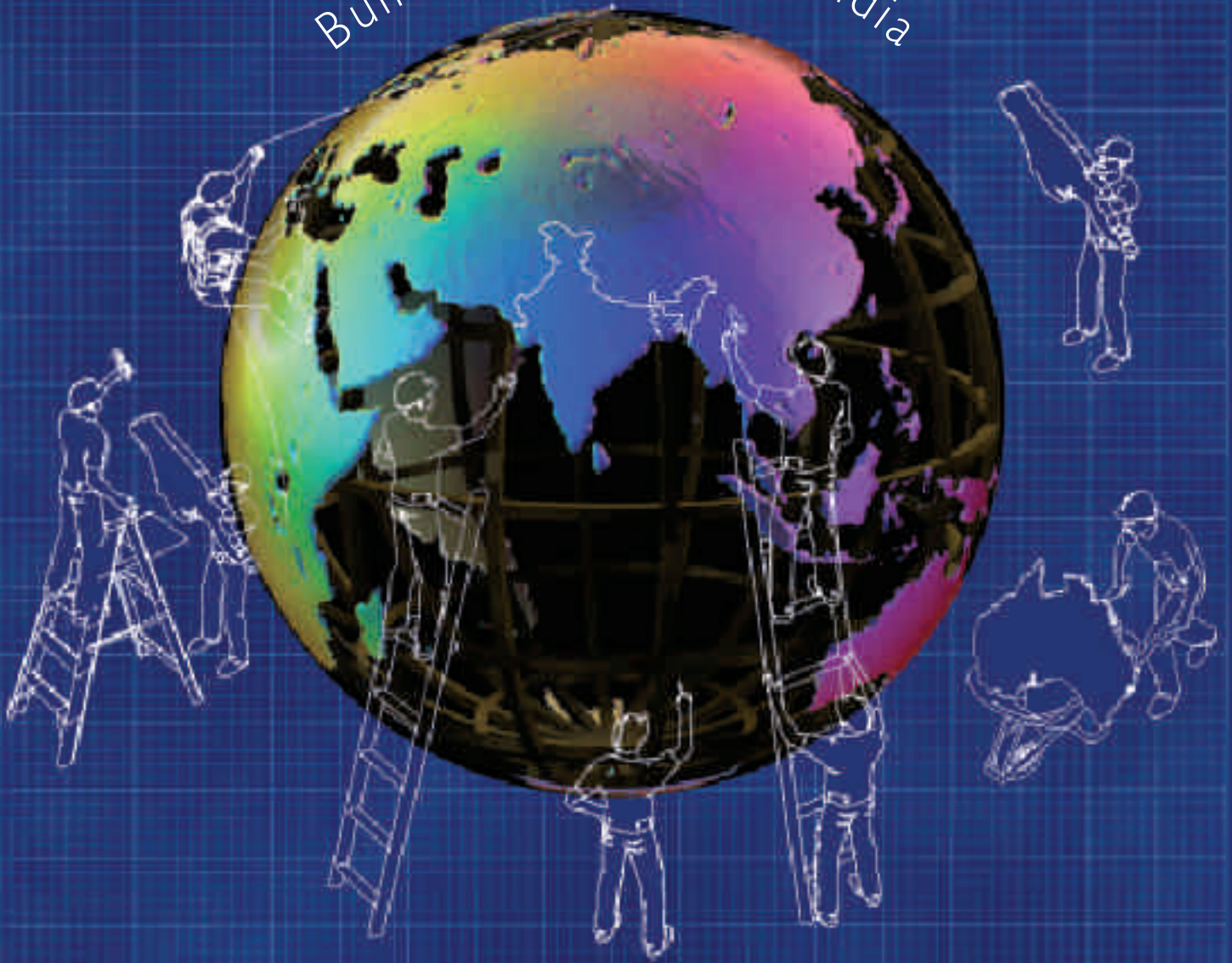


Building Tomorrow's India



NKG Infrastructure Limited



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By building the future growth foundations for a billion people

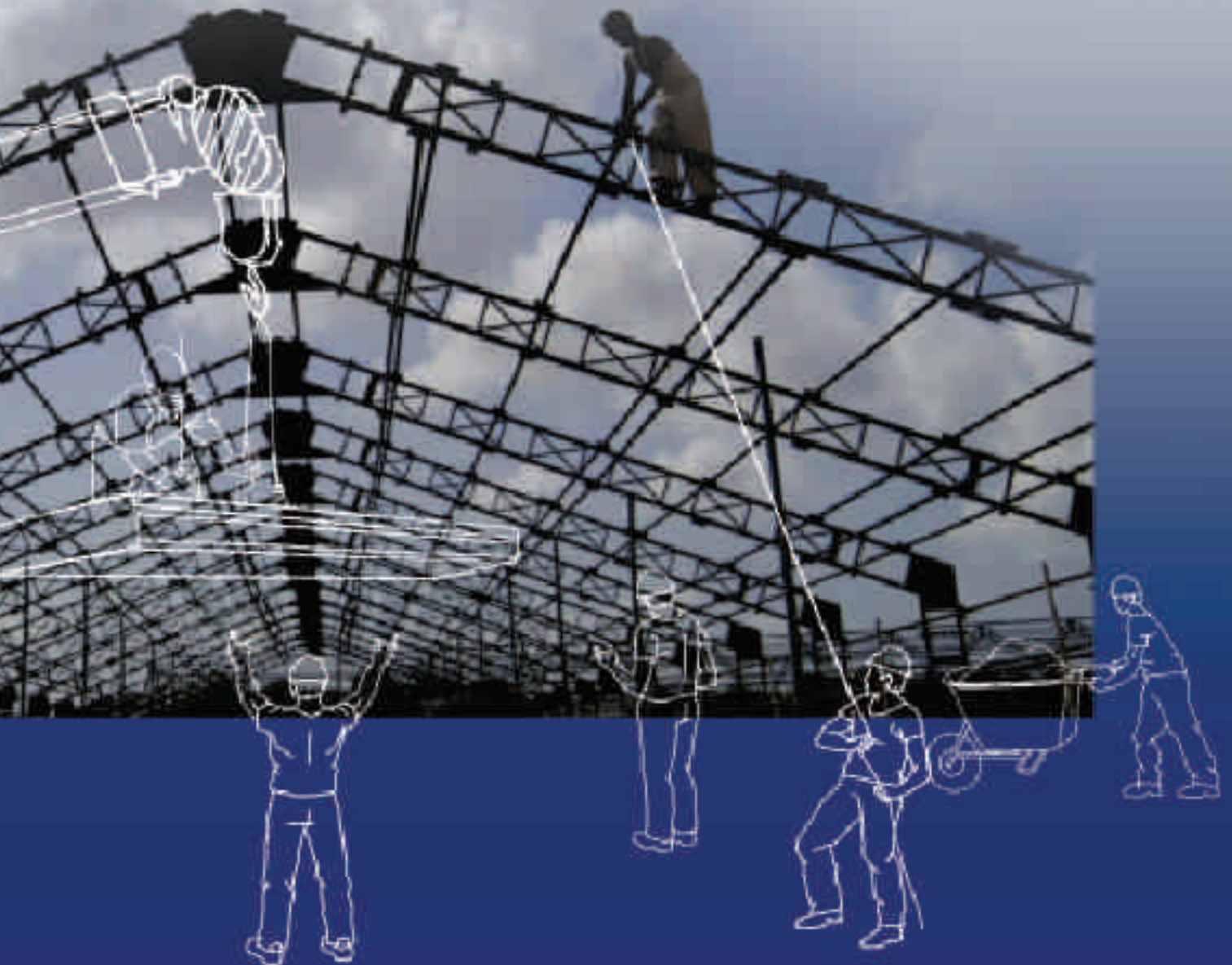
At the turn of the first decade of this new millennium, India is emerging as the land of opportunities. Weathering the storm of recent recession well, this newest trillion dollar economy is making swift strides on the global economic map. In the networked global village of today, it is bestowed with the resources – democratic values, vast pool of qualified manpower, aspiring young population, abundant natural resources, fairly regulated financial system, and a consumer base of a billion people.

India's candidature amongst economic powerhouses of tomorrow draws strength from

the sheer divide between its two ends of socioeconomic spectrum.

There is a latent India in the vast rural and sub-urban geography and its inhabitants. Government of India is focused than ever before on achieving inclusive growth and is seeking to better the quality of life across all spectrum of populace including the poorest of the poor.

NKG Infrastructure has been taking development to the last mile in form of roads, bridges, buildings, electricity and water. And empowering millions of Indians to improve their productivity and quality of life.





The Community Impact: Transforming the Hinterland

Look at the history of every civilization and culture. Besides the places of worship and palaces, you will see public baths, a civic drainage system, structures for social assembly, academy buildings, auditoria and such facilities. Indeed, social life intrinsically has a level of essential infrastructure associated with it.

The modern State seeks to bring all the citizens into a common fold, and it makes inclusive development plans. For them to participate fully in the economic and social life of the nation, its citizens must have access to facilities – basic ones like drinking water, sanitation, healthcare and schooling. Then, the community needs work-zones – be they industrial estates, office complexes, trading centres like shopping areas or specialized allocations like sea docks, export zones, and storage depots. An efficient road network is necessary to connect all these and enable swift movement of people and goods.

At NKG, it is these very priorities that we address most urgently. We are geared to answer them with our project management experience, our state-of-the-art equipment, our trained manpower, and our deep commitment to the field. Our work in infrastructure development is all about nation-building and ensuring that the last mile is covered, and to reach out to communities

in all kinds of locations, near and wide, so that they are part of the developmental momentum. Improved quality of life for all strata in society, including various communities engaged in craft, trade, industrial production, and agri-businesses is our unceasing endeavour. The projects we have completed and those in the pipeline are unexceptionably directed towards this social vision of the Group.

Our successes are complete only when those who have lagged behind or whose potential is largely untapped come into the loop and utilize the means of development to lead more productive lives. It's a process whereby a ever-larger number of people are healthier, better educated, market-informed, and can compete on a global scale.

The history of our Group is the sum of these projects – the impact they make on the lives of citizens in so many regions and activities. There is an emphasis on the rural sector where the demand is of the highest magnitude, where the widest gaps are getting bridged. The NKG Group is seized with this particular priority and the addressing of its vast requirements.

As the nation's growth is imperative, our growth in scale too is inevitable. It will only reflect the improvement in innumerable lives as a result of the infrastructure put in place.

Taking Infrastructure development to the last mile is the ultimate priority...

Arrival of the single lane village road was followed by the arrival of electricity. In Haryana, thousands of hectares of barren land has become fertile courtesy the irrigation tube wells. Hundreds of unemployed youth from surrounding villages have gotten engaged into productive agronomy. Likewise, millions of rural youth are awaiting for infrastructure to empower their farm and self productivity.

It is this very geographic part and this very demographic section of India, which NKG Infrastructure sees as the future India. Aligning with the objective of federal and various state governments in addition to the global development agencies like World Bank and Asian Development bank, NKG Infrastructure has been working to take infrastructure facilities to the last mile.



Taking electricity to all is a priority...

In Uttar Pradesh, Tyagi family's wait for electricity has come to an end. With the house illuminated and the farms electrified, life is beginning to change rapidly. Farm borewell has doubled the earnings for the household and evening studies under light has brought a marked improvement in Suresh's grade at school.

NKG Infrastructure has been partnering the civic agencies and various governments in their efforts to create a wider and efficient distribution network for power.

Creating healthcare infrastructure for million is a priority...

Little Rohan's fall from bed last evening is now being viewed as his acrobatic adventure, thanks to the instant and cashless medical aid Champawati accessed at the nearby hospital run by the Employee State Insurance Corporation. Like Champawati, millions of employees working at the bottom of the per capita income ladder will benefit by growing network of these hospitals.

NKG Infrastructure has been building hospitals for Employee State Insurance Corporation. Spread across the metros and urban centres of high productivity, these hospitals deploy insurance route to bring quality healthcare coverage to millions of employees working at the lowest levels of income.



Essential Infrastructure – A Primary Focus

This is the decade of infrastructure. The Planning Commission has recommended JVs and public-private partnerships to expedite the gigantic tasks at hand. We are more than midway through the 11th Five Year plan. Team NKG has been securing contracts for projects funded by Asian Development Bank and the World Bank and is among the front-runners in putting up essential infrastructure.

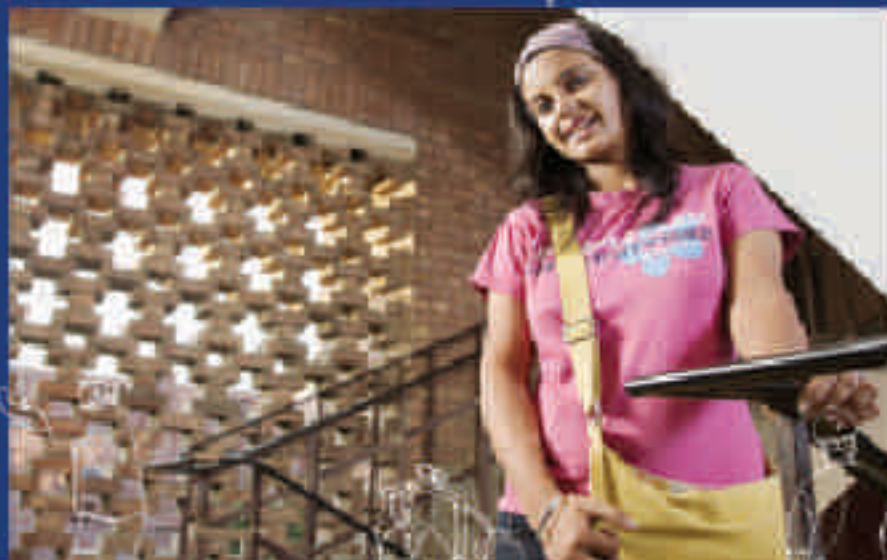
The Ministry of Surface Transport has undertaken the challenging goal of 20 km per day of highway road and the NHAI is implementing this mandate from June 2010. New tariff systems for investment recovery are getting framed. Team NKG has completed a slew of road projects in Madhya Pradesh, Uttarakhand, Uttar Pradesh, and Haryana and is contending for its share of the work of about 30,000 kilometres of road in the country.

Besides the project in the JN Stadium in New Delhi in connection with the Commonwealth Games, the

Group is carrying out building project of staff quarters, medical college and hospital buildings around the NCR in Ghaziabad, Noida and Faridabad. It is executing projects of Rainwater Harvesting, Tubewells and Sewage Treatment at locations in the Capital's vicinity.

For the power sector, the Group is constructing Sub-stations for electrification programs and commissioning the supply-lines in Uttar Pradesh and Haryana.

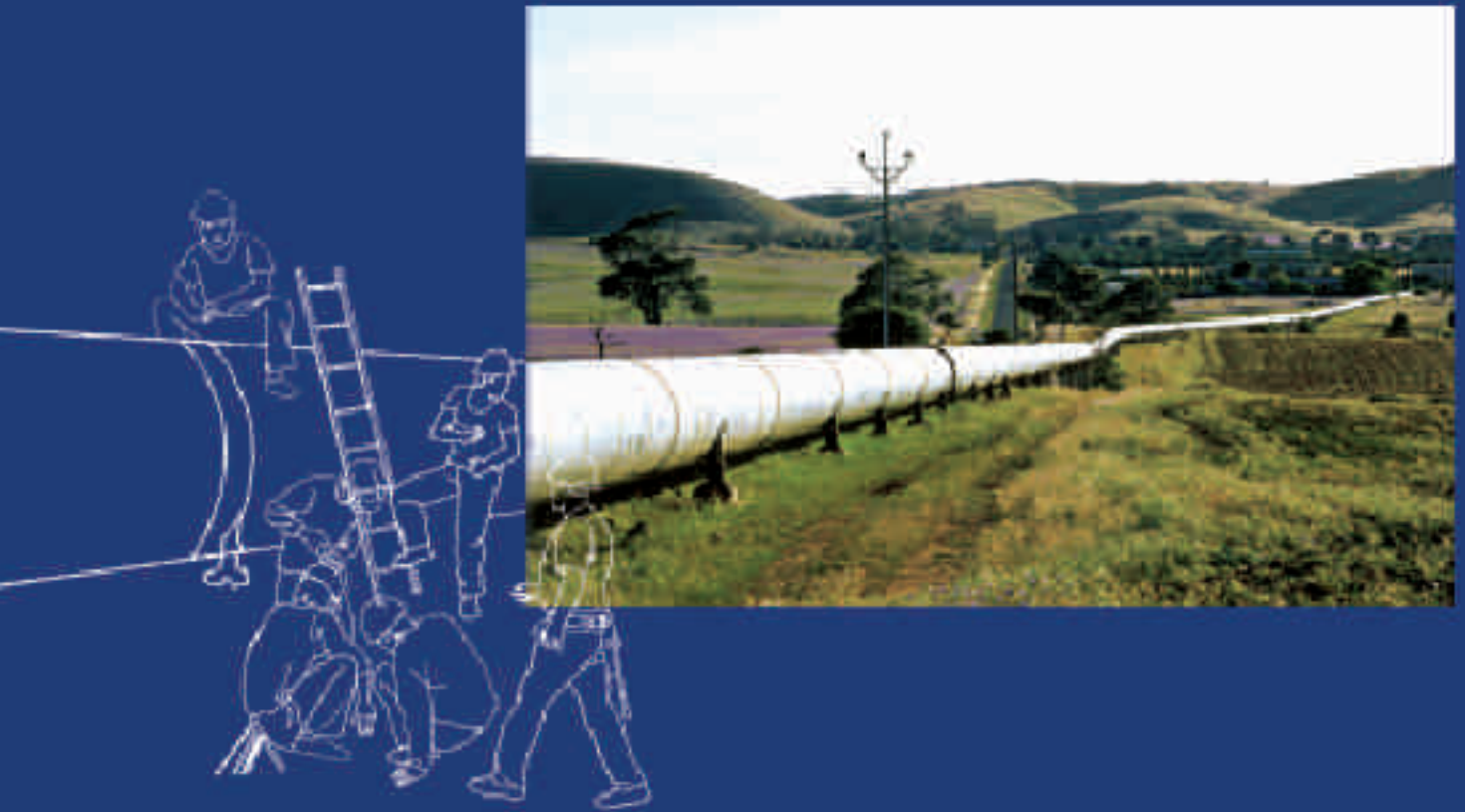
Our present projects are principally in the realm of road connectivity, sanitation, water supply, health campuses, and power distribution networks. Team NKG has domain experts with decades of experience in their specialization to advise, oversee and ensure quality of installation in every project type.



Hubs of modern education for millions is a priority...

The confidence in Sonali's smile tells it all. Studying management while taking care of her ailing mother at home was made possible because of the institute opening in her small town. There are many a million young aspirations and promises in the villages and smaller urban centres which need required infrastructure for modern institutions.

NKG Infrastructure has been responding by developing campuses for modern universities, colleges and institutions beyond metro cities. These temples of future India are enhancing the spread of knowledge to the youth from rural, sub-urban and urban India.



Optimising water is a key priority...

Life of the residents of Faridabad has changed for ever. The water shortage problem has gone down substantially. With hundreds of tube wells, underground and overhead reservoirs and the newly laid pipeline; the per capita water availability has gone up instantly. Having lived with water shortages for decades, the residents are participating in the water harvesting initiatives and minimising the wastage of this vital resource.

NKG's holistic approach to water - from sourcing to distribution to wastewater treatment to groundwater charging through rain - has been helping the ecosystem around many habitats.

NKG Ethos - An Integrated Multi-disciplinary Approach



The values in the NKG Group's organizational culture reflect the interwoven concerns – productivity, growth, quality reputation, social and environmental contribution.

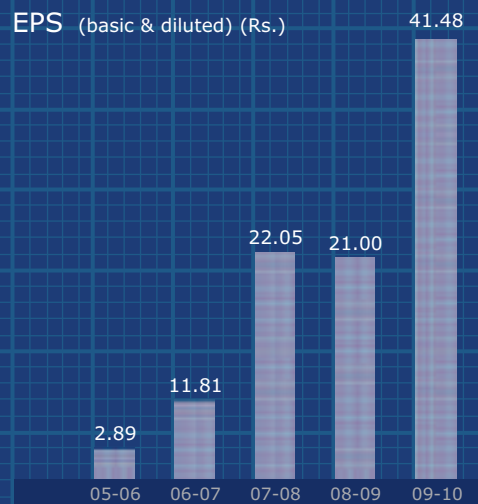
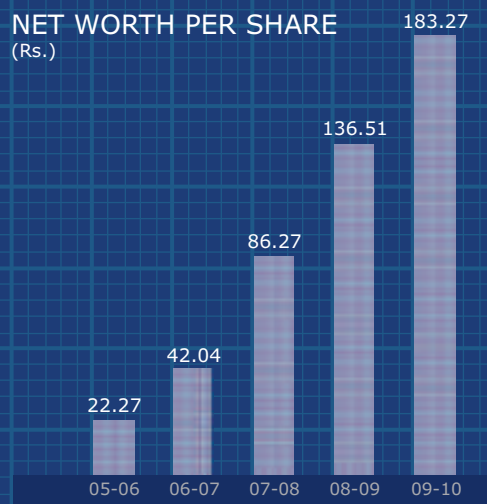
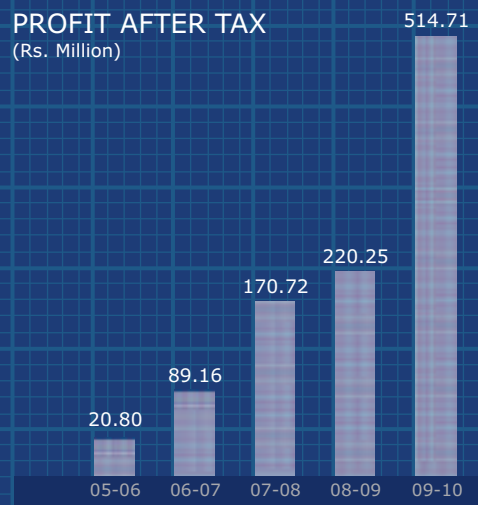
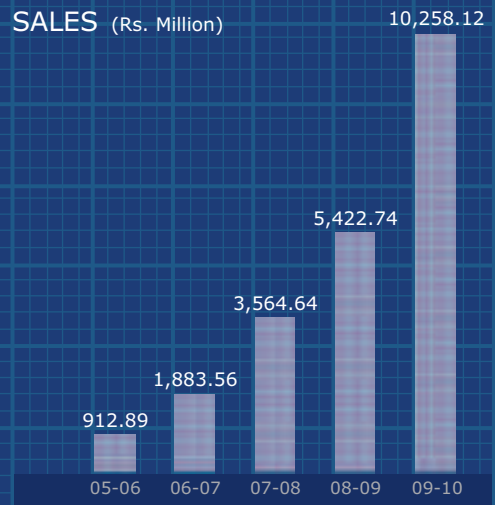
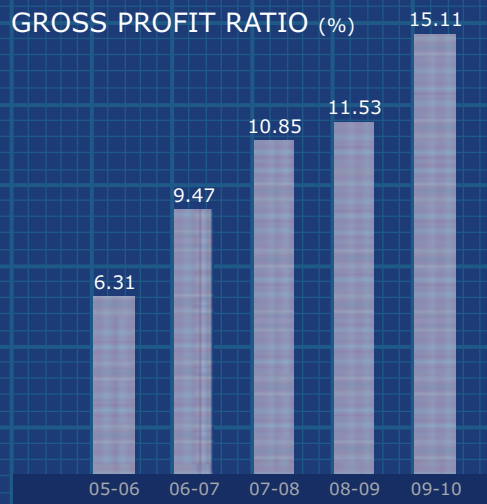
Propelled by its sense of vital participation in building the nation, Team NKG is responsive to current issues such as conserving the environment, raising the energy efficiency, curbing waste of electricity and water, and manpower development.

There are many technical disciplines involved in infrastructure development – soil sciences, hydrology, strength of materials, construction management, engineering, instrumentation etc. The organization strives to be abreast of the

advancements in these fields and bring them into its practice. It is also engaged in personnel welfare and community activities at different project locations. All these measures together serve to continuously raise the level of competence and upkeep of commitment within its ranks.

Even as the NKG Group aims to rapidly diversify its scope of work within the Infrastructure arena and to further broaden its project capabilities, it will reinforce its brand identity by holding fast to its well-entrenched value system across the offices, sites, operations and services.

Watch this space – the sign over it says “Work in rapid progress”.



Financial Highlights

(Rs. Million)

| FY | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 |
|---------------------------|----------------|----------------|----------------|----------------|----------------|
| Share Capital | 67.78 | 75.52 | 103.77 | 124.09 | 126.16 |
| Reserves & Surplus | 83.15 | 241.97 | 791.44 | 1,569.90 | 2,186.03 |
| Sales Turnover | 912.89 | 1,883.56 | 3,564.64 | 5,422.74 | 10,258.12 |
| Gross Profit | 57.59 | 178.29 | 386.95 | 625.21 | 1,550.27 |
| Net Profit | 20.80 | 89.16 | 170.72 | 220.25 | 514.71 |
| Earning Per Share (Rs.) | 2.89 | 11.81 | 22.05 | 21.00 | 41.48 |
| Net Worth Per Share (Rs.) | 22.27 | 42.04 | 86.27 | 136.51 | 183.27 |



Dear Shareholders,

Your company has just finished a landmark year by surpassing the revenue benchmark of Rupees 10,000 million in FY 10 and is entering FY 11 with an order book of Rupees 40,000 million. The achievement is a logical culmination of your company's relentless focus on delivering infrastructural development projects of meritorious quality at lowest cost and appreciable speed.

With a landmark year behind us, we are swiftly making our way into the bigger league. With our rising stature, our principals' expectations from us also are going to rise. My strong belief in India as the land of global opportunities has strengthened with every passing year. I strongly believe that the next round of growth will come from geography and demography that is non-metro.

The vast majority of a billion plus people are still to productively join the GDP pool of the nation and a major hindrance in this way is the lack of infrastructure facilities around them. Country's first green revolution was limited to only a small part of the country involving an even smaller part of the populace and still made a great impact in the economic growth of the country and the participating demography. The Government of India seems more committed than ever before in pursuing the social equality agenda with determined focus on inclusive growth.

The recent global upheaval in my view came as a blessing in disguise for the long term economic potential of this country. When many feared of demand erosion across the economy, our Governments and monetary regulators increased

the spending (through stimulus) and eased liquidity. The net impact of these initiatives is an accelerated momentum on unifying India by bridging the infrastructural and social divide.

Your company has championed the cause of infrastructure development in rural, sub-urban and urban segments for last two decades and has in doing so has built an impressive prowess which is second to none in my view. It is this wonderful positioning that shall fuel the accelerated organic growth of your company in coming years.

Your company has entered and strengthened itself in new domains and geographies including two metros of Delhi & Mumbai. The resultant strength of this endeavour has been the emergence of an evolved NKG Infrastructure, with multi-disciplinary approach to infrastructure – in roads, bridges, electrification, building construction, land development, water distribution and recycling – and the list will keep growing with more and more specialised domains.

I will like to end by congratulating the senior management for their strategic vision and able leadership; acknowledging our employees for their active participation; thanking our patrons, investors and lenders for their continued support and patronage. Together we have achieved this much, together we shall achieve much more!

With best regards,

Naresh Kumar Garg

Chairman

Chairman's Message



How do you view your company's performance in FY 10?

FY 10 has proved to be a very satisfying year. The company has put up an inspiring performance and vaulted past the INR 10,000 million revenue mark. All our business segments - roads, bridges, electrification, building constructions and water distribution & treatment - performed well and recorded impressive growth over the corresponding year. Summary of our performance is as under:

- The total revenue recorded an impressive growth of 89.17%, reaching Rupees 10,258.12 million from Rupees 5,422.74 million in FY 09.
- EBITDA grew by 150.17% to reach Rupees 1,137.46 million from Rupees 454.67 million in the previous year.
- Net profit of the company reached Rupees 514.71 million, recording a growth of Rupees 294.46 million over Rupees 220.25 million in FY 09.

What are the operational highlights of FY 10?

The company continued to further strengthen its position in traditional domains of roads, bridges, electrical works and building constructions. Company's recent foray into water domain has

also met significant encouragement. A sizeable project in water domain includes the construction of tube-wells, overhead and underground water tanks and rainwater harvesting at more than 100 locations in Faridabad.

The company has added plants & machineries worth Rupees 533.02 million in FY 10. It's HR pool has grown to a total of 2000 employees, including 1500 technically qualified people. Company's agenda of expanding the geographic footprints has further strengthened with its entry in the states of Orissa.

What is your vision 2013 for NKG Infrastructure?

NKG Infrastructure has consciously been building foundations of accelerated growth in the last 4-5 years. Its business domain has expanded, so has its geographical spread. Between 2005-10, Company has maintained revenue growth of 84% CAGR and its profit after tax has recorded CAGR growth of 152%. With such robust platform, I envision NKG Infrastructure to emerge as a truly national multi-disciplinary infrastructure developer with annual revenues in excess of Rupees 50,000 million and order books of over Rupees 120,000 million by FY 13.

“The company has put up an inspiring performance and vaulted past the INR 10,000 million revenue mark”

Session with the MD



Corporate Information

Corporate Office

C - 32, RDC Raj Nagar
Ghaziabad - 201002

Registered Office

124, Ground Floor,
World Trade Center, Babar Road
Connaught Place
New Delhi - 110001

Company Secretary

Mr. Rajesh Sodhi
Membership Number-FCS 3043

Auditors

S K Mehta & Company
Chartered Accountants
2682/2, Beadon Pura
Karol Bagh,
New Delhi - 110005

Bankers

1. State Bank of India
2. Syndicate Bank
3. ICICI Bank
4. Oriental Bank of Commerce
5. Axis Bank
6. Union Bank of India
7. Corporation Bank
8. Yes Bank





Board of Directors



- 1. Mr. Naresh Kumar Garg**
Chairman
- 2. Mr. Surendra Garg**
Vice Chairman
- 3. Mr. Pradeep Garg**
Managing Director
- 4. Mr. Devendra Kumar Garg**
Jt. Managing Director
- 5. Mr. Pramod Kumar Garg**
Whole Time Director
- 6. Mr. Rakesh Kumar**
Executive Director

Other Directors

Mr. Tarun Kansal
Independent Director

Mr. Achin Garg
Independent Director

Dr. Sunil Gupta
Independent Director

Mr. Biswajit Choudhuri
Independent Director

Mr. M. S. Aftab
Independent Director

Mr. R. L. Saha
Independent Director



1. Shagun Garg

Nephew of Promoters

2. Archit Garg

S/o Mr. Pradeep Garg, MD

3. Shubhangi Garg

D/o Mr. Surendra Garg, VC

4. Pallav Garg

S/o Mr. Pramod Kumar Garg, Director

Shagun Garg : Graduate from Delhi University, with an extensive experience in Finance and Audit, currently pursuing final, *Chartered Accountancy* from ICAI.

Archit Garg : Alumnus of Lawrence School, Sanawar, with a deep interest in engineering and a great passion for sports, currently pursuing *Bachelor's from University of California, Los Angeles.*





Future Managers

Shubhangi Garg : Alumna of Hindu College, Delhi University, and an *MBA from Cardiff University, UK*, possessing a valuable experience in Human Resources and Finance.

Pallav Garg : A highly dynamic individual pursuing the course of engineering from *IIT, Delhi*.

Indian Economy and Infrastructure

The Advanced Estimate of National Income in 2009-10, released by Central Statistical Organisation in February 2010, indicate that the GDP for the economy is likely to grow by 7.2%. Growth achieved in the first half was 7% and the same in second half is estimated to be 7.4%, indicating the gradual momentum the economy is gaining. The performance indicates strong recovery made by the economy, more so in the light of its agricultural sector recording negative growth (notional) due to deficient monsoon rains.

Lack of infrastructure has been amongst major constraints on India's ability to sustain high rate of growth in GDP. The Eleventh Five Year Plan has set an ambitious target of increasing total investment in infrastructure from 5% of the GDP in the base year of the plan (2006-07) to 9% by the terminal year (2011-12). In absolute terms, this implies an increase from a level of Rs. 8,877,940 million in the Tenth Plan to an investment of Rs. 20,561,500 million during the Eleventh Plan. As compared to 4.5% in 2003-04, the investment in infrastructure as a percentage of GDP has crossed 7.5% in 2008-09. (Source: Private Participation in Infrastructure published by Secretariat of Infrastructure)

Highways: Government of India's National Highway Development Programme covering a total length of 45,974 km at an investment of Rs. 2,200,000 million up to 2012 is at different stages of planning and implementation. Up to December 2009, a total of 117 projects with an investment of Rs. 637,680 million has been awarded for implementation through Public Private Partnership (PPP) concessions. In addition, 81 projects with an investment of Rs. 763,410 million have been approved and are at various stages of bid process. Several State Governments such as Gujarat, Madhya Pradesh, Rajasthan, Andhra Pradesh, Karnataka, Maharashtra have taken initiatives to strengthen and upgrade the state highways through PPP.

Urban Infrastructure: Due to the burgeoning urban population, cities are under severe infrastructure strain. The urban dwellers in the country have low access to infrastructure services such as water supply, sanitation, power supply and solid waste disposal. Government's strategy for urban development includes dismantling of public sector monopoly over urban infrastructure and

create environment conducive for private sector to invest. The Government has initiated Jawaharlal Nehru Urban Renewal Mission, with a provision of Rs. 500 billion over a seven year period beginning 2005-06. In the domains of Water Supply, sewerage and Solid Waste Management, various projects are being implemented across 66 cities.

Business Domains

NKG Infrastructure is a multi-disciplinary infrastructure developer. It works with Governments, Public Sector Undertakings, Private Sector and various Global Developmental Agencies in developing infrastructure in roads, bridges, power sub-stations, civic and building electrification, construction of institutional and residential buildings, water distribution, sewerage disposal, water treatment etc.

It is currently engaged in developing buildings and allied infrastructure for various hospitals and medical colleges of Employee State Insurance Corporation; Private Universities, Engineering Colleges and Management Institutions, and low cost housing for various urban development agencies. Its roads development activities are spread across national and state highways, urban roads and even village roads. Its bridge development prowess includes long bridges over rivers, flyovers, railway over bridges etc. In electrification domain, it develops power substations, over-head and underground cabling for electrification of civic areas and even complete wiring of buildings.

Its footprints in water space is fast getting wider. It is developing tube wells that source ground water, constructing underground and overhead water reservoir that store water, water pipelines that directs and distributes potable water, sewer lines that direct waste-water from households and utilities, sewerage treatment plants that recycle and treat wastewater before discharging it; and rainwater harvesting facilities that optimize rainwater in charging the groundwater levels. NKG thus is covering the complete eco-system of water with solutions for all the stages of the cycle.

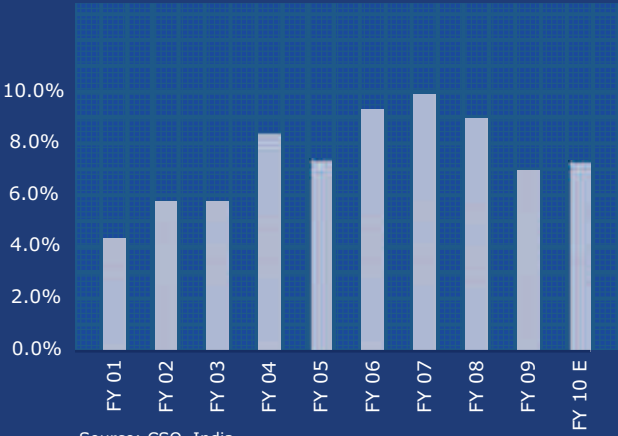
Geographical Spread

Like NKG's business domain, its geographical presence is also fast spreading. It is present across _ states in the northern, western and eastern India.

Management Discussion & Analysis

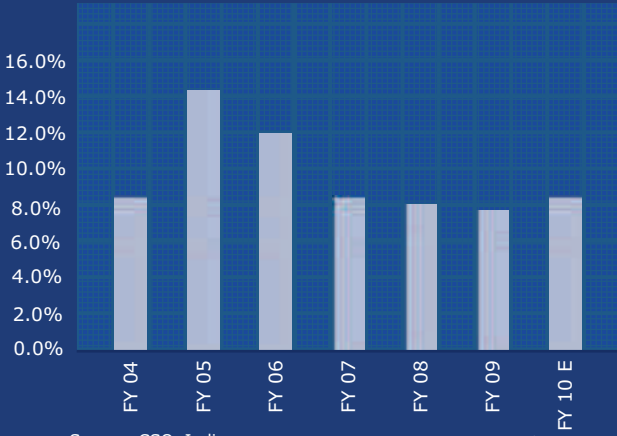


GDP GROWTH OF INDIA



Source: CSO, India

CONTRIBUTION OF CONSTRUCTION SECTOR IN GDP



Source: CSO, India

* up to Q3

With physical operations and branch network well-spread, it is on course to realize its vision of a truly national infrastructure developer, capable of delivering in all terrains and strata of habitat including rural, semi-urban, urban and even metropolitan centres.

Corporate Social Responsibility

NKG Infrastructure has been actively promoting sporting activities. In the year gone by, it sponsored the 19th Asian Table Tennis Tournament held at Lucknow. As a measure to spread awareness towards polio eradication, a 'Run for Polio Prevention' was also organised during the event. NKG also supported the 5th National Cricket Tournament for disabled.

Risks and Concerns

The Company is exposed to different types of risks and concerns such as price fluctuation risk, penalty risk, execution risk, operational risk and legal risk. The Company's employees and projects have been and are exposed to risks while operating in risky geographical areas. However, adequate measures have been taken by the Company to provide adequate security and facilities at such places of risk. The company maintains adequate checks and tracks its project timelines on a regular basis to minimize the execution risks and penalty risks. Senior management of the Company monitors the market, operational and portfolio risks; and ensures the adherence to the policies and procedures established by it to mitigate these risks as far as possible.

Internal Control System

Management of the Company is responsible for establishing and maintaining adequate internal control system proportionate to its size and nature of business.

The Company, over the years, has developed and implemented management, administrative and financial system controls to ensure that all assets are safeguarded and resources are used efficiently to minimize waste, fraud and mismanagement. The Company ensures that reliable, complete and timely data are maintained and used for decision making at all levels. The internal control systems of the company are reviewed periodically by the Management and steps are taken as a part of continuous improvement.

Future Outlook

The Indian economy's fast growth in recent years has encouraged the growth of physical infrastructure in the country, namely, power, roads, airports, irrigation etc. NKG Infrastructure is poised to participate in the bidding process for these works with all its technology, know-how and years of experience. The Company is focused towards strategic growth and diversification to sustain and improve its order book position by giving thrust to its areas of core competence and BOT projects. In the fiscal year 2010-11, the Company aims at consolidation of areas of its core competence like Roads, Bridges, Electric Sub-Station, Buildings and Waste Water Management. Also, the company will make efforts to develop its competence in upcoming and new areas of metros, rural areas, hydro-electric power etc.

The introduction of new and skilled talent; and the training and development of existing employees is an ongoing process at the Company to enhance its project management and execution skills. The Company is committed to serve the society at large. Despite the inherent strength of the Company, it faces significant challenges like long gestation period for the projects, market conditions and other unforeseen events. However, in the upcoming year, the Company will continue to aggressively address its challenges and foray into newer domains of operation.



Director's Report

Dear Members,

The directors take immense pleasure in presenting the Twenty First Annual Report of the Company. The report is being presented along with the Audited Statement of Accounts for the financial year ended March 31st, 2010.

Financial Results

(Rs. in Million)

| Particulars | Current year (2009-10) | Previous Year (2008-09) |
|--|---------------------------|----------------------------|
| Gross turnover | 10,258.12 | 5,422.74 |
| PBIDT | 1,137.46 | 454.67 |
| Less: Financial Charges | 297.82 | 118.16 |
| PBDT | 839.64 | 336.51 |
| Less: Depreciation | 59.38 | 35.90 |
| Profit Before Tax | 780.26 | 300.61 |
| Less: Provisions for Tax | | |
| Income Tax | 242.50 | 70.00 |
| Fringe Benefit Tax | - | 0.85 |
| Deferred Tax | 23.22 | 9.50 |
| Short Provision of taxes of earlier year | (0.17) | - |
| Net Profit(PAT) | 514.71 | 220.25 |
| Earnings per share (Rs.) | 41.48 | 21.00 |

Financial Highlights

The Twenty-First year of operation of your company witnessed growth at extraordinary pace crossing the milestone of Rs. 10,000 millions turnover. During the year under review, your company delivered a strong financial performance and excellent cash flow through good operating performance and management of working capital.

The gross turnover of the company registered a growth of 89.17% from Rs. 5,422.74 millions for the previous year to Rs. 10,258.12 million in the year under review. The operating profit of the company grew by 150.17 % from Rs. 454.67 millions in the previous year to Rs. 1,137.46 millions in the current year. Your company's net profit stood at Rs. 514.71 millions exhibiting a growth of 133.69% from the previous year's net profit.

Your company's order book for the contracts remaining to be executed as at the end of the fiscal year 2009-10 showed a robust growth and stands at more than Rs. 40,000 Millions.

Your company, in the special thrust to acquire the latest technology, invested heavily in the most advanced machinery and construction equipments in order to increase its technological strength and competitiveness. Its investment on the plant and machinery and construction equipments showed a remarkable growth of 88.34% from Rs. 603.36 millions in the previous year to Rs. 1,136.38 millions for the year under review.

Ratings

The credit rating agency ICRA Limited, assigned to the company for its fund based/ non-fund based bank limits as LBBB+ indicating moderate credit quality. It also assigned to the company for its non-fund based bank limits as A2 indicating above-average-credit-quality rating.

Fixed Deposit

The company has not accepted any deposit from the public within the meaning of section 58A of the Companies Act, 1956 during the year under review.

Dividend

The company intends to continue its growth and expansion even more aggressively in the coming years for which internal accruals need to be ploughed back. Hence, the board regrets its inability to declare dividend for the year ending 31st March 2010.

Operational Overview

The fiscal year 2009-2010 witnessed your company expand its horizons and extend its reach among various infrastructure development areas with its competent management and technological capabilities, and the quality and standards set over the years.

Your company, in its endeavour to establish its worth and credibility in building construction, was successful in securing major contracts for the construction of ESI Hospitals and Medical Colleges at New Delhi, Kanpur and Haryana. The work on the ESI hospital at Noida and Lucknow is progressing at a promising pace, and we envisage its timely completion with high quality standards. Your company has also secured the work of the up-gradation, renovation and new construction in Jawaharlal Nehru Stadium Complex for the Commonwealth Games 2010. The construction of EWS flats at Ghaziabad, MIG Flats at Noida and Monad University Campus is under various stages of implementation.

Your Company gained entry in the state of Himachal Pradesh by securing the new works of widening and strengthening of roads awarded by HPPWD and HRIDC. The contract for the construction of roads in the state of Uttar Pradesh, Bhopal, Utrakhand from NHAI, MPRDC and PWD respectively, being executed by your company is under progress. Your Company is executing the work of the construction of bridges and ROBs located in the states of Haryana, Uttaranchal and Uttar Pradesh.

Your company has strengthened its reach in the Electrification sector and has bagged the orders for commissioning up-to 220 KVA sub-station. Your company with its advance engineering capabilities was able to secure works of the electrification from the authorities DHBVN in the state of Haryana and from UPRNN in Uttar Pradesh. Various works related to commissioning of sub-stations located in Uttar Pradesh, Haryana, Kanpur are under progress for timely completion. Your Company has expanded its operational reach to another state of India, Orissa, where it has secured the turnkey project in the 33 MW Power Plant.

Your Company has been awarded new contracts of Water Supply and Waste Water Management in its contribution to improve public health and environment. It has bagged one major water supply project from NBCC, located at Haryana, for the construction of tube wells, overhead and underground service reservoirs, and rain water harvesting at more than 100 locations. It has also been awarded water related work under the Asian Development Bank funded projects. The work of the domestic water treatment plant of 56 MLD in Ghaziabad for Ghaziabad Development Authority, based on the latest technology of SBR is near completion.

More details about the business and operations of your company are provided in the Report on Management Discussion and Analysis forming part of the Annual Report.

Directors

In accordance with the provisions of the Companies Act, 1956 and the Article of Association of the company, Mr. Rakesh Kumar and Mr. Tarun Kansal retire by rotation and seek to be appointed as Directors at this Annual General Meeting.

Mr. Birendra Pratap Singh has resigned from the directorship of the company w.e.f 15th May 2009. Mr. Raj Bahadur Maheshwari, Mr. Rajindra Prasad Sharma and Mr. Rajeev Garg have resigned from the office of Independent Director of the company w.e.f 30th September 2009. Mr. Yogesh Chandra Rishi also resigned from the directorship of the company w.e.f. 19th April 2010. The Board place on record their sincere appreciation and gratitude for the work put in by the out going members, and wishes them a rewarding and satisfying career ahead.

Mr. Pramod Kumar Garg has been appointed as a Whole Time Director w.e.f. 1st October 2009 by the Board of Directors. He is commerce and law graduate with a vast experience of 24 years in the field of construction. He has managed/headed and successfully completed various projects of road and building construction with the Company.

Mr. Surendra Garg has been appointed as Director/Vice Chairman of the Company w.e.f. 1st December 2009 by the Board of Directors. He is a Chartered Accountant and has a vast experience of over 25 years in the field of manufacturing, construction and finance.

Dr. Sunil Gupta is a fellow member of ICAI and ICWAI, has done PH.D. and is currently the Director of Dena Bank. He has been appointed as an Independent Director of the Company w.e.f. 1st December 2009 by the Board of Directors. He possesses a rich experience of over 20 years in Audit and Taxation, has written books, articles for national newspapers and appeared on the national television discussing various issues regarding the same.

Mr. Biswajit Choudhuri, B.Tech (Hons), FICWA, Rtd. Chairman & Managing Director of United Bank of India, has over 47 years of rich experience in engineering, banking, finance and management. He has been appointed as an Independent Director of the Company w.e.f. 19th April 2010. He is associated with various national and international professional and social bodies.

Mr. Mohammad Shahid Aftab, ex-banker and worked with various public sector Banks at senior positions, has been appointed as an Independent Director of the Company w.e.f. 19th April 2010. His last stint was with Vijaya Bank as its Executive Director. Presently, he is on board of reputed public companies.

Mr. Radhey Lal Saha, a fellow member of ICAI and L.Lb; having over 35 years of experience of working in large public sector undertakings like NTPC, BHEL, FCI etc., has been appointed as an Independent Director of the Company w.e.f. 19th April 2010. His last stint was with Kribhco as its Managing Director.

Your Company aims to utilize and optimize the talent of the new directors appointed towards its success.

Directors' Responsibility Statement

Pursuant to the provisions of Sections 217(2AA) of the Companies Act, 1956, it is confirmed that:

- 1) In preparation of the Annual Accounts for the financial year ended 31st March 2010, the applicable accounting standards have been followed and there has been no material departure.
- 2) The directors have selected such Accounting Policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31st March, 2010 and of the profit of the company for the said financial year ending 31st March, 2010.
- 3) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- 4) The directors have prepared the Annual Accounts for the financial year ended 31st March 2010, on a 'going concern' basis.

Corporate Governance

Your Company is committed to maintain the highest standards of corporate governance. The objective of the Chairman and Directors is to take the business forward in such a way as to maximise the interested parties' long-term value.

A separate section titled 'Corporate Governance' has been included in this annual report, along with the report on Management Discussion and Analysis.

Auditors

The auditors of the company, M/s S.K. Mehta & Company, Chartered Accountants, New Delhi retire at the forthcoming Annual General Meeting and are eligible for reappointment. The directors recommend that M/s S.K. Mehta & Co. be appointed as the Company's auditors to hold office until the conclusion of the next annual General Meeting. The company has received confirmation from them to effect that their appointment, if made, would be within the prescribe limit under section 224(1B) of the Companies Act, 1956.

Auditors' qualification on accounts

The observations of the Auditors and the relevant notes on the accounts are self-explanatory and therefore do not call for any further comment and explanations.

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

The statement giving details of the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo in accordance with Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of the particulars in the Report of Board of Directors) Rules, 1988, is given below:

A. Conservation of Energy

Your Company is committed to energy conservation at every stage of its operations. Energy conservation is monitored under continuous process through improved maintenance practices. Various steps have been taken to utilize the energy at optimum level and reduce the consumption of fuel and electrical energy by the judicious use of equipments, machinery etc. used in the construction.

B. Technology Absorption and Adoption

The Company has acquired latest foreign technology during the year under review. The technology adopted and applied is the latest technology available in the Industry enabling your company to timely complete the challenging tasks successfully.

C. Foreign Exchange Earning/Outgo:

The foreign exchange expenditure and earnings of the company during the year under review is as follows:

| | | (Rs.) | |
|--------|--|--------------|---------------|
| S. No. | Particulars | Current Year | Previous Year |
| 1. | Outgo on account of import of raw materials and stores | 5,585,851 | Nil |
| 2. | Outgo on account of import of capital goods | 26,815,625 | Nil |
| 3. | Earnings in foreign currency | Nil | Nil |

Particulars of Employees

As required by the provisions of Sections 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 the name and other particulars of the employees is as under:

| Name | Age (years) | Designation | Date of Employment | Remuneration (Gross)(Rs.) | Qualification | Experience (years) | Previous Employment |
|------------------|-------------|-------------------|--------------------|---------------------------|--------------------|--------------------|---------------------------------|
| Mr. Pradeep Garg | 44 | Managing Director | 01.04.2008 | 36,282,880 | B.Com, LL.B, F.C.A | 17 | Practicing Chartered Accountant |

Acknowledgement

The board sincerely appreciates your Company's valued customers for using the services of NKG Infrastructure Limited and looks forward to their continued support and confidence. The Board also expresses its deep sense of appreciation for the sincere and devoted services of the employees of the Company at all levels. The Board also gratefully acknowledges the support and guidance received from various ministries of the government, banks, vendors and shareholders. Their unstinted support has been and continues to be integral to your Company's ongoing success and holding its premier position.

For and on behalf of the Board of Directors

Place: New Delhi
Dated: 19th April, 2010

Naresh Kumar Garg
Chairman

Corporate Governance

Your Company acknowledges its responsibilities to its Stakeholders. The Company believes that Corporate Governance helps to achieve commitment and goals to enhance stakeholder value by focusing towards all stakeholders. The Company maintains highest levels of transparency, accountability and good management practices through the adoption and monitoring of corporate strategies, goals and procedures to comply with its legal and ethical responsibilities.

Board of Directors

In terms of Corporate Governance philosophy, all statutory and other significant material information is placed before the Board of Directors to enable it to discharge its responsibilities of strategic supervision of the Company. The Board consists of twelve Directors out of which six are Non- Executive Independent Directors.

The composition of the Board of Directors is as follows:

| Name | Designation |
|---------------------------|---------------------------------------|
| Mr. Naresh Kumar Garg | Chairman |
| Mr. Surendra Garg | Vice Chairman |
| Mr. Pradeep Garg | Managing Director |
| Mr. Devendra Kumar Garg | Joint Managing Director |
| Mr. Pramod Kumar Garg | Whole Time Director |
| Mr. Rakesh Kumar | Executive Director |
| Mr. Tarun Kansal | Independent & Non- Executive Director |
| Mr. Achin Garg | Independent & Non-Executive Director |
| Dr. Sunil Gupta | Independent & Non-Executive Director |
| Mr. Biswajit Choudhuri | Independent & Non-Executive Director |
| Mr. Mohammad Shahid Aftab | Independent & Non-Executive Director |
| Mr. Radhey Lal Saha | Independent & Non-Executive Director |

Committees of Directors

As a part of Good Corporate Governance, the Company has constituted the following committees of our Board of Directors for compliance with corporate governance requirement:

- 1) Audit Committee
- 2) Remuneration Committee
- 3) Shareholder/ Investor Grievance Committee

Audit Committee

The Audit Committee of the Board has been reconstituted during the year and currently comprises of:

| S. No. | Name of Director | Designation | Nature of Directorship |
|--------|------------------|-------------|------------------------|
| 1. | Mr. Tarun Kansal | Chairman | Independent Director |
| 2. | Mr. Pradeep Garg | Member | Managing Director |
| 3. | Mr. Achin Garg | Member | Independent Director |

The company secretary of our company is the secretary of the committee.

Remuneration Committee

The Remuneration Committee of the Board has been reconstituted during the year and currently comprises of:

| S. No. | Name of Director | Designation | Nature of Directorship |
|--------|------------------|-------------|------------------------|
| 1. | Mr. Tarun Kansal | Chairman | Independent Director |
| 2. | Mr. Achin Garg | Member | Independent Director |
| 3. | Dr. Sunil Gupta | Member | Independent Director |

The Company Secretary of our company is the Secretary of the Committee.

Share Transfer and Investor Grievance Committee

The Share Transfer and Investor Grievance Committee, as a subcommittee of the board, is responsible for the smooth functioning of the share transfer process as well as redressal of shareholder/investor grievance. The current composition of the committee is as follows.

| S. No. | Name of Director | Designation | Nature of Directorship |
|--------|------------------|-------------|------------------------|
| 1. | Mr. Tarun Kansal | Member | Independent Director |
| 2. | Mr. Pradeep Garg | Member | Managing Director |
| 3. | Mr. Rakesh Kumar | Member | Executive Director |

The Company Secretary of our company is the Secretary of the Committee.

Human Resources

The Human Resource Department of your company is committed to the recruitment, selection, development, reward and retainment of highest quality workforce attainable. The company provides quality human resource services with integrity, objectivity, responsiveness, sensitivity and confidentiality to the employees. Your company is committed to uphold two critical human resource principles: Merit & Equal Employment Opportunity. It is also committed to being a source of information to fulfill the ever- changing needs of our employees.

The company has succeeded in establishing an efficient corporate organizational hierarchy. The board of the company inculcates in it a mix of professional, independent and technically qualified person thereon. Further more it has put in place effective remuneration policies and incentives to keep the workforce fully motivated through following functions

- Policy recommendations on safety matters and performs monthly safety audits.
- Efficient remuneration policy.
- Make policies for hiring the quality employee from different quality institutions.
- Special recognition & reward programme.
- Employee assistance and advisory programme.
- Technology improvement programme.

Auditor's Report

To the members of NKG Infrastructure Limited

1. We have audited the attached Balance Sheet of NKG INFRASTRUCTURE LIMITED as at 31st March 2010, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. 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 conducted our audit in accordance with Auditing & Assurance Standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amount 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. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii. In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - iii. The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - iv. In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - v. On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - vi. In our opinion and to the best of our information and explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India.
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010.
 - (b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date., and
 - (c) in the case of the Cash Flow Statement, of the cash flows of the company for the year ended on that date.

For **S.K.MEHTA & CO.**
Chartered Accountants

(S.K.Mehta)
Partner

Membership No. 10870

Place: New Delhi
Dated: 19th April, 2010

Annexure to the Auditor's Report

Statement Referred to in Paragraph Above of our Report of Even Date.

1.
 - a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets on the basis of information available.
 - b) According to information and explanations given to us, the fixed assets have been physically verified during the year. No material discrepancies were noticed on such verification.
 - c) Substantial part of fixed assets has not been disposed off during the year.
2.
 - a) As explained to us the inventories have been physically verified by the management on periodic basis.
 - b) In our opinion, procedure of physical verification is reasonable and adequate in relation to the size of the Company and nature of its business.
 - c) The Company has maintained proper records of the inventory and no material discrepancies were noticed on physical verification.
3. During the year company has taken loan of Rs. 281.00 lacs from directors, shareholders and associate companies. Rate of interest and other terms and conditions of loans given or taken by the company, secured or unsecured, are not prima facie prejudicial to the interest of the company. Outstanding loan from above parties as on 31.03.2010 is Rs. Nil.
4. In our opinion and according to information and explanations provided to us there are adequate internal control procedures regarding purchase of inventory and fixed assets and for the sale of goods. During the course of audit we have not observed any continuing failure to correct major weakness in internal control system.
5. As explained to us, transactions that need to be entered into register in pursuance of section 301 of Act have been entered. In our opinion transactions have been made at reasonable price considering the prevailing market prices.
6. During the year no deposits u/s 58A of the Companies Act 1956, were accepted from the public.
7. Company has an in house Internal Audit System, which in our opinion is commensurate with the size and nature of its business.
8. The cost records have not been prescribed for the Company.
9.
 - a) Undisputed Statutory dues in respect of Provident Fund, Investor Education and Protection fund, Employees State Insurance, Income tax, sales tax, wealth tax, custom duty, excise duty, cess have generally been regularly deposited with the appropriate authorities within a period of six months from the date they became payable.
 - b) According to the information and explanations given to us, there are no undisputed statutory dues payable in respect of Provident Fund, Investor Education and Protection fund, Employees State Insurance, Income tax, sales tax, Wealth tax, custom duty, excise duty, cess which are outstanding as at 31.03.2010 for a period of more than six months from the date they became payable.
10. The company has no accumulated losses and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. In our opinion and according to information and explanations provided to us the company has not defaulted in the repayment of dues to financial institution or banks.
12. In our opinion and according to information and explanations provided 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.

13. The Company is not a Chit fund, Nidhi or mutual benefit society. Hence requirements of clause (xiii) are not applicable to the company.
14. The Company is not dealing or trading in shares, securities, debentures and other investments.
15. The Company has not given any guarantee for the loans taken by others.
16. As per information and explanations given to us, term loans were applied for the purpose of which loans were obtained.
17. According to information and explanations provided to us no fund raised on short-term basis has been used for long-term investment. Similarly no funds raised on long-term basis have been used for short-term investment.
18. According to information and explanations given to us, no preferential allotment of shares has been made by the company to the companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures. Therefore clause (xix) of the order is not applicable.
20. During the year no money is raised by the Company by way of public issues.
21. According to the information and explanation given to us, fraud on or by the Company has not been noticed or reported during the year.

For **S.K.MEHTA & CO.**
Chartered Accountants

(S.K.Mehta)
Partner

Membership No. 10870

Place: New Delhi
Dated: 19th April, 2010

Balance Sheet as at 31st March 2010

| Particulars | Schedule | (Rs.) | |
|--|----------|----------------------|----------------------|
| | | As at 31.03.2010 | As at 31.03.2009 |
| SOURCES OF FUNDS | | | |
| Shareholders' Funds | | | |
| Share Capital | A | 126,155,030 | 124,085,030 |
| Reserves & Surplus | B | 2,186,033,457 | 1,569,897,272 |
| Loan Funds | | | |
| Secured Loans | C | 1,691,902,495 | 1,239,761,131 |
| Unsecured Loans | D | 1,485,169 | 24,134,724 |
| Deferred Tax Liability (Net) | | 45,318,000 | 22,100,434 |
| | | 4,050,894,151 | 2,979,978,591 |
| APPLICATION OF FUNDS | | | |
| Fixed Assets | | | |
| Gross Block | E | 1,136,377,575 | 603,365,146 |
| Less Depreciation | | 126,035,957 | 66,898,951 |
| Net Block | | 1,010,341,618 | 536,466,195 |
| Current Assets, Loans and Advances | | | |
| Inventories | F | 2,989,287,856 | 1,238,735,569 |
| Sundry Debtors | G | 973,907,933 | 1,136,381,075 |
| Cash & Bank Balances | H | 746,713,285 | 511,278,336 |
| Loans and Advances | I | 713,346,439 | 312,769,529 |
| | | 5,423,255,513 | 3,199,164,509 |
| Less : Current Liabilities & Provisions | | | |
| Current Liabilities | J | 2,377,814,841 | 752,659,053 |
| Provisions | K | 4,888,139 | 2,993,060 |
| | | 2,382,702,980 | 755,652,113 |
| Net Current Assets | | 3,040,552,533 | 2,443,512,396 |
| | | 4,050,894,151 | 2,979,978,591 |
| Significant Accounting Policies and Notes to Accounts | O | | |

The Schedules referred to above form an integral part of the Balance Sheet.

As per our Report of even date attached

For S.K.Mehta & Co.
Chartered Accountants

S.K.Mehta
Partner
Membership No. 10870

For NKG Infrastructure Limited

Rakesh Kumar
EXECUTIVE DIRECTOR

Pradeep Garg
MANAGING DIRECTOR

Rajesh Sodhi
(M.No. FCS 3043)
COMPANY SECRETARY

Place : New Delhi
Date : 19th April, 2010

Profit & Loss Account for the Year Ended 31st March 2010

| Particulars | Schedule | (Rs.) | |
|--|----------|-----------------------|----------------------|
| | | As at 31.03.2010 | As at 31.03.2009 |
| INCOME | | | |
| Income from Operations | | 10,258,122,346 | 5,422,742,979 |
| Other Income | | 30,311,089 | 14,772,305 |
| Increase/(Decrease) in stock | L | 1,750,552,287 | 814,574,920 |
| | | 12,038,985,722 | 6,252,090,204 |
| EXPENDITURE | | | |
| Construction expenses | | 10,458,401,558 | 5,612,104,186 |
| Personnel expenses | M | 191,378,310 | 62,722,695 |
| Administrative & General expenses | N | 251,745,346 | 122,584,384 |
| Depreciation | | 59,386,583 | 35,899,639 |
| Interest & Financial charges | | 297,818,790 | 118,166,596 |
| Profit before Tax | | 780,255,135 | 300,612,704 |
| Provision for Tax - Current year | | 242,500,000 | 70,000,000 |
| - Fringe Benefit Tax | | - | 858,000 |
| - Deferred Tax | | 23,217,566 | 9,508,000 |
| Short Provision of taxes of earlier years | | (168,616) | - |
| Profit after Tax | | 514,706,185 | 220,246,704 |
| APPROPRIATIONS : | | | |
| Transfer to General Reserve | | 514,706,185 | 220,246,704 |
| Earning per share (Equity shares, Face value Rs.10/- each) | | | |
| Basic & Diluted | | 41.48 | 21.00 |
| Significant Accounting Policies and Notes to Accounts | O | | |

The Schedules referred to above form an integral part of the Profit & Loss Account.

As per our Report of even date attached

For S.K.Mehta & Co.
Chartered Accountants

S.K.Mehta
Partner
Membership No. 10870

For NKG Infrastructure Limited

Rakesh Kumar
EXECUTIVE DIRECTOR

Pradeep Garg
MANAGING DIRECTOR

Rajesh Sodhi
(M.No. FCS 3043)
COMPANY SECRETARY

Place : New Delhi
Date : 19th April, 2010

Schedules forming Part of the Accounts

| Schedules | (Rs.) | |
|---|----------------------|----------------------|
| | As at 31.03.2010 | As at 31.03.2009 |
| A SHARE CAPITAL | | |
| Authorised | | |
| 16,000,000 (Previous year 16,000,000) Equity shares of Rs. 10/- each | 160,000,000 | 160,000,000 |
| Issued, subscribed and paid-up | | |
| 12,615,503 (Previous year 12,408,503) Equity shares of Rs. 10/- each fully paid up. | 126,155,030 | 124,085,030 |
| | 126,155,030 | 124,085,030 |
| B RESERVES & SURPLUS | | |
| General Reserve | | |
| As at the beginning of the year | 509,283,102 | |
| Add Transfer from Profit & Loss Account | 514,706,185 | 1,023,989,287 |
| Share Premium | | |
| As at the beginning of the year | 1,060,614,170 | |
| Add during the year | 101,430,000 | 1,060,614,170 |
| | 2,186,033,457 | 1,569,897,272 |
| C SECURED LOANS | | |
| Term Loans | | |
| From Banks | 101,610,296 | 84,648,345 |
| (Secured against hypothecation of specific Machineries & vehicles) | | |
| From Others | 399,506,326 | 152,802,071 |
| (Secured against hypothecation of specific Machineries & vehicles) | | |
| | 501,116,622 | 237,450,416 |
| Cash Credit | | |
| From Banks | 1,190,785,873 | 1,002,310,715 |
| (Secured by way of pari-passu first charge on the current assets and moveable fixed assets excluding those specifically charged to other bankers, equitable mortgage of immovable properties in the name of directors/ relatives/ associate companies and by way of guarantees of directors/ relatives/ associate companies) | | |
| | 1,190,785,873 | 1,002,310,715 |
| TOTAL | 1,691,902,495 | 1,239,761,131 |
| D UNSECURED LOANS | | |
| From Banks & Financial Institutions | 1,485,169 | 7,059,915 |
| From Directors and their relatives | - | 17,074,809 |
| | 1,485,169 | 24,134,724 |

E STATEMENT OF FIXED ASSETS

(Rs.)

| Particulars | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|--------------------------|-----------------------|---------------------------|-------------------|------------------------|-------------------|-------------------|------------------|--------------------|----------------------|--------------------|
| | Cost as on 01.04.2009 | Additions during the year | Sale/ Adjustment | Total as on 31.03.2010 | As on 01.04.2009 | During the Year | Sale/ Adjustment | Total | As on 31.03.2010 | As on 31.03.2009 |
| Land | 329,750 | - | - | 329,750 | - | - | - | - | 329,750 | 329,750 |
| Building* | 12,582,388 | - | - | 12,582,388 | 398,446 | 205,093 | - | 603,539 | 11,978,849 | 12,183,942 |
| Plant & Machinery | 299,961,189 | 445,056,642 | - | 745,017,831 | 24,395,440 | 21,232,651 | - | 45,628,091 | 699,389,740 | 275,565,749 |
| Vehicles | 33,200,911 | 8,968,120 | 840,403 | 41,328,628 | 4,919,117 | 3,491,567 | 249,577 | 8,161,107 | 33,167,521 | 28,281,794 |
| Furniture & Fixtures | 1,687,664 | 274,054 | - | 1,961,718 | 157,684 | 131,088 | - | 288,772 | 1,672,946 | 1,529,980 |
| Office Equipment | 6,778,393 | 4,703,590 | - | 11,481,983 | 1,039,751 | 836,496 | - | 1,876,247 | 9,605,736 | 5,738,642 |
| Earth Movng Machine | 217,596,793 | 95,748,859 | - | 313,345,652 | 35,988,513 | 33,489,688 | - | 69,478,201 | 243,867,451 | 181,608,280 |
| Total | 572,137,088 | 554,751,265 | 840,403 | 1,126,047,950 | 66,898,951 | 59,386,583 | 249,577 | 126,035,957 | 1,000,011,993 | 505,238,137 |
| Capital work In Progress | 31,228,058 | 10,329,625 | 31,228,058 | 10,329,625 | - | - | - | - | 10,329,625 | 31,228,058 |
| Grand Total | 603,365,146 | 565,080,890 | 32,068,461 | 1,136,377,575 | 66,898,951 | 59,386,583 | 249,577 | 126,035,957 | 1,010,341,618 | 536,466,195 |
| Previous Year | 409,706,604 | 245,404,423 | 51,745,881 | 603,365,146 | 31,115,492 | 35,899,639 | 116,180 | 66,898,951 | 536,466,195 | |

* Represent Capital expenditure incurred on properties acquired on lease basis

(Rs.)

Schedules

As at 31.03.2010 As at 31.03.2009

F CURRENT ASSETS
Inventories

(As taken, valued and certified by Management of the Company- Valued at lower of cost and net realisable value) - (including Goods in transit Rs. 30,574,044 - Previous Year Rs. 28,823,970) Work-In-Progress (Including stock at sites)

 2,989,287,856 1,238,735,569
2,989,287,856 1,238,735,569
G SUNDRY DEBTORS

(Unsecured & considered good)

 Debts outstanding for a period exceeding six months
 Other Debts

 1,615,604 1,615,604
 972,292,329 1,134,765,471
973,907,933 1,136,381,075
H CASH & BANK BALANCES

Cash in hand

2,125,038 1,596,806

Cheques in hand

- 170,000,000

Balance with Scheduled Banks :

In Current Accounts

3,646,801 4,588,980

In Fixed Deposit Account (Including Rs.734,649,644)

(Previous Year Rs.326,189,989) pledged with Banks against limits.

740,941,446 335,092,550

746,713,285 511,278,336
I LOANS & ADVANCES

(Unsecured & considered good)

Advances recoverable in cash or in kind or for value to be received

80,698,797 36,289,197

Security deposits / Retention Money held with customers

495,809,728 179,721,495

Prepaid Expenses

47,080,913 22,476,438

Interest accrued but not due on fixed deposits

15,846,847 3,623,969

Balance with Excise Authorities

11,061,617 7,418,965

Advance Tax (Net of Provisions)

62,848,537 63,239,465

713,346,439 312,769,529

(Rs.)

| Schedules | As at 31.03.2010 | As at 31.03.2009 |
|--|-----------------------------|-----------------------------|
| J CURRENT LIABILITIES | | |
| Trade Creditors | 453,864,788 | 202,343,684 |
| Mobilisation Advance: | | |
| Due for recovery within 12 months | | |
| - Advance against Work/WIP | 927,829,524 | |
| - Advance against Plant & Machinery | 473,619,871 | 1,401,449,395 |
| Other Advances | 469,087,500 | - |
| Other Liabilities | 34,454,533 | 4,458,522 |
| Security Deposit Payable | 3,418,298 | 923,160 |
| Interest accrued but not due | 15,540,327 | 907,646 |
| | 2,377,814,841 | 752,659,053 |
| K PROVISIONS | | |
| Provision for Employees Retirement Benefits | 4,888,139 | 2,993,060 |
| | 4,888,139 | 2,993,060 |
| L INCREASE/ DECREASE IN STOCK | | |
| Closing Work-in- progress (Including stock at sites) | 2,989,287,856 | 1,238,735,569 |
| Less: Opening Work-in Progress (Including stock at sites) | 1,238,735,569 | 424,160,649 |
| | 1,750,552,287 | 814,574,920 |
| M PERSONNEL COSTS | | |
| Salary & other benefits | 185,159,143 | 61,920,474 |
| Contribution to Provident Fund | 260,581 | 181,821 |
| Staff Welfare | 5,958,586 | 620,400 |
| | 191,378,310 | 62,722,695 |
| N ADMINISTRATIVE & GENERAL EXPENSES | | |
| Rent, Rates & Taxes | 8,839,569 | 3,458,997 |
| Postage, Telephone & Telegram | 4,315,497 | 2,112,596 |
| Power, Electricity & Water charges | 5,451,986 | 1,640,316 |
| Travelling & Conveyance | 9,261,499 | 3,431,846 |
| Printing & Stationery | 2,814,415 | 2,302,953 |
| Repair & Maintenance - Vehicles | 4,332,163 | 2,541,610 |
| - Machineries | 40,264,907 | 2,818,091 |
| Insurance | 6,366,009 | 4,565,683 |
| Advertisement & Business Promotion | 17,209,593 | - |
| Legal & Professional charges | 17,055,465 | 4,082,245 |
| Auditors' Remuneration | 750,000 | 496,350 |
| Festival Exp. | 1,843,720 | 351,996 |
| Donation | 443,303 | 841,676 |
| Trade Tax / Vat | 128,783,175 | 87,315,420 |
| Tender Expenses | 1,578,535 | 1,481,475 |
| Loss on theft of vehicle | 15,326 | - |
| Misc. Exp. | 2,420,184 | 5,143,130 |
| | 251,745,346 | 122,584,384 |

O SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

(A) ACCOUNTING POLICIES

1. **Basis of Preparation:**
The financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with the generally accepted accounting principles, Accounting Standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956.
2. **Use of Estimates:**
The preparation of financial statements, in conformity with the generally accepted accounting principles, require estimates and assumptions to be made that affect the reported amount of assets and liabilities as of the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results materialize.
3. **Revenue Recognition:**
 - a) Contract revenue is recognized using the percentage completion method on the basis of physical measurement of work actually completed on the balance sheet date.
 - b) Interest income is recognized on the time basis determined by the amount outstanding and rates applicable.
4. **Operating Lease:**
Leases where the lessor effectively retains substantially all the risks and benefit of ownership of the leased items are considered as operating lease. Operating lease payments are recognized as an expense in the profit and loss account on straight line basis over lease term.
5. **Fixed Assets:**
Fixed assets are valued at historical cost less accumulated depreciation. The cost of fixed assets comprises of purchase price and all other attributable cost of bringing the assets to working condition.
6. **Depreciation on Fixed Assets:**
The company has provided depreciation on fixed assets on straight line method on pro-rata basis at the rates provided in 'Schedule XIV' of the Companies Act, 1956.
7. **Inventories:**
 - a) Raw material and stores are valued at lower of cost or net realizable value. The cost is arrived at by first in first out method.
 - b) Work in progress is valued on percentage completion method at the rates provided in the contracts reduced by estimated percentage towards expected profit.
8. **Current Tax and Deferred Tax:**
Tax expense for the period, comprising Current Tax and Deferred Tax is included in determining the Net Profit/ (Loss) for the year.
 - a) Provision for Current Income Tax is made on the basis of assessable income as per Income Tax Act, 1961.
 - b) Deferred Tax resulting from "timing differences" between taxable income and accounting income is determined by using the tax rates and the tax laws that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets are carried forward to the extent it is reasonably/virtually certain that future taxable profit will be available against which such deferred tax assets can be realized.
9. **Retirement Benefits:**
Company's contribution to Provident fund is provided at actual. Liability for gratuity and leave encashment has been provided on the basis of actuarial valuation at the year-end.
10. **Borrowing Cost:**
Borrowing cost that is attributable to acquisition or construction of qualifying assets is capitalized as part of cost of such assets. Qualifying assets is one that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are charged to revenue.
11. **Provisions, Contingent Liabilities and Contingent Assets:**
 - a) Provisions are recognized for liabilities that can be measured by using a substantial degree of estimation, if:
 - i. The company has a present obligation as a result of a past event;
 - ii. A probable outflow of resources embodying economic benefits is expected to settle the obligation; and
 - iii. The amount of the obligation can be reliably estimated.
 - b) Contingent liability is disclosed in case of:
 - i. A present obligation arising from a past event when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

- ii. A possible obligation, unless the probability of outflow in settlement is remote.
- c) Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.
- d) Contingent assets are neither recognized nor disclosed in the financial statements.

12. Impairment of Assets:

At each balance sheet date an assessment is made whether any indication exists that an asset has been impaired. If any such indication exists, an impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount, is provided in the books of account.

(B) NOTES TO ACCOUNTS:

1. Contingent Liabilities (not provided for) in respect of

(Rs. in lacs)

| Particulars | As at 31.03.2010 | As at 31.03.2009 |
|---|------------------|------------------|
| Outstanding Bank Guarantees | 38,481.15 | 15,342.07 |
| Outstanding Letter of Credit | 1,099.63 | 2,059.06 |
| Corporate Guarantees given to Banks for Other Parties | Nil | 1300.00 |
| Income Tax demand | Nil | 50.89 |
| Total | 39,580.78 | 18,752.02 |

2. Segment Reporting:

The company is engaged in business of construction, which is considered to be the only reportable business segment, as per Accounting Standard 17 on "Segment Reporting." The company is operating only in India and there is no other geographical segment.

3. Deferred Tax Liability:

In accordance with Accounting Standard -22 "Accounting for Taxes on Income", Deferred Tax liability (Net) Rs. 232.18 Lacs (Previous year Rs. 95.08 Lacs) has been shown as charge for the current year. Major elements of Deferred Tax Liabilities/ Assets are given as under:

(Rs. in lacs)

| Particulars | As at 31.03.2010 | As at 31.03.2009 |
|---|------------------|------------------|
| Deferred Tax Liability : | | |
| Difference on account of depreciation (A) | 469.42 | 234.64 |
| Deferred Tax Asset | | |
| Expenditure Allowable in Income Tax | | |
| Act on Payment basis(B) | 16.24 | 13.64 |
| Net Liability (A – B) | 453.18 | 221.00 |

4. Earning Per Share:

The elements considered for calculation of Earning Per Share (Basic & Diluted) are as under:-

| Particulars | Current Year | Previous Year |
|--|-----------------|-----------------|
| Net Profit after tax used as numerator | Rs. 514,706,185 | Rs. 220,246,704 |
| Weighted average number of equity shares used as denominator | 12,409,070 nos. | 10,485,371 nos. |
| Face Value per Share | Rs. 10.00 | Rs. 10.00 |
| Earning Per Share (Basic & Diluted) | Rs. 41.48 | Rs. 21.00 |

5. In terms of the disclosures required to be made under the Accounting Standard (AS) 7 (Revised 2002) issued by the Institute of Chartered Accountants of India for 'Construction Contracts', the amounts considered in the financial statements up to the date of Balance Sheet are as follows:

(Rs. in lacs)

| Particulars | For the year ended 31.03.2010 | For the year ended 31.03.2009 |
|---|-------------------------------|-------------------------------|
| Contract revenue recognized as revenue for the year | 37,563.58 | 25,599.25 |
| Aggregate amount of contract cost incurred and recognized profits (less recognized losses) during the year for contracts in process as at the end of the financial year | 65,017.64 | 28,583.80 |
| Amount of customer advances outstanding for contracts in process as at the end of the financial year | 18,705.37 | 5,440.26 |
| Amount of retention due from customers for contracts in process as at the end of the financial year | 3,035.80 | 715.29 |

6. Related Parties Disclosure:

Information on Related Party Disclosures as per Accounting Standard (AS-18) on Related Party Disclosures is given below:

List of Related Parties

| Key Management Personnel | Relatives of Key Management Personnel |
|---------------------------------------|---------------------------------------|
| 1) Mr. Naresh Kumar Garg | 1) Mrs. Suman Agarwal |
| 2) Mr. Surendra Garg (w.e.f. 1.12.09) | 2) Mrs. Meenu Garg |
| 3) Mr. Devendra Kumar Garg | 3) Mrs. Shashi Garg |
| 4) Mr. Pradeep Garg | 4) Mrs. Nisha Rani |
| 5) Mr. Pramod Kumar Garg | |
| 6) Mr. Rakesh Kumar | |
| 7) Mr. Y.C. Rishi | |

Enterprises over which Key Management Personnel and their relatives are able to exercise significant influence

| | |
|--------------------------------|--|
| 1) Aashiana Rolling Mills Ltd. | 4) D D Construction Pvt. Ltd. |
| 2) Archit Steels Pvt. Ltd. | 5) Expert Power System India Ltd. |
| 3) Aman Promoters Pvt. Ltd. | 6) Mahalaxmi Associates (Proprietorship) |

(Rs. in lacs)

| Nature of Transactions | Key Management Personnel | | Relatives of Key Management Personnel | | Entities in which Key Management Personnel have significant influence | | Subsidiary Companies | |
|--|--------------------------|---------------|---------------------------------------|---------------|---|---------------|----------------------|---------------|
| | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| Share Capital raised including Share Premium | - | - | - | - | - | 5785.25 | - | - |
| Loan / Advances : | | | | | | | | |
| Paid during the year | 228.98 | 71.34 | 160.00 | - | 75.00 | 1380.70 | - | - |
| Received during the year | 98.22 | 202.10 | 120.00 | 40.00 | 75.00 | 1382.27 | - | - |
| Closing Balance Payable / (Receivable) | - | 130.76 | - | 40.00 | - | 1.57 | | |
| Purchases / Contract / Other Charges | 1.50 | - | - | - | 19860.78 | 4772.53 | - | - |
| Contract Revenue | 44.88 | - | 47.40 | - | 119.12 | - | - | - |
| Remuneration | 394.03 | 93.50 | 14.55 | 15.15 | - | - | - | - |
| Rent | 0.60 | - | - | - | 7.20 | 7.20 | - | - |
| Investment made during the year | - | - | - | - | - | - | - | - |
| Investment sold during the year | - | - | - | - | - | - | - | 5.00 |
| Corporate Guarantee Issued | - | - | - | - | - | 1300.00 | - | - |

7. Employee Benefits:

The summarized position of Post-employment benefits and other long term employee benefits recognized in the Profit & Loss Account and Balance Sheet as required in accordance with Accounting Standard – 15 (Revised) are as under :

(a) Expenses recognized in Profit & Loss Account

(Rs. in lacs)

| | Gratuity Unfunded | | Leave Encashment Unfunded | |
|--|-------------------|------------|---------------------------|------------|
| | 31-03-2010 | 31-03-2009 | 31-03-2010 | 31-03-2009 |
| Current Service Cost | 16.18 | 11.71 | 8.02 | 1.00 |
| Interest Cost | 2.03 | 0.90 | 0.15 | 0.21 |
| Expected return on Plan Assets | Nil | Nil | Nil | Nil |
| Net actuarial (Gain)/ Loss recognized in the year | (10.54) | 0.03 | 3.11 | 8.08 |
| Total expenses recognized in Profit & Loss Account | 7.67 | 12.64 | 11.28 | 9.29 |

(b) Amount recognized in Balance Sheet

(Rs. in lacs)

| | Gratuity Unfunded | | Leave Encashment Unfunded | |
|--|-------------------|------------|---------------------------|------------|
| | 31-03-2010 | 31-03-2009 | 31-03-2010 | 31-03-2009 |
| Estimated Present value of obligations as at end of the year | 33.10 | 25.43 | 13.18 | 1.90 |
| Fair value of Plan Assets as at the end of the year | Nil | Nil | Nil | Nil |
| Unfunded Net Asset / (Liability) recognized in Balance Sheet | (33.10) | (25.43) | (13.18) | (1.90) |

(c) Change in the present value of obligations

(Rs. in lacs)

| | Gratuity Unfunded | | Leave Encashment Unfunded | |
|---|-------------------|------------|---------------------------|------------|
| | 31-03-2010 | 31-03-2009 | 31-03-2010 | 31-03-2009 |
| Present Value of obligation as at the beginning of the year | 25.43 | 12.79 | 1.90 | 2.96 |
| Interest Cost | 2.03 | 0.90 | 0.15 | 0.21 |
| Current service Cost | 16.18 | 11.70 | 8.02 | 1.00 |
| Benefits Paid | Nil | Nil | Nil | (10.35) |
| Actuarial loss/ (gain) on obligation | (10.54) | 0.04 | 3.11 | 8.08 |
| Present value of obligation at the end of the year | 33.10 | 25.43 | 13.18 | 1.90 |

(d) Principal actuarial assumptions at the Balance Sheet Date

| Method Used | Projected Unit Credit Method | |
|----------------------------------|------------------------------|---------|
| | 2009-10 | 2008-09 |
| Discount Rate | 8.00% | 7% |
| Expected rate of salary increase | 5.50% | 5% |

Estimate of future salary increase takes into account inflation / seniority and other relevant factors.

8. Financial data for Joint Venture Companies are not received by the Company. Disclosures required in respect of Joint Venture Companies as per requirement of Accounting Standard 27 "Financial Reporting of Interest in Joint Ventures" are not provided.
9. Sales Tax / VAT deducted by the customers from the payments are recognized as expenses. Liability/ refund if any will be recognized in the year of assessment.
10. Secured loans (other than cash credit loans from banks) include Rs.2,973.56 lacs (Previous Year Rs. 1,726.57 lacs) repayable with in one year.
11. In the opinion of the Board, all the current assets, loans and advances are realizable at the value at which they are stated in the balance sheet. The provision for all known liabilities is adequate and not in excess/ short of the amount considered reasonable & necessary.
12. Payment to Auditors (Excluding Service Tax)

(Rs.)

| | Current Year | Previous Year |
|---------------|--------------|---------------|
| Audit Fee | 600,000 | 350,000 |
| Tax Audit Fee | 150,000 | 100,000 |

13. Detail of expenditure incurred in foreign currency is given as under:
Raw Material & Stores Rs.5,585,851/- (Previous year Rs. Nil)
Capital Goods Rs.26,815,625/- (Previous year Rs. Nil)
14. Earning in foreign currency Nil (Previous year Nil)
15. Employee Remuneration and Benefits includes remuneration paid to managing director and other directors amounting to Rs.362.83 lacs and Rs.31.20 lacs respectively (previous year Rs.80 lacs and Rs.13.50 lacs)
16. Contract expenses include cost of materials provided by the customers.
17. Purchases are net of returns.
18. Mobilisation advances received from customers are segregated for recovery within 12 months and others based on expected turnover in subsequent years for such contracts.
19. All amounts in the financial statements are presented in Rupees except otherwise stated. Figures of previous year have been re-grouped/ re-arranged, wherever considered necessary.

Cash Flow Statement for the Year Ended 31.03.2010

| Sr. Schedules No. | (Rs.) | |
|---|----------------------|----------------------|
| | As at 31.03.2010 | As at 31.03.2009 |
| (A) CASH FLOW STATEMENT FROM OPERATING ACTIVITIES | | |
| Net Profit Before Taxation | 780,255,135 | 300,612,704 |
| Adjustments for :- | | |
| Depreciation | 59,386,583 | 35,899,639 |
| Interest Paid | 235,271,186 | 92,558,849 |
| (Gain)/Loss on sale of Fixed Assets | 15,326 | 0 |
| (Gain)/Loss on sale of Investment | 0 | 0 |
| Interest Income | (28,406,566) | (14,748,904) |
| Operating Profit Before Working Capital Changes Adjustments for :- | 1,046,521,664 | 414,322,288 |
| Current Assets | | |
| Change in Debtors | (162,473,142) | 383,867,953 |
| Change in Inventories | 1,750,552,287 | 814,574,920 |
| Change in Loans & Advances | 385,120,991 | 158,267,205 |
| Change in Other Current Assets | 0 | 0 |
| Increase/(decrease) in Current Assets | 1,973,200,136 | 1,356,710,078 |
| Current Liabilities & Provisions | | |
| Increase/(decrease) in Current Liabilities & Provisions | 1,611,510,540 | 485,962,499 |
| Net Increase/(Decrease) in Working Capital | 361,689,596 | 870,747,579 |
| Cash Generated from Operations | 684,832,068 | (456,425,291) |
| Direct Taxes Paid | 241,940,456 | 113,231,661 |
| Total Cash Flow from Operation (A) | 442,891,612 | (569,656,952) |
| (B) CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | 533,852,832 | 194,614,379 |
| Disposal of Fixed Assets | (575,500) | (839,657) |
| Interest Received | (12,559,719) | (14,748,904) |
| Purchase / (Sale) of Investments | 0 | (40,060,000) |
| (Gain)/Loss on sale of Investments | 0 | 0 |
| (Gain)/Loss on sale of Fixed Assets | 0 | 0 |
| Net Cash Used in Investing Activities (B) | 520,717,613 | 138,965,818 |
| (C) CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from issue of Share Capital | | |
| (a) Share Capital | 2,070,000 | 20,318,300 |
| (b) Share Premium | 101,430,000 | 558,206,200 |
| Proceeds from Borrowings | 429,491,809 | 527,556,243 |
| Interest Paid | (219,730,859) | (92,558,849) |
| Net Cash From Financing Activities (C) | 313,260,950 | 1,013,521,894 |
| (D) Net Increase/ Decrease in Cash & Cash Equivalents (A-B+C) | 235,434,949 | 304,899,124 |
| Opening Balance of Cash & Cash Equivalents | 511,278,336 | 206,379,212 |
| Closing Balance of Cash & Cash Equivalents | 746,713,285 | 511,278,336 |
| Cash/ Cheques in hand | 2,125,038 | 171,596,806 |
| Balance with Banks | | |
| In Current Account/ Cheques in hand | 3,646,801 | 4,588,980 |
| in Fixed Deposit * | 740,941,446 | 335,092,550 |

* Includes Rs.734,649,644 (Previous year Rs 326,189,989) held as margin against Bank Guarantee/ LC issued by Banks.

As per our Report of even date attached

For S.K.Mehta & Co.
Chartered Accountants

S.K.Mehta
Partner
Membership No. 10870

For NKG Infrastructure Limited

Rakesh Kumar
EXECUTIVE DIRECTOR

Pradeep Garg
MANAGING DIRECTOR

Rajesh Sodhi
(M.No. FCS 3043)
COMPANY SECRETARY

Place : New Delhi
Date : 19th April, 2010

Balance Sheet Abstract and Company's General Business Profile

(Additional information as required under Part IV of Schedule VI to the Companies Act, 1956.)

(i) Registration Details

| | | | | | |
|--------------------|---|------------|------------|---|----|
| Registration No. | : | 038371 | State Code | : | 55 |
| Balance Sheet Date | : | 31.03.2010 | | | |

(ii) Capital Raised during the year

| | | | | | |
|--------------|---|-----|-------------------|---|----------------|
| Public Issue | : | Nil | Right Issue | : | Nil |
| Bonus Issue | : | Nil | Private Placement | : | Rs.2,070,000/- |

(iii) Position of Mobilisation and Deployment of Funds

| | | | | | |
|----------------------------|---|-----------|------------------------------|---|----------------|
| | | | | | (Rs. In 000's) |
| Total Liabilities | : | 6,433,597 | Total Assets | : | 6,433,597 |
| Sources of Funds | | | Application of Funds | | |
| Paid up Capital | : | 126,155 | Net Fixed Assets | : | 1,010,342 |
| Share Application Money | : | - | Investments & Current Assets | : | 5,423,255 |
| Reserves & Surplus | : | 2,186,033 | | | |
| Secured Loans | : | 1,691,903 | | | |
| Unsecured Loans | : | 1,485 | | | |
| Current Liab. & Provisions | : | 2,428,021 | | | |

(iv) Performance of Company

| | | | | | |
|------------------------|---|------------|-------------------|---|------------|
| Turnover | : | 12,038,986 | Total Expenditure | : | 11,258,731 |
| Profit/Loss before tax | : | 780,255 | Profit after tax | : | 514,706 |
| Earning per share | : | Rs.41.48 | Dividend Rate | : | NIL |

(v) Generic Name of the Principal Products of the Company

| | | |
|---------------------|---|--------------|
| Item Code No. | : | NIL |
| (ITC Code) | : | |
| Product Description | : | Construction |

As per our Audit Report of even date attached

For S.K.Mehta & Co.
Chartered Accountants

S.K.Mehta
Partner
Membership No. 10870

Place : New Delhi
Date : 19th April, 2010

For NKG Infrastructure Limited

| | | |
|------------------------------------|-----------------------------------|---|
| Rakesh Kumar EXECUTIVE DIRECTOR | Pradeep Garg MANAGING DIRECTOR | Rajesh Sodhi (M.No. FCS 3043) COMPANY SECRETARY |
|------------------------------------|-----------------------------------|---|

Looking ahead...



NKG Infrastructure Limited

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World Trade Center
Babar Road, Connaught Place
New Delhi - 110 001
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Corporate Office:

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