

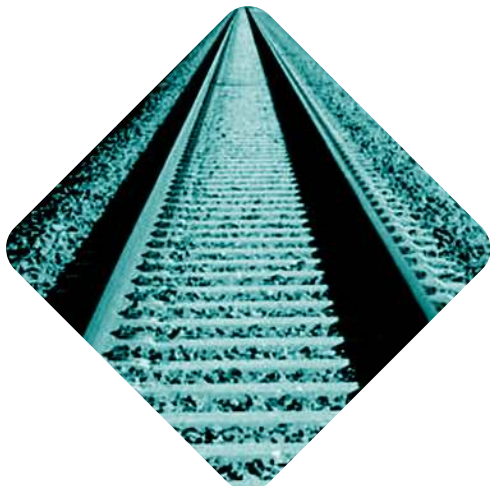
annual report *2010-11*

Kalindee Rail Nirman (Engineers) Ltd.

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Board of Directors

Mr. R. D. Sharma, Chairman cum Managing Director
Mr. Arvind Gemini, Whole Time Director
Dr. Niraj Kumar Singh, Director
Mr. Suresh Kumar Khanna, Director
Mr. Shanti Narain, Director
Mr. Kamal Kishore Agarwal, Director
Mr. Mahendra Kumar Khanna, Director

Bankers

State Bank of India
Overseas Branch, Jawahar Vyapar Bhawan
1, Tolstoy Marg, New Delhi - 110 001
State Bank of Patiala
Commercial Branch, Chandralok Building,
36, Janpath, New Delhi - 110 001
YES Bank Ltd.
48, Nyaya Marg, Chanakyapuri,
New Delhi - 110 021
Axis Bank Limited
148, Statesman House, Barakhamba Road,
New Delhi - 110 001
Royal Bank of Scotland N.V.
"Hansalaya Building", 15, Barakhamba Road,
New Delhi - 110 001
HDFC Bank Ltd.
26, Kailash Building, K. G. Marg,
New Delhi - 110 001
Standard Chartered Bank
Narain Manzil,
23, Barakhamba Road, New Delhi - 110 001

Auditors

Amit Goyal & Co.
Chartered Accountants,
A-8, II floor, Ganpati Enclave,
Ajmer Road, Jaipur - 302 005

Registered Office

F-5, Gautam Nagar
Gulmohar Park Road, New Delhi - 110 049

Corporate Office

2nd Floor, Building No. 9A, Cyber City,
DLF Phase -III, Gurgaon - 122 002
Tel.: 0124 4674800, Fax: 0124 4674887/888

Registrar & Transfer Agent

MCS Ltd.
F-65, 1st Floor, Okhla Industrial Area Phase-I,
New Delhi - 110 020
Tel.: 011 41406149, Fax: 011 41709881
Email: admin@mcsdel.com

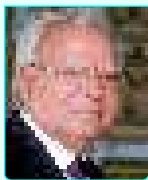
Company Secretary

Mr. Anil Sharma

Secretarial Consultants

Jatin Gupta & Associates
303, Building No. 10159, Padam Singh Road,
Karol Bagh, New Delhi - 110 005
Tel.: 011-28755214
E-mail: jatinfcs@gmail.com

Our Board of Directors



R. D. Sharma, Chairman cum Managing Director, is the founder of this company. His phenomenal entrepreneurship and vision have been the key factors for all-round growth of this company. Company has made rapid strides and diversified into many high technology areas under his leadership. Socially he is very active and has helped many in need. He is well known at all levels in Indian Railways and other Industrial circles. India Today magazine has covered his contribution to Nation Building efforts among 40 reputed leaders from different fields. He has been conferred with national and social awards.



Arvind Gemini, Whole time Director of the company, is an Electrical Engineer, having 20 years of business experience including 16 years in management of Railway projects. He is in the overall in-charge of Administration, Business Development, Project Monitoring and Finance. His business acumen has enabled the company to grow its business significantly. He has been instrumental in getting new business in high technology areas. He has successfully piloted execution of many projects in such high technology areas.



Suresh Kumar Khanna, Director, is a former Member (Electrical) of Railway Board (Ministry of Railways) where he looked after monitoring and planning of the working of Electrical and Signal & Telecommunication Departments of Indian Railways. He is technically sound and has expert knowledge of management of Railways. He has held various important posts in Indian Railways in Executive and Administrative capacity. He has brought his expertise and knowledge forward to help Kalindee plan for business growth.



Neeraj Kumar Singh, Director, has rich experience of Corporate Management. A significant 26 years extensive and varied experience of Board Level Corporate Management, Corporate Finance, Corporate Restructuring, Mergers & Acquisition, International & Domestic Trade in diversified fields, Liaison & Marketing for Foreign Companies in India. His guidance has been of immense help in guiding corporate affairs of the Company. His academic career includes Ph.D. (Political Science), M.A. (Public Administration) & B.Sc.



Shanti Narain, Director, is a former Member (Transportation) of Railway Board (Ministry of Railways). He has 38 years of experience of managing Operating and Commercial Departments of Indian Railways at all levels of hierarchy including the Apex level. He has thorough knowledge and expertise in working of Railways. He has rich experience of corporate management. He is associated with NTPC and Visa Steel where he is an Independent Director. He is also a Consultant to Asian Development Bank and Government of Bangladesh for reforms and restructuring program for Bangladesh Railways.



K. K. Agrawal, Director, has 37 years of long and wide experience of working in Indian Railways in various capacities of administrative, technical and management functions. He is a former Member (Transportation) of Railway Board (Ministry of Railways). As a Railway Board member his duties involved monitoring and guiding Commercial and Operational, Safety and Strategic Planning activities for entire network of Indian Railways. His association has been very beneficial to Kalindee in planning their activities for building Railway Infrastructure.



Mahendra Kumar Khanna, Director, a retired IAS Officer, has more than 40 years of long administrative experience including six & half years in Indian Army. As an IAS officer he has held several senior assignments including Commissioner, Housing Board and Commissioner Industries in the state of Rajasthan. His immense exposure and experience in Govt. is expected to bring in certain dynamism in the company. He was inducted in the Board on 29/04/2011.



Chairman's Message

Dear Stakeholders

It takes a tremendous amount of pressure, dedication and hard work to find a successful foothold in each sphere of diversification within the Infrastructure sector. Kalindee has excelled in infrastructure on account of its pragmatic approach alongwith a moto to succeed which has paved way for propelling your Company to greater heights.

To make a winning combination one must have a great foresight, unbreakable team and a dynamic view of Industry and your Company leaves no stone unturned in its quest for maintaining and strengthening its important position.

Expertise across infrastructure

I am once again delighted to address our stakeholders via this yearly communiqué whereby we are bestowed with an opportunity to share our plans going forward.

The Company reported a spectacular all round performance in year ended 31st March, 2011. The revenue grew by 41.47 % to Rs. 229.62 crores, net profit registering a strong growth of over Rs. 1.39 crores to Rs. 6.87crores. We have also seen improvement in operating margins over the previous year with consolidated EPS of 5.62.

Deep down we have a non negotiable commitment for consistent growth and value creation with our continued commitment on timely delivery of contractual projects by leveraging our core competence and expertise in design, engineering and project management. Our focus will continue to explore avenues/opportunities for creating value from our existing infrastructure which evolves from our strategy to provide end to end solutions to reinforce our business model.

As is widely known that Indian Railways is the second largest rail network in the world. When such an agency draws out a programme to modernize and expand , it creates a significant opportunity for all those working closely with the Country's railway sector. It is believed that by 2020 the government of India intends to increase the total route kilometer by adding approx. 25,000 km of new lines. Being an established and preferred player in its line of operations, Kalindee is attractively placed to capitalize on this sweeping opportunity.

The twelfth plan too intends to strengthen its railway network and a considerable part of funding is intended to be meted out via public private partnership model, meaning thereby that private sector will have a greater role which will accelerate fund flow, widen sectoral opportunities, liberate spending from political process and reduce dependence on single agency. This change is seen as a welcome sign and is supposed



to accelerate India's leap from third generation provider of infrastructure in rail sector to first over the foreseeable future pretty soon.

Passenger transportation

The urban population of India is seen to rise from present 30 % to 40 % by 2030 which will need the Government to create a massive metro and subways infrastructure which is seen to be at least 20 times higher than last decade.

This is seen to be adapted in two ways – invest extensively in local railway infrastructure so as to evacuate a large number of people from one point to another with speed, safety, frequency and convenience meaning thereby the laying down of more infrastructure. The adaptability of Metro in Delhi has seen a remarkable perception of people living in other major cities leading to government resorting to same being initiated in Mumbai, Chennai, Hyderabad, Bangalore, Jaipur and in time to come in more cities with heavy density of population.

India is seen to emerge to become the largest network of metro rail in world and the potential attached to it is beyond imagination.

Non passenger segment

With the growth in economy the need for material consumption, and the need to evacuate larger quantities with greater speed from generating to consuming points, or from manufacturing locations to exporting ports needs to be updated. In view of this, country has already embarked on the exercise to strengthen its rail backbone – tracks and related infrastructure to make this a reality.

Kalindee's role

Kalindee embarked on the process to extend its footprint across every growing segment of the sector. The Company is growing its competencies organically in areas needing sectoral experiences and is also entering business, strengthening alliances with international/national technology companies that will fast track its expertise and credibility in emerging segments, cost reduction, carve a growing share of the Industry's order book, establish its brand in that segment and outperform the industry growth.

Shareholders' value

Kalindee is widening its railway sector footprint, capitalizing on rapidly growing segments on the one hand and strengthening its industry presence on the other. The Company is concurrently engaged in bettering access to diverse technologies, reducing costs, enhancing capacities, and enriching management bandwidth with a singular objective : to report sustainable growth across one of the most exciting periods in the country's railway industry.

Emerging growth opportunities

India's infrastructure story has just begun and railway's growth will be integral to it. Your Company expects to significantly benefit out of this development.

We are largely present across various engineering segments of railways and are also identifying the synergies for backward/forward integration.

We are presently broadly present in rail track laying, signalling & telecommunication. We are keen to expand into other railway infrastructure areas as well like rail electrification, bridge construction, civil work etc in a bigger way though we are already present in these fields in somewhat a modest way.

We are also making vigorous efforts to enter and make our presence in other infrastructure activities e.g road construction, real estate etc.

Infrastructure -our core area of business & growth

Our country will witness large volume of infrastructure spending amidst slowdown in last couple of years. The Government's thrust in this sector continues and is visible from the developments from various business models so as to increase private sector engagement. The country is witnessing huge investment in infra sector. The entire focus seems to be on the revamping of sector and your Company will selectively continue to tap these opportunities so as to enlarge its presence in said segment.

In the international arena too developing countries present attractive business opportunities as Infra continues to be key driver for sustained growth of an economy and prosperity. Off late your Company has been awarded a contract for about USD 15 millions from Bangladesh Railway under Ministry of Communications, Government of Bangladesh and has also opened a branch office in Bangladesh. This marks entry in overseas market.

The trend in infra sector seems to be bullish in India and abroad so we are continuously evaluating the perceived outlook on financial uncertainties which may have an impact on the growth story. As a player we strive to meet and exceed expectations of our customers, governments, banks, vendors, employees and investors, benchmarking our performance against best in class industry standards and delivering the best against all odds.

The efforts rein in by the management has paid off substantially and it seems that your Company was not largely affected by the downturn on account of sound planning in the direction.

Overview: infrastructure development: railway sector

Infrastructure capacity is lagging behind demand in the Indian Railways (IR). One of the biggest bottlenecks is the lack of adequate rail infrastructure. India, which has a total route length of around 64,000 km, did not add much (about 10,000 km) post-independence. Besides, IR has made less-than-expected progress in gauge conversion, electrification, and related activities. Development of world class stations and terminals is still to see the light of day. Though the pace of development has increased, IR needs to do lot of catching up.

Rail infrastructure development includes new lines, doubling, gauge conversion and electrification works, rolling stock, safety works and information and communication technology (ICT) projects. It also involves development of stations, terminals, multi functional complexes (MFCs), logistics parks and cold storage facilities.



Indian Railway (IR) plays a pivotal role in India's transport sector. It is the preferred mode of transport for long haul bulk freight movement, long distance passenger traffic, and mass rapid transit in sub-urban areas. Also, IR is the biggest state-owned public utility, contributing around 1 percent of India's gross national product.

In line with the objectives of Vision 2020, a blue print for railway electrification (RE) was issued by MoR in April 2011. It is envisaged that at beginning of every year the shelf of RE projects will be 5,000 route km.

Among projects, the Dedicated Freight Corridor (DFC) Project has been the biggest venture of IR so far. The project is however, suffering inordinate delays due to trouble in land acquisition and various other issues, such as cost escalation and lack of trained manpower. It is expected that both the western corridor and the eastern corridor will get commissioned by 2015-16.

PPP initiatives

The Indian Railways(IR) has functioned as a state-owned monopoly for decades. It is among the very last infrastructure sectors to be opened up for private sector participation (PSP). PSP is now sought both as an alternative source of capital as well as for improved service and asset utilization.

Over the years, there has been a considerable shift in the involvement of the private sector in IR. Private sector contribution in the railways, which accounted for a mere 0.65 percent during the Tenth Plan (2002-07), is expected to be about 4 per cent in the Eleventh Plan period (2007-12). In the past, private participation was invited only in certain areas (such as wagon leasing) through management or works contracts.

Today, the scope of private participation has widened both in terms of work and investments in areas such as container train operations , investments in wagons , development of freight terminals , commercial development of railway land, development of Adarsh stations and multi-functional complexes(MFCs) , logistics parks, and gauge conversion projects for port connectivity.

Strengths

Our passion to innovate solutions rather than mere product sale as well as our faith in long term stakeholder partnerships – customers, suppliers, employees or shareholders – helped us sustain our organizational momentum in the last number of years, a feature of our working that will continue. Besides, we have never allowed ourselves to be overwhelmed by situations, enabling us to succeed across market cycles, geographies and product segments.

Outlook

With the winds of economic recession yet to die down completely and the competition in the outsourced engineering services market being stiffer than ever, the year promises to be a challenging one. Yet Kalindex is confident of taking on the challenges and deliver better results on the back of initiatives described above. The government is acting tough to curb inflation and gradually the stimulus packages are also being withdrawn from the market. Despite that your board feels that infrastructure sectors in India are set to

witness strong growth in time to come largely from budgetary allocations and in tune with industrial growth.

We are thoroughly optimistic about stabilizing our product base including embarking on the forward and/or backward integration so as to exploit it to its fullest potential, which will in turn reinforce our topline and bottom line as well.

We sincerely expect that these initiatives will translate into attractive numbers, resulting in overall growth and profitability over the foreseeable future.

Thanks a ton to everyone for their unstinted support.

Some of the major on-going projects being executed by your Company are as under:

1. Offshore Design , Manufacture and Supply of AFC Equipment and Spare for 41 Stations of Phase II including Central System for Phase II (BS 22A) and Local Supplies , Installation , Testing and Commissioning of AFC System for 19 stations including Central System for Phase II (BS 22B) and Option (CCHS) for Automatic Fare Collection (AFC) System for Phase II of Delhi Metro.
2. Installation of Signalling for Doubling of Railway Line between Gooty Pullampet section (15105 kms) in the state of Andhra Pradesh, South Central Railway, awarded by Rail Vikas Nigam Ltd., Delhi
3. Construction and Commissioning of new Rail Track , Signalling & Over Head Power Supply Works for Palwal Bhuteswar 3rd Line (81 KMS) on North Central Railway awarded by Rail Vikas Nigam Ltd., Delhi.
4. Installation and Commissioning of Signalling system at Kota and Bhopal Division of West Central Railway.
5. Installation and Commissioning of Railway Siding at APCPL plant (IGSTPP) at Jhajjar, Haryana
6. IRCON: Jammu & Kashmir Rail- Installation and Commissioning of Balastless track in various tunnels.
7. NALCO: Provision of Signalling and Telecommunication System in connection with addition and modification of Rail Transport System at Angul.
8. Talwandi Sabo Power Ltd: Railway Siding and Linkage from Sada Singh Wala Railway station to Talwandi Sabo plant including in plant yard in village Banwala , District Mansa-Punjab
9. Construction of 3rd line between Rajkharswan-Sini Section composite works of civil Electrical Signalling & Telecommunication Engineering under the jurisdiction of Deputy Chief Engineer Construction II Chakradharpur of South East Raiway.
10. Bangalore Metro Rail Corporation Ltd(BMRC) Design , Manufacture ,Supply Installation Testing and Commissioning of Automatic Fare Collection System.
11. Bangladesh Railway: Rehabilitation of Laksman –Chandpur section of Bangladesh Railway on turnkey basis.

Thank you,

Sd/-
R. D. Sharma
Chairman cum Managing Director



NOTICE

Notice is hereby given that the Annual General Meeting of the members of Kalindee Rail Nirman (Engineers) Limited will be held at Royal Garden, G T Karnal Road, Mukhmel Pur Bandh, Near Hanuman Mandir, Alipur, Delhi 110 036 on Friday, the 30th day of September, 2011, at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Profit & Loss Account of the Company for the year ended 31st March, 2011 and the Balance Sheet as at that date and the Report of Directors and Auditors thereon.
2. To consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution:
To appoint a Director in place of Mr. Niraj Kumar Singh, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution:
To appoint a Director in place of Mr. Kamal Kishore Agarwal, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution:
"RESOLVED that Messrs. Amit Goyal & Co., Chartered Accountants, Jaipur the retiring Auditors, being eligible and who are not disqualified under Section 224(1-B) of the Companies Act, 1956, be re-appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as agreed upon by the Board of Directors and the Auditors, in addition to reimbursement of all out of pocket expenses in connection with the audit of the accounts of the Company."

SPECIAL BUSINESS:

1. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to Section 257 and other applicable, if any, of the Companies Act, 1956, Mr. Mahendra Kumar Khanna, who was appointed as Additional Director of the Company during the year, and whose term of office will expire u/s 260 of the Companies Act, 1956 on the date of ensuing Annual General Meeting, and in respect of whom the Company has received special notice in writing alongwith prescribed deposit from member proposing his candidature for the office of Director under section 257 of the Act, be and is hereby appointed as Director of the Company, liable to retire by rotation.

Place : New Delhi

Date : September 3, 2011

For Kalindee Rail Nirman (Engineers) Ltd
By order of the Board of Directors

Sd/-
R. D. Sharma
Chairman cum Managing Director

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. A PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING. THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. In view of Articles of Association of your Company read with Section 255 & 256 of the Companies Act, 1956, Shri Kamal Kishore Agarwal & Shri Niraj Kumar Singh, Directors, retire by rotation at the ensuing Meeting and Shri Kamal Kishore Agarwal and Shri Niraj Kumar Singh being eligible, offer themselves for re-appointment. The Board further had proposed the candidature of Mr. Mahendra Kumar Khanna under the provisions of Section 257 of the Act who was acting as Additional cum independent Director on the Board of the Company pursuant to his appointment on 29th April, 2011. His appointment is sought to be confirmed as Independent Director on the Board. The Board of Directors of the Company commends their respective re-appointment and appointment in view of Corporate Governance practice.
4. Brief resume of all the incumbents including those who are proposed to be appointed in terms of Section 257 of the Act, nature of their expertise, names of Companies wherein they are interested in view of Clause 49 of the listing agreement is also provided in the Report on Corporate Governance forming part of this Annual Report.
5. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form are also requested to advise any change of address immediately to the Company/Registrar and Transfer Agent i.e M/s MCS Limited.
6. Equity shares of the Company fall under the category of compulsory demat trading by all investors. Shareholders are requested to consider dematerialization of their shareholding so as to avoid inconvenience.
7. Securities and Exchange Board of India (SEBI) vide Circular No. MRD/DoP/Cir-05/2009 dt. May 20, 2009 has issued a circular on PAN requirement for transfer of shares in physical form. For Securities market transactions and off-market/private transactions involving transfer of shares in physical form, it shall be mandatory for the transferee(s) to furnish copy of PAN card to the Company/RTA for registration of such transfer of shares.
8. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to MCS for consolidation into a single folio.
9. Non Resident Indian members are requested to inform MCS immediately of
 - a) Changes in their residential status on return to India for permanent settlement.
 - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.



10. Members are requested to bring the Attendance Slip with them duly filled in and hand over the same at the entrance of the Meeting Hall.
11. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
12. Members are requested to advise, indicating their Folio Numbers, Client ID and DP ID, the change in their address, if any, to our Registrar and Share Transfer Agents, MCS Limited, F - 65, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi - 110 020, (011) - 4140 6149.
13. The Register of Members and Share Transfer Books of the Company shall remain closed from September 28, 2011 (Wednesday) to September 30, 2011 (Friday).
14. Documents relating to any of the items mentioned in the notice are open for inspection at the Registered Office of the Company on any working day during business hours upto the date of the forthcoming Annual General Meeting.
15. The Explanatory statement as required under section 173(2) of the Companies Act, 1956 in respect of the Special Business under item no. 1 is annexed.
16. The dividend, as recommended by the Board, if declared at the Annual General Meeting, will be paid on or after October 7, 2011, to those persons or their mandates:
 - a) whose names appear as Beneficial Owners as at the end of the business hours on September 27, 2011 in the list of Beneficial Owners to be furnished to the Company by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of the shares held in electronic form; and
 - b) whose names appear as Members in the Register of Members of the Company as on September 27, 2011.

Explanatory Statement Pursuant to Section 173 (2) of the Companies Act, 1956

ITEM NO. 1

In accordance with the provisions of Companies Act, 1956 and the Articles of Association of the Company, the Board of Directors had appointed Mr. Mahendra Kumar Khanna, with effect from 29th April, 2011, as an Additional Director on the Board of the Company in the capacity of an Independent Director. He holds office as Additional Director up to the date of the ensuing Annual General Meeting of the Company.

Your Directors have recommended to you for appointment of Mr. Mahendra Kumar Khanna as a Director on the Board of the Company, who shall hold such Directorship in the capacity of an Independent Director.

None of the Directors is concerned or interested in the above resolution except Mr. Mahendra Kumar Khanna, who is interested only to the extent of the proposal for his appointment as a Director on the Board of the Company.

The resolution is proposed for your kind approval as an Ordinary Resolution.



Details of Directors being re-appointed/appointed (in pursuance of Clause 49 of the Listing Agreement)

Mr. Mahendra Kumar Khanna

Mr. M. K. Khanna whose term will expire on the AGM of the Company be and is hereby appointed as Director of the Company, whose office shall be liable to determination of directors by retirement by rotation.

Mr. Khanna possesses nearly 40 years of experience in the field of Army, State Administration etc.

Mr. Khanna doesn't hold directorship in any other company and doesn't hold any share of the Company.

Mr. Khanna is interested in the said Resolution. No other Director is interested in the concerned Resolution.

The Board recommends the Resolution for approval by the Members.

Mr. Kamal Kishore Agarwal

Mr. K. K. Agarwal, Director retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. Agarwal possesses nearly 38 years of experience in the field of Railways. He possesses a diverse and wide ranging experience and knowledge of Corporate Affairs. .

Mr. Agarwal doesn't hold any share of the Company. He is a member of Audit Committee also.

Mr. Agarwal is interested in the said Resolution. No other Director is interested in the concerned Resolution.

The Board recommends the Resolution for approval by the Members.

Mr. Niraj Kumar Singh

Mr. N. K. Singh, Director retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. Singh possesses nearly 27 years of experience in the field of Company / Corporate Affairs. He possesses a diverse and wide ranging experience and knowledge of Company Management.

Mr. Singh doesn't hold any share of the Company. He is a member of Audit Committee also.

Mr. Singh is interested in the said Resolution. No other Director is interested in the concerned Resolution.

The Board recommends the Resolution for approval by the Members

Place : New Delhi
Date : September 3, 2011

For Kalindee Rail Nirman (Engineers) Ltd
By order of the Board of Directors

Sd/-
R. D. Sharma
Chairman cum Managing Director

IMPORTANT COMMUNIQUE FOR MEMBERS

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued a circular stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not sent their e-mail address, so far, are requested to register their e-mail address, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the appropriate column in the members feedback form forming part of this Annual Report and register the same with MCS Limited. Postage for sending the feed back form shall be borne by the Company.



Directors' Report to the Shareholders

Your Directors have pleasure in presenting their 27th Annual Report and Accounts for the year ended 31st March, 2011.

Financial Results

Financial Results	2010- 2011	2009-2010
Gross Sales & Income	2,327,564,745	1,663,283,240
Profit before Depreciation, Interest and Income - tax	212,699,328	184,792,869
Less : Depreciation	14,416,495	13,709,143
Less : Interest	75,436,235	85,536,548
Profit before Income Tax	122,846,598	85,547,178
Less : Provision for Income Tax	37,734,251	26,355,824
Less : Fringe Benefit Tax	-	-
Add / (Less) : Deferred Tax	3,856,881	4,343,305
Less : Prior period taxes	12,479,508	-
Net Profit for the year	68,775,958	54,848,049
Add : Balance as per last year	483,391,750	428,543,701
Amount available for appropriation	552,167,708	483,391,750
General Reserve	1,000,000	1,000,000
Equity Shares	12,247,197	12,247,197
Proposed Dividend	12,247,197	-
Corporate Dividend Tax	1,986,802	-
Balance carried forward to Balance Sheet	536,933,709	482,391,750

1. Review of Operations

The Company reported the total net sales turnover amounting to Rs. 22964.25 lacs as compared to Rs. 16231.71 lacs in previous year giving a growth of 41.47% approx. The profit after tax was higher by 25.39% at Rs. 687.76 lacs as compared to Rs. 548.48 lacs in previous year. During the current year, your Company expects to clock a reasonable turnover out of operations from abroad/overseas. The Company has adequate resources and is working with sole objective of providing quality products at reasonable and competitive prices as well as satisfying the interests of all the stakeholders of the Company.

The Company is projecting a growth target of approx. 30 % in the total sales turnover for the financial year 2011-12.

2. Dividend

During last two years your Company thought it more prudent to preserve cash and not pay dividend in the business interest of the Company. However your Directors now recommend the declaration of dividend @ 10% for the year ended 31st March, 2011. The total cash outflow on account of this dividend payment including dividend distribution tax is around Rs.142 lacs.

3. Year in Retrospect/Performance

The Gross sales and other income for the financial year under review are Rs. 23275.64 lacs as against Rs. 16632.83 lacs for the previous financial year registering an increase of 39.93%. Similarly the profit before tax and extra ordinary items (after interest and depreciation charges) is Rs. 1228.46 lacs for the financial year under review as against Rs. 855.47 lacs for the previous financial year, improved by 43.60% .

The mindset across the Company of being quality conscious is gaining momentum and your Company seems to be benefited out of it largely on account of its primary motive of Quality adherence irrespective of price being offered for various contracts. Your Company has been a pioneer in delivering quality services and timely completion of projects and on certain occasions ahead of time as well. This approach of your Company has enabled your Company to command premium in industry, despite competition. Awarding of contract in Bangladesh supports our theory of Quality consciousness and its recognition abroad as well. The company is now intending to further explore the possibilities in other countries on international arena .

Your Company continued its on-going effort to increase all-round efficiency and reduce cost which will help retain the margins largely even in tough times without affecting its work force as well.

In view of its endeavor of foraying into other areas germane or not germane to existing area of operations the Company expects to be able to draw the line of action of foraying into Road Sector and Power Transmission Sector.

4. Transfer to General Reserve

Your Company has transferred Rs. 10 lacs to General Reserves during the financial year 2010 -11 in line with previous year.

5. Public Deposits

During 2010 -11, your Company has not accepted any deposits from the public within the meaning of the provisions of Non Banking Financial Companies (Reserve Bank) Directions, 1998.

6. Directors

Shri Kamal Kishore Agarwal, Director and Shri Neeraj Kumar Singh, Director retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offer themselves for re-appointment. Shri Mahendra Kumar Khanna, retired IAS, who was appointed to act as Additional cum Independent Director during the year under review has been proposed to be appointed under the provisions of Section 257 of the Act whose office shall be liable to determination of directors to be liable to retire by rotation. In view of the requirements of Section 257 of the Companies Act, 1956 whereby he was appointed as Additional Director w.e.f. April 29, 2011, his term will expire at the ensuing Annual General Meeting and your board has decided for his candidature under the provisions of Section 257 of the Act and



accordingly a resolution confirming appointment and proposals for re-appointment of Directors retiring by rotation is proposed in notice of AGM. It is pertinent to state here that notice of his appointment has been received from a member intimating his intention to propose the appointment of Mr. M. K. Khanna as a Director at the ensuing Annual General Meeting.

7. Auditors & Their Report

M/s Amit Goel & Co., Chartered Accountants, Jaipur who were appointed to act as Statutory Auditors retire and are eligible for re-appointment. The Auditors have confirmed that they have undergone the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the 'Peer Review Board' of ICAI. The observations of the Auditors in their Report on Accounts read with the relevant notes are self-explanatory. It is pertinent to state here that the Auditor's Report does not contain any qualification.

8. Human Resource and Particulars of Employees

Your Company strongly believes that its ability to maintain and continue its growth depends largely on its strength of attracting, developing, motivating and retaining the talent. Therefore it is the endeavor of your Company to nurture and develop this wealth.

a) Industrial Relations

During the financial year under review, harmonious industrial relations were maintained in your Company.

b) Trainings for development of Human Resources

During the financial year under review, your company has deputed some employees on certain training programmes whenever needed. Besides that your Company has also conducted induction training under ISO provisions to various employees time to time.

The Board of Directors wishes to express their appreciation to all the employees for their outstanding contribution to the operations of the Company during the year.

Information as per Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) rules, 1975 as amended is not required to be furnished since the Company does not have any employee who drew remuneration either in whole or for a part of the year that attracts disclosure requirements as per aforesaid section, henceforth no information is being furnished.

Conservation of Energy Etc.

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, particulars of energy conservation, technology absorption, foreign exchange earnings and outgo are annexed as Annexure and forms part of the Annual Report.

9. Directors' Responsibility Statement

Pursuant to the requirement of Section 217 (2AA) of the Companies Act, 1956 and based on the confirmations received from the concerned officers, the Directors state that :

In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures in the financial statement ;

The accounting policies have been selected and applied consistently and judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit & Loss of the Company for the financial year ended 31st March, 2011 ;

Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the said Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ; and

The annual accounts have been prepared on a going concern basis.

Material Changes and Commitments

There were no material changes and commitments, affecting the financial position of the company that have occurred between the end of the financial year of the Company and the date of signing of this Report.

10. Depository System

The Members are aware that the shares of the Company are traded in dematerialized/electronic form. As on 31st March, 2011, 95.64 % of the Company's total paid up capital representing 11,713,593 no. of equity shares are in demat form. In view of the numerous advantages offered by the Depository system, members holding shares in physical mode are advised to avail of this facility on either of the Depositories.

11. Corporate Governance Voluntary Guidelines

Your Company stands committed to good corporate governance-accountability, transparency, disclosures and independent supervision to increase the value of stakeholders. The Company is committed to transparency in all its dealings with shareholders, employees, the creditors, the government and other parties and places high emphasis on business ethics.

Your Company's basic philosophy of Corporate Governance in the Company is to achieve business excellence and increasing long-term shareholder value, keeping in view the interest of Company's stakeholders.

Your Company is in compliance with the requirements of the guidelines on Corporate Governance stipulated under clause 49 of the listing agreement existing as of 31st March 2011.

The Report on Corporate Governance and certificate of Statutory Auditors dt. 3rd September, 2011 regarding compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement is being annexed to this Directors' Report. By complying with the provisions of the Companies Act, 1956 and clause 49 of the Listing Agreement, the Company is complying with major clauses of the Corporate Governance Voluntary Guidelines, 2009.

Ministry of Corporate Affairs has also released a set of voluntary guidelines on Corporate Social Responsibility (CSR) in December, 2009. The Company is analyzing the guidelines laid down and shall



soon be coming with a detailed policy to the effect and shall adopt same with /without modifications before same has been made mandatory to keep the true spirit of guidelines intact.

A report on Corporate Governance pursuant to the provisions of Clause 49 of Listing Agreement supported by a certificate given by the Statutory Auditors of the Company confirming compliance of conditions form part of this Annual Report as Annexure .

12. Code of Conduct

A declaration by the Chairman and Managing Director regarding annual affirmation of compliance of the Code by all concerned Directors and Senior Management Personnel is annexed to the Report on Corporate Governance.

13. Internal Control System

M/s Prakash Sachin & Co, Chartered Accountants based at New Delhi are working as Internal Auditors of the Company. The detailed report of internal auditors is presented to Management and an executive summary containing significant issues of repetitive nature, affecting the Company substantially in financial terms, non compliance with any Statutory laws are presented to top management on quarterly basis for necessary directions thereon.

14. Statutory Disclosures

Pursuant to clause 49 of the listing agreement as entered with Stock Exchanges, a Report on Corporate Governance and a certificate as obtained from the Statutory Auditors confirming compliance thereof, is provided in Annexure forming part of this Report.

15. Audit Committee

The audit committee meets at due intervals to conduct the required business. At present the committee comprises of Mr. N. K. Singh (Chairman), Mr. S. K. Khanna, Mr. K. K. Agarwal and Mr. Shanti Narain, all Non-Executive and Independent directors.

16. Depository System

The Shares of your Company are being traded in Demat form only. Your Company has got the necessary connectivity with both the Depositories i.e National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSIL). All the members who are holding shares in physical form are hereby requested, keeping in view the enormous benefit of Demat form, to get their shares dematerialised on either of the Depositories. Further in view of Securities and Exchange Board of India norms, M/s MCS Limited, F - 65, 1st Floor, Okhla Industrial Area, Phase – I, New Delhi 110 020 has been appointed as its Registrar and Share Transfer Agent, who is handling both physical as well as electronic share work in order to provide better services.

17. Safety, Health and Environment (SHE) Measures

Your Company tries to maintain a healthy environment, health and safety management policy and comply with all the legal compliances. The Company is on continuous endeavor to conserve its natural resources viz water and power

18. Subsidiaries

Your Company does not have any subsidiary.

19. Cash Flow Analysis

In compliance with the provisions of clause 32 of the Listing Agreement, the Cash flow statement for the financial year ended 31.03.2011 is annexed hereto.

20. Management Discussion & Analysis

Management Discussion & Analysis report covering issues relating to industry structure, opportunities, challenges, outlook and performance etc. has been given separately and form part of this Annual Report as Annexure.

Acknowledgments

Your Directors take this opportunity to thank and acknowledge the Financial Institutions, Banks, Government Authorities including Central and State, Dealers, Suppliers, Business Associates, Regulatory Authorities, Stock Exchanges and the Company's valued customers for their continued assistance and cooperation and the esteemed shareholders for their trust and support including Joint Venture Partners/Associates and specially the Government of Bangladesh for bestowing an opportunity to your Company to prove its mettle in International border.

The Directors also wish to acknowledge the committed and dedicated team of Kalindee whose unstinted hard work, efforts and ideas have taken the Company on a path of steady growth and development.

Place : New Delhi

Date : September 3, 2011

For Kalindee Rail Nirman (Engineers) Ltd
By order of the Board of Directors

Sd/-
R. D. Sharma
Chairman cum Managing Director

(MEMBERS ARE REQUESTED TO BRING THEIR COPY OF THE ANNUAL REPORT TO THE MEETING)



Annexure to Directors Report

Information as per Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 forming part of the Directors' Report for the financial year ended 31st March, 2011.

Name of Employees	Designation and nature of Duties	Remuneration	Qualification	Age	Experience in years	% of shareholding	Date of commencement of employment
Mr. R. D. Sharma	CMD	Rs. 4, 00,000 per month	Matric	76	45	7.37	Feb.,1984
Mr. Arvind Gemini	Director: all the activities of the Company	Rs. 3,50,000 per month	B.Tech	53	20	1.72	Dec.,1998

Note :

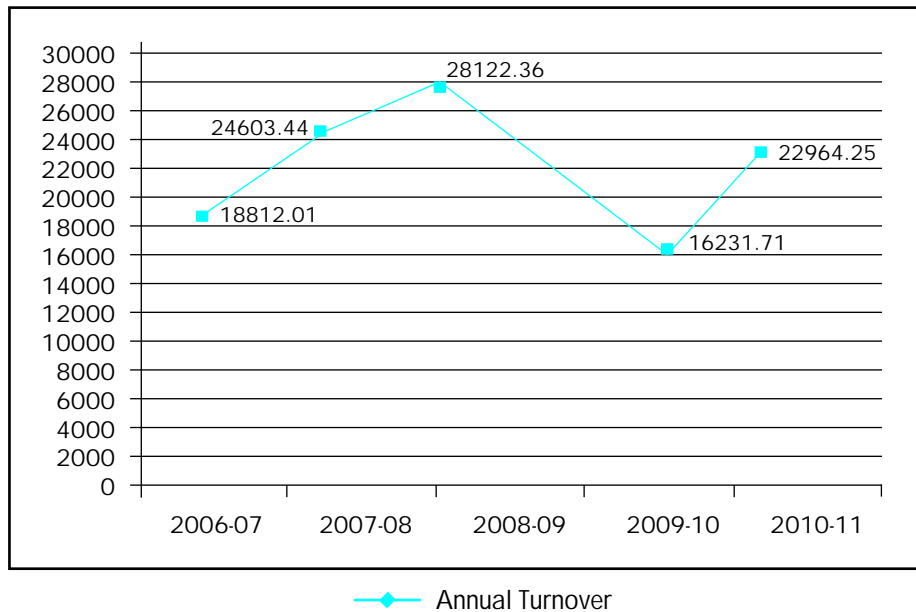
1. Remuneration means gross remuneration calculated in accordance with the provisions of section 198 of the Companies Act, 1956.
2. The nature of employment in all cases is contractual.
3. The above employees are directors in whole time employment with the Company and are related to each other.
4. There is no other employee employed during the financial year drawing remuneration of more than Rs. 5,00,000 p.m.

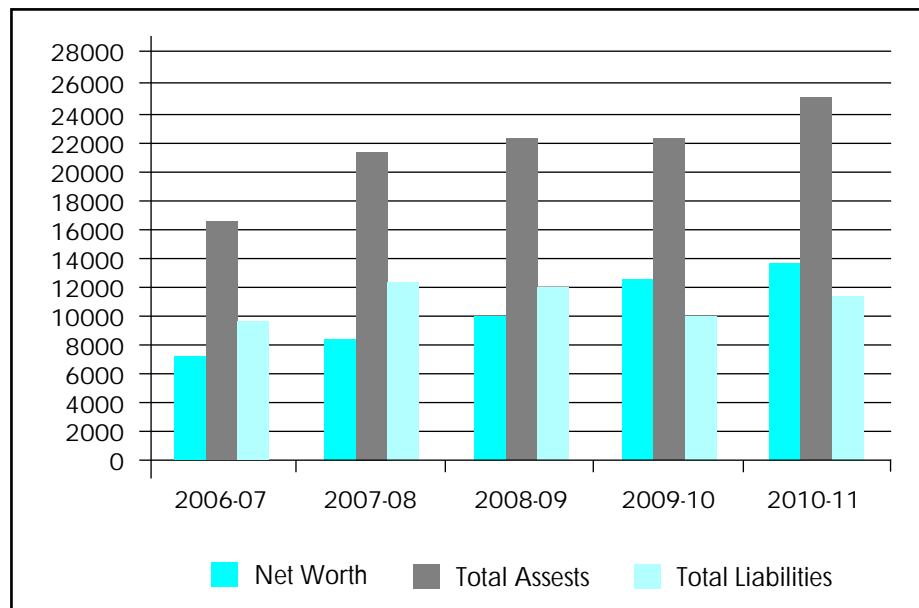
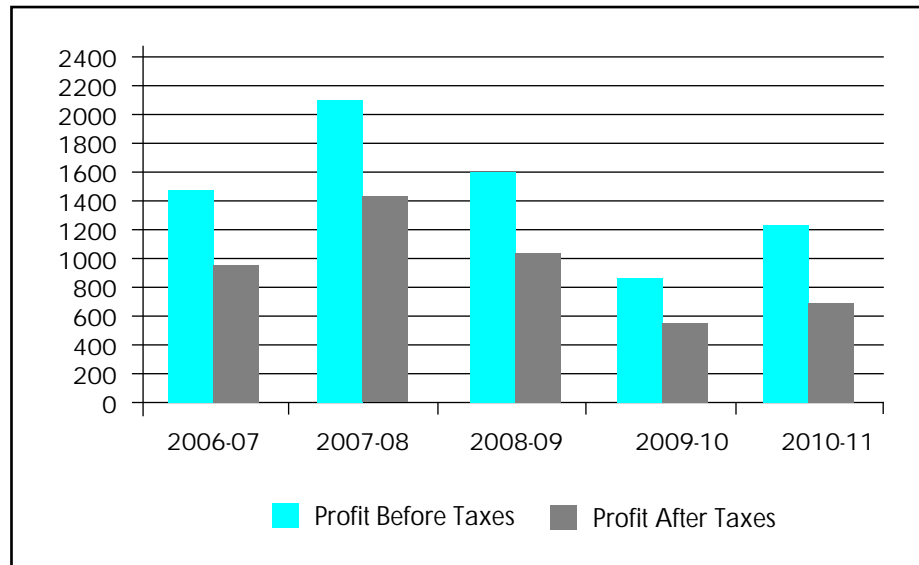
Our Performance at a Glance

(Rs. In Lacs)

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
Annual Turnover	18812.01	24603.44	28122.36	16231.71	22964.25
Profit Before Taxes	1460.21	2116.10	1604.57	855.47	1228.46
Profit After Taxes	944.16	1421.60	1043.92	548.48	687.75
Net Worth	6956.16	8580.68	10295.53	12589.23	13510.35
Total Assets	16471.54	21011.97	22329.48	22674.46	24842.53
Total Liabilities	9515.37	12431.29	12033.94	10085.23	11147.27
Current Assets	15790.05	19312.36	20611.28	21403.81	23206.64
Current Liabilities	4082.74	4756.83	3704.87	3298.33	5482.77

Annual Turnover





Report on Corporate Governance

The Securities and Exchange Board of India (SEBI) regulate corporate governance practices of companies listed on Indian Stock Exchanges. These regulations are notified under Clause 49 of the Listing Agreements of all Stock Exchanges in the country. They specify the standards that Indian companies have to meet and the disclosures that they have to make with regard to corporate governance practices. Kalindee Rail Nirman (Engineers) Ltd ("Kalindee" or "the Company") has established systems and procedures and practices to strictly follow and comply with the provisions of Clause 49 of Listing Agreement. This chapter along with the chapters on Additional Shareholders Information and Management Discussion and Analysis Reports reflect Kalindee's compliance in this regard.

Company's Philosophy

We at Kalindee are committed to achieve and maintain the desired standards of Corporate Governance. The Company's philosophy on Corporate Governance envisages attainment of the right levels of transparency, accountability and equilibrium in all facets of its operations and in all its interactions with its stakeholders including shareholders, employees, lenders and the Government and also it aims to achieve better standards of Corporate Governance in all its activities and processes. This philosophy has been further strengthened with the implementation of the requirements stipulated in Clause 49 of the Listing Agreement. The Company has adopted the Code of Internal procedures and Conduct for prevention of Insider Trading in pursuance of the SEBI (Prohibition of Insider Trading) Regulations. The Company believes that all its actions must serve the underlying goal of enhancing overall shareholder value over a sustained period of time. We further believe that good corporate practices can stem only from mindset and not through legislation. Company has also adopted and follows such practices, conventions and codes as would provide its financial stakeholders a right level of assurance on the quality of Corporate Governance.

Board of Directors

The Board comprises of two Executive - non Independent Directors / Whole Time Directors and five non Executive- Independent Directors. The Board normally meets once in a quarter and additional meetings are held as and when the exigencies of the circumstances so demand. During the financial year ended 31st March, 2011, Board meetings were held on 08th April, 2010, 28th April, 2010, 30th July, 2010, 12th August, 2010, 03rd September, 2010, 27th October, 2010 and 29th January, 2011.

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year, as also the number of Directorships held by them in other companies are given below.

Sr. No.	Name of Director	Category	No. of Directorship in other public limited companies	No. of Board meetings attended	Whether attended Last AGM
1	Mr. R. D. Sharma	Chairman & Managing Director	Nil	6	Yes
2	Mr. Arvind Gemini	Executive/Whole Time Director	Nil	7	Yes
3	Dr. N. K. Singh	Non - Executive	5	7	No
4	Mr. S. K. Khanna	Non - Executive	Nil	5	No
5	Mr. Shanti Narain	Non - Executive	2	4	No
6	Mr. K. K. Agarwal	Non - Executive	Nil	6	No
7	Mr. M. K. Khanna	Non - Executive	Nil	-	No



The Last Annual General Meeting was held on 30th September 2010.

Audit Committee/Remuneration Committee/Shareholders Committee:

Audit Committee:

COMPOSITION

The Audit Committee comprises of 4 (Four) Directors, all of them being non - Executive/Independent Directors. The names of the members of the Committee including its Chairman as on date are as under:

Dr. N. K. Singh	-	Chairman
Mr. S. K. Khanna	-	Member
Mr. Shanti Narain	-	Member
Mr. K. K. Agarwal	-	Member

Company Secretary acts as the Secretary for such meetings. The Head of Finance/ Accounts, Internal Audit and such other executives as considered appropriate and Statutory Auditors also attend the meetings on invitation.

REFERENCE

Clause 49 of the Listing Agreement lists the role of the Audit Committee. The gist of the terms of reference is as hereunder:

Reviewing major accounting entries based on exercise of judgement by management and reviewing significant adjustments arising out of audit:

Compliance with listing and other legal requirements relating to financial statements;

Overseeing the Company's financial reporting process and the disclosure of its financial informations;

Reviewing changes, if any, in accounting policies and practices and the reasons for the same;

Reviewing the Company's financial and risk management policies;

Review of the Company's financial reporting process, the financial statements and financial/risk management policies;

Review of the adequacy of the internal control systems and functioning of the internal audit team;

Discussions with the internal and external auditors, the audit plan for the financial year and a joint post-audit review of the same;

Reviewing with management the Quarterly/Annual financial statements before submission to the Board;;

Reviewing any Qualifications in the draft Audit Report;

Reviewing the statement of significant related parties.

Meetings and Attendance of Audit Committee

During the year the details of meetings held during the year 2010 - 11 and the attendance are as follows:

Date of Meetings: 28.04.2010, 30.07.2010, 03.09.2010, 27.10.2010, 29.01.2011

The Members and attendance of Committee Members are given below:

Name of the Member	Designation	Status	Meetings attended
Dr. N. K. Singh	Chairman	Non - Executive Independent Director	5
Mr. S. K. Khanna	Member	Non - Executive Independent Director	4
Mr. Shanti Narain	Member	Non - Executive Independent Director	3
Mr. K. K. Agarwal	Member	Non - Executive Independent Director	3

Remuneration Committee:

COMPOSITION

The Remuneration Committee comprises of 2 (Two) Directors, all of them being non - Executive/Independent Directors. The names of the members of the Committee including its Chairman as on date are as follows:

Dr. N. K. Singh	-	Chairman	Non-Executive Independent Director
Mr. S. K. Khanna	-	Member	Non-Executive Independent Director

Company Secretary of the Company acts as the Secretary for such meetings.

REFERENCE

Clause 49 of the Listing Agreement lists the role of the Remuneration Committee to recommend/review the remuneration package of the Managing/Whole Time Directors. It broadly involves determination on the Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment. It also includes recommendation on revision of remuneration of top executives below the Board of Directors, granting and administration of Employees Stock Options, etc.

Meetings and Attendance

The details of meetings held during the year 2010 - 11 and the attendance is as follows:

No meeting has been held during the year under report.

The Remuneration policy of the Company is:

For Managing/Whole - Time Directors, the total remuneration consists of salary, perquisites & commission



within the limits approved by the shareholders.

Non - Executive Directors do not draw any remuneration from the Company except the sitting fees as permitted under the Companies Act, 1956 for attending the meetings of the Board/Committee thereof.

Details of Remuneration to all the Directors for the year:

The aggregate value of salary, perquisites, commission and sitting fee paid for the year 2010 -11 to the Directors are as follows:

Sr. No.	Name of Director	Salary	Sitting Fee	Total
1	Mr. R. D. Sharma	45,00,000	-	45,00,000
2	Mr. Arvind Gemini	39,00,000	-	39,00,000
3	Dr. N. K. Singh	-	60,000	60,000
4	Mr. S. K. Khanna	-	42,500	42,500
5	Mr. Shanti Narain	-	37,500	37,500
6	Mr. K. K. Agarwal	-	47,500	47,500
7	Mr. M. K. Khanna	-	-	-

Share Transfer & Shareholders/Investors Grievance Committee:

COMPOSITION

The Share Transfer & Shareholders'/Investors Grievance Committee comprises of 2 (Two) Directors, all of them being Executive and non - Independent Directors. The names of the members of the Committee including its Chairman as on date are as follows:

Mr. R. D. Sharma	-	Chairman
Mr. Arvind Gemini	-	Member

Company Secretary of the Company acts as the Secretary for such meetings.

REFERENCE

Clause 49 of the Listing Agreement lists the role of the Shareholders Grievance Committee to look into redressal of grievances of the investors namely shareholders and fixed deposit holders, if any. The Committee deals with grievances pertaining to transfer of shares, non-receipt of annual report, non-receipt of dividend, dematerialisation of shares, complaint letters received from Stock Exchanges, SEBI etc. The Board of Directors have delegated the power of approving transfer/transmission of shares to a Share Transfer Committee.

Meetings and Attendance

The details of meetings held during the year 2010 -11 and the attendance are as follows:

Date of Meetings: - 28.04.2010, 30.07.2010, 27.10.2010, 29.01.2011

The Members and attendance of Committee Members are given below:

Name of the Member	Designation	Status	Meetings attended
Mr. R. D. Sharma	Chairman	Executive Non - Independent Director	3
Mr. Arvind Gemini	Member	Executive Non - Independent Director	4

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
2	42	38	6

Number of Share Transfers/Transmissions/issue of Duplicate share certificates pending as on date is 805 shares. These will be approved/dealt with by the Company after completion of their respective documentation.

The Securities and Exchange Board of India vide notification dated 20th February, 2002 has amended the SEBI (Insider Trading) Regulations, 1992. As required by the above regulations, the Company has adopted a Code of Conduct for prevention of insider trading. All the Directors on the Board as well as designated employees are governed by this Code.

Reappointment/Appointment of Directors:

The list of persons who are liable to retire by rotation is as under:

Mr. N. K. Singh
Mr. K. K. Agrawal

Details of Annual General Body Meeting

Financial Year	Time & Date of AGM	Venue
2007 - 08	11.00 AM: 26.09.2008	Pyare Lal Bhawan (Gandhi Memorial Hall), 2 Bahadur Shah Zafar Marg, New Delhi 110 002
2008 - 09	11.00 AM: 30.09.2009	Royal Garden, G T Karnal Road, Mukhmel Pur Bandh, Near Hanuman Mandir, Alipur, Delhi 110 036
2009 - 10	03.00 PM: 30.09.2010	LTG Auditorium, Copernicus Marg, New Delhi-110001
2010 - 11	11.00 AM: 30.09.2011	Royal Garden, G T Karnal Road, Mukhmel Pur Bandh, Near Hanuman Mandir, Alipur, Delhi 110 036

No special Resolution was put through Postal Ballot last year.



Disclosures

Besides the transactions reported elsewhere in the Annual Report, there were no materially significant related party transactions with its Promoters, the Directors or the Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.

Means of Communication

Quarterly results are published in prominent national daily newspaper Financial Express(English) and Jan Satta (Hindi). Further as per the requirements of Clause 51 of the Listing Agreement, all the data relating to quarterly financial results, shareholding pattern, etc are provided in the web-site www.sebiedifar.nic.in within the time prescribed in this regard.

Shareholder Information

1. Annual General Meeting

Date and Time	:	30.09.2011 at 11.00 am
Venue	:	Royal Garden, G T Karnal Road, Mukhmel Pur Bandh, Near Hanuman Mandir, Alipur, Delhi 110 036
2. Financial Calender : (Tentative and subject to change)
 Un-audited Results for : Held on 29th July, 2011
 Quarter ended on
 30th June, 2011

 Un-audited Results for : Last week of October, 2011
 Quarter ending on
 30th September, 2011

 Un-audited Results for : Last week of January, 2012
 Quarter ending on
 31st December, 2011

 Un-audited Results for : Last week of April, 2012
 Quarter ending on
 31st March, 2012
3. Date of Book Closure : 28.09.2011 to 30.09.2011 (both days inclusive)
4. Registered Office : F - 5, Gautam Nagar, Gulmohar Park Road,
New Delhi 110 049
5. Corporate Office : 2nd Floor, Building No. 9A, Cyber City,
DLF Phase III, Gurgaon 122 002, Haryana
6. Listing on Stock Exchanges : The Bombay Stock Exchange Ltd, Mumbai
The National Stock Exchange of India Ltd, Mumbai

Listing fees up to the year ended 31.03.2011 have been paid to all the above mentioned stock exchanges.

7. Stock Code/Symbol:
 Bombay Stock Exchange : 522259
 National Stock Exchange : KALINDEEQ
8. Address of R & T Agent : MCS Limited
 F - 65, 1st Floor, Okhla Industrial Area Phase - I,
 New Delhi 110 020
 E mail: admin@mcs.del.com
9. E-mail ID for Investor Grievances : investorgrievance@kalindee.net
10. Stock market data for the year 2010 - 2011

Month	National Stock Exchange		Bombay Stock Exchange	
	HIGH	LOW	HIGH	LOW
April, 2010	145.90	130.50	146.70	130.20
May, 2010	137.95	113.00	137.70	114.00
June, 2010	140.00	115.00	140.00	117.00
July, 2010	149.00	133.00	148.80	133.00
August, 2010	173.10	144.00	167.65	143.75
September, 2010	195.60	155.05	195.00	158.80
October, 2010	201.00	162.00	182.65	163.05
November, 2010	181.50	146.50	181.90	146.05
December, 2010	202.35	154.05	202.30	151.15
January, 2011	201.50	170.10	201.60	170.00
February, 2011	176.70	106.60	176.75	106.65
March, 2011	111.70	88.20	112.00	81.90

Month	NIFTY		BSE SENSEX	
	HIGH	LOW	HIGH	LOW
April, 2010	5399.65	5160.90	18047.86	17276.80
May, 2010	5278.70	4786.45	17536.86	15960.15
June, 2010	5366.75	4961.05	17919.62	16318.39
July, 2010	5477.50	5225.60	18237.56	17395.58
August, 2010	5549.80	5348.90	18475.27	17819.99
September, 2010	6073.50	5403.05	20267.98	18027.12
October, 2010	6284.10	5937.10	20854.55	19768.96
November, 2010	6338.50	5690.35	21108.64	18954.82
December, 2010	6147.30	5721.15	20552.03	19074.57
January, 2011	6181.05	5416.65	20664.80	18038.48
February, 2011	5599.25	5177.70	18690.97	17295.62
March, 2011	5872.00	5348.20	19575.16	17792.17



11. Dematerialisation of Shares

Up to 30th June, 2011, 95.67 % Equity Shares of the Company have been dematerialised.

12. Share Transfer System

The average time taken for processing and registration of share Transfer requests received is less than 15 days. All dematerialisation requests are processed within 15 days.

13. Distribution of Shareholding (as at year end i.e. 31st March, 2011)

Range	No. of Folios	% of Folios	No. of Shares Held	% of Shareholding
Upto 500	39,180	94.55	3,872,703	31.62
501 - 1000	1,230	2.97	990,166	8.08
1001 - 2000	529	1.28	779,066	6.36
2001 - 3000	146	0.35	373,789	3.05
3001 - 4000	83	0.20	297,864	2.43
4001 - 5000	66	0.16	305,712	2.50
5001 - 10000	108	0.26	779,527	6.37
10001 - 50000	67	0.16	1,374,371	11.22
50001 - 100000	14	0.03	1,011,280	8.26
And above	15	0.04	2,462,719	20.11
Total	41,438	100.00	12,247,197	100.00

14. Category of Shareholders (as at year end i.e. 31st March, 2011)

Category	No. of Shares Held	% of Shareholding
Promoter	1,948,052	15.91
Mutual Funds	20,920	0.17
Banks, Financial Institutions, Insurance Companies	14,700	0.12
Private Corporate Bodies	2,558,972	20.89
FIs	300,000	2.45
Indian Public	7,271,509	59.37
NRI / OCBs	126,004	1.03
Others (including employees) / Trust & Foundation	7,040	0.06
Total	12,247,197	100.00

Declaration Regarding Compliance of Code of Conduct

The Company has adopted "Code of Conduct for Prevention of Insider Trading" pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 and Departmental Head of Secretarial Department has been appointed as the 'Compliance Officer' for this purpose. The code of Conduct is applicable to all such employees of the Company who are expected to have access to unpublished price sensitive information relating to the Company as well as Directors.

I, R. D. Sharma, Chairman cum Managing Director of Kalindee Rail Nirman (Engineers) Limited do hereby declare and confirm that the Board Members and Senior Management Personnel of the Company have confirmed compliance with the said code.

Place : New Delhi
Date : September 3, 2011

For Kalindee Rail Nirman (Engineers) Ltd
By order of the Board of Directors

Sd/-
R. D. Sharma
Chairman cum Managing Director



Management Discussion and Analysis Report

In the Annual Report we have disclosed forward looking statement / informations so as to enable investors to comprehend our prospects and take informed decisions pertaining to investments. The report and other statements that we periodically make do contain forward looking statements that set out anticipated results based on the managements' plans and various assumptions. We have tried wherever possible to identify such statements including veracity thereof by using various words such as anticipates, estimates, expects, projects, intends, plans, believes, and words of similar substance in connection with any discussion of future performance.

We can not guarantee that these forward looking statements will be realized, although we sincerely believe that we have been prudent in our assumptions. The achievement of these results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

We propose no obligation to publicly update any forward looking statements, whether as a result of new information, future events, tax laws, economic development within the country and outside the country and other factors such as litigation and industrial relations and/ or otherwise.

Forward Looking Statement

The Company presents its performance for year 2010-11 and outlook for future based on current business environment which may vary due to future economic, political and other developments in India as well as overseas.

Economic Scenario

After unprecedented slow down in major economies across the globe, the Indian economy still shows the signs of stabilization, largely led by government spending and stimulus package which was also backed by strong domestic demand, rise in private consumption, investment, trade and positive capital inflow. Of late this trend has again shown some disturbance on account of some fallout in the international market and the entire world is adopting the policy of wait and watch over the same. The impact of said fallout is perceived to be a step towards economic downturn against which nothing can be done in that direction at least as of now.

It is believed that the continuous thrust on agriculture, power, infrastructure, urban & rural development and focus on inclusive growth will unlock much of the economic growth potential in the medium term. Keeping this in view, it is expected that the positive and forward looking budget shall provide a perfect platform of return to the growth trajectory and shall help in attaining a projected growth of 8-9 % with an ambitious, yet achievable target of double digit growth of GDP in time to come.

Outlook and Opportunities

In line with its aspirations of ongoing growth, Kalindee is investing its resources and is also taking an initiative of investing in new technologies and ventures that help meet changing aspirations of various customers. The aim of these strategies and initiatives is to ensure that Company delivers long-term growth and creates value for its various stakeholders.

Company is reasonably positioned to capture better margins as a result of its commitment towards work and benefiting from low operating costs.

Kalindee senses large opportunities in infrastructure sector especially in Road and Building construction. It has already initiated steps to foray into Road sector.

Growth in the Indian economy and demand creates better opportunities for Kalindee to invest significantly in its core business.

With Government's investment in various ports, airports, metro and monorail projects, infrastructure sector is slated to show positive growth. Many of the projects that were deferred due to global economic crisis have started moving forward. Bangladesh offers good prospects and company is vigorously trying to tap opportunities in this country.

DFC PROJECT UPDATE

Moving at Snail's Pace

The dedicated freight corridor (DFC) project is one of the most ambitious projects of Indian Railways (IR). It was conceived mainly due to capacity constraints faced by the existing railway network. The project is being implemented by Dedicated Freight Corridor Corporation of India Limited (DFCCIL), a wholly owned public sector undertaking of the Ministry of Railways. While the eastern corridor spans 1,839 km from Ludhiana in Punjab to Dankuni near Kolkata, the western corridor will link the Jawaharlal Nehru Port Trust (JNPT) with Tughlakabad and Dadri with a double line electric track of 1,534 km. The two corridors will interlink at Khurja near Delhi. Both corridors are expected to be completed by 2016-17.

Current Status

Physical progress: Eleven field units have been set up by the chief project managers in Mumbai, Surat, Vadodara, Ahmedabad, Ajmer and Jaipur for the western route and at Ludhiana, Meerut, Kanpur and Allahabad (two) for the eastern route.

With regard to the western corridor, in May 2010, the engineering services consultant for Phase I was finalized by DFCCIL and work has commenced. The civil contractor for Phase I is expected to be selected by October 2011. Meanwhile the process for the engagement of an engineering services consultant for Phase II of the western DFC commenced with the issue of the request for proposal (RIP) document on July 9, 2010.

For the eastern DFC, the civil construction contract for the 109 km section (New Ganjkhwaja to New Karwandia) was awarded in December 2008 and work is in progress. The general consultants for the Khurja-Kanpur section have been appointed. Applications for prequalification for civil and track works were received in July 2010. DFCCIL, along with consultants, is working out an appropriate public-private partnership (PPP) model.

Funding: The western DFC will be funded substantially by Japan International Cooperation Agency (JICA) under the Special Terms of Economic Partnership scheme of the Government of Japan. It will be a tied loan with 30 percent of the total value of contracts being sourced from Japan. In September 2009, the cabinet approved Japanese official development assistance for implementation of the western DFC. JICA will finance about 81 percent of the western corridor.



Progress so far: IR constructed 709 km of new lines in 2010-11 against the annual average addition of 180 km new lines since Independence. This can be attributed to an all time high target of 1,000 km of new lines in one year (2010-11). In the case of doubling projects also, the progress during 2010-11 has been 769 km, which is almost three times the average annual of 260 km of doubling achieved since Independence. This is also more than the target fixed for 2010-11.

In gauge conversion, IR completed 837 km in 2010-11, which is again more than the target of 834 km. In the case of electrification of lines, IR completed 972 route km during 2010-11, more than average annual target of electrification planned during the Eleventh Plan. In addition, about 254 km of lines have been electrified as part of works of doubling, laying of third and fourth lines and setting up of other traffic facilities.

Rail –Based MRT

The urban rail-based mass rapid transit (MRT) system has witnessed major developments in the past one year. New lines were opened for public, financial closures were achieved, and several construction and rolling stock contracts were awarded. An update of the key metro projects are scripted below. Besides these, metro projects worth over Rs. 460 billion with a total route length of over 240 km are currently in the planning stage in Ahmedabad, Ludhiana, Lucknow, Jaipur, etc.

Key Metro Projects:

Delhi Metro: Launched in 2002, the metro project is the first modern metro rail project in India. The project is being implemented in four phases, of which Phase 1 (65 km) and Phase 2 (119 km) is completed. In the past one year, several new lines of the Delhi Metro were opened, including the Airport Express Link (February 2011), the 5 km elevated line between Sarita Vihar and Badarpur, which is a part of the Violet Line (January 2011), and the Delhi-Gurgaon Line (August 2010).

Kolkata Metro: It was India's first underground metro railway project. The present network extends north to south from Dum Dum near Netaji Subhas Chandra Bose Airport to Kavi Nazrul Station near New Garia, covering a length of about 25 km. In October 2010, the Kolkata Metro Rail Corporation opened 2.8 km extension of the Kolkata Metro's north-south line from Kavi Nazrul Station to Kavi Subhash Station.

Bangalore metro: The system's first phase consists of two corridors. The east-west corridor will be 18.1 km long, starting at Baiyappanahalli and terminating at Mysore Road terminal, while the north-south corridor will be 24.2 km, starting at Nagadandra and terminating at Puttenahalli. In February 2011, Phase 1 of the Bangalore Metro began trial runs.

Chennai Metro: The project has two corridors: the 23.1 km stretch from Washermanpet to the airport (Corridor 1) and the 22 km stretch from St. Thomas Mount to Chennai Central (Corridor 2). The project was approved by the union government in January 2009.

In February 2011, a joint venture (JV) between Afcons Infrastructure Limited and Russia-based engineering firm Transtunnelstory Limited secured contracts to build parts of the metro rail network and two underground stations in Chennai.

In October 2010, the state government approved the extension of Corridor 1 from Washermanpet to Thiruvottiyur. The 9 km extension, estimated to cost Rs. 22 billion will have seven stations. In September 2010, Alstom Transport, France signed a Rs. 14.7 billion contract with Chennai Metro Rail Limited to supply 168 cars for the metro project.

Hyderabad Metro: In April 2011, Larsen & Turbo (L&T) tied up Rs. 114 billion as debt for the project with a consortium of 10 banks led by the State Bank of India. L&T's equity in the project amounts to Rs. 34 billion, implying a debt-equity ratio of 3.35:1. The original cost of Rs. 121.32 billion has reportedly risen by about Rs. 20 billion.

Mumbai Metro: The project will be developed on public-private partnership basis in three corridors. In October 2010, a consortium led by India-based construction and engineering firm Reliance Infrastructure Limited (RIL) achieved financial closure for the Rs 115 billion Line 2 of the Mumbai Metro.

Challenges

The rising input cost would be a major challenge and consequently cost control would be key area of focus. Profits margins of the Company would continue to remain under pressure because of rising cost of various inputs and raw materials which is another area of concern.

Further Reserve Bank of India has taken measures to curb inflation through increase in interest rates which will boost interest cost and will definitely affect bottomline.

The another challenge which we predict is competition with Large players foraying into similar area which are in a position to offer services at relatively lower prices on account of costing leverage at their disposal.

Risk Concerns and Threats

Each enterprise has its own risk and can't remain isolated to its fullest extent except properly managing the risk. The Company foresees following areas of risk, concerns and threats :

1. The Company is exposed to variation in prices of commodities, foreign exchange and interest rates.
2. The project execution always largely depends upon skilled and unskilled manpower. Hence deployment, retention and competency growth of employees is also an area of concern.
3. The Company is exposed to risk of delay in execution due to external factors like shortages of skilled/semi skilled manpower, right of way etc.
4. The Company is exposed to unpredicted risk of changes in policies of Government and countries where it operates.
5. The competitive market conditions.

These risks are managed with proper mix of orders across various states, timely and adequate hedging of commodity, optimization of working capital limits and efficient inventory management. The management keeps close watch on global developments and keeps on reviewing the risk and address the concerns for appropriate actions from time to time.

Financial Review

On the back of Indian economy emerging stronger from global meltdown, Company has consolidated its premier position in engineering business. Alongside newer business opportunities being explored in India, Kalindee is exploring more ventures in overseas market like Bangladesh and other neighboring and developing countries.

Net Sales and revenue of the Company for 2010 - 11 is Rs. 232.75 crores. This represents a growth of



39.94% over previous year. Company's profit before tax has increased to Rs. 12.28 crores from Rs. 8.55 crores. Increase in profit is attributable to increase in turnover, favorable market conditions, project realisations and improved working capital management.

Internal Controls

Kalindee believes that a strong internal control framework is one of the most important pillars of Corporate Governance. The Company has an adequate system of internal control implemented by management towards achieving efficiency in operation, optimum utilization of company's resources and effective monitoring thereof and compliance with applicable laws and regulations.

Company's independent Internal Auditors conduct regular audits to ensure adequacy of Internal control systems, adherence to management instructions and compliance with laws and regulations of the country as well as to suggest improvements. The internal audit function is empowered to examine the adequacy and compliance with policies, plans and statutory requirements. It is also responsible for assessing and improving the effectiveness of risk management, control and governance process.

Kalindee has well established policy towards maintaining the desired standards of safety, health and environmental norms during its operations. Kalindee ensures to adhere to same at its various locations.

Risk Management

The Company is invariably exposed to a variety of risks across its range of business operations. To ensure its long term success, risks are regularly identified, analysed and appropriately mitigated. The Indian economy experienced low growth conditions in first half of 2010-11 on account of recession melting down and almost all the major sectors experienced same trend. This too led to increased competition in wake of declining opportunities.

Despite these odds, Kalindee was able to achieve healthy growth in order inflow, revenue and profitability on account of number of appropriate measures backed by a comprehensive risk management framework within the Company.

Risk Management forms an integral part of Company's business processes and constitutes an important element of decision making. Both qualitative and quantitative methods are employed for risk assessment across the Company. The risk management processes are reviewed periodically and revised to keep in tune with the changing business requirements.

The Company was able to effectively counter the market risks in the face of the business downturn. A well thought out approach towards international presence like Bangladesh has helped company to enhance its opportunities globally.

Corporate Responsibility

Safety: Company gives utmost importance to safety standards at all of its working locations. At project sites, necessary procedures are in place so as to ensure safety of personnel and equipments.

Environment: Preservation and promotion of environment is of fundamental concern in all our business activities.

Human Resource: "Making people our most important & valuable asset" – success of a business is directly linked to performance of those who work for that business. These days properly managing a workforce is a lot more complicated than maintenance of Company's material capital such as machinery, computer systems etc. Indeed, mechanistic approach to employee relations has often failed. Fortunately, this failure has prompted close study into how to effectively see that human capital is treated right and is able to reach its full potential.

Report on Corporate Social Responsibility

Kalindee embraces the responsibility for impact of its operations and actions on all its stakeholders including society and community at large. Management's commitment, work ethics and business processes encourages all its employees and other participants to ensure a positive impact and its commitment towards corporate social responsibility. The Company is fully aware of the environment impact of its operations and it continually strives to reduce the negativity of the impact caused.

We respect human rights, values its employees, and invests in innovative technologies and solutions for sustainable energy flow and economic growth. The Company intends to infuse a safety strategy so as to nurture a 'zero accident' culture and to reinforce it with fail-safe procedures, the best proactive gear, continuous training and vigilant inspection.

The Company being an engineering sector company needs a large pool of engineering talent in tandem with its growing business needs. The Company very well realizes the importance of human leadership in realizing its growth ambitions and believes in nurturing their talent within the organization to take leadership positions.

International Operations

Company has been making strenuous efforts since last few years to have a foray in international market in its area of operation. The attempt to grab certain railway projects overseas have been mainly concentrated in neighboring countries and African market. Company has had entered several consortium/ joint venture arrangements with local companies. In this process Company has been successful in getting a work order in the neighboring state of Bangladesh in consortium with a Bangladesh based local company and the market there is growing in rapid speed particularly with World Bank aid. Company visualizes good potential there and some other developing countries.

Company has been able to a sizeable fresh work order recently from Bangladesh Railway of about USD 15 million on its own (no consortium).

There is huge business potential in the state of Bangladesh in the Railway Sector. Approximate value of forthcoming business in next three years is approx USD 4 billion. Company has planned to have a branch / liaison office in Dhaka to tap this business.

Attrition Rate

The Company does face some attrition and this does affect smooth working of the Company to some extent, inter-alia, leading to disruption and delays in projects at times, and increase in the cost of recruitment and training. The Company proactively manages this phenomenon through various measures including aggressive and timely recruitments, industry compatible remuneration / incentive system and strengthening of the human resources function.



Litigation Risks

The Company faces the risk of high costs of litigation with its clients in its business. This risk is sought to be managed by a careful analysis.

New Capital Investments

The Company faces risks arising out of delay in implementation, cost overrun and inappropriate implementation. The risks are sought to be mitigated by forming appropriate project management team and corporate management oversight.

Human Resource Development

Quality of Leadership is critical for Business Excellence. Over the last few years the quality of leadership at Senior Management Level has been improved and also a strong "Leadership Pipeline" is built at all levels upto frontline.

The Company believes in the strength of human resources and that it is the best form of business capital which needs to be explored and utilised to full potential. At the company, constant efforts are made in developing human resources by providing necessary training and taking care of employee welfare. The Company endeavors to keep the employees motivation level high by providing congenial work atmosphere and rewarding/remunerating adequately.

There are cordial relations between the management and the employees.

Summary Financials and Internal Control

The gross turnover of the Company during the year ended March 31, 2011 increased to Rs. 229.64 crores. Gross profit (PBT) and net profit are Rs. 12.28 crores and Rs. 6.87 crores respectively.

The Company has an adequate internal control system which is commensurate with its size and which adopts the reasonable level of acceptable practices. Besides conducting internal audit on regular basis, there is a statutory audit committee comprising of Independent Directors in place to oversee the internal control processes in the Company.

The enterprise resource planning system (ERP) under implementation to integrate the operations of various locations of the Company in a phased manner is on.

Depreciation

Depreciation charge during the financial year 2010 - 11 is Rs. 1.44 crores as compared to Rs. 1.37 crores during the previous financial year.

Net Interest Expense

Interest expenses are Rs. 7.54 crores compared to Rs. 8.55 crores during the previous year.

Income Tax

The income tax charge for the year 2010 - 11 is Rs. 3.77 crores compared to Rs. 2.63 crores during the previous year.

Net Profit After Taxes

The net profit after taxes & exceptional items for the financial year 2010 - 11 is Rs. 6.87 crores compared to Rs. 5.48 crores during the previous financial year.

Capital

There was no addition to the capital during the year .

The net working capital borrowing decreased by Rs. 9.45 crores during the year (there was increase in previous year increase of Rs. 9.86 crores) to Rs. 56.35 crores at the end of financial year 2010 - 11 from Rs. 65.80 crores at the end of FY 2009 - 10.

Corporate Social Responsibility

As a responsible corporate citizen, the Company accords significant importance to Corporate Social Responsibility (CSR). In the last year, the thrust areas for CSR were education, health, water conservation, environment conservation and community development.

Discussion on Financial Performance with Respect to Operational Performance

Sales	:	229.64 crores
Other Income	:	3.11 crores
Total Income	:	232.75 crores
Profit before tax, depreciation and interest	:	21.26 crores
Profit before taxation	:	12.28 crores
Provision for taxation	:	5.41 crores
Net Profit	:	6.87 crores

Place : New Delhi
Date : September 3, 2011

For Kalindee Rail Nirman (Engineers) Ltd
By order of the Board of Directors

Sd/-
R. D. Sharma
Chairman cum Managing Director

AMIT GOYAL & CO.
Chartered Accountants

A-8, II Floor, Ganpati Enclave,
Ajmer Road, Jaipur - 302 006.
Tel No.: 2225036, 2225053, 2225065
Fax: 0141-2223211
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Auditors' Report on Corporate Governance

To,
The Shareholders of
Kalindee Rail Nirman (Engineers) Ltd.,
F 5, Gautam Nagar, Gulmohar Park Road,
New Delhi - 110 049

We have examined the compliance of conditions of Corporate Governance by Kalindee Rail Nirman (Engineers) Ltd., for the year ended on 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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 the opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2011, no investors grievances against the Company are pending action as per the records maintained by the Company and presented to the Shareholders/ Investors Grievance Committee of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : New Delhi
Date : September 3, 2011

Sd/-
Amit Goyal & Co.
Chartered Accountants
Firm Registration No. 003778C
(Rajeev Kumar)
Partner
Membership No. 075730



CEO/CFO Certification

We, R. D. Sharma and Arvind Gemini in our respective capacities as Chairman cum Managing Director and Whole Time Director cum Chief Finance Officer do hereby confirm and certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year 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) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which 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 and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) During the year under reference:
 - (i) There were no significant changes in internal control over financial reporting;
 - (ii) No significant changes in accounting policies were made that require disclosure in the notes to the financial statements; and
 - (iii) No instances of significant fraud 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, has come to our notice.

Sd/-
R. D. Sharma
Chairman cum Managing Director

Sd/-
Arvind Gemini
Whole Time Director & CFO

Place : New Delhi
Date : September 3, 2011



AMIT GOYAL & CO.
Chartered Accountants

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Fax: 0141-2223211
E-mail: amitgoyalnco@yahoo.com

Auditors' Report

To,
The Shareholders of
Kalindee Rail Nirman (Engineers) Ltd.,
F 5, Gautam Nagar, Gulmohar Park Road,
New Delhi - 110 049

1. We have audited the attached Balance Sheet of M/s KALINDEE RAIL NIRMAN (ENGINEERS) LTD, NEW DELHI as at 31st March, 2011, the Profit & 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 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 misstatement. 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. 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 a statement on the matters specified in paragraphs 4 and 5 of the said order, to the extent applicable to the Company.
4. Further to our comments in the Annexure referred to in paragraph 3 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 purpose 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 those books.
 - (c) The Balance Sheet, Profit & Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of accounts;
 - (d) In our opinion, the Balance Sheet, Profit & Loss account and 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;

- (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 explanations given to us, the said accounts give the information required and a true and fair view in conformity with the accounting principles generally accepted in India;
- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
- (ii) In the case of the Profit & Loss Account, of the Profit of the Company for the year ended on that date;
- (iii) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date. (iii) In the case of the Cash Flow statement, of the Cash Flows for the year ended on that date.

Place : New Delhi
Date : September 3, 2011

Sd/-
Amit Goyal & Co.
Chartered Accountants
Firm Registration No. 003778C
(Rajeev Kumar)
Partner
Membership No. 075730



Annexure to the Auditors' Report (Referred to in paragraph 3 of our report of even date)

Annexure referred to in paragraph 3 of Auditors Report to the members of Kalindee Rail Nirman (Engineers) Ltd on the accounts for the year ended 31st March, 2011.

1. In respect of Fixed Assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - (c) The Company has not disposed off any substantial part of its fixed assets during the year, that would affect the Going Concern assumption of the Company.
2. In respect of its inventories:
 - (a) Inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - (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) On the basis of our examination of the inventory records, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification, between the book records and physical stocks, as at March 31, 2011 were not material.
3. According to the information and explanations given to us, the Company has neither granted nor accepted any loans, secured or unsecured to / 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) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
4. 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 with regard to purchase of inventory, fixed assets and with regard to the work executed. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
5. According to the information and explanation provided by the management, there have been no contracts or arrangement during the period that need to be entered into the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of clauses (V) (a) and (b) of the Companies (Auditors' Report) order, 2003 (a) amended are not applicable.
6. According to the information and explanation given to us, the Company has not accepted any deposits from the public during the year, hence the directives issued by the Reserve Bank of India and the provision of Section 58A and 58AA or any other relevant provision of the Act and rules framed there under, are not applicable to the Company.

7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. According to information & explanation given to us, the Central government has not prescribed the maintenance of cost records for any of the Company's products under Section 209 (1) (d) of the Companies Act, 1956.
9. (a) According to the information and explanations given to us and the record of company examined by us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Service Tax, Wealth Tax, Custom Duty, Cess and other material statutory dues applicable to it.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty and Cess were in arrears, as at 31st March, 2011 for period of more than six months from the date they become payable.
(c) According to the information and explanations given to us, there are no dues of Income tax, Wealth Tax, Sales tax and cess which have not been deposited on account of any dispute.
10. In our opinion, the Company has no accumulated losses and company has not incurred any cash losses either during the current financial year or in the immediately preceding financial year.
11. In our opinion, and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to the Financial Institutions or Banks.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Hence, maintenance of record is not applicable.
13. In our opinion, the Company is not a chit fund or nidhi mutual benefit fund / society, therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities and debentures and other investments. Accordingly the provisions of clauses 4 (xiv) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
15. According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial Institutions and accordingly provision of clause 4(XV) of the order are not applicable on the company.
16. In our opinion and according to the information and explanation given to us, on an overall basis, the Company has availed term loan and has specifically used for the purpose for which loan was taken.
17. According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short terms basis have not been used for long-term investments.



18. The Company has made preferential allotment of Shares and warrants to parties and Companies in accordance with the provisions of Sec 81 (1A) of The Companies Act, 1956
19. Accordingly to the information and explanation given to us, the Company has not issued any debenture during the year under review, therefore the provision of clause 4(XIX) of the order are not applicable to the company.
20. The Company has not raised any money by way of Public issue during the year.
21. Based upon the audit procedures performed for the purpose of reporting the true and fair view of 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 period under review.

Place : New Delhi
Date : September 3, 2011

Sd/-
Amit Goyal & Co.
Chartered Accountants
Firm Registration No. 003778C
(Rajeev Kumar)
Partner
Membership No. 075730