) <u>Dividend paid</u> Key management personnel & their relatives Parties under common control & Associates	1,82,17,567 10,000	2,96,58,312 17,500
xi) <u>Investments</u> Parties under common control & Associates Parties under Subsidiary Companies	- -	- 6,53,90,000
xii) <u>Loan to body corporate</u> Parties under Subsidiary Companies	-	1,45,00,000



(₹)

Particulars	Current Year	Previous Year
xiii) <u>Repayment of loan from body corporate</u> Parties under Subsidiary Companies	-	1,54,89,019
xiv) <u>Payment against Machinery Hire</u> Parties under Subsidiary Companies	2,88,67,917	1,89,41,414
xv) <u>Advance recoverable in cash or kind</u> Parties under Subsidiary Companies	-	-
xvi) <u>Payment against Professional</u> Non Executive & Independent Directors	-	-
xvii) <u>Corporate Guarantee</u> Parties under Subsidiary Companies	27,00,00,000	27,00,00,000
xviii) <u>Receipts against contract work</u> Key management personnel and their relatives	2,60,15,722	1,01,12,038
xix) <u>Sale of Real Estate</u> Key management personnel and their relatives	21,00,00,000	-
xx) <u>Enterprises over which key managerial personnel is able to exercise significant influence</u> Karam Chand Ahluwalia Hospital & Medical Research Society	6,00,000	4,50,000

**Amount Due from / to Related Parties:**

(₹)

S. No.	Particulars	Current Year	Previous Year
(i)	<b><u>Due from related parties</u></b>		
	Sundry Debtors Parties under common control & Associates: Key management personnel and their relatives	3,03,750 1,83,00,582	60,750 51,29,325
	<u>Advance recoverable in cash or in kind or for value to be received</u> Parties under common control & Associates Parties under Subsidiary Companies	3,79,60,273 -	6,03,79,801 -
	<u>Investments</u> Parties under common control & Associates Parties under Subsidiary Companies	5,88,940 7,97,90,000	5,88,940 7,97,90,000
	<u>Loan to body corporate</u> Parties under Subsidiary Companies	4,72,25,162	4,72,25,162
(ii)	<b><u>Due to related parties</u></b>		
	<u>Remuneration and Rent</u> Key management personnel and their relatives	81,48,167	1,03,79,331
	<u>Sundry Creditors</u> Parties under Subsidiary Companies	2,67,14,172	1,98,46,806

No amount has been written off / provided for in reference of the above.

**19. Earnings Per Share:**

	Current Year	Previous Year
a) Weighted average number of equity Shares of ₹2/- each.	6,27,62,560	6,27,62,560
b) Net profit after tax available for equity share holders (₹)	70,78,60,821	81,78,33,397
c) Basic earning (in rupees) per share of ₹2/- each (₹)	11.28	13.03
d) Diluted earning (in rupees) per share of ₹ 2/- each (₹)	11.28	13.03



## 20. Disclosure in accordance with Accounting Standard -7 (Revised) amount due from/to customers on construction Contracts

(₹ in lacs)

	Current Year	Previous Year
Contract revenue recognized as revenue in the year	1,44,961.42	15,65,45.84
Contract costs incurred and recognised profits (less recognised losses) upto the reporting date	1,46,258.57	1,54,463.82
Advances received	24,623.63	20,412.73
Retention money	9,350.84	6,769.70
Gross amount due from customers for contract work	230.79	335.18
Gross amount due to customers for contract work	-	-

Note:-The above information is given only in respect of contracts entered into on or after 01.04.2003 and is in progress as on balance sheet date.

21. The Company is having only one business segment - Construction activities, hence no segment reporting is applicable.

22. Additional information pursuant to the provisions of paragraph 3, 4-C and 4-D of part II of Schedule VI of the Companies Act, 1956:

The company is mainly engaged in the business of construction. Keeping in view the multifarious jobs at different sites and practical difficulties in measuring building material, individual details with regard to quantities of stock, production, turnover and consumption of raw materials are not given. Also the diverse nature of contracts undertaken by the Company and wide variety of material consumed, the additional information has been furnished to the extent practicable.

**(A) FLATS / SPACE CONSTRUCTED, SOLD & STOCKS THEREOF**

	Unit	Opening Stock	Constructed	Sold / Capitalized	Closing Stock
<b>Current Year</b>					
Flat / Space	Sqft.	10342	-	10342	-
<b>Previous Year</b>					
Flat / Space	Sqft.	10342	-	-	10342

**(B) PARTICULARS REGARDING TRADING GOODS (Construction related material)**

Current Year:-

Sl. No.	Item	Unit	Opening stock		Purchase		Sales		Closing Stock	
			Qty.	Value ₹	Qty.	Value ₹	Qty.	Value ₹	Qty.	Value ₹
1	HT Panel 33 KV Indoor Type	Set	-	-	1	1750486	1	2033463	-	-
2	Transformers 3000 KVA	Set	-	-	1	1839473	1	1983043	-	-
3	Main LT Panels	Set	-	-	1	3708122	1	4357713	-	-
4	LT PCC Panel	Set	-	-	1	4650000	1	5856984	-	-
5	Capacitor Panel 500 KVAR	Each	-	-	4	4000000	4	5252488	-	-
6	Cable 3.5 core x 400 sqmm	Mtr	-	-	1469	1034197	1469	2109450	-	-
7	Other	-	-	-	-	32089866	-	41237573	-	-
	<b>Gross Total</b>	-	-	-	-	<b>49072144</b>	-	<b>62830714</b>	-	-

**Previous Year:-**

Sl. No.	Item	Unit	Opening stock		Purchase		Sales		Closing Stock	
			Qty.	Value ₹	Qty.	Value ₹	Qty.	Value ₹	Qty.	Value ₹
1	Cable 3.5 core x 400 sqmm	Mtr	-	-	1349	792552	1349	1935815	-	-
2	Cable 3.5 core x 400 sqmm	Mtr	-	-	3549	2208365	3549	5092815	-	-
3	Cable 3.5 core x 240 sqmm	Mtr	-	-	1170	475900	1170	1090440	-	-
4	Cable 4 core x 4 sqmm	Mtr	-	-	6043	476188	6043	954794	-	-
5	Lighting Fixture TMS-122	Each	-	-	475	422156	475	806075	-	-
6	Wall mounted Fans	Each	-	-	323	883405	323	1292000	-	-
7	Cement	MT	-	-	3235.73	14100576	3235.70	14100576	-	-
8	Other		-	-	-	9910722	-	16359784	-	-
	<b>Gross Total</b>			-	-	<b>29269864</b>	-	<b>41632299</b>	-	-

**(C) a) CIF VALUE OF IMPORTS**

(₹)

Particulars	Current Year	Previous Year
*Raw Materials	<b>4,64,75,124</b>	8,57,33,646
Capital Goods	<b>1,19,38,388</b>	21,41,956

\*(Includes ₹ 1,17,77,483/- (P.Y. ₹ 48,08,480/-) Payment made to sub contractor )

**b) ADVANCE PAYMENT FOR IMPORTS**

(₹)

Particulars	Current Year	Previous Year
Raw Material	<b>38,65,522</b>	-
Capital Goods	<b>4,82,584</b>	-

**(D) EXPENDITURES IN FOREIGN CURRENCY**

(₹)

Particulars	Current Year	Previous Year
Travelling expenses	<b>5,44,609</b>	11,14,343
Sub Contract work	<b>44,86,208</b>	4,02,84,742
Consultancy charges / Technical fee	<b>58,76,193</b>	1,92,45,762
<b>Total</b>	<b>1,09,07,010</b>	<b>6,06,44,847</b>

**(E) EARNINGS IN FOREIGN CURRENCY**

Current Year (₹)	Nil
Previous Year (₹)	Nil



**(F) CONSUMPTION OF IMPORTED AND INDIGENOUS MATERIAL**

	Current Year		Previous Year	
	(₹)	(%)	(₹)	(%)
<b>Raw Materials</b>				
*Imported	4,64,75,124	0.59	8,57,33,646	1.04
Indigenous	7,81,91,16,895	99.41	813,39,61,673	98.96
<b>Total</b>	<b>7,86,55,92,019</b>	<b>100.00</b>	<b>821,96,95,319</b>	<b>100.00</b>
<b>Stores &amp; Spares</b>				
Imported	-	-	-	-
Indigenous	8,01,85,242	100.00	7,59,27,230	100.00
<b>Total</b>	<b>8,01,85,242</b>	<b>100.00</b>	<b>7,59,27,230</b>	<b>100.00</b>

\*(Includes ₹1,17,77,483 /- (P.Y. ₹48,08,480/-) Payment made to sub contractor )

**(G) RAW MATERIAL CONSUMED**

Item	Unit	Current Year		Previous Year	
		Qty.	Value ₹	Qty.	Value ₹
*Construction					
Material		-	7,86,55,92,019	-	821,96,95,319
<b>Total</b>			<b>7,86,55,92,019</b>	-	<b>821,96,95,319</b>

\*(Includes ₹1,17,77,483/- (P.Y. ₹48,08,480/-) Payment made to sub contractor)

23. Previous year figures have been regrouped and/or rearranged wherever considered necessary to make them comparable with current year figures.

As per our report of even date annexed

For **ARUN K. GUPTA & ASSOCIATES**  
Firm Registration No. 000605N  
CHARTERED ACCOUNTANTS

**GIREESH KUMAR GOENKA**  
Partner  
M.No. 096655

Place : New Delhi  
Date : 30-05-2011

On behalf of the Board of Directors

**BIKRAMJIT AHLUWALIA**  
Chairman & Managing Director  
(Chief Executive Officer)

**S.K. SACHDEVA**  
Executive Director - F&A  
(Chief Financial Officer)

**VIPIN KUMAR TIWARI**  
G.M. (Corporate) & Company Secretary

**SHOBHIT UPPAL**  
Dy. Managing Director

**VIJAY KUMAR JAIN**  
General Manager - F&A



# Cash Flow Statement for the Year Ended as on 31st March, 2011

(₹)

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Tax and extra ordinary items	1,075,075,171	1,251,994,672
<b>Adjustment for :</b>		
Depreciation	338,146,350	330,669,276
Interest Received	(37,044,028)	(42,534,859)
Interest Paid	157,737,303	157,602,032
Rent Received	(7,965,768)	(7,675,968)
Provision for diminution in value of Investments	0	(12,127)
Miscellaneous Expenses written off	0	195,000
Profit on Sale of Fixed Assets	0	(47,438)
Loss on Sale of Fixed Assets	2,912,903	898,723
Profit on Sale of Shares	0	0
<b>Operating Profit before working Capital Changes :</b>	<b>1,528,861,931</b>	<b>1,691,089,312</b>
<b>Adjustment for :</b>		
Trade Receivables	(1,702,490,483)	(254,604,875)
Inventories	(193,622,351)	(191,991,815)
Trade Payables	1,181,694,792	242,058,458
Loans and Advances	(206,414,036)	(69,614,893)
<b>Cash generated from Operations :</b>	<b>608,029,853</b>	<b>1,416,936,187</b>
Direct Taxes Paid	(378,499,669)	(458,497,728)
Increase in Miscellaneous Expenditure	0	0
<b>Net Cash from Operating Activities (A)</b>	<b>229,530,184</b>	<b>958,438,459</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(645,786,441)	(400,366,550)
Purchase of Shares	0	(65,390,000)
Investment in Joint Venture	0	0
Sale of Shares	0	0
Sale of Fixed Assets	2,526,195	1,581,131
Interest Received	37,044,028	42,534,859
Rent Received	7,965,768	7,675,968
<b>Net Cash from Investing Activities (B)</b>	<b>(598,250,451)</b>	<b>(413,964,592)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Long term borrowings	180,533,069	113,470,131
Repayment of Long term borrowings	(98,503,257)	(286,449,930)
Movement in Short term borrowings	322,184,787	648,161,199
Interest Paid	(157,737,303)	(157,602,032)
Dividend Paid ( Including dividend distribution tax)	(58,549,310)	(51,400,342)
<b>Net Cash from Financing Activities (C)</b>	<b>187,927,986</b>	<b>266,179,026</b>
<b>Net Increase/Decrease in Cash &amp; Cash Equivalents</b>	<b>(180,792,281)</b>	<b>810,652,893</b>
Cash & Cash equivalents (Opening)	1,707,722,014	897,069,121
Cash & Cash equivalents (Closing)	1,526,929,733	1,707,722,014

- Notes:- 1) Cash & cash equivalents as at year end includes deposits pledged with bank ₹ 44,20,35,886/- P.Year ₹ 36,59,44,451/- & unpaid dividend account ₹3,71,747/- P.Year ₹ 2,79,877/-
- 2) Cash flow statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3: "Cash Flow Statements" issued by the Institute of Chartered Accountants of India.
- 3) Previous year's figures have been regrouped/reclassified wherever applicable.

As per our report of even date annexed

On behalf of the Board of Directors

For **ARUN K. GUPTA & ASSOCIATES**  
Firm Registration No. 000605N  
CHARTERED ACCOUNTANTS

**BIKRAMJIT AHLUWALIA**  
Chairman & Managing Director  
(Chief Executive Officer)

**SHOBHIT UPPAL**  
Dy. Managing Director

**GIREESH KUMAR GOENKA**  
Partner  
M.No. 096655

**S.K. SACHDEVA**  
Executive Director - F&A  
(Chief Financial Officer)

**VIJAY KUMAR JAIN**  
General Manager - F&A

Place : New Delhi  
Date : 30-05-2011

**VIPIN KUMAR TIWARI**  
G.M. (Corporate) & Company Secretary



# Balance Sheet Abstract and Company's General Business Profile

## 1. Registration Details

Registration No.	9654	State Code	55
Balance Sheet Date	31.03.2011		

## 2. Capital raised during the period

(Amount in ₹  
Thousands)

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

## 3. Position of mobilisation and deployment of funds

Total Liabilities	4,854,973	Total Assets	4,854,973
-------------------	-----------	--------------	-----------

### Sources of Funds

Paid-up Capital	125,525	Secured Loans	1,641,750
Reserve & Surplus	3,087,698	Unsecured Loans	0

### Application of Funds

Net Fixed Assets	1,633,671	Investments	80,379
Net Current Assets	2,978,873	Misc. Expenditure	0
Deffered Tax Assets	162,050		

## 4. Performance of Company

Turnover	16,957,641	Total Expenditure	15,882,566
Profit before Tax	1,075,075	Profit after Tax	707,861
Earning per share (Basic/Diluted) (in ₹)	11.28	Dividend rate	20%

## 5. Generic names of three principal products / services of company

Item Code No.

(as per monetary terms)

1. Construction of industrial, institutional and other commercial Complexes	N.A.
2. Construction of residential and group housing projects	N.A.
3. Real estate development	N.A.

As per our report of even date annexed

For **ARUN K. GUPTA & ASSOCIATES**

Firm Registration No. 000605N  
CHARTERED ACCOUNTANTS

**GIREESH KUMAR GOENKA**

Partner  
M.No. 096655

Place : New Delhi  
Date : 30-05-2011

On behalf of the Board of Directors

**BIKRAMJIT AHLUWALIA**

Chairman & Managing Director  
(Chief Executive Officer)

**S.K. SACHDEVA**

Executive Director - F&A  
(Chief Financial Officer)

**VIPIN KUMAR TIWARI**

G.M. (Corporate) & Company Secretary

**SHOBHIT UPPAL**

Dy. Managing Director

**VIJAY KUMAR JAIN**

General Manager - F&A

# **CONSOLIDATED FINANCIAL STATEMENTS**



# Auditors' Report

## AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF AHLUWALIA CONTRACTS (INDIA) LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF AHLUWALIA CONTRACTS (INDIA) LIMITED AND ITS SUBSIDIARIES

To

The Board of Directors of

**Ahluwalia Contracts (India) Limited**

1. We have audited the attached Consolidated Balance Sheet of M/s. Ahluwalia Contracts (India) Limited and its subsidiaries, as at 31<sup>st</sup> March, 2011, the Consolidated Profit and Loss Account and also the Consolidated cash flow statements for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements of the Parent Company and its subsidiaries. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of five subsidiaries namely Dipesh Mining Private Ltd, Jiwanjyoti Traders Pvt. Ltd, Paramount Dealcomm Pvt. Ltd, Prem Sagar Merchants Pvt. Ltd & Splendor Distributors Pvt. Ltd, whose financial statements reflect total assets of ₹498.62 Lacs as at 31<sup>st</sup> March, 2011 and total revenue of ₹ Nil for the year then ended and net cash flows from operating activities of ₹ (4.81 Lacs). These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion in

so far as it relates to the amounts included in respect of these subsidiaries is based solely on the report of the other auditors.

4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 on Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.
5. To the best of our information and according to the explanations given to us and on consideration of the separate audit reports on individual audited financial statements of the Company and the aforesaid subsidiaries, in our opinion the attached consolidated financial statements read with accounting policies and notes thereon give a true and fair view in conformity with the accounting principles generally accepted in India
  - i) in the case of Consolidated Balance Sheet, of the state of affairs of the Group as at 31<sup>st</sup> March, 2011;
  - ii) in the case of Consolidated Profit and Loss Account, of the Profit of the Group for the year ended on that date; and
  - iii) in the case of Consolidated Cash Flow statement of the cash flow of the Group for the year ended on that date.

**For Arun K. Gupta & Associates**  
Firm Registration No. 000605N  
Chartered Accountants

**Gireesh Kumar Goenka**  
Partner  
M.No. 96655

Place : New Delhi  
Date : 30.05.2011



# Consolidated Balance Sheet as at 31st March, 2011

(₹)

PARTICULARS	SCH. No.	AS AT 31.03.2011		AS AT 31.03.2010	
<b>SOURCES OF FUNDS:</b>					
<b>SHAREHOLDERS FUND</b>					
Share capital	1		125525120		125525120
Reserves & surplus	2		3095988000		2404805885
<b>LOAN FUNDS</b>					
Secured Loans	3		2042893189		1506789474
Unsecured Loans	4		3606238		2329353
<b>TOTAL</b>			<b>5268012547</b>		<b>4039449832</b>
<b>APPLICATION OF FUNDS</b>					
Fixed Assets	5				
Gross Block		3437511745		2688089986	
Less: Depreciation		1438678485		1065831323	
Net Block		1998833260		1622258663	
Capital work-in-progress (Including Capital Advances)		164915920	2163749180	76034812	1698293475
<b>INVESTMENTS</b>	6		588940		588940
<b>GOODWILL ON CONSOLIDATION</b>			13800000		13800000
<b>DEFERRED TAX ASSETS (Net)</b>			140274847		124742456
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>					
Inventories	7	1699817184		1500271540	
Sundry Debtors	8	5248310400		3450847343	
Cash & Bank balances	9	1508167444		1747553487	
Other Current Assets	10	69569741		70418342	
Loans & Advances	11	714801297		456064881	
		9240666066		7225155593	
<b>Less :Current Liabilities &amp; Provisions</b>	12				
Current Liabilities		6230953821		4934984220	
Provisions		60112665		88146411	
<b>NET CURRENT ASSETS</b>			2949599580		2202024962
<b>TOTAL</b>			<b>5268012547</b>		<b>4039449832</b>
<b>Significant Accounting Policies and Notes on Accounts</b>	19				

As per our report of even date annexed

For **ARUN K. GUPTA & ASSOCIATES**  
Firm Registration No. 000605N  
CHARTERED ACCOUNTANTS

**GIREESH KUMAR GOENKA**  
Partner  
M.No. 096655

Place : New Delhi  
Date : 30-05-2011

On behalf of the Board of Directors

**BIKRAMJIT AHLUWALIA**  
Chairman & Managing Director  
(Chief Executive Officer)

**S.K. SACHDEVA**  
Executive Director - F&A  
(Chief Financial Officer)

**VIPIN KUMAR TIWARI**  
G.M. (Corporate) & Company Secretary

**SHOBHIT UPPAL**  
Dy. Managing Director

**VIJAY KUMAR JAIN**  
General Manager - F&A





# Consolidated Profit & Loss Account for the Year Ended 31st March, 2011

(₹)

PARTICULARS	SCH. No.	For the Year Ended 31.03.2011		For the Year Ended 31.03.2010	
<b>INCOME</b>					
Income from operations	13	17529775109		16175005963	
Other Income	14	78612843		66793773	
			17608387952		16241799736
			(118235544)		200774670
Increase/ (Decrease) in stock	15				
			17490152408		16442574406
<b>EXPENDITURE</b>					
Operating Expenses	16		14568851792		13575329549
Administrative & Other Expenses	17		1222077184		1016153985
Interest & Other Finance Charges	18		238770690		236785738
Depreciation		374389349		353963272	
Less Transfer from Revaluation Reserve		167586	374221763	167586	353795686
Provision for Diminution/ (written back) in value of Investment			0		(12127)
<b>PROFIT BEFORE TAX</b>			1086230979		1260521575
Provision for Income Tax			373622142		460379558
Provision for Wealth Tax			500000		450000
Provision for Deferred Tax Liability/(Assets)			(15532391)		(18218462)
Provision for Tax for earlier years			7113840		153170
<b>NET PROFIT AFTER TAX</b>			720527388		817757309
Balance brought forward from previous year			2106345360		1437137361
Profit Available for Appropriation			2826872748		2254894670
Transferred to General Reserve			70000000		90000000
Proposed Dividend			25105024		50210048
Tax on Dividend			4072663		8339262
Balance carried to Balance sheet			2727695061		2106345360
Earning per share(Basic)	₹		11.48		13.03
Earning per share(Diluted)	₹		11.48		13.03
(Face Value ₹2/- each)					
<b>Significant Accounting Policies and Notes on Accounts</b>	19				

As per our report of even date annexed

For **ARUN K. GUPTA & ASSOCIATES**

Firm Registration No. 000605N

CHARTERED ACCOUNTANTS

**GIREESH KUMAR GOENKA**

Partner

M.No. 096655

Place : New Delhi

Date : 30-05-2011

On behalf of the Board of Directors

**BIKRAMJIT AHLUWALIA**

Chairman & Managing Director

(Chief Executive Officer)

**S.K. SACHDEVA**

Executive Director - F&A

(Chief Financial Officer)

**VIPIN KUMAR TIWARI**

G.M. (Corporate) & Company Secretary

**SHOBHIT UPPAL**

Dy. Managing Director

**VIJAY KUMAR JAIN**

General Manager - F&A



# Schedules

## SCHEDULE NO. 1 SHARE CAPITAL

(₹)

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
<b>AUTHORISED CAPITAL</b> 10,00,00,000, Equity Share of ₹2/- each (P.Y. 10,00,00,000 Equity Share of ₹2/- each)	200000000	200000000
<b>ISSUED, SUBSCRIBED &amp; PAIDUP</b> 6,27,62,560, Equity Shares of ₹2/- each (P.Y. 6,27,62,560 Equity Shares of ₹2/- each) fully paid up (out of this 3,50,030 Equity shares of ₹2/- each have been issued for other than cash and 5,58,39,900 Equity shares of ₹2/- each have been issued as bonus shares by way of capitalisation of accumulated profits)	125525120	125525120
<b>TOTAL</b>	<b>125525120</b>	<b>125525120</b>

## SCHEDULE NO. 2 RESERVES & SURPLUS

(₹)

PARTICULARS	AS ON 1.4.2010	ADDITIONS DURING THE PERIOD	ADJUSTMENTS	AS ON 31.03.2011
Revaluation Reserve	7674698	0	167586	7507112
Securities Premium Account	16000000	0	0	16000000
General Reserve	274790243	70000000	0	344790243
Profit And Loss Account	2106340944	621349701	0	2727690645
<b>TOTAL</b>	<b>2404805885</b>	<b>691349701</b>	<b>167586</b>	<b>3095988000</b>
Previous year	1645765472	759207999	167586	2404805885

## SCHEDULE NO. 3 SECURED LOANS

(₹)

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
<b>TERM LOANS</b>		
From Banks (Refer Note No. 10(c) in schedule 19)	243476309	185122780
From Others (Refer Note No. 10(c) in schedule 19)	138467424	44378775
<b>VEHICLE LOANS</b>		
From Banks	15131809	17532656
From others (Secured by way of hypothecation of specified vehicles. Further secured by personal guarantee of the Managing Director/Director)	34652365	23332464
<b>WORKING CAPITAL LOANS</b>		
From Banks (Refer Note No. 10(b) in schedule 19) (Term Loan & Working Capital Demand Loan due within next one year ₹18,41,84,490/- Previous year ₹54,06,42,404/-)	1611165282	1236422799
<b>TOTAL</b>	<b>2042893189</b>	<b>1506789474</b>

**SCHEDULE NO. 4 UNSECURED LOANS**

(₹)

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
Loan from others	3606238	2329353
<b>TOTAL</b>	<b>3606238</b>	<b>2329353</b>

**SCHEDULE NO. 5 FIXED ASSETS**

(₹)

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	COST AS ON 1/4/2010	ADDITIONS DURING THE YEAR	SALES/ ADJUSTMENTS DURING THE YEAR	TOTAL AS ON 31/03/2011	UPTO 31/03/2010	ADDITIONS DURING THE YEAR	ADJUSTMENTS DURING THE YEAR	TOTAL AS ON 31/03/2011	W.D.V AS ON 31/03/2011	W.D.V AS ON 31/3/2010
Land-leasehold	33752456	13021845		46774301	1409205	1895873		3305078	43469223	32343251
Land-freehold	61446598	0		61446598	0	0		0	61446598	61446598
Building	35860471	20880000		56740471	5489188	774746		6263934	50476537	30371283
Temporary Structures	30607259	6176997		36784256	21320148	8926497		30246645	6537611	9287111
Plant & Machinery	1228735648	304944351	3261868	1530418131	177323993	66067966	59075	243332884	1287085247	1051411655
Shuttering Material	808207626	295654905		1103862531	699022875	238211001		937233876	166628655	109184751
Earth Movers	48406496	3290167		51696663	23385341	5599279		28984620	22712043	25021155
Vehicles	115848508	30717636	3719417	142846727	36150758	12179636	1483112	46847282	95999445	79697750
Commercial Vehicles	237776261	47779552		285555813	66644347	31369478		98013825	187541988	171131914
Furniture & Fixtures	11882525	6856962		18739487	7749401	925369		8674770	10064717	4133124
Office Equipments	26470022	6331849		32801871	7789365	1293527		9082892	23718979	18680657
Air Conditioners	10773793	1250671		12024464	2161929	553656		2715585	9308879	8611864
Computers	34498232	10376266		44874498	15834343	5407578		21241921	23632577	18663889
<b>Intangibles Assets</b>										
Computer Software	3824091	9121843		12945934	1550430	1184743		2735173	10210761	2273661
<b>Gross Total</b>	<b>2688089986</b>	<b>756403044</b>	<b>6981285</b>	<b>3437511745</b>	<b>1065831323</b>	<b>374389349</b>	<b>1542187</b>	<b>1438678485</b>	<b>1998833260</b>	<b>1622258663</b>
<b>Previous Year</b>	<b>2638286797</b>	<b>474560821</b>	<b>424757632</b>	<b>2688089986</b>	<b>1134193267</b>	<b>353963272</b>	<b>422325216</b>	<b>1065831323</b>	<b>1622258663</b>	<b>1504093530</b>
Capital Work-in-progress									<b>164915920</b>	76034812

**NOTE :**

- NOTE :-1) Gross Block of Plant & Machinery, Shuttering Material, Earth Movers, Vehicles and Commercial Vehicles includes ₹18,68,28,476/- (P.Y ₹18,27,20,775/-), ₹16,08,07,724/- (P.Y. ₹1,45,18,750/-), ₹16,65,167/- (P.Y. ₹36,31,228/-), ₹1,13,34,079/- (P.Y ₹1,29,25,852/-), ₹1,85,53,855/- (P.Y. ₹1,65,02,844/-) taken on hire purchase/ finance respectively.
- Land lease hold includes ₹1359872/- pending registration in the name of the company.
- Building includes cost of floor ₹1,36,80,000/- pending registration in the name of the company.
- Capital Work-in-Progress includes capital advances ₹37,20,533/- (P.Y. ₹9,05,000/-), Plant & Machinery in transit ₹37,78,163/-, (P.Y. 1,33,00,513/-), Building ₹98,42,641/- (P.Y. 80,78,283/-) Service concession arrangement (Refer Notes to Accounts in Schedule 19) ₹14,75,74,583/- (P.Y. 5,37,51,016/-)



## SCHEDULE NO. 6 INVESTMENTS

(₹)

PARTICULARS	Balance As at 01.04.2010	Additions During the Year	Sale/ Adjustment During the Year	Balance As at 31.03.2011
<b>A. LONG TERM TRADE INVESTMENTS FULLY PAID UP (AT COST) UNQUOTED</b>				
(1) 1662 (P.Y. 1662) Equity shares of ₹100/- each M/s. Ahluwalia Builders & Development Group Pvt. Ltd. a company in which directors are interested	166200	0	0	<b>166200</b>
(2) 2500 (P.Y. 2500) Equity shares of ₹100/- each M/s Ahlcons India Pvt. Ltd. a company in which directors are interested	250000	0	0	<b>250000</b>
(3) 17274 (P.Y. 17274) Equity shares of ₹10/- each M/s. Capricon Industrials Ltd. a company in which directors are interested	172740	0	0	<b>172740</b>
	<b>588940</b>			<b>588940</b>
Less Provision for diminution in value of investments	0			<b>0</b>
<b>TOTAL</b>	<b>588940</b>			<b>588940</b>

## SCHEDULE NO. 7 INVENTORIES

(Taken as valued and certified by the Management)

(₹)

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
Work in Progress	<b>446599851</b>	564835395
Material at Site	<b>1203637161</b>	766872361
Material in Transit	<b>49580172</b>	27089004
Real Estate in Stock	<b>0</b>	141474780
<b>TOTAL</b>	<b>1699817184</b>	<b>1500271540</b>

## SCHEDULE NO. 8 SUNDRY DEBTORS

(₹)

PARTICULARS	AS AT 31.03.2011		AS AT 31.03.2010	
<b>Debts outstanding for a period exceeding six months Unsecured, considered good</b>				
Retention Money	<b>175987056</b>	<b>437183016</b>	100601004	345691818
Against Running Bills	<b>261195960</b>		245090814	
<b>Unsecured, considered doubtful</b>		<b>30040268</b>		10392836
Retention Money	<b>2400502</b>		667291	
Against Running Bills	<b>27639766</b>		9725545	
<b>Others debts (Unsecured, considered good)</b>		<b>4811127384</b>		3105155525
Retention Money	<b>887722897</b>		672709904	
Against Running Bills	<b>3923404487</b>		2432445621	
Less: Provision for doubtful debts		<b>30040268</b>		10392836
<b>TOTAL</b>		<b>5248310400</b>		<b>3450847343</b>

**SCHEDULE NO. 9 CASH AND BANK BALANCES**

(₹)

PARTICULARS	AS AT 31.03.2011		AS AT 31.03.2010	
Cash in Hand (Including Imprest)		90292304		76573300
Balances with Scheduled Banks				
i) On Current Accounts	857121978		1294961618	
ii) On Fixed Deposits Accounts	560381416		375738692	
iii) On Unpaid Dividend Account	371747	1417875140	279877	1670980187
<b>TOTAL</b>		<b>1508167444</b>		<b>1747553487</b>

**SCHEDULE NO. 10 OTHER CURRENT ASSETS**

(₹)

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
Interest Receivable on deposits	29382627	30305104
Prepaid Expenses	40187114	40113238
<b>TOTAL</b>	<b>69569741</b>	<b>70418342</b>

**SCHEDULE NO. 11 LOANS & ADVANCES**

(₹)

PARTICULARS	AS AT 31.03.2011		AS AT 31.03.2010	
Staff advances		12463164		11416915
Advances recoverable in cash or in kind or for value to be received				
i) Advance against Real Estate project	205000000		55000000	
ii) Earnest Money Deposit	54698982		53906687	
iii) Due from companies in which Directors are interested	37960273		0	
iv) Advance to Suppliers & Petty Contractors	152525485		60379801	
v) Advance Income tax/TDS(net of provisions)	58707816		137376992	
vi) Others	193445577	702338133	0	
			137984486	444647966
Unsecured, considered doubtful				
Other Advances		0		3250000
Advance against Real Estate project & others		22827290		18000000
		737628587		477314881
Less: Provision for doubtful advances		22827290		21250000
<b>TOTAL</b>		<b>714801297</b>		<b>456064881</b>

**SCHEDULE NO. 12 CURRENT LIABILITIES & PROVISIONS**

(₹)

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
<b>CURRENT LIABILITIES</b>		
Sundry Creditors		
- Dues to Micro and Small Enterprises (Refer Note No. 8 of Notes to Accounts Schedule 19)	6572969	2634117
- Others	3094356251	2236851588
Mobilisation Advance	2196080090	1632256146
Advance against Material at Site	394609336	502451636
Book Overdraft	3275608	16634263
Statutory Liability	209849639	210069917
Due to Directors	7662167	8179449
Other Liabilities	316197628	324449597
Interest accrued but not due on loans	1978386	1177630
Unclaimed Dividend (There is no amount due for payment to the Investor Protection Fund under Section 205C of The Companies Act,1956 as at the year end.)	371747	279877
	<b>6230953821</b>	<b>4934984220</b>
<b>PROVISIONS</b>		
For Income Tax (Net of Advance / TDS payments)	0	2621105
For Wealth Tax	500000	450000
For Gratuity	30434978	26525996
Proposed Equity Dividend	25105024	50210048
Tax on proposed Equity Dividend	4072663	8339262
	<b>60112665</b>	<b>88146411</b>

**SCHEDULE NO. 13 INCOME FROM OPERATIONS**

(₹)

PARTICULARS	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
Contract Work Receipts	16602439112	15618481861
Sale (Ready Mix Concrete)	474169680	377015716
Other operating Receipts	160064143	135224860
Sales Trading (Construction related Material)	62830714	27531723
Sale Real Estate Stock	210000000	0
Sale (Scrap)	20271460	16751803
<b>TOTAL</b>	<b>17529775109</b>	<b>16175005963</b>

**SCHEDULE NO. 14 OTHER RECEIPTS**

(₹)

PARTICULARS	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
Interest on deposits (TDS ₹38,33,244/- , P.Y. ₹52,75,903/-)	37164266	42611284
Rent	7965768	7675968
Liabilities Written Back	7077110	4937736
Profit on sale of Fixed Assets	0	47438
Interest on Income Tax Refund	443644	0
Commission (TDS ₹10,99,684/- , P.Y. ₹6,77,297/-)	10996845	6140504
Other Receipts	4952591	1643943
Exchange Fluctuation (net)	1521648	2213897
Provision for Doubtful Debts Written Back	4953471	0
Bad Debts recovered	3500000	0
Sales Tax Refund	0	1485503
Dividend on Long Term Investment (Trade Unquoted)	37500	37500
<b>TOTAL</b>	<b>78612843</b>	<b>66793773</b>



**SCHEDULE NO. 15 INCREASE/(DECREASE) IN STOCK**

(₹)

PARTICULARS	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
<b>Work-in-Progress</b>		
Opening Stock:	<b>564835395</b>	364060725
Closing Stock	<b>446599851</b>	564835395
<b>TOTAL</b>	<b>(118235544)</b>	<b>200774670</b>

**SCHEDULE NO. 16 OPERATING EXPENSES**

(₹)

PARTICULARS	YEAR ENDED 31.03.2011		YEAR ENDED 31.03.2010	
<b>Goods for Resale</b>		<b>49072144</b>		29269864
<b>Material Consumed</b>		<b>8217104095</b>		8491932363
<b>Cost of Goods Sold (Real Estate)</b>		<b>141474780</b>		0
<b>Sub-Contract</b>		<b>3097636159</b>		2690448517
<b>Professional Charges</b>		<b>37330859</b>		49581892
<b>Cost of Labour</b>				
Labour Wages & Amenities	<b>1838156846</b>		1380316229	
Contribution to Provident & Other Funds	<b>25744014</b>		20247059	
Hutment Expenses	<b>8106746</b>		7586302	
Labour Welfare	<b>84140231</b>	<b>1956147837</b>	74613204	1482762794
<b>Power &amp; Fuel</b>		<b>374099144</b>		317858901
<b>Machinery &amp; Shuttering Hire Charges</b>		<b>383893868</b>		238724644
<b>Machinery Repair &amp; Maintenance</b>		<b>146525982</b>		133958857
<b>Commercial Vehicle Running &amp; Maintenance</b>		<b>28680418</b>		28825754
<b>Testing Expenses</b>		<b>11764526</b>		13637088
<b>Insurance Expenses</b>		<b>35352381</b>		32983988
<b>Watch &amp; Ward Expenses</b>		<b>89769599</b>		65344887
<b>TOTAL</b>		<b>14568851792</b>		<b>13575329549</b>

**SCHEDULE NO. 17 ADMINISTRATIVE AND OTHER EXPENSES**

(₹)

<b>PARTICULARS</b>	<b>YEAR ENDED 31.03.2011</b>	<b>YEAR ENDED 31.03.2010</b>
Salaries and other Amenities to Staff (Including Directors Remuneration ₹2,13,59,586/- previous year ₹1,80,67,057/-)	<b>798586783</b>	647621262
Employees Welfare	<b>44386228</b>	32272353
Employer's Contribution to Provident and Other Funds.	<b>33703821</b>	29928882
Electricity & Water Charges	<b>4886589</b>	5042602
Rent	<b>103544697</b>	64239398
Travelling & Conveyance Expenses	<b>42662728</b>	34597134
Travelling & Conveyance (Directors)	<b>5331000</b>	4181931
Legal & Professional Charges	<b>23111607</b>	18303627
Repairs & Maintenance :-		
Building	<b>1291076</b>	1186772
Others	<b>17100397</b>	12410873
Vehicle Running & Maintenance	<b>31015884</b>	27463989
Postage, Telegram and Telephone Expenses	<b>25357638</b>	23768304
Printing and Stationery	<b>19365093</b>	17709403
Advertisement	<b>4138659</b>	4076333
Business Promotion	<b>3517562</b>	3003845
Charity & Donation (other than Political party)	<b>1331740</b>	729007
Insurance Charges	<b>2592049</b>	1276894
Watch & Ward Expenses	<b>1861512</b>	1439957
Rates & Taxes	<b>5736450</b>	8871385
Workman Compensation	<b>3836946</b>	1990587
Miscellaneous Expenses	<b>10336006</b>	9908708
Payment to Auditors	<b>3080363</b>	1813180
Loss on Sale of Fixed Assets	<b>2912903</b>	898723
Theft Loss	<b>5000000</b>	0
Misc. Expenses Written Off	<b>0</b>	275776
Bad Debts Written Off	<b>1056260</b>	31430224
Provision for doubtful debts	<b>24600903</b>	13642836
Provision for doubtful advances	<b>1577290</b>	18000000
Directors Sitting Fees	<b>155000</b>	70000
<b>TOTAL</b>	<b>1222077184</b>	<b>1016153985</b>

**SCHEDULE NO. 18 INTEREST & OTHER FINANCIAL CHARGES**

(₹)

<b>PARTICULARS</b>	<b>YEAR ENDED 31.03.2011</b>	<b>YEAR ENDED 31.03.2010</b>
Interest on Term Loans	<b>30838822</b>	34915852
Interest on Working Capital & Others	<b>164204483</b>	146772391
Interest on Income Tax	<b>0</b>	5048793
Bank Charges	<b>43727385</b>	50048702
<b>TOTAL</b>	<b>238770690</b>	<b>236785738</b>



## **SCHEDULE - 19 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS TO THE CONSOLIDATED FINANCIAL STATEMENTS OF AHLUWALIA CONTRACTS (INDIA) LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31.03.2011**

### **(I) PRINCIPLES OF CONSOLIDATION**

- a) The consolidated financial statements relate to Ahluwalia Contracts (India) Limited and its wholly owned subsidiary companies. The consolidated financial statements have been prepared on the following basis :
- The financial statements of the Parent company and its subsidiary companies have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses. Intra group balances and intra group transactions and resulting unrealized profits are eliminated in full as per Accounting Standard-21, Consolidated Financial Statements, as notified by Companies Accounting Standards Rules, 2006. Unrealized losses resulting from intra group transactions are also eliminated unless cost cannot be recovered.
  - The financial statements of the Subsidiary Companies used in the consolidation are drawn for the same period as that of the Parent Company i.e. year ended March 31, 2011.
  - Any excess/deficit of cost to the Parent Company of its investment over the Parent Company's proportion of equity in the subsidiaries as at the date of investment is recognized in the consolidated financial statements as Goodwill/Capital Reserve.
- b) List of subsidiary companies which are considered in the consolidation and the Parent Company's holding therein are as under :

<b>S. NO.</b>	<b>NAME OF THE SUBSIDIARY COMPANY AS ON MARCH 31, 2011</b>	<b>COUNTRY OF INCORPORATION</b>	<b>EXTENT OF HOLDING (%)</b>
1.	Ahlcon Ready Mix Concrete Pvt. Ltd.	India	100
2.	Dipesh Mining Pvt. Ltd.	India	100
3.	Jiwan Jyoti Traders Pvt. Ltd.	India	100
4.	Paramount Dealcomm Pvt. Ltd.	India	100
5.	Premasagar Merchants Pvt. Ltd.	India	100
6.	Splendor Distributors Pvt. Ltd.	India	100

### **(II) SIGNIFICANT ACCOUNTING POLICIES**

#### **a) Basis Of Preparation of Financial Statement**

- The Financial statements are prepared under the historical cost convention, in accordance with the generally accepted accounting principles, in compliance with the Accounting Standards issued by the Institute of Chartered Accountants of India from time to time and provisions of the Companies Act, 1956 as adopted consistently by the company, unless otherwise stated.
- The company generally follows Mercantile System of accounting and recognises items of Income and Expenditure on accrual basis except:-  
  
Works contract tax deducted at source including on advances by clients are charged to profit and loss account in the year of deduction and the refunds, if any, are accounted for in the year of receipt.
- Expenditure incurred in respect of additional costs/delays is accounted in the year in which they are incurred. Claims made in respect thereof are accounted as work receipts in the year of receipt of arbitration award or acceptance by client or evidence of acceptance received from the client.

#### **b) Revenue Recognition**

- Revenue recognition and valuation of the contract WIP are as per Accounting Standard AS-7. Work receipts are taken on percentage completion method, stated on the basis of physical measurement of work actually completed at the balance sheet date, taking in to account the contractual price and revision thereto. The site mobilisation expenditure for site installation is apportioned over the period of contract in proportion to value of work done. Foreseeable losses are accounted for when they are determined except to the extent they are expected to be recovered through claims presented or to be presented to the customer or in arbitration.



- ii) Sub contracts expenses are accounted on the basis of bills certified by principal. Cost of sub contract includes the cost of material wherever applicable.
- iii) In respect of Real Estate projects the sales are accounted for at the time of handing over the possession of the flat / space to the buyers.
- iv) Stage / percentage of completion is determined with reference to the certificates given by the Clients / Consultants appointed by Clients as well as on the billing schedule agreed with them for the value of work done during the year.

**C) Fixed Assets**

- i) Fixed Assets are stated at Cost of acquisition. Fixed Assets acquired under Hire Purchase Schemes are capitalised at their principal value and hire (finance) charges are charged off as revenue expenditure.
- ii) Company's Land & Buildings have been revalued as on 31-03-1992 by Government approved registered valuer on the basis of their prevailing day value. Difference between the total value of these assets on revaluation and written down value as on 31.03.1992 of ₹10,691,246/- had been credited to revaluation reserve account.

**d) Depreciation / Amortisation**

- i) Depreciation on fixed assets (other than leasehold improvements) is provided on Straight Line Method as per Schedule XIV of the Companies Act, 1956 on pro-rata basis with reference to the days of addition/sale. The management of the company is of the view that this depreciation rate fairly represents the useful life of the assets. In the following cases, the depreciation rates are greater than the corresponding rates prescribed in Schedule XIV of the Companies Act, 1956:

<b>Name of Asset</b>	<b>Rate (SLM) charged</b>	<b>Schedule XIV Rate (SLM)</b>
Transit Mixture	13.57%	11.31%

- ii) Depreciation on shuttering material and on items costing below ₹5000/- have been provided @ 100% on prorata basis.
- iii) Depreciation is charged on the historical cost of Fixed Assets (Except for Revalued Assets) including taxes, duties and installation costs.
- iv) Depreciation on revalued amount of Fixed Assets is being charged to Revaluation Reserve Account.
- v) Lease hold land is amortised over the period of lease.

**e) Intangibles**

Software costs relating to acquisition of initial software licence fee and installation cost are capitalized in the year of purchase and amortized on straight line basis over its useful life, which is considered to be of a period of five years.

**f) Impairment Of Assets**

The company makes an assessment of any indicator that may lead to impairment of assets on an annual basis. An impairment loss is recognised wherever the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is greater of the net selling price and value in use. In assessing value in use valuation is done by the estimated future cash flows (discounted to their present value, based on an appropriate discounting factor) are used. Impairment losses are recognised in the Profit and Loss Account.

**g) Borrowing Cost**

Borrowing Costs specifically related to acquisition of fixed assets are capitalized as part of the cost of fixed assets till the date ready to put to use. Other borrowing costs are charged to Profit & Loss Account amount.

**h) Investments**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline, other than temporary, in the value of such investments.

**i) Inventories**

- i) Stocks are valued at cost or net realisable value which ever is lower.
- ii) Work-in-progress is valued on the basis of expenditure attributed to project up to the date of Balance sheet.



**j) Employee Benefits**

**a) Short-term employee benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period.

**b) Post-employment benefits:**

- i) Retirement benefits in the form of the Company's contribution to Provident Fund charged to the Profit & Loss Account of the year when the contributions to the respective funds are due.
- ii) The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on government securities as at the balance sheet date.

When the calculation results in a benefit to the company, the recognized asset is limited to the net total of any unrecognized actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses are recognized immediately in the profit & loss account.

**k) Foreign Exchange Transactions**

- i) Transactions arising in Foreign Currency are converted at the exchange rates prevailing as on date of transactions. Monetary Assets & Liabilities denominated in Foreign Currencies are restated at year end exchange rates. All exchange difference arising on conversion are charged to Profit & Loss Account.
- ii) Forward Exchange Contracts (Derivative Instruments) not intended for trading or speculation purposes

The Company uses derivative financial instruments including forward exchange contracts to hedge its risk associated with foreign currency fluctuations. The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

**l) Concession Arrangement**

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Significant assumptions used in accounting for the intangible asset are given below:

The intangible assets are measured at cost, i.e. fair value of the construction service. The exchange of construction services for an intangible asset is regarded as a transaction that generates revenue and costs, which will be recognized by reference to the stage of completion of the Construction. The intangible asset is assumed to be received only upon completion of construction and recognized on such completion. Until then, the expenditure incurred on this project will be debited as "Capital Work in Progress" under the main head of "Fixed Assets". The value of the intangible asset shall be amortized over the estimated useful life. The carrying value of intangible asset is reviewed for impairment when events or changes in circumstances indicate that the carrying value may be recoverable.



**m) Taxation**

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred Tax resulting from timing differences between book & tax profits is accounted for under the liability method, at the substantively enacted rate of tax on the balance sheet date, to the extent that the timing differences are expected to crystalise/capable of reversal as deferred tax charge/benefit in the profit & loss account and as deferred tax liability/assets in the balance sheet.

**n) Provisions**

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

**o) Leases**

Where the Company is the lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the Profit & Loss Account on a straight-line basis over the lease term.

**p) Segment Reporting Policies**

Identification of segments:

Primary Segment

Business Segment

During the year the company has identified its business in two separate segments on exceeding the thresh hold criteria as provided in Accounting Standard 17 on Segment Reporting. Accordingly operating businesses are organized and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products and services in different markets. The identified segments are manufacturing & Operating of Ready Mix Concrete (RMC), & Hiring of Construction Equipments.

- a) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- b) Segment assets and segment liabilities represent assets and liabilities in respective segments Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

Secondary Segment

Geographical Segment

The analysis of geographical segments is based on the geographical location of the customers.

The geographical segments considered for disclosure are as follows:

- Sales within India include sales to customers located within India.
- Sales outside India include sales to customers located outside India.





- The Company operates within India therefore the Secondary Segment is not applicable.

**q) Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating Diluted Earnings per Share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential Equity shares.

**(III) NOTES TO ACCOUNTS**

**1. CONTINGENT LIABILITIES NOT PROVIDED FOR**

		(₹)	
S.NO.	PARTICULARS	AS AT MARCH 31, 2011	AS AT MARCH 31, 2010
a)	Counter guarantees given to bankers against Bank guarantees	4,75,30,59,615	4,26,94,19,657
b)	Indemnity Bonds/Performance Bonds/ Surety Bonds / Corporate guarantees given to clients	1,26,43,95,704	1,19,48,99,037
c)	Value Added Tax liability	1,50,70,38,998	28,95,57,881
d)	Demand of stamp duty on Real Estate Project	57,41,980	57,41,980
e)	Claims against the company not Acknowledged as debt	29,33,60,739	29,56,42,739
f)	Excise duty demand for F.Y. 1998-99 & 2000-2001	46,37,000	46,37,000
g)	Service tax demand on allegedly wrong availment of abatement on account of free supply of material by the Client	1,96,11,49,906	1,08,37,50,234
h)	Income tax demand	5,02,111	-

Based on legal opinion taken by the Company, discussions with the advocates etc, the Company believes that there is fair chance of decisions in its favour in respect of all items listed in (c) to (g) above and hence no provision is considered necessary against the same. The reply/appeal have been filed before appropriate authority/Court. Disposal is awaited.

- 2a. The company has executed Common Wealth Games Village Project. The company has raised R.A. bills amounting to ₹638,87,67,898/- up to the March, 2010 which have been certified to the extent of ₹571,84,67,898/-. The company has further raised bills and lodged the claims of ₹418,02,86,608/- on the client with respect to additional works on account of deviations and other aspects. The client has in turn raised a counter claim on the company for ₹250,92,91,002/-. Negotiations for the settlements are in progress and affect will be given on final settlement as per the policy consistently followed by the Company. The management is of the opinion that the demand raised by the client is not sustainable.

- b. On 19<sup>th</sup> Jan, 2011 Sri Sumeru Realty Pvt. Ltd (SSRPL) Bangalore, a client invoked the Bank Guarantees amounting to ₹500,44,760/- and terminated the Contract on 10.03.11. The Company filed petition in the District and Sessions Court, Bangalore to restrain the Bank for release of Payment against these Bank Guarantees. The Company has also filed application to secure claims of ₹22,74,79,303/- The Court restrained the Bank to release the payment of Bank Guarantees.

The matter is being pursued as per direction of the Court. The effect for recovery of dues and assets at site will be accounted for on final settlement/ court order.

- c. The Construction of Festival City, Ludhiana was awarded on 10.03.2006 for a contract value of ₹110,00,00,00/- for the period of 15 months. . The project was delayed due to various reasons and under suspension since June 2009. During the course of the execution of the project, the Company had entered in to an agreement to create strategic account & agreement to sell in April 2007 for contiguous office space of 28744 sq ft. for a total sale consideration of ₹6,46,74,743/-.

The Client's bankers have taken over possession of the project (Building) under SARFESI Act and have filed a suit for recovery in Debt Recovery Tribunal (DRT).

The Company has filed separate petition dated 21/24.06.2010 with DRT II u/s 17 (3) of SARFESI Act (i) to set- aside the possession notice for the space 28744 Sqft (ii) to stay all actions with regard space 28744 Sqft already allotted to the Company by the Client. The matter as such is sub judice.

The recovery of the Company's dues are dependent upon decision of the judicial process. The management is of the opinion that the dues as per books of account are fully recoverable.



3. Capital commitments :- Capital contracts remaining to be executed (net of payments) and not provided for ₹58,39,37,834/- (Previous Year ₹66,86,43,984/-)
4. In the opinion of the Board, Current Assets, Loans and Advances are approximately of the value stated if realised in the ordinary course of business. The provisions for depreciation and for all known liabilities are adequate and not excess of the amount considered necessary.
5. The subsidiary of the parent company has purchased Transit- Mixtures amounting to ₹3,29,04,641 (P.Y. ₹92,14,430) (net of excise duty of ₹30,13,374, - P. Y. ₹7,48,961). In view of the nature of business of the company, Transit Mixtures are considered as Plant & Machinery & accordingly cenvat credit of ₹15,06,687 (P.Y. ₹3,74,480), being 50% of total Cenvat, has been claimed during the current year & balance 50% , ₹15,06,687 (P. Y. ₹3,74,480/-) has been carried forward to be claimed in next year.
6. The subsidiary of the parent company purchased raw material from the suppliers on the basis of purchase order for delivery at its plant of the company. The Company settles its obligation by making payment separately for material & cartage to the respective suppliers & provider of services against cartage. The company does not stipulate any service tax liability in view of the legal opinion taken by it.
7. The subsidiary of the parent company charged for loading and unloading from the customers on which no sales tax/ VAT is payable in view of the Management.
8. The Company has initiated the process of obtaining confirmation from suppliers who have registered themselves under the Micro Small Medium Enterprises Development Act, 2006 (MSMED Act, 2006). Based on the information available with the Company, the balance due to Micro & Small Enterprises as defined under the MSMED Act, 2006 is as under:

		(₹)	
NO.	DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS PER MSMED ACT, 2006	AS AT 31 MARCH, 2011	AS AT 31 MARCH, 2010
i	The Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year.Principal Amount UnpaidInterest Due	<b>65,72,969</b>	26,34,117
ii	The amount of interest paid by the buyer in terms of section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the yearPayment made beyond the Appointed DateInterest Paid beyond the Appointed Date	<b>4,52,257</b>	3,30,069
iii	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006	-	-
iv	The amount of interest accrued and remaining unpaid at the end of the year; and	<b>10,10,326</b>	5,58,069
v	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

- 9 a) Sundry Debtors, Advances Recoverable and Sundry Creditors balances appearing in the Balance Sheet are subject to confirmation.
- b) Advance payments received towards contracts are secured by Bank Guarantees and/or indemnity bonds issued by the company.
- 10 a) Fixed Deposit Receipts to the tune of ₹44,45,54,549/- (P.Y. ₹36,84,97,851/-) along with interest accrued ₹2,83,78,990/- (P.Y. ₹3,01,57,404/-) have been pledged with the Company's Bankers as margin for Bank Guarantees, Letters of Credits, Security Deposit under lien for Loans obtained from Banks and FDRs are deposited with the court for legal cases against the company.
- b) Working Capital Facilities availed by the company



- 1) From Canara Bank are secured by way of
  - a) Personal guarantee of (i) Mr. Bikramjit Ahluwalia (ii) Mr. Shobhit Uppal, (iii) Mrs. Sudershan Walia and (4) Mr. Vikaas Ahluwalia.
  - b) First Paripassu charge on Stock and Book Debts.
  - c) Equitable mortgage of Commercial property at Plot. No.A-177,Okhla Industrial Area, Phase-I, New Delhi- ₹2,28,00,000/-, valuation report dated 3.3.2007, Equitable mortgage of Commercial property at Plot No. 4, Community Centre, Saket, New Delhi – ₹9,76,00,000/- valuation report dated 8.12.2007, Equitable mortgage of Residential property at Plot No. B-7, Saket, New Delhi – ₹5,79,00,000/-, valuation report dated 3.3.2007.
- 2) From Yes Bank Limited are secured by way of
  - a) First paripassu charge on the current assets of the company.
  - b) Personal guarantee of (1) Mr. Shobhit Uppal and (2) Mr.Vikaas Ahluwalia
  - c) Demand Promissory Note for ₹20,00,00,000/-.
- 3) From Standard Chartered Bank are secured by way of
  - a) First paripassu charge on the current assets of the company along with other Banks in multiple banking arrangements
  - b) Personal guarantee of (i) Mr. Bikramjit Ahluwalia (ii) Mr. Shobhit Uppal (iii) Mrs. Sudershan Walia and (iv) Mr. Vikaas Ahluwalia.
- 4) From Axis bank are secured by way of
  - a) First paripassu charge on the current assets of the company,along with other banks in Multiple Banking Arrangement.
  - b) Personal Guarantee of (i) Mr. Bikramjit Ahluwalia (ii) Mr. Shobhit Uppal (iii) Mrs. Sudershan Walia (iv) Mr. Vikaas Ahluwalia.
- 5) From Kotak Mahindra Bank Ltd. are secured by way of First pari passu charge on all existing and future current assets of the company.
  - a) Personal guarantee of (i) Mr. Bikramjit Ahluwalia (ii) Mr. Vikaas Ahluwalia.
  - b) Undated cheque in bank's format for the facility amount.
- 6) From IndusInd Bank Ltd. are secured by way of
  - a) First paripassu charge on current assets of the company
  - b) Personal guarantee of (i) Mr. Bikramjit Ahluwalia (ii) Mr. Shobhit Uppal (iii) Mrs. Sudershan Walia and (iv) Mr. Vikaas Ahluwalia.
- 7) From Citi Bank N.A. are secured by way of
  - a) First paripassu charge on present and future stocks and book debts of the company.
  - b) Personal guarantee of (i) Mr. Bikramjit Ahluwalia and (ii) Mrs. Sudershan Walia
  - c) Demand Promissory Note and letter of continuity for ₹58,00,00,000/-.
- 8) From Bank of Maharashtra are secured by way of
  - a) First paripassu charge on all current assets of the company alongwith other multiple member banks.
  - b) Personal guarantee of (i) Mr. Bikramjit Ahluwalia (ii) Mr. Shobhit Uppal (iii) Mrs. Sudarshan Walia (iv) Mr. Vikaas Ahluwalia.
  - c) Pledge of 15,00,000 Equity shares of the company belonging to the promoters of the Company.
- 9) From IDBI Bank Ltd. are secured by way of



- a) First paripassu charge on entire current assets of the company along with other banks in multiple banking arrangement.
- b) Personal Guarantee of (i) Mr. Bikramjit Ahluwalia (ii) Mrs. SudarshanWalia.
- 10) From State Bank of Patiala are secured by way of
  - a) First paripassu charge on the entire current assets of the company along with other banks under multiple banking arrangement.
  - b) Personal Guarantee of (i) Mr. Bikramjit Ahluwalia (ii) Mr. Shobhit Uppal (iii) Mrs. Sudarshan Walia (iv) Mr. Vikaas Ahluwalia.
- 11) From ING Vysya Bank Ltd. are secured by way of
  - a) First paripassu charge on the entire present and future current assets of the company with other banks.
  - b) Personal Guarantee of (i) Mr. Bikramjit Ahluwalia (ii) Mrs. Sudarshan Walia (iii) Mr. Shobhit Uppal (iv) Mr. Vikaas Ahluwalia.
- 12) From Punjab & Sind Bank are secured by way of
  - a) First paripassu charge on current assets both present & future viz Raw Materials, Semi finished and finished goods, Consumables, Stores and Spares, Book Debts etc. with participating Lenders.
  - b) Pledge of 102,71,380 equity shares of the company of the promoters.
  - c) Personal Guarantee of (i) Mr. Bikramjit Ahluwalia (ii) Mrs. Sudarshan Walia (iii) Mr. Vikaas Ahluwalia.
- 13) From ICICI bank, Fund based facilities for ₹10,00,00,000/- are secured by way of
  - a) First Paripassu charge on entire stocks and book debts, both present and future
  - b) Personal Guarantee of (i) Mr. Shobhit Uppal (ii) Mr. Vikaas Ahluwalia
- 14) From ICICI Bank Ltd., Bank Guarantee facilities of ₹50,00,00,000/- is secured by way of Personal guarantee of (i) Mr. Shobhit Uppal (ii) Mr. Vikaas Ahluwalia
- 15) From Bank of India are secured by way of
  - a) First Paripassu charge on entire current assets of the company along with other working capital lenders
  - b) Personal Guarantee of (i) Mr. Bikramjit Ahluwalia (ii) Mrs. Sudarshan Walia
- 16) From G.E. Capital Services India for working capital/general corporate purpose are secured by way of
  - a) Hypothecation of specified equipments
  - b) Demand promissory Note for ₹7,00,00,000/-
  - c) Undated cheque for ₹7,00,00,000/-
- 17) Working capital cash credit facility of subsidiary of parent company amounting to ₹12,79,09,333/- and term loan amount to ₹6,59,76,636/- taken from bank are secured exclusive charge on all current assets and on all fixed assets (excluding those specifically financed by other lenders). Further secured by unconditional and irrevocable corporate guarantee of parent company to the extent of ₹27.00 crores and personal guarantee of Mr. Vikaas Ahluwalia, a promoter Director.
- c) **Term Loan facilities availed by the company :-**

Term Loan facilities taken for machinery / other assets from banks and others are secured by way of hypothecation of specified machinery / assets and personal guarantee of the Director.
- d) **Bank Guarantees Facilities availed from -**
  - 1) Allahabad Bank is secured by way of
    - a) First paripassu charge/ Hypothecation charge over entire current assets of the company both present and future.



- b) Personal Guarantee of (i) Mr. Bikramjit Ahluwalia (ii) Mrs. Sudershan Walia (iii) Mr. Shobhit Uppal (iv) Mr. Vikaas Ahluwalia
- 2) ICICI Bank Ltd. of ₹90,00,00,000/- is secured by way of
  - a) First paripassu charge on entire stocks and book debts, both present and future
  - b) Personal Guarantee of (i) Mr. Bikramjit Ahluwalia (ii) Mrs. Sudershan Walia.
- 3) Syndicate bank is secured by way of 100% margin of ₹55,00,000/-.
- 11. i) Sundry debtors include amount due from companies in which Directors are interested ₹3,03,750/- (P.Y. ₹60,750/-) (Maximum balance at any time during the year ₹3,03,750/- (P.Y. ₹1,04,406/-).
- ii) Sundry debtors include amount ₹1,83,00,582/- (P.Y. ₹51,29,325/-) (Maximum balance at any time during the year ₹1,83,00,582/- (P.Y. ₹51,29,325/-) due from Chairman & Managing Director Mr. Bikramjit Ahluwalia / proprietary concerns of Mr. Bikramjit Ahluwalia.
- iii) Advance recoverable in cash or in kind or for value to be received includes amount due from companies in which directors are interested ₹3,79,60,273/- (P.Y. ₹6,03,79,801/-) Maximum balance due at any time during the year ₹15,70,33,188/- (P.Y. ₹18,38,51,952/-).
- iv) Advance from customers includes amount due to Ahluwalia Construction Group, a proprietorship concern in which a relative of the director is interested ₹2,15,57,207 (P.Y. ₹2,15,57,207) (maximum amount due at any time during the year ₹2,15,57,207 (P.Y. ₹2,18,88,089).
- 12. A sum of ₹45,781/- Debit (P.Y. ₹75,652/- Debit), relating to earlier years have been considered in respective heads of accounts.
- 13. Bus Terminal and Depot and Commercial Complex at Kota
  - i) The Company entered into an "Agreement to Develop" with Rajasthan State Road Transport Corporation (RSRTC), grantor, for Development/Construction of Bus Terminal and Depot and Commercial Complex at Kota, on 19<sup>th</sup> September, 2007. The project was to be completed within 18 months. Delay in approval of drawing by Statutory Authorities effected the progress of the project and delay in completion. In a meeting with the Statutory Authorities and RSRTC grantor, it was decided that the project shall be completed and no penalty shall be levied till Dec. 2011.
  - ii) The project cost has been estimated ₹72,00,00,000/- out of which ₹14,75,74,583/- have been spent till 31.03.2011. The expenditure incurred has been shown in Balance Sheet under the main head "Fixed Assets" and sub-head "Capital Work in Progress" as "Intangible Asset". The total expenditure will be amortised during the useful period taking into account the revenue receivable for remaining useful period.
  - iii) Right to Lease Commercial Complex: The period of lease of right of Commercial complex is 40 years (30 years + 10 years extended period) from the date of completion of the project. Thereafter, the Commercial Complex will be handed over to RSRTC.
  - iv) a) Revenue from Advertisement, outside the building shall be 50% to RSRTC. No Revenue sharing from Advertisement etc. inside the building.



- b) The revenue from commercial complex will be shared with RSRTC in the following manner:

S.NO.	DETAILS OF AREA/SPACE TO BE USED FOR SHOPS/STALLS OR OTHER OCCUPANTS AT B/S KOTA	LICENSE FEE UPTO 36 MONTHS	LICENSE FEE AFTER 36 MONTHS UPTO THE LICENSE PERIOD OF 30 YEARS	LICENSE FEE AFTER 30 YEARS FOR A FURTHER PERIOD OF 10 YEARS
1)	For the space area 15 Sqm or more area	₹10/- per Sqm per month	₹50/- per Sqm per month with 10% cumulative increase after every three years.	License fee effective as on Completion of 30 years and others terms & conditions will remain unchanged.
2)	For space less than 15 Sqm	₹150/- per month in each case.	₹750/- per month in each case with 10% cumulative increase after every three years.	License fee effective as on completion of 30 years and others terms & conditions will remain unchanged.

- v) Maintenance Obligations: The maintenance of Bus Terminal and Depot is the responsibility of RSRTC. It will be Contractual obligations to maintain the commercial complex. The actual maintenance charges will be recovered from the occupants of the commercial complex.

14. Employee Benefits:

- a) Effective from 1<sup>st</sup> January'2007, the Company adopted Accounting Standard 15 (Revised 2005) on "Employee Benefits" issued by the Institute of Chartered Accountant of India.
- b) The following table sets out the status of the gratuity scheme plan as at 31<sup>st</sup> March, 2011.

i. Assumptions:

	AS ON 31.03.2009	AS ON 31.03.2010	AS ON 31.03.2011
Discount Rate:	7.00%	7.60%	7.90%
Rate of increase in Compensation levels:	5.00%	7.00%	7.00%
Rate of Return on Plan Assets:	9.25%	9.25%	9.25%

ii. Table showing changes in present value of obligations during the period

Present Value of Obligation as at the beginning of the period	3,31,20,731	4,24,44,635	5,67,90,851
Acquisition adjustment	-	-	-
Interest Cost	26,49,658	29,72,414	43,19,557
Past Service Cost	-	-	24,000
Current Service Cost	60,46,480	84,94,523	95,27,588
Curtailement Cost / (Credit)	-	-	-
Settlement Cost / (Credit)	-	-	-
Benefit Paid (i) Directly paid by the enterprise	(3,24,154)	NIL	NIL
(ii) Payment made out of the fund	(22,35,194)	(15,15,742)	(12,64,106)
Actuarial (gain)/loss on obligations	28,34,114	43,95,021	13,71,160
Present Value of Obligation as at the end of the period	4,20,91,635	5,67,90,851	7,07,69,050

iii. Table showing changes in the fair value of plan assets during the period

Fair Value of Plan Assets at the beginning of the period	1,12,98,607	2,06,21,365	3,02,64,766
Acquisition Adjustments	-	-	-
Expected Return on Plan Assets	10,33,823	19,07,476	33,66,066
Contributions	98,51,244	86,69,356	79,67,398
Benefits Paid	(22,35,194)	(15,15,742)	(12,64,106)
Actuarial Gain/( loss) on Plan Assets	6,72,885	5,82,311	NIL
Fair Value of Plan Assets at the end of the period	2,06,21,365	3,02,64,766	4,03,34,124





iv.	Tables showing fair value of plan assets			
	Fair value of plan asset at the beginning of period	1,12,98,607	2,06,21,365	<b>3,02,64,766</b>
	Acquisition Adjustments	-	-	-
	Actual return on plan assets	17,06,708	24,89,787	<b>33,66,066</b>
	Contributions	98,51,244	86,69,356	<b>79,67,398</b>
	Benefits Paid	(22,35,194)	(15,15,742)	<b>(12,64,106)</b>
	Fair value of plan assets at the end of period	2,06,21,365	3,02,64,766	<b>4,03,34,124</b>
	Funded Status	(2,14,70,270)	(2,57,03,085)	<b>(2,90,49,926)</b>
	Excess of actual over expected return on plan assets	6,72,885	5,82,311	<b>NIL</b>
v.	Actuarial gain / loss recognized for the period			
	Actuarial gain/(loss) for the period – Obligation	(28,34,114)	(43,78,021)	<b>(13,90,160)</b>
	Actuarial (gain)/loss for the period - Plan Assets	(6,72,885)	(5,82,311)	<b>NIL</b>
	Total (gain) / loss for the period	21,61,229	37,95,710	<b>13,90,160</b>
	Actuarial (gain) / loss recognized in the period	21,61,229	37,95,710	<b>13,90,160</b>
	Unrecognized actuarial (gains) / losses at the end of period	-	-	-
vi.	the amounts to be recognized in balance sheet and statements of profit and loss			
	Present Value of Obligation as at the end of the period	4,20,91,635	5,67,90,851	<b>7,07,69,050</b>
	Fair Value of Plan Assets as at the end of the period	2,06,21,365	3,02,64,766	<b>4,03,34,124</b>
	Funded Status	(2,14,70,270)	(2,57,03,085)	<b>(2,90,49,926)</b>
	Unrecognized Actuarial (gains) / losses	-	-	-
	Unrecognized Past Service Cost (Non Vested Benefits)	-	-	-
	Net Liability Recognized in Balance Sheet	2,14,70,270	2,65,26,085	<b>3,04,34,926</b>
vii.	Expense recognized in the statement of profit and loss for the period			
	Current Service Cost	60,46,480	88,90,523	<b>1,04,21,588</b>
	Past Service Cost	-	-	-
	Interest Cost	26,49,658	29,46,414	<b>42,53,557</b>
	Expected Return on Plan Assets	(10,33,823)	(19,07,476)	<b>(33,66,066)</b>
	Curtailment Cost / (Credit)	-	-	-
	Settlement Cost / (Credit)	-	-	-
	Net actuarial (gain)/ loss recognized in the period	21,61,229	37,95,710	<b>13,90,160</b>
	Expenses Recognized in the statement of Profit & Loss	98,23,544	1,29,02,171	<b>1,13,14,239</b>
viii.	Amount for the current period			
	Present Value of Obligation	4,20,91,635	5,67,90,851	<b>7,07,69,050</b>
	Plan Assets	2,06,21,365	3,02,64,766	<b>4,03,34,124</b>
	Surplus (Deficit)	(2,14,70,270)	(2,65,26,085)	<b>(3,04,34,926)</b>
	Experience adjustments on plan liabilities - (Loss)/Gain	(95,38,068)	(15,70,556)	<b>(41,04,710)</b>
	Experience adjustments on plan assets - (Loss)/Gain	6,72,885	5,82,311	<b>NIL</b>
xi.	The Company's Gratuity fund is managed by Life Insurance Corporation of India. The plan assets under the fund are deposited under approved securities.			

15. **Auditors' Remuneration**

S.NO.	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
i)	As Audit Fee	<b>21,20,700</b>	14,58,900
ii)	Tax Audit Fee	<b>4,96,350</b>	2,58,800
iii)	Certification & other matters	<b>4,24,713</b>	13,236
iv)	Out of pocket expenses	<b>38,600</b>	82,244
	<b>Total</b>	<b>30,80,363</b>	<b>18,13,180</b>



16. **Managerial Remuneration paid/payable to Chairman and Managing Director, and other Directors for the period are as follows:**

	(₹)	
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Salaries and allowances	2,01,16,452	1,69,21,192
Contribution to Provident fund	1,63,320	1,41,544
Perquisites	10,79,814	10,04,321
<b>Total</b>	<b>2,13,59,586</b>	<b>1,80,67,057</b>
Directors sitting fees	1,55,000	70,000

17. a) Current tax is calculated in accordance with the tax laws applicable to the current financial year and accordingly charged to the profit and loss account for the year.
- b) The breakup of net deferred tax liability / (assets) is as under :-

PARTICULARS	AS ON 31.03.2011		AS ON 31.03.2010	
	DEFERRED TAX LIABILITY	DEFERRED TAX ASSETS (₹)	DEFERRED TAX LIABILITY	DEFERRED TAX ASSETS (₹)
Depreciation difference between book & Income tax	4,37,41,275	13,58,57,748	2,66,20,648	12,81,73,604
Expenses allowable on actual payments	-	2,84,14,557	-	2,31,89,500
Carry forward losses	-	1,97,43,817	-	-
<b>Total</b>	<b>4,37,41,275</b>	<b>18,40,16,122</b>	2,66,20,648	15,13,63,104
Net deferred tax liability / (assets) as on date	-	(14,02,74,847)	-	(12,47,42,456)
Net deferred tax liability / (assets) for the year	-	(1,55,32,391)	-	(1,82,18,462)

18. The Company has taken various residential, office and warehouse premises under operating lease agreements. These are generally not non-cancellable and are renewable by mutual consent on mutually agreed terms. There are no restrictions imposed by Lease Agreement. There are no subleases.

PARTICULARS	LEASE PAYMENTS 2010-2011	LEASE PAYMENTS 2009-2010
Total lease payment for the year (recognized in Profit & Loss Account)	10,26,16,664/-	6,35,67,202/-
<b>Minimum Lease Payments</b>		
Not later than one year	6,16,85,665/-	2,75,20,280/-
Later than one year but not later than five years	5,28,75,886/-	2,29,32,763/-
Later than five years	-	-

19. **Related Party Disclosure:**

i) **List of Related Parties (as ascertained by the management)**

- Parties under common control & Associates:
  - M/s Ahlcon Parenterals (India) Limited
  - M/s Tidal Securities Private Ltd.
  - M/s Ahlcons India Private Limited
  - M/s. Capricorn Industrials Ltd.
  - M/s. Ahluwalia Builders & Development Group Pvt. Ltd.
  - M/s. Ahluwalia Construction Group
- Key Management Personnels:
 

Mr. Bikramjit Ahluwalia	Chairman & Managing Director
Mr. Shobhit Uppal	Dy. Managing Director
Mr. Vikaas Ahluwalia	Whole Time Director
Mrs. Sudershan Walia	Whole Time Director
Mr. Vinay Pal	Whole Time Director (Appointed on 14.08.2010)
Mr. Vivek Arora	Whole Time Director of subsidiary company



3. Relative of Key Management Personnels & Relationship:
- |                       |  |
|-----------------------|--|
| Mrs. Rohini Ahluwalia | Daughter of Chairman & Managing Director |
| Mrs. Rachna Uppal     | Daughter of Chairman & Managing Director |
| Mrs. Mukta Ahluwalia  | Daughter of Chairman & Managing Director |
| Mrs. Pushpa Rani      | Sister of Chairman & Managing Director   |
| Mrs. Ram Piari        | Sister of Chairman & Managing Director   |
| Mrs. Raman Pal        | Mother of whole time Director            |
4. Enterprises over which key managerial personnel is able to exercise significant influence.
- Karam Chand Ahluwalia Hospital & Medical Research Society

ii) **Transactions During the Year with Related Parties**

S.NO.	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
i)	Interest paid- Parties under common control & Associates :	-	-
ii)	Sale of goods- Key management personnel and their relatives :	63,68,603	24,25,525
iii)	Rent received- Parties under common control & Associates :	10,03,968	10,03,968
iv)	Payment against contract work- Parties under common control & Associates :	30,21,62,130	31,43,63,833
v)	Purchase of materials- Parties under common control & Associates :	36,31,670	85,19,155
	Key management personnel & their relatives :	26,99,663	15,42,697
vi)	Rent Paid- Key management personnel & their relatives :	72,60,000	72,60,000
vii)	Managerial Remuneration- Key management personnel :	2,13,59,586	1,80,67,057
viii)	Hire Charges- Key management personnel & their relatives :	44,71,203	25,55,483
ix)	Dividend received- Parties under common control & Associates :	37,500	37,500
x)	Dividend paid- Key management personnel & their relatives :	1,82,17,567	2,96,58,312
	Parties under common control & Associates :	10,000	17,500
xi)	Receipts against contract work- Key management personnel and their relatives :	2,60,15,722	1,01,12,038
xii)	Sale of Real Estate- Key management personnel and their relatives :	21,00,00,000	-
xiii)	Enterprises over which key managerial personnel is able to exercise significant influence.		
	Karam Chand Ahluwalia Hospital & Medical Research Society :	6,00,000	4,50,000

**Amount Due from / to Related Parties:**

S.NO.	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
(i)	<b>Due from related parties</b>		
	<b>Sundry Debtors</b>		
	Parties under common control & Associates :	3,03,750	60,7505
	Key management personnel and their relatives :	1,83,00,582	51,29,325
	<b>Advance recoverable in cash or in kind or for value to be received</b>		
	Parties under common control & Associates :	3,79,60,273	6,03,79,801
	<b>Investments</b> Parties under common control & Associates: :	5,88,940	5,88,940
(ii)	<b>Due to related parties</b>		
	Remuneration and Rent Key management personnel and their relatives :	81,48,167	1,03,79,331
	Advance against contracts/supply Key management personnel & their relatives :	1,34,17,064	1,65,70,343

No amount has been written off / provided for in reference of the above.



20. Earnings Per Share:

	CURRENT YEAR	PREVIOUS YEAR
a) Weighted average number of equity Shares of ₹2/- each.	6,27,62,560	6,27,62,560
b) Net profit after tax available for equity share holders (₹)	72,05,27,388	81,77,57,309
c) Basic earning (in rupees) per share of ₹2/- each (₹)	11.48	13.03
d) Diluted earning (in rupees) per share of ₹2/- each (₹)	11.48	13.03

21. Disclosure in accordance with Accounting Standard –7 (Revised) amount due from/to customers on construction Contracts

(₹ in Lacs)

	CURRENT YEAR	PREVIOUS YEAR
Contract revenue recognized as revenue in the year	1,44,961.42	15,65,45.84
Contract costs incurred and recognised profits (less recognised losses) upto the reporting date	1,46,258.57	1,54,463.82
Advances received	24,623.63	20,412.73
Retention money	9,350.84	6,769.70
Gross amount due from customers for contract work	230.79	335.18
Gross amount due to customers for contract work	-	-

**Note:-**The above information is given only in respect of contracts entered into on or after 01.04.2003 and is in progress as on balance sheet date.

22. Segment Reporting:- The subsidiary of parent company operates in two segments – manufacturing of Ready Mix Concrete and Hiring of Construction Equipments. The Company has chosen the business segment as its primary segment considering the dominant source of revenue.

A. Segment Disclosure

(₹ in Lacs)

PARTICULARS	READY MIX CONCRETE		EQUIPMENT RENTALS		TOTAL	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
<b>REVENUE</b>						
External Turnover	6,545.95	5,961.35	1,322.12	596.84	7,868.06	6,558.20
Inter Segment Sales/Income	-	-	-	-	-	-
Other Operating Income	109.97	61.41	48.82	5.73	158.79	67.13
<b>Total</b>	<b>6,655.92</b>	<b>6,022.76</b>	<b>1,370.93</b>	<b>602.57</b>	<b>8,026.85</b>	<b>6,625.33</b>
<b>Expenses</b>	<b>6,486.30</b>	<b>5,850.07</b>	<b>482.96</b>	<b>182.57</b>	<b>6,969.26</b>	<b>6,032.64</b>
<b>RESULT</b>	<b>169.61</b>	<b>172.69</b>	<b>887.97</b>	<b>420.00</b>	<b>1,057.59</b>	<b>592.69</b>
Unallocated Corporate Expenses					565.05	268.77
Operating Profit (PAT)					492.54	323.92
Interest & Finance charges					386.69	262.90
interest Income				-	5.64	0.76
Extra-ordinary Items	-	-	-	-	-	-
Unallocated Other Income					0.71	25.33
Income Taxes					(15.11)	85.60
Net Profit/(Loss)					127.31	1.51
<b>OTHER INFORMATION</b>						
Segment assets (Total Assets)	5,278.57	4,040.29	2,709.13	1,357.77	7,987.70	5,398.06
Unallocated corporate assets	-	-	78.28	120.85	-	-
<b>Total assets</b>	<b>5,278.57</b>	<b>4,040.29</b>	<b>2,709.13</b>	<b>1,357.77</b>	<b>8,065.98</b>	<b>5,518.91</b>
Segment liabilities (Total Liabilities)	4,285.91	2,264.44	1,522.26	880.77	5,808.18	3,145.20
Unallocated corporate liabilities	-	-	1,516.25	1,718.81	-	-
<b>Total liabilities</b>	<b>4,285.91</b>	<b>2,264.44</b>	<b>1,522.26</b>	<b>880.77</b>	<b>7,324.43</b>	<b>4,864.01</b>
Capital expenditure	997.47	292.01	1,001.83	543.36	1,999.30	835.37



Unallocated Capital expenditure						-
<b>Total Capital expenditure</b>	-					
Depreciation/Amortisation for the year	<b>231.59</b>	<b>180.56</b>	<b>82.52</b>	<b>30.46</b>	<b>314.11</b>	211.01
Unallocated Depreciation / Amortisation	46.64	20.25				
<b>Total Depreciation / Amortisation</b>	<b>231.59</b>	<b>180.56</b>	<b>82.52</b>	<b>30.46</b>	<b>360.75</b>	<b>231.26</b>
Non-cash expenses other than depreciation and amortisation	-	32.50	15.77	<b>15.77</b>	32.50	
Unallocated Non-cash expenses other than depreciation and amortisation	-	-	-	-		
<b>Total Non-cash expenses other than depreciation and amortisation</b>	-	32.50	15.77	-	15.77	32.50

**B. Information about the Secondary Segments**

a) Revenue as per Geographical Markets

(₹ in Lacs)

	2010-11	2009-10
India	<b>7,868.06</b>	<b>6,558.20</b>
Outside India	Nil	Nil
<b>Total</b>	<b>7,868.06</b>	<b>6,558.20</b>

b) **Carrying amount of Total Segment Assets by Geographical location of assets**

The company is having all the Fixed Assets and Current Assets in India only.

(₹ in Lacs)

	2010-11	2009-10
India	<b>7,987.70</b>	<b>5,398.06</b>
Outside India	Nil	Nil
<b>Total</b>	<b>7,987.70</b>	<b>5,398.06</b>

23. In terms of exemption granted by the Ministry of Corporate Affairs (MCA) regarding attachment of financial statements of its subsidiary companies vide its General Circular No. 2/2011 dated 8<sup>th</sup> February, 2011 following information has been given for the subsidiary companies.

M/s. Ahlcon Ready Mix Concrete Pvt. Ltd. (ARMC)

M/s. Dipesh Mining Pvt. Ltd. (DM)

M/s. Jiwan Jyoti Traders Pvt. Ltd. (JJT)

M/s. Paramount Dealcomm Pvt. Ltd. (PD)

M/s. Premsagar Merchants Pvt. Ltd. (PM)

M/s. Splendor Distributors Pvt. Ltd. (SD)



# Ahluwalia Contracts (India) Limited

(Amount in ₹)

PARTICULARS	ARMC	DM	JJT	PD	PM	SD	TOTAL
Capital (including preference capital)	6,54,90,000 (6,54,90,000)	1,00,000 (1,00,000)	1,00,000 (1,00,000)	1,00,000 (1,00,000)	1,00,000 (1,00,000)	1,00,000 (1,00,000)	6,59,90,000 (6,59,90,000)
Reserves & Surplus	86,65,121 -	- -	- -	- -	- -	- -	86,65,121 -
Total Assets	80,65,98,248 (55,59,57,576)	1,13,53,555 (1,14,63,810)	95,73,271 (92,62,407)	99,19,020 (96,19,410)	1,06,83,343 (1,06,90,068)	1,00,90,787 (1,01,46,686)	85,82,18,224 (60,71,39,957)
Total Liabilities	80,65,98,248 (55,59,57,576)	1,13,53,555 (1,14,63,810)	95,73,271 (92,62,407)	99,19,020 (96,19,410)	1,06,83,343 (1,06,90,068)	1,00,90,787 (1,01,46,686)	85,82,18,224 (60,71,39,957)
Investments (excluding investments in subsidiaries)	- -	- -	- -	- -	- -	- -	- -
Gross Turnover (includes other income)	80,33,19,766 (66,51,42,403)	- -	- -	- -	- -	- -	80,33,19,766 (66,51,42,403)
Profit before Tax	1,12,20,278 (87,11,147)	-12,273 (-39,121)	-12,073 (-30,177)	-12,073 (-47,328)	-15,978 (-35,290)	-12,073 (-32,328)	1,11,55,808 (85,26,903)
Provision for Tax	-15,10,758 (85,60,105)	- (10,072)	- (8,249)	- (8,126)	- (8,211)	- (8,228)	-15,10,758 (86,02,991)
Profit after Tax	1,27,31,036 (1,51,042)	-12,273 (-49,193)	-12,073 (-38,426)	-12,073 (-55,454)	-15,978 (-43,501)	-12,073 (-40,556)	1,26,66,566 (-76,088)
Proposed Dividend & Tax thereon	-	-	-	-	-	-	-

Figures in Bracket are of Previous Year

24. The unsecured loan from others have been taken during the period prior to becoming subsidiary company hence not considered u/s 58A of the Companies Act 1956.
25. Figures relating to subsidiaries have been regrouped/ reclassified where ever considered necessary to bring them in line with the company's financial statements.
26. Previous year figures have been regrouped / rearranged wherever considered necessary.

As per our report of even date annexed

For **ARUN K. GUPTA & ASSOCIATES**  
Firm Registration No. 000605N  
CHARTERED ACCOUNTANTS

**GIREESH KUMAR GOENKA**  
Partner  
M.No. 096655

Place : New Delhi  
Date : 30-05-2011

On behalf of the Board of Directors

**BIKRAMJIT AHLUWALIA**  
Chairman & Managing Director  
(Chief Executive Officer)

**S.K. SACHDEVA**  
Executive Director - F&A  
(Chief Financial Officer)

**VIPIN KUMAR TIWARI**  
G.M. (Corporate) & Company Secretary

**SHOBHIT UPPAL**  
Dy. Managing Director

**VIJAY KUMAR JAIN**  
General Manager - F&A





# Consolidated Cash Flow Statement for the Year Ended as on 31st March, 2011

(₹)		
PARTICULARS	Year Ended 31.03.2011	Year Ended 31.03.2010
A. Cash Flow from Operating Activities		
Net Profit before Tax and extra ordinary items	1,086,230,979	1,260,521,575
<b>Adjustment for :</b>		
Depreciation	374,221,763	353,795,686
Interest Received	(37,164,266)	(42,611,284)
Interest Paid	195,043,304	181,688,243
Rent Received	(7,965,768)	(7,675,968)
Provision for diminution in value of Investments	0	(12,127)
Miscellaneous Expenses written off	0	275,776
Profit on Sale of Fixed Assets	0	(47,438)
Loss on Sale of Fixed Assets	2,912,903	898,723
Profit on Sale of Shares	0	0
<b>Operating Profit before working Capital Changes :</b>	<b>1,613,278,915</b>	<b>1,746,833,186</b>
<b>Adjustment for :</b>		
Trade Receivables	(1,796,614,457)	(302,753,299)
Inventories	(199,545,644)	(203,562,178)
Trade Payables	1,296,807,477	229,204,622
Loans and Advances	(229,208,454)	(79,259,056)
<b>Cash generated from Operations :</b>	<b>684,717,837</b>	<b>1,390,463,275</b>
Direct Taxes Paid	(380,735,983)	(460,532,728)
Increase in Miscellaneous Expenditure	0	0
<b>Net Cash from Operating Activities (A)</b>	<b>303,981,855</b>	<b>929,930,547</b>
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(845,284,152)	(496,077,547)
Purchase of Shares	0	0
Investment in Joint Venture	0	0
Sale of Shares	0	0
Sale of Fixed Assets	2,526,195	1,581,131
Interest Received	37,164,266	42,611,284
Rent Received	7,965,768	7,675,968
<b>Net Cash from Investing Activities (B)</b>	<b>(797,627,924)</b>	<b>(444,209,164)</b>
C. Cash Flow from Financing Activities		
Proceeds from Long term borrowings	356,536,131	254,336,434
Repayment of Long term borrowings	(193,898,012)	(338,530,135)
Movement in Short term borrowings	374,742,483	678,512,835
Interest Paid	(195,043,304)	(181,688,243)
Dividend Paid ( Including dividend distribution tax)	(58,549,310)	(51,400,342)
<b>Net Cash from Financing Activities (C)</b>	<b>283,787,988</b>	<b>361,230,549</b>
<b>Net Increase/Decrease in Cash &amp; Cash Equivalents</b>	<b>(209,858,081)</b>	<b>846,951,932</b>
Cash & Cash equivalents (Opening)	1,747,553,486	900,601,554
Cash & Cash equivalents (Closing)	1,537,695,405	1,747,553,486

- Notes:- 1) Cash & cash equivalents as at year end includes deposits pledged with bank ₹44,20,35,886/- (P.Year ₹36,59,44,451/-) & unpaid dividend account ₹3,71,747/- (P.Year ₹2,79,877/-)
- 2) Cash flow statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3: "Cash Flow Statements" issued by the Institute of Chartered Accountants of India.
- 3) Previous year's figures have been regrouped/reclassified wherever applicable.

As per our report of even date annexed

For **ARUN K. GUPTA & ASSOCIATES**

Firm Registration No. 000605N

CHARTERED ACCOUNTANTS

**GIREESH KUMAR GOENKA**

Partner

M.No. 096655

Place : New Delhi

Date : 30-05-2011

On behalf of the Board of Directors

**BIKRAMJIT AHLUWALIA**

Chairman & Managing Director

(Chief Executive Officer)

**S.K. SACHDEVA**

Executive Director - F&A

(Chief Financial Officer)

**VIPIN KUMAR TIWARI**

G.M. (Corporate) & Company Secretary

**SHOBHIT UPPAL**

Dy. Managing Director

**VIJAY KUMAR JAIN**

General Manager - F&A





## ATTENDANCE SLIP

### AHLUWALIA CONTRACTS (INDIA) LTD.

Regd. Office: Ahluwalia House, 4, Community Centre, Saket, New Delhi - 110017

Name of the Shareholders/Proxy*	DP.ID**		Folio No.	
	Client ID**		No. of Shares held	

I here by record my presence at the 32nd Annual General Meeting held at Ahlcon Public School, Mayur Vihar, Phase-I, Delhi-110091 on Friday, the 30th day of September, 2011 at 4.00 p.m.

Signature of the Shareholder/Proxy

\* Strike out whichever is not applicable

\*\* Applicable for investors holding shares in electronic form

Note :

Please handover the slip at the entrance of the Meeting venue.

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## PROXY FORM

### AHLUWALIA CONTRACTS (INDIA) LTD.

Regd. Office: Ahluwalia House, 4, Community Centre, Saket, New Delhi - 110017

I/We \_\_\_\_\_ s/o or w/o or d/o \_\_\_\_\_ in  
the district of \_\_\_\_\_ being Member(s) of the above named Company hereby appoint,  
\_\_\_\_\_ s/o or w/o or d/o \_\_\_\_\_ in the district of  
\_\_\_\_\_ or failing him/  
her \_\_\_\_\_ s/o or w/o or d/o \_\_\_\_\_  
in the district of \_\_\_\_\_ as my/our proxy to attend and vote for me/us on  
my/our behalf at the 32nd Annual General Meeting of the Company to be held at Ahlcon Public School, Mayur Vihar, Phase-I, Delhi-  
110091 on Friday the 30th September, 2011 at 4.00 p.m. and at any adjournment(s) thereof.

Signed at \_\_\_\_\_ This \_\_\_\_\_ day of \_\_\_\_\_ 2011.

Folio No.		DP. ID*		
No. of Shares held		Client ID*		

\* Applicable for investors holding shares in electronic form.

Affix  
₹ 1.00  
Revenue  
Stamp

#### Notes :

1. The Proxy need not be a member.
2. The form of Proxy, duly signed across ₹ 1 revenue stamp should reach the Company, not less than 48 hours before the time fixed for the meeting





**REGISTERED OFFICE:****AHLUWALIA HOUSE**

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

**CORPORATE OFFICE:**

1, Okhla Industrial Area,  
Phase-III, New Delhi-110020  
Tel.: +91-11-49410500  
Fax: +91-11-49410553

**HEAD OFFICE:**

M-1, Saket, New Delhi-110017  
Tel.: +91-11-40504500  
Fax: +91-11-40504558

**REGISTRAR & SHARE TRANSFER AGENTS:**

Link Intime India Pvt. Ltd.  
A-40, 2nd Floor,  
Nariana Industrial Area,  
Phase-II, New Delhi-110028  
Tel.: 91-11-41410592-94  
Fax: 91-11-41410591  
E-mail: delhi@linkintime.co.in

**STOCK EXCHANGES:**

NATIONAL STOCK EXCHANGE LTD.  
Exchange Plaza, C-1, Block - G  
Bandra Kurla Complex, Bandra (East)  
Mumbai - 400051  
Tel.: 022-26598190/191

**BOMBAY STOCK EXCHANGE LTD.**

25th Floor, P.J. Towers Dalal Street,  
Mumbai - 400001  
Fax: 022-22722082  
Tel.: 022-22721233/ 34  
BSE SCRIP CODE: [ 532811 ]

**DELHI STOCK EXCHANGE LTD.**

DSE House, 3/2, Asaf Ali Road,  
New Delhi-110002  
Tel.: 91-11-23292417-418  
Fax: 91-11-23292181-2176  
DSE CODE: [ 7526 ]

**JAIPUR STOCK EXCHANGE LTD.**

Stock Exchange Building  
Jawahar Lal Nehru Marg  
Malviya Nagar, Jaipur-302017  
Tel.: 0141-2729100  
Fax: 0141-2729082  
JSE CODE: [ 922 ]

**CALCUTTA STOCK EXCHANGE LTD.**

7, Lyons Range, Kolkata-700001  
Ph. : 033-22104470-4477  
CSE CODE: [ 011134 ]

**DEMATERIALISATION OF SHARES**

ISIN NO.: INE 758C01029



**BOOK - POST**

A WYATT SOLUTION (info@wyatt.co.in)



**Ahluwalia Contracts (India) Limited**

Ahluwalia House, 4 Community Centre, Saket, New Delhi – 110017

Tel : 91-11-41664016, 91-11-65641898 Fax : 91-11-26852036

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