

Creating Highways to Success

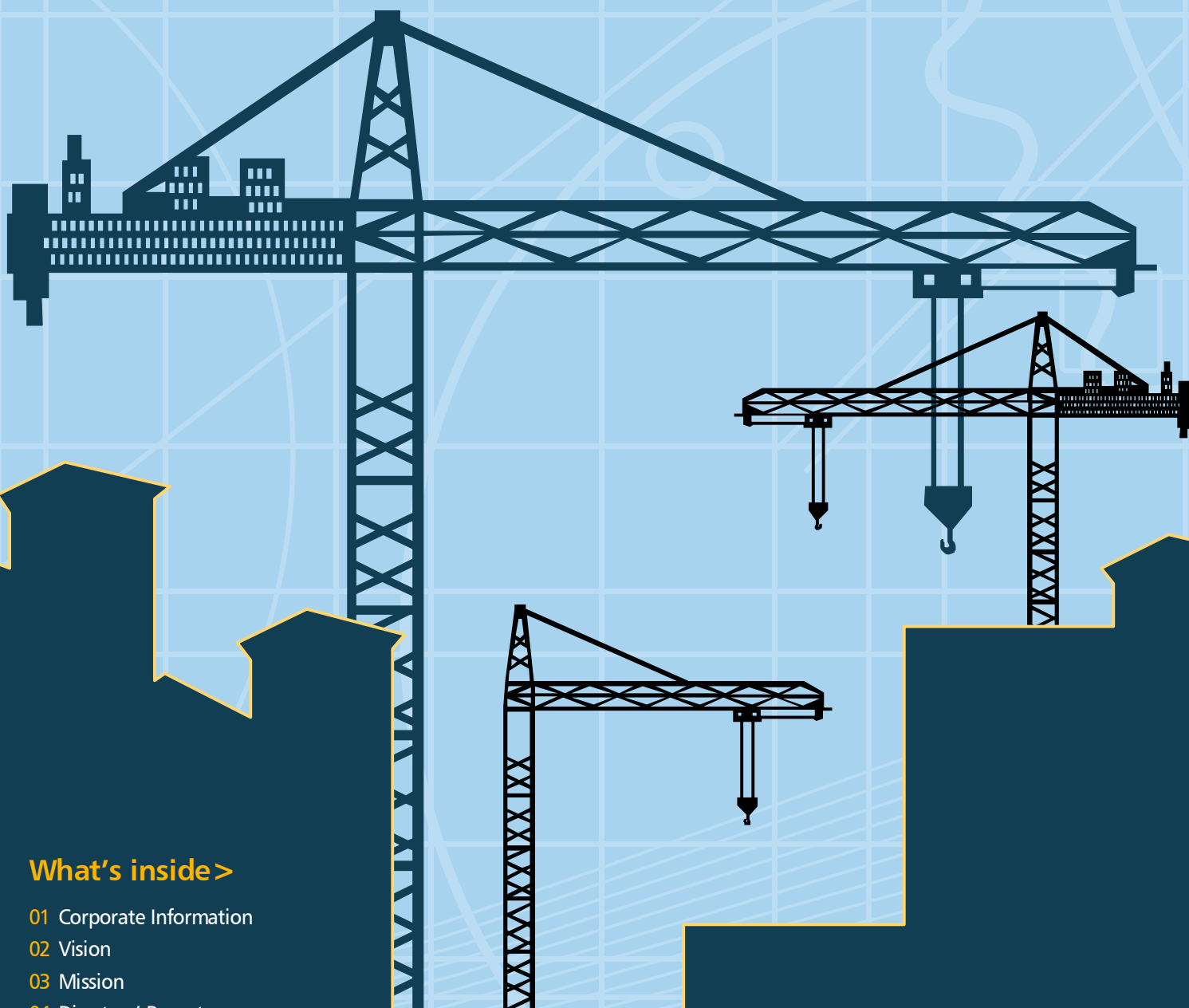
ANNUAL REPORT 2011-2012



MBL Infrastructures Limited

FORWARD LOOKING STATEMENTS

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 Market data and information gathered from various published and unpublished reports, their accuracy, reliability and completeness cannot be assured.



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CORPORATE INFORMATION

Directors

Mr. Ram Gopal Maheshwari
Chairman

Mr. Anjanee Kumar Lakhota
Whole-time Director & CEO

Mr. Maruti Maheshwari
Executive Director

Mr. Surinder Singh Kohli
Independent Director

Mr. Ashwini Kumar Singh
Independent Director

Mr. Kumar Singh Baghel
Independent Director

Mr. Ram Dayal Modi
Independent Director
(Appointed as Additional Director
w.e.f. 21.10.2011)

VP (Finance & Accounts)

Mr. R. N. Bansal

Company Secretary

Mr. Nitin Bagaria

Bankers

State Bank of Mysore
State Bank of Bikaner & Jaipur
Bank of Baroda
Oriental Bank of Commerce
State Bank of Patiala
State Bank of Hyderabad
Allahabad Bank
Indusind Bank
Yes Bank Limited
Punjab National Bank
Corporation Bank
Bank of India
DBS Bank Limited
Standard Chartered Bank
Punjab National Bank
(International) Limited

Auditors

M/s Agrawal S. Kumar
& Associates

Registered Office

23A, Netaji Subhas Road
3rd Floor, Room No. 14, Kolkata - 700001
Ph : 033-2230 2353/1671
E-mail : kolkata@mblinfra.com

Corporate Office

Delhi

Baani Corporate One
Suite No. 303, 3rd Floor,
Plot No. 5, Commercial Centre
Jasola, New Delhi - 110076.
Ph: 011-4959 3300 - 10
E-mail : delhi@mblinfra.com

Kolkata

Divine Bliss, 1st Floor,
2/3, Judges Court Road, Kolkata - 700027
Ph : 033-33411800
Email : kolkata@mblinfra.com



VISION

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



MISSION

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

Directors' Report

Dear Members,

The Board of Directors is pleased to present the Seventeenth Annual Report together with the Audited Statement of Accounts for the financial year ended 31st March 2012.

The financial highlights are as under:

(₹ in Lacs)

	Standalone		Consolidated	
	2011-12	2010-11	2011-12	2010-11
Gross Revenue	125320.59	99386.25	126743.07	100408.25
Earnings Before Interest, Taxes and Depreciation	15747.73	12600.63	17002.67	13514.09
Less : Interest & Finance Charges	4603.14	2976.38	5310.52	3328.11
Less : Depreciation	787.50	630.89	1130.42	955.57
Profit Before Tax	10357.09	8993.36	10561.73	9230.41
Provision for Tax	2760.00	2379.22	2799.00	2426.47
Deferred Tax (Net)	513.23	581.86	513.23	631.00
Profit After Tax	7083.86	6032.28	7249.50	6172.94
Balance Brought Forward From Last Year	4320.84	1297.43	4648.78	1484.71
Amount Available for Appropriation	11404.70	7329.71	11898.28	7657.65
Appropriations :				
Interim Dividend	262.71	–	262.71	–
Proposed Dividend	262.71	437.84	262.71	437.84
Corporate Dividend Tax	85.24	71.03	85.24	71.03
Transfer to General Reserve	5000.00	2500.00	5000.00	2500.00
Balance Carried To Balance Sheet	5794.04	4320.84	6287.62	4648.78

Board of Directors



Standing (from left) : Mr. Maruti Maheshwari, Mr. Anjanee Kumar Lakhota and Mr. Ram Dayal Modi
Sitting (from left) : Mr. Surinder Singh Kohli, Mr. Ram Gopal Maheshwari, Mr. Ashwini Kumar Singh and Mr. Kumar Singh Baghel

Review of Operations

Your Company achieved total income of Rs. 125320.59 Lacs with an Earnings Before Interest, Taxes and Depreciation (EBIDTA) of Rs. 15747.73 Lacs for the year ended March 31, 2012 as against the total income of Rs. 99386.25 Lacs and EBIDTA of Rs. 12600.63 Lacs for the previous financial year 2010-2011. After providing for interest of Rs. 4603.14 Lacs and Rs. 787.50 Lacs for depreciation, the profit before tax is Rs. 10357.09 Lacs against the Profit Before Tax of Rs. 8993.36 Lacs for the previous financial year. The net profit after tax for the year ended March 31, 2012 was Rs. 7083.86 Lacs as against Rs. 6032.28 Lacs for the previous year.

Your Company has bagged prestigious orders across various segments of construction business, viz., Roads, Highways, Railways, Buildings and Housing. Order book of the Company stood at Rs. 252215 Lacs.

Dividend

The Board of Directors is pleased to recommend a final dividend of Rs. 1.50 (i.e. 15%) per equity share to the shareholders, in addition to the Interim Dividend of Rs. 1.50 (i.e. 15%) per equity share, already distributed during the year. The total dividend for the financial year 2011-12 including the proposed final dividend is Rs. 3.00 per equity share (i.e. 30%), subject to approval of the members at the forthcoming Annual General Meeting.

Transfer to Reserves

The Board of Directors proposes to transfer a sum of Rs. 5000 Lacs to the General Reserve Account.

Capital Expenditure

During the year under review, the Company has made additions of Rs. 1801.66 Lacs to its fixed assets.

BOT Projects and Subsidiary Companies

During the year 2011-12, the Company was awarded 3 new BOT Projects, including one project under consortium. These BOT Projects are at different stages.

The Company is implementing a 75.60 kms BOT project of Seoni-Katangi - Maharashtra Border Section of State Highway-54 for Madhya Pradesh Road Development Corporation Ltd (MPRDC) through its wholly owned subsidiary, MBL HIGHWAY DEVELOPMENT COMPANY LIMITED at a grant/subsidy of Rs. 59.50 Crores. The Project will be executed on Design, Build, Finance, Operate and Transfer ('DBFOT') basis with a concession period of 30 years. The financial closure for this project has been achieved and work is in progress.

The Company is also executing the project of Strengthening, Widening, Maintaining and Operating of 18.303 kms Waraseoni-Lalbarra Road of Madhya Pradesh on BOT (Annuity + Toll) basis, awarded by MPRDC, through a 100% owned subsidiary, MBL (MP) TOLL ROAD COMPANY LIMITED for a concession period of 15 years. The Project will be executed on Design, Build, Finance, Operate and Transfer ('DBFOT') basis with the right to collect toll. The concessionaire company will also receive annuity of Rs. 84.76 Crores (Rs. 3.26 Crores Semi-annual) from MPRDC, besides the right to collect Toll. The financial closure for this project has been achieved and work is in progress.

The Company has also been awarded the project for Developing and Operation of Bikaner – Suratgarh Section of NH – 15 in the State of Rajasthan by PWD, Rajasthan. The Project will be executed on Design, Build, Finance, Operate and Transfer

('DBFOT') basis with a concession period of 16 years including construction period of 24 Months. The project is for two laning with paved shoulder of Bikaner – Suratgarh Section of NH – 15 (Km 553/869 of NH – 11 to Km 173/000 of NH – 15 via Km 10/630 of NH – 15) in the State of Rajasthan. The project has been awarded to the consortium led by MBL Infrastructures, SREI Infrastructure being the other partner. The Total Cost of the project is exceeding Rs. 500 crores. Concession Agreement has been signed with PWD, Rajasthan.

In addition to the aforesaid, the Company already has an operational BOT project of 114-km long Seoni-Balaghat-Gondia Road in Madhya Pradesh, in its 100% owned subsidiary, AAP Infrastructure Limited.

With respect to the subsidiary companies, a statement pursuant to Section 212(1)(e) of the Companies Act, 1956, is annexed herewith as Annexure A.

Consolidated Financial Statements and Results

Your Company has prepared Consolidated Financial Statements in accordance with the applicable Accounting Standards. The Consolidated Financial Statements reflect the results of the Company and that of its subsidiaries. As required by Clause 32 of the Listing Agreement with Stock Exchanges, the Audited Consolidated Financial Statements together with the Auditors' Report thereon are annexed and form part of this Annual Report.

Out of the 3 subsidiary companies, the project under AAP Infrastructure Limited is in operation. The other two projects are under implementation.

Upon consolidation, the turnover of the Company and its subsidiary has shown a growth of 26.23%, moving from Rs. 100408.25 Lacs for the financial Year 2010-2011 to Rs. 126743.07 Lacs in the financial year 2011-2012. The earnings before interest, tax and depreciation (EBIDTA) increased to Rs. 17002.67 Lacs from Rs. 13514.09 Lacs in the previous year, the Net Profit after tax (PAT) increased to Rs. 7249.50 Lacs as against Rs. 6172.94 Lacs in the previous year.

Management Discussion and Analysis Report

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

Corporate Governance

Your Company is committed to high standards of the corporate ethics, professionalism and transparency. More than half of the Board is composed of independent directors and less than one-third of the directors are executive/wholtime. A separate section titled "Report on Corporate Governance" along with the Auditors' Certificate on Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is annexed hereto and forms a part of this Report.

Finance

Your Company has been pre-qualified to bid for projects having total project cost upto Rs. 471.67 Crores by the National Highway Authority of India ("NHAI"). The Company intends to selectively bid and obtain BOT projects and EPC Contracts, either on its own or in joint-venture with partners of repute. The growth plans of the Company, require availability of adequate capital at the Company's disposal in addition to the steady cash inflows from its operations and operational BOT project(s). Adequate arrangements have been made for the finance required as per the business plan.

Directors

Mr. Surinder Singh Kohli, Director of the Company, liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for re-appointment. The Board of directors recommends his re-appointment. Mr. Ram Gopal Maheshwari, Director of the Company, retire by rotation at the forthcoming Annual General Meeting and he has not expressed his willingness to be re-appointed.

Mr. Ram Dayal Modi was appointed as an Additional Director of the Company w.e.f. 21st October 2011. Mr. Modi will hold the office upto the date of the ensuing Annual General Meeting.

Appropriate resolution seeking your approval for the appointment of Mr. Modi as a Director of the Company, liable to retire by rotation, forms part of the notice calling the Annual General Meeting.

Directors' Responsibility Statement

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

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

Auditors

The Company's Auditors, M/s. Agrawal S. Kumar & Associates, Chartered Accountants, Statutory Auditors of the Company, who retire at the ensuing AGM, have not offered themselves for re-appointment as Auditors of the Company. On the advice of the Audit Committee, the directors recommend the appointment of M/s. Walker, Chandiok & Co., Chartered Accountants, as Auditors of the Company from the conclusion of the ensuing AGM. M/s. Walker, Chandiok & Co., have confirmed their eligibility under Section 224 of the Companies Act, 1956 for appointment as Auditors of the Company.

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

- (i) Conservation of energy is an ongoing process in the Company's activities. As the core activities of the Company are not energy intensive activity, no information is to be furnished regarding Conservation of Energy.
- (ii) Your company has not undertaken any research and development activity for any manufacturing activity nor any specific technology was obtained from any external sources which needs to be absorbed or adapted.
- (iii) The particulars of expenditure and earnings in foreign currency is furnished in Note – 36 of Notes on Financial Statements.

Public Deposits

The Company has not accepted any Public Deposit.

Human Resource Development

A combination of its reputation in the market, its working environment and competitive compensation programs allows your Company to attract and retain talented people. The senior management team consists of experienced individuals with diverse skills. As on 31.03.2012, the number of employees was 821.

Employees are the key to success. Your Company aims to become "employer of choice" in the industry and is on course to achieve the same.

Corporate Social Responsibility

Corporate Social Responsibility at MBL means much more than merely responding to social responsibility. The Company understands the mutual interdependence between its business and the economic, social and human environment that surrounds it.

MBL has an inclusive approach taking care of the interests of shareholders, employees & workers (direct or indirect), government, local community, suppliers (direct or indirect), clients and the society at large.

An essential component of the Company's Corporate Social Responsibility is to care for the community. The Company endeavours to make a positive contribution towards various social causes by supporting a wide range of socio-economic initiatives, engaging in socially responsible employee relations and making a commitment to the community around it. At MBL, CSR practices are dynamic to match the country's social requirements aimed at achieving higher levels of community development and then shifting the focus to higher realms of life.

Particulars of employees

There was no employee of the Company who received remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 [as Amended by Companies (Particulars of Employees) Amendment Rules, 2011 read with General Circular No. 23/2011 issued by Ministry of Corporate Affairs, Government of India].

Appreciation

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

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

The Directors wish to place on record their deep sense of appreciation for the devoted services of the Executives, Staff and Workers of the Company for its success.

By Order of the Board

New Delhi

Dated: 30th May, 2012

Ram Gopal Maheshwari

Chairman

Management Discussion and Analysis Report

Economic Overview

The Year saw a dip in the Indian Economy primarily due to industry slowdown triggered by the tightening of the monetary policy, aimed at controlling inflation. This however led to slowdown in investment activities of the industry, leading to lower industrial production.

A difficult year however does not indicate a grim future. The monetary policies have though started showing results with marginal fall in inflation rates, the risks related with the crude prices still remain the biggest challenge. The rise in investment proposals in the infrastructure sector is the silver lining in the cloud.

Construction Industry – Structure

The Indian construction industry plays a pivotal part in the national economic growth. It has witnessed rapid growth over the last few years, clearly indicating the benefit of securing “industry” status. The Construction Sector is strongly linked to the overall growth and development of the economy. The industry is the second largest employer after agriculture in the country.

More than half of the construction activity is generated from infrastructure sector, followed by industrial, commercial and residential sectors.

Highways and Roads

For a country of India’s size, an efficient road network is necessary both for national integration as well as for socio-economic development. Road connectivity forms the backbone for economic and social development of any country through connectivity and opening up the backward regions to trade and investment. However, to their importance to the national economy, the road network in India is grossly inadequate. The existing network is unable to cope up with high traffic density.

Currently, at 3.3 million km, India’s road network is the second largest in the world. The road network comprises 71,772 km of national highways, 1,31,899 km of state highways, and 31,20,000 km of major district, rural and other roads. Road density in terms of population is only 2.75 km per 1,000 people compared to the world average (6.7). Indian roads carry about 80% of passenger traffic and 65% of freight traffic. Further, only 17% of the national highways and 1% of the state highways are four-lane. About 53% of the national highways and 22% of the state highways are double-lane. Moreover, the number of vehicles has been growing at an average pace of 10.16% per annum over the last five years.

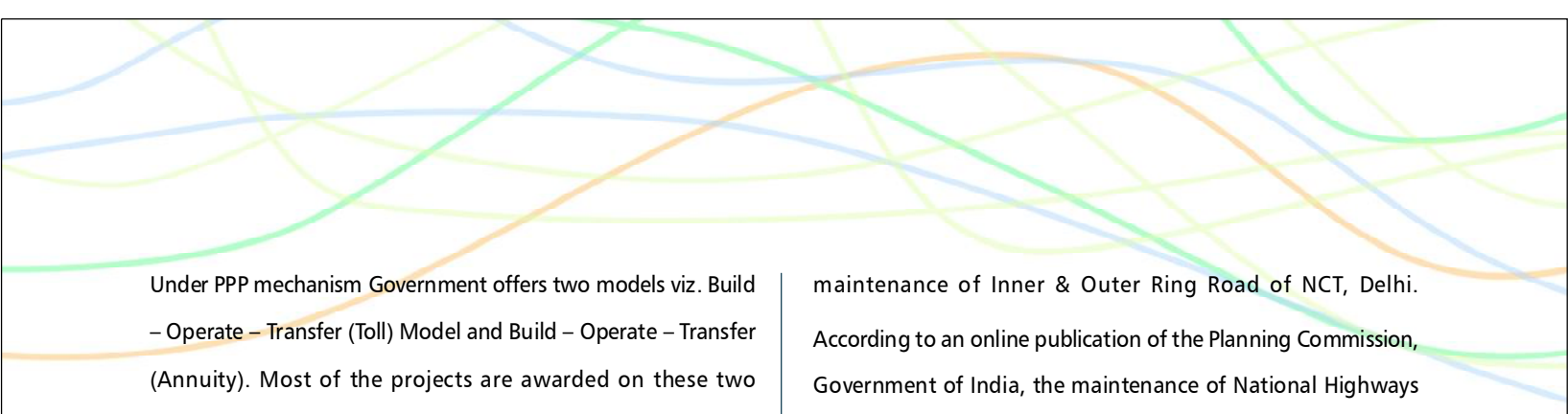
Our National highways constitute only 2% of the total road network but they carry nearly 40% of the total traffic. State highways constitute about 13% of the road length and carry 40% of the traffic.

The Indian Government has set ambitious plans for upgrading of the National Highways in years to come.

Public-Private Partnership (PPP)

Historically, investments in the infrastructure space, particularly in the highways, were being made by the Government mainly because of the large volume of resources required, long gestation, uncertain returns and associated externalities. The galloping resource requirements, concern for managerial efficiency and consumer responsiveness have led in recent times to an active involvement of the private sector.

It has been decided that all the sub-projects in NHDP Phase-III to Phase-VII would be taken up on Public-Private Partnership (PPP) basis in Build Operate and Transfer (BOT) mode. To this end, and to encourage participation of private sector, the Department of Road Transport and Highways has laid down comprehensive policy guidelines for private sector participation in the highway sector.



Under PPP mechanism Government offers two models viz. Build – Operate – Transfer (Toll) Model and Build – Operate – Transfer (Annuity). Most of the projects are awarded on these two models.

Out of the two models, BOT (Toll) has been preferred, accounting for 75% of the total private investment. The Government has further modified this model to Design-Build-Finance-Operation-Transfer (DBFOT), wherein Concessionaire also designs the project.

With an aim to increase the capacity in the various transport sectors, the 12th Five Year Plan necessitates the involvement of private sector more aggressively.

MBL has successfully implemented the project of Seoni - Balaghat - Gondia Road on BOT basis through SPV, AAP Infrastructure Ltd., a wholly owned subsidiary of the Company. In the year under review, the Company bagged good opportunities in PPP Projects.

The Company has been awarded two BOT Projects in the State of Madhya Pradesh. Financial closure for both the projects have been achieved.

The Consortium led by the Company has been awarded project for two laning with paved shoulder of Bikaner – Suratgarh Section of NH – 15. Project will be executed on a Design, Build, Finance, Operate & Transfer (Toll) basis.

Corridor Management

The completion of construction of many sections of National Highways has necessitated the corridor management through operation and maintenance contracts. The scope of work, among other things, includes road maintenance, road property management, incident management, traffic management, toll fee collection and engineering improvements. MBL has been prequalified by NHAI for projects having TPC upto Rs. 4014.00 millions for the year 2012 for OMT Contracts.

MBL was awarded the first ever contract for comprehensive

maintenance of Inner & Outer Ring Road of NCT, Delhi.

According to an online publication of the Planning Commission, Government of India, the maintenance of National Highways would be further strengthened under the 12th Five Year Plan. It is expected that 4,360 kms of roads will be awarded for maintenance under the OMT (Operate, Maintain, Transfer) system in the year 2012-2013. MBL has an early mover advantage in this sector.

Buildings – Housing Projects

Housing is another critical segment of the infrastructure industry. It currently contributes 5% of the India's GDP and is expected to rise to 6 % in the next five years as against 20% in most of other economies, with a total investment of \$ 5 tn in next 20 years. The Housing Segment is driven by demand force. There is a massive demand for living space, estimated at over 22 million dwelling units. There is also rapid urbanization creating a steady growth in demand for space, which according to the McKinsey, is between 700 and 900 million sq m every year, including commercial space.

As there are many small players, there is dearth of quality contractors. For national developers, the focus is on the cities, which have assured demand and are more profitable to develop. Large projects are therefore confined to metros and mini-metros and successful development of such projects has historically been among the most profitable enterprises. 'Affordable Housing' is likely to swing construction demand in the sector.

During the year under review, the Company has significantly developed the housing construction business sector. The Company has been awarded various housing projects. In the State of Madhya Pradesh, the Company is executing project for Construction of 222 Flats (Basement + stilt + 10 storey) Keelandev Towers including development work by the side of Main Road No. 1 Near Shivaji Nagar, Bhopal (M.P.), Construction of 96 flats (Basement + Gr + 12 storey) and

development of 1.86 acre land at Tulsi Nagar, Bhopal (M.P.) and Construction of 92 flats (Stilt+6) Mahadev Parisar, and commercial block including development works opposite Board office at Shivaji Nagar, Bhopal for Madhya Pradesh Housing & Infrastructure Board.

The Company is also executing the project of Construction of Residential Accommodation for NHAI staff at Pocket B5, Sector-17, Dwarka, New Delhi for Rs. 493.10 millions for NHAI and Construction of Group Housing Residential Apartments namely "NBCC Town" on Delhi Saharanpur Highway for Rs. 348.66 millions for NBCC.

Railways

Metro rail projects and other mass rapid transport systems are also being planned across urban locations to ease traffic congestion, allow rapid connectivity and control pollution levels.

As a natural and obvious progression, the Company is foraying into the railway sector as well. Besides being pre-qualified for Dedicated Freight Corridor, the Company has been awarded projects by DMRC, Western Railway, RITES and RVNL.

During the year under review, the Company was awarded the project for Design and Construction of 80 Units Multi Storey (B+S+10) Type-V Flats for Railway Officers and allied works near Safdarjung Railway Station in Chankyapuri Area, New Delhi for Rs. 322.97 millions for Rail Vikas Nigam Limited (RVNL).

The Company has also made its maiden entry in Metro Rail Segment. The Company has been awarded the project for Construction of Sarai Station on Badarpur - Faridabad corridor of Delhi MRTS Phase- III by DMRC.

The Company is also executing several projects of Railway overbridges, Railway underpasses, their approaches, etc.

Opportunities

Investment projected for the Twelfth Five Year Plan

Sustained GDP growth in India is possible only with adequate investment in infrastructure. The 12th Five Year Plan aims to

put the economy back on high growth trajectory of 9 per cent. Preliminary assessment suggests that investment in infrastructure during the Twelfth Plan (2012-17) would be about Rs. 4.10 Million Crores to achieve a share of 9.95 percent as a proportion of GDP.


The Government of India has already initiated number of policies to attract private investments in the Road Sector, such as :

- Carrying out all preparatory work including land acquisition and utility removal. Right of way (ROW) to be made available to concessionaries free from all encumbrances.
- NHAI/GOI to provide capital grant upto 40% of project cost to enhance viability on a case to case basis.
- 100% tax exemption for 5 years and 30% relief for next 5 years, which may be availed of in 20 years.
- Concession period allowed upto 30 years.
- Redrafting of Arbitration and Conciliation Act, 1996 based on UNICITRAL provisions
- Allowing entrepreneurs to collect and retain tolls in BOT projects.
- Duty free import of specified modern high capacity equipment for highway construction.

There are different contract models currently being adopted for Public Private Partnership (PPP) in developing India's infrastructure facilities which vary in the distribution of risks and responsibility between the public and the private sectors.

Threats, Risks and Concerns

Worldwide, the construction sector is characterised by a plethora of players and the Indian scenario is no different. There are many construction companies currently operating in India. The Construction industry is marked with low entry barriers, with several regional and national players dotting the competitive landscape. As a result, despite the strong demand scenario and a definite surge in flow of orders, the margins in the sector have remained low. That apart, the working capital cycle has



elongated significantly for many companies over a period of time. Thus, construction players have lacked the bargaining power not only in terms of pricing but also in negotiating payment terms in the contracts. Major concerns include decrease in demand, increase in prices of construction material, lack of credit, increase in cost of funds, etc.

The key risks for the construction sector are increasing commodity prices, increasing interest rates and funding constraints. While infrastructure spending will accelerate, tighter credit conditions may result in a slowdown of private sector activity. Your Company minimises risks by micro-management of its elements and has broad based its portfolio of operations and developed management and organisational skills to protect it from adverse situations.

Our Business Overview

MBL has good experience in construction and maintenance activity. The Company is engaged in cash contracts and BOT projects. Cash contracts provide short term profitability whereas BOT projects give long term visibility and steady cash flow. The Company has a well diversified order book across various verticals of civil engineering projects, such as road construction and maintenance, railway projects, building and housing construction, etc.

Our focus remains on projects wherein we believe there exist high potential for growth and where we enjoy competitive advantage. This strategy is paying its dividends. Our business strategy has helped us to manage our risks better and stride for growth, ensuring long term sustainability with high profitability.

We continue to focus on operation and maintenance of roads, where we have an early mover advantage.

Our Project execution capabilities

We believe that we have developed a reputation for undertaking challenging infrastructure and construction projects and completing them in timely manner. We intend to continue to

focus on performance and project execution in order to maximise client satisfaction. We leverage technologies, designs and project management tools to increase productivity and maximise asset utilisation in capital-intensive activities. We continue to optimise operating and overhead costs to maximise our operating margins. Our ability to effectively manage projects will be crucial to our continued success as a recognised infrastructure company. We believe that we stand distinguished from our peers because of our management strength and in-house development, construction, operation and maintenance capabilities. We intend to continuously strengthen our execution capabilities by adding to our existing pool of professional team, attracting fresh talent, and facilitating continuous learning with in-house and external training opportunities.

Outlook

With more than a decade's track record of proven performance and immense opportunities available in the core competency area of the Company, a higher growth business plan has been adopted by the Company. Preliminary assessment suggests that investment in infrastructure during the Twelfth Plan (2012-17) would be about Rs. 4.10 Million Crores. For Financial year 2012-13, NHAI has laid down a very significant outlay of around 11,000 kilometers which it intends to award during the year. Your Company has been prequalified for a substantial number of projects.

Your Company is evaluating various options for venturing into other infrastructure facilities so as to maximise shareholders' value.

India is at the threshold of landscaping its future and MBL is here to drive the growth with its infrastructural excellence.

Internal Control Systems and Their Adequacy

The Company has laid down guidelines, procedures and policies for better management control, which are periodically tested and supplemented by an extensive internal audit program. Significant findings are placed before the Audit Committee of the Board and the corrective measures are recommended for implementation. In the opinion of the management, the existing internal checks & controls are adequate.

Financial Review and Analysis

Your Company reported revenues of Rs. 125320.59 Lacs, registering a 26.09% percent increase over FY 2010-11 and Profit after tax increased from Rs. 6032.28 Lacs to Rs. 7083.86 Lacs during FY 2011-12.

Sales & Other Income

Sales growth was primarily driven by increased level of orders in hand and efficient execution of projects-in-hand. Other income constitutes mainly income from Interest from fixed deposits, etc.

Raw materials consumed

Raw material consumption value has increased. This has been mainly due to higher volumes, higher in-house execution and increased prices.

Interest & Finance Charges

The net interest and finance charges increased during the year due to higher interest rates and increased availment of working capital facilities for operations of the Company.

Profit before Tax

Your Company has registered a PBT of Rs. 10357.09 Lacs as against Rs. 8993.36 Lacs last year. PBT has slightly decreased due to higher interest rates, high cost of raw materials, power & fuel and also charge of higher depreciation.

Profit after Tax

Your Company has registered PAT of Rs. 7083.86 Lacs as against Rs. 6032.28 Lacs last year. This denotes an increase of 17.43% over the previous year.

Investments

During the year the Company has invested Rs. 45.18 Crores in MBL Highway Development Company Limited and Rs. 15.00

Crores in MBL (MP) Toll Road Company Limited, towards its commitment for execution of BOT projects.

Key Ratios

Key financial ratios improved during the year due to better operational and financial performance, summary of which is given below:

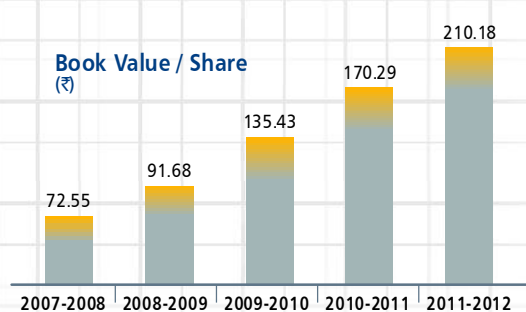
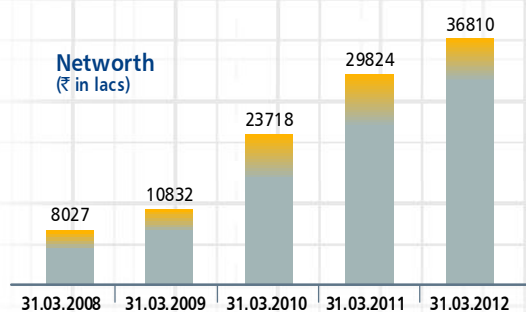
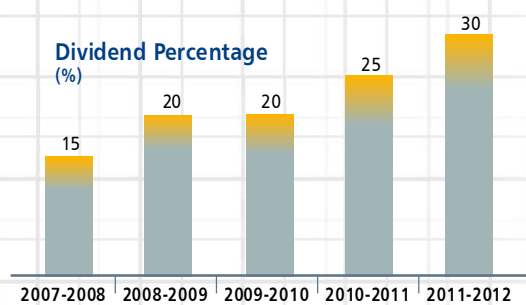
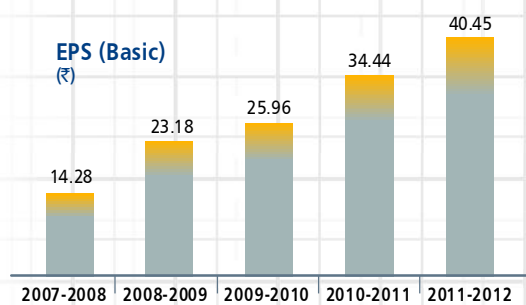
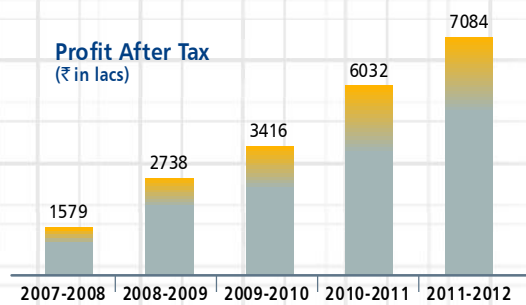
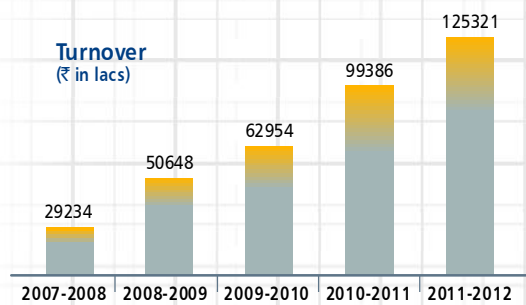
Particulars	2011-12	2010-11
EBIDTA / Turnover (percent)	12.57	12.68
Profit After Tax / Turnover (percent)	5.65	6.07
EBIDTA / Net Interest (no. of times)	3.42	4.23
Debt to Equity	0.13	0.23
Return on Average Capital Employed (percent)	18.09	15.19
Return on Equity (percent)	19.24	20.23
Book Value per share (Rs./share)	210.18	170.29
Earnings per share (Rs./share)	40.45	34.44
Market Capitalisation (Rs. million) as on 31st March	3157	3095

New Delhi

Dated: 30th May, 2012

By Order of the Board
Ram Gopal Maheshwari
Chairman

Financial Snapshot



Annexure – A

Statement pursuant to Sec. 212 of the Companies Act, 1956 relating to Subsidiary company.

Name of the Subsidiary Company	AAP Infrastructure Limited	MBL Highway Development Company Limited	MBL (MP) Toll Road Company Limited
The Financial year of the subsidiary company ended on	31.03.2012	31.03.2012	31.03.2012
Number of shares held and extent of holding thereof by the holding company, at the above date			
a) The number of equity shares of Rs.10/-each fully paid	1,20,00,000	4,51,76,000	1,50,00,000
b) Extent of holding in percentage terms	100%	100%	100%
The net aggregate profits or (losses) of the subsidiary company for the current financial year so far as it concerns the member of the holding company			
a) Dealt with or provided in the accounts of the holding company (Rs. in lacs)	NIL	NIL	NIL
b) Not dealt with or provided in the accounts of the holding company (Rs. in lacs)	165.65	NIL	NIL
The net aggregate profits or (losses) of the subsidiary company for the previous financial years so far as it concerns the member of the holding company			
a) Dealt with or provided in the accounts of the holding company (Rs. in lacs)	NIL	NA	NA
b) Not dealt with or provided in the accounts of the holding company (Rs. in lacs)	140.66	NA	NA

Report on Corporate Governance

1. Company's Philosophy on Code of Governance

The Company's philosophy on corporate governance revolves around fair and transparent governance and disclosure practices in line with the principles of good corporate governance. This philosophy is backed by principles of concern, commitment, ethics, excellence, and learning in all its acts and relationships with stakeholders, clients, associates, and community at large.

2. Date of Report

The information provided in the Report on Corporate Governance for the purpose of unanimity is as on March 31, 2012. The Report is updated as on the date of the report wherever applicable.

3. Board of Directors

As on March 31, 2012, the Board of Directors of the Company comprised of seven members (including four independent non-executive directors) with vast experience in civil engineering, construction, finance, banking and management. The Board has been enriched with the skills and experience of the independent directors. Other than receiving sitting fees, none of the independent directors has any pecuniary or business relationship with the Company.

Sr. No.	Category	Name of Director	Date of Appointment
1	Promoter and Non-Executive	Mr. Ram Gopal Maheshwari	25th August 1995
2	Promoter and Executive	Mr. Anjaneer Kumar Lakhotia Mr. Maruti Maheshwari	25th August 1995 19th April 2006
3	Independent and Non-Executive Directors	Mr. Ashwini Kumar Singh Mr. Kumar Singh Baghel Mr. Surinder Singh Kohli Mr. Ram Dayal Modi	29th May 2006 09th September 2006 25th June 2010 21st October 2011

Attendance Records and other Directorships/Committee Memberships

Name of the Directors	Category	No. of other ^ Directorships*	No. of other ^ Board Committee(s)** in which he is		Attendance Particulars	
			Member	Chairman	Last AGM held on 6th August 2011	Board Meeting held during 2011-2012
Mr. Ram Gopal Maheshwari	Promoter Non-Executive	2	Nil	Nil	YES	4 out of 5
Mr. Anjanee Kumar Lakhotia	Promoter - Executive	8	3	1	YES	5 out of 5
Mr. Maruti Maheshwari	Promoter - Executive	4	1	—	YES	3 out of 5
Mr. Ashwini Kumar Singh	Independent - Non - Executive	3	1	—	NO	2 out of 5
Mr. Kumar Singh Baghel	- do -	2	—	2	YES	4 out of 5
Mr. Surinder Singh Kohli	- do-	9	6	6	YES	5 out of 5
Mr. Ram Dayal Modi ^ ^	- do-	1	—	1	—	2 out of 2

^ Excluding MBL Infrastructures Limited.

^ ^ Appointed with effect from 21st October 2011.

* Also includes directorships other than Public Limited Companies.

** Also includes committees other than Audit & Shareholders/Investors Grievance Committees.

Mr. Ram Gopal Maheshwari and Mr. Anjanee Kumar Lakhotia are brothers. Mr. Maruti Maheshwari is son of Mr. Ram Gopal Maheshwari. No other director is related to any other director of the Company within the meaning of Section 6 of the Companies Act, 1956

Report on Corporate Governance *(Contd.)*

Meetings

During the Financial Year 2011-2012, the Board of Directors met 5 (five) times on the following dates:

April		July		October		January	
to	29.05.2011	to	14.08.2011	to	14.10.2011	to	13.02.2012
June		September		December	14.11.2011	March	
2011		2011		2011		2012	

Information about the Director(s) seeking appointment/re-appointment

The brief resume and other details relating to director(s) seeking appointment / re-appointment, as required to be disclosed under Clause 49 of the Listing Agreement, are given as part of the Notice Calling the Annual General Meeting.

4. Audit Committee

The role and power of the Audit Committee includes:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
6. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees.
7. Approval of payment to statutory auditor for any other services rendered by statutory auditors.
8. Reviewing with management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters to be included in the Directors Responsibility Statement to be included in the Board Report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.

- f. Disclosure of any related party transactions
- g. Qualification in the draft audit report.
9. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
10. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or right issue and making appropriate recommendations to the Board to take up steps in this matter.
11. Reviewing with the management, performance of statutory and internal auditors, and adequacy of internal control systems.
12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
13. Discussion with internal auditors any significant findings and follow up thereon.
14. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
15. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
17. To review the functioning of the Whistle Blower Mechanism.
18. Carry out any other functions as is mentioned in the terms of reference of the Audit Committee.
19. Approval of appointment of CFO

Composition, Meetings & Attendance

Name of the Members	Category	No. of Meetings attended	Dates on which Meetings held
Mr. Kumar Singh Baghel (Appointed as Chairman w.e.f. 09.08.2011)	Independent - Non-Executive	4 out of 4	29.05.2011
Mr. Ashwini Kumar Singh	- do -	3 out of 4	14.08.2011
Mr. Surinder Singh Kohli (Ceased as a Member cum Chairman w.e.f. 09.08.2011)	- do -	1 out of 1	14.11.2011 12.02.2012
Mr. Anjaneer Kumar Lakhotia	Promoter - Executive	4 out of 4	

Report on Corporate Governance (Contd.)

5. Remuneration Committee

The Company has a Remuneration / Selection Committee comprising of three non-executive independent directors as on 31st March, 2012. The broad terms of reference of the Remuneration / Selection Committee are to decide, consider, review and recommend the remuneration of all the executive / wholetime directors and other payments that are required to be paid by the Company to the Directors. The Remuneration / Selection Committee also approves the selection and remuneration of relative(s) of director for holding place of office or profit in the Company pursuant to the Director's Relatives (Office or Place of Profit) Rules, 2003.

Composition

Name of the Director	Position	Category
Mr. Ashwini Kumar Singh	Chairman	Independent - Non-Executive
Mr. Surinder Singh Kohli	Member	- do -
Mr. Kumar Singh Baghel	Member	- do -

The Committee did not hold any meeting during the financial year ended March 31, 2012.

Remuneration Policy

The Non-Executive Directors are being remunerated by way of fees of Rs. 20,000/- for attending each meeting of Board and its committee thereof. As per the terms of the respective appointments, the Executive/Wholetime Directors of the Company are not entitled for any such meeting fees, incentives fixed/linked with the performance, severance fees, stock options etc.

Remuneration to Directors paid during the financial year 2011-2012 and other disclosures

Name of the Director	Salary (Rs.)	Benefits (Rs.)	Contribution to PF, Gratuity and other Funds (Rs.)	Meeting Fees (Rs.)	Service Contract/ Tenure	Notice Period	Number of Shares held
Mr. R. G. Maheshwari	—	—	—	80,000	N.A.	N.A.	22,48,750
Mr. A. K. Lakhotia	24,00,000	—	—	—	01-07-2009 to 30-06-2014	3 Months	5,08,000
Mr. M. Maheshwari	18,00,000	—	—	—	01-07-2009 to 30-06-2014	3 Months	24,500
Mr. S. S. Kohli	—	—	—	1,40,000	N.A.	N.A.	—
Mr. K. S. Baghel	—	—	—	1,60,000	N.A.	N.A.	—
Mr. A. K. Singh	—	—	—	1,20,000	N.A.	N.A.	—
Mr. R. D. Modi	—	—	—	40,000	N.A.	N.A.	—

6. Shareholders/Investors Grievance Committee

W.e.f. 09.08.2011, the Shareholders/Investors Grievance Committee is being headed by Mr. S. S. Kohli, an Independent Non-Executive Director of the Company. **Mr. Nitin Bagaria, Company Secretary**, is the Compliance Officer of the Company. During the financial year 2011-2012, no complaints were received from the shareholders.

7. General Body Meetings

The details of last three Annual General Meetings (AGMs) held are as under:

No. of AGM and FY	Date of Meeting	Venue	Time
16th AGM 2010-2011	Saturday, 6th August, 2011	"Kalakunj", 48, Shakespeare Sarani, Kolkata - 700017	3.30 P.M.
15th AGM 2009-2010	Saturday, 18th September, 2010	"Kalakunj", 48, Shakespeare Sarani, Kolkata - 700017	3.30 P.M.
14th AGM 2008-2009	Tuesday, 29th September, 2009	23A, N.S. Road, 3rd Floor, Room No.14, Kolkata – 700 001	11.30 A.M.

No Special Resolution was proposed in the last three AGMs.

8. Disclosures

During the year under review, the Company had not entered into any materially significant transaction with any related party that may have potential conflict with the interests of the Company at large. The transactions with related parties, in normal course of business, have been disclosed separately in the Notes on the Financial Statements.

No penalties, strictures have been imposed by any Stock Exchange, SEBI and/or any other statutory authority, on any matter related to capital markets, during last three years.

The Company has a Whistle Blower policy, and it affirms that access to the senior management/audit committee has not been denied to any personnel of the Company.

All mandatory requirements of Clause 49 of the Listing Agreement have been appropriately complied with and the status of non-mandatory requirements is given below:

1. The Board has constituted a Remuneration Committee whose terms of reference, composition and other relevant particulars have been mentioned in this report.
2. The Financial Statements are free from any Audit Qualifications.
3. The Company has a Whistle Blower Policy. Access to the senior management/Audit Committee has not been denied to any personnel of the Company.

Report on Corporate Governance (Contd.)

9. Means of Communication

The quarterly / annual results of the Company are generally published in Business Standard (All Editions), Economic Times (Selected Editions) and Kalantar (Regional) and displayed on the website of the Company namely www.mblinfra.com. During the year under review, the official news had also been displayed on the website.

10. General Shareholder information

Annual General Meeting	Date	: Saturday, the 4th day of August 2012
	Time	: 3.30 P.M.
	Venue	: "Kalakunj", 48, Shakespeare Sarani, Kolkata - 700017
Financial Year	:	1st April 2011 to 31st March, 2012
Date of Book Closure	:	28th July 2012 to 4th August 2012 (Both days inclusive)
Dividend Payment Date	:	Within 30 days from the date of AGM

Listing on Stock Exchanges & Stock Code

Bombay Stock Exchange Limited	National Stock Exchange of India Limited
Phiroze Jeejeebhoy Towers	Exchange Plaza, Bandra-Kurla Complex
Dalal Street, Mumbai 400 001	Bandra (E), Mumbai – 400 051
(Stock Code – 533152)	(Symbol – MBLINFRA)

The Company has paid the annual listing fees for the financial year 2012-2013.

Market Price Data and Number of Shares traded at Bombay Stock Exchange Limited and at National Stock Exchange of India Limited during the Financial Year 2011-2012

Bombay Stock Exchange Limited			MONTH	National Stock Exchange of India Ltd.		
High	Low	Volume		High	Low	Volume
204.00	177.55	2,17,552	April	205.00	177.00	2,90,237
186.90	138.00	1,53,560	May	184.45	138.35	2,88,754
164.45	135.00	2,10,920	June	172.70	135.00	5,27,703
161.95	146.00	1,17,568	July	167.00	146.00	1,96,838
157.00	96.60	2,22,407	August	159.00	96.55	4,41,293
139.00	110.00	86,729	September	142.00	110.30	1,80,792
139.70	123.10	18,403	October	143.00	123.10	1,30,769
131.90	102.00	46,973	November	132.85	101.50	2,58,597
128.40	93.10	40,232	December	116.90	92.50	3,64,344
153.85	109.00	1,07,854	January	155.00	108.10	3,23,846
178.45	142.05	1,67,776	February	179.00	142.15	4,48,759
200.00	160.00	3,74,075	March	199.90	159.00	7,55,621

Performance in comparison to broad based indices:

	31.03.2012	1.04.2011	Change (%)
Share prices of MBL INFRA (Rs.) (BSE)	180.25	183.15	-1.58
V/s BSE Sensex	17,404.20	19,420.39	-10.38
Share prices of MBL INFRA (Rs.) (NSE)	179.70	183.15	-1.88
V/s NSE Nifty	5295.55	5826.05	-9.05

Registrar & Share Transfer Agents : Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (W)
Mumbai – 400 078
Phone – 022-2596 – 3838
Email id : mumbai@linkintime.co.in

Kolkata Office – 59C, Chowringhee Road,
3rd Floor, Kolkata – 700 020
Email id: kolkata@linkintime.co.in

Share Transfer System : The Transfer of Shares is affected by the Registrars after necessary approval of the Board / Share Transfer Committee. The process of Share Transfer generally takes 1-2 weeks.

Distribution of Shareholding as on 31st March, 2012

Sl. No.	Category of Shareholders (No. of Shares Held)	Number of Shareholders	Percentage of Shareholders	Number of Shares Held	Percentage of Holding
1	1-500	5218	90.73	574555	3.28
2	501-1000	243	4.23	185567	1.06
3	1001-2000	119	2.07	180617	1.03
4	2001-3000	37	0.64	94731	0.54
5	3001-4000	25	0.44	89846	0.51
6	4001-5000	16	0.28	76542	0.44
7	5001-10000	33	0.57	258172	1.48
8	10001 & above	60	1.04	16053697	91.66
	Total	5751	100.00	17513727	100.00

Report on Corporate Governance *(Contd.)*

Shareholding Pattern as on 31st March, 2012

Category	Number of Shares held	Percentage (%)
Promoter and Promoter Group		
Mr. Ram Gopal Maheshwari	22,48,750	12.84
Mr. Anjanee Kumar Lakhotia	5,08,000	2.90
Mr. Maruti Maheshwari	24,500	0.14
Mrs. Uma Devi Lakhotia	49,125	0.28
Mr. Aditya Maheshwari	50,000	0.29
Mr. Anuj Maheshwari	50,000	0.29
Mrs. Sweta Maheshwari	29,250	0.17
Other Relatives / Individuals	Nil	N.A.
MBL A Capital Limited (Formerly SMH Capital Ltd.)	39,18,187	22.37
Prabhu International Vyapar Pvt. Ltd.	31,60,290	18.04
Other Companies	Nil	N.A.
Family/Charitable/Beneficial Trusts and HUFs'	Nil	N.A.
Sub-Total (A)	100,38,102	57.32
Non Promoters / Public		
Foreign Institutional Investors	2,91,570	1.67
Non-Resident Indians	81,507	0.46
Mutual Funds	25,15,906	14.36
Financial Institutions / Banks	Nil	N.A.
Corporate Bodies (other than above)	27,94,306	15.96
Resident Indians	17,16,850	9.80
Employees	5,545	0.03
Others (Including Clearing Members)	69,941	0.40
Sub-Total (B)	74,75,625	42.68
Total (A+B)	175,13,727	100.00

Dematerialisation & Liquidity of Shares : The ISIN allotted by NSDL and CDSL is INE912H01013. Almost 100.00% of the total equity shares are in dematerialised form upto 31st day of March, 2012. The shares are regularly traded at BSE & NSE.

Outstanding GDR/ADR/Warrants or any Convertible instruments : Nil

Unpaid/Unclaimed Dividend

In terms of Section 205A and 205C of the Companies Act, 1956, the Company is required to transfer the amount of dividend remaining unclaimed for a period of seven years from the date of transfer from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Shareholders are requested to claim the dividend(s) from the Company before transfer to the IEPF Account.

Due date for transfer of unclaimed dividend to IEPF is as follows:

Financial Year	Unclaimed Dividend as on 31.03.2012 (Rs. P.)	Due Date for transfer to IEPF
2009-2010	18,510.00	17.10.2017
2010-2011	28,897.50	04.09.2018
2011-2012 (Interim Dividend)	9,283.50 ^	13.03.2019

^ This figure doesn't include amounts against which dividend warrants have been issued but were not presented for encashment upto 31.03.2012

The Company has introduced an online facility to track the amount of unclaimed dividend payable to an investor. This online tracking system can be accessed at <http://www.mblinfra.com/unclaimeddividend.php>

Address for correspondence

: **Share-related queries/correspondences**
Registrar & Share Transfer Agents – Address as above
OR
Mr. Nitin Bagaria
Company Secretary and Compliance Officer
MBL Infrastructures Limited
23A, N. S. Road, 3rd Floor, Room No. 14,
Kolkata - 700 001
Telephone - 033-2230-2353/1671
Fax - 033-2230-8807
E-mail : cs@mblinfra.com
Website: www.mblinfra.com

For & on behalf of the Board

New Delhi
Dated : 30th May, 2012

Ram Gopal Maheshwari
Chairman

Certification

DECLARATION REGARDING CODE OF CONDUCT

To

The Members of MBL Infrastructures Limited

I hereby declare that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company. The Code is posted on the Company's website www.mblinfra.com

For MBL Infrastructures Limited

New Delhi

Dated : 30th May, 2012

Anjaneer Kumar Lakhota

CEO & Wholetime Director

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND VICE PRESIDENT (FINANCE AND ACCOUNTS) OF THE COMPANY

We have reviewed the financial statements and the cash flow statement for the year ended 31.03.2012 and 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;
- (iii) there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we are not aware of any deficiency, in the design or operation of such internal controls, which is to be disclosed to the Auditors and the Audit Committee.

We have indicated to the Auditors and the Audit Committee:

- (i) that there were no significant changes in internal control over financial reporting during the year;
- (ii) that there were no significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
- (iii) that there were no instances of significant frauds of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yours Sincerely,

New Delhi

Dated : 30th May, 2012

Anjaneer Kumar Lakhota
CEO and Wholetime Director

R. N. Bansal
VP (F&A)

Certificate on Corporate Governance

To
The Members of
MBL Infrastructures Limited

We have examined the compliance of conditions of Corporate Governance by **MBL Infrastructures Limited ("the Company")** for the year ended on 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the Company with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

The Registrar and Share Transfer Agent of the Company has certified that no complaints were received during the year from the investors and that no complaint was pending as at the year end and that no complaint was unattended / pending for more than 30 days.

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.

For Agrawal S. Kumar & Associates
Chartered Accountants
Firm Registration No. 322324E

(M. K. Jhawar)
Partner
Membership No. 061308
New Delhi
Dated : 30th May, 2012

The background features a light gray gradient. At the top, there are several overlapping, wavy lines in shades of blue, green, and orange. In the bottom left corner, there is a large, dark blue gear. To its right, there is a faint, light blue outline of another gear. The text 'FINANCIAL SECTION' is written in bold, orange, sans-serif capital letters, positioned to the right of a thin vertical white line.

FINANCIAL SECTION

Auditors' Report

To
The Members of
MBL Infrastructures Limited

1. We have audited the attached Balance Sheet of M/s MBL Infrastructures Limited, as at March 31, 2012 and the related Profit and Loss Account annexed thereto and 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 the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An Audit includes examining, on 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.
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 the 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, the Profit and Loss Account and the Cash Flow Statement dealt with by this

report are in agreement with the books of accounts as submitted to us.

- d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report have been drawn up in compliance 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 March 31, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give 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 March 31, 2012;
 - ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Agrawal S. Kumar & Associates
Chartered Accountants
Firm Registration No. 322324E

(M. K. Jhawar)
Partner
Membership No. 061308

New Delhi
Dated : 30th May, 2012

Annexure to the Auditors' Report

Referred to in paragraph 3 of our report of even date

1. In respect of Fixed Assets :
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
 - (b) As explained to us, all the fixed assets have been physically verified by the management at reasonable intervals and in accordance with a phased programme of verification, which, in our opinion, is reasonable, considering the size and nature of the business. No material discrepancies were noticed on such verification.
 - (c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of Inventories :
 - (a) As explained to us, inventories have been physically verified by the management at the end of the year. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its business.
 - (b) The procedure of physical verification of inventories followed by the management in our opinion is reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) On the basis of our examination, we are of the opinion that the Company is maintaining proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
3.
 - (a) The brought forward loan given by the Company to another company, covered in the register maintained under Section 301 of the Companies Act, 1956, has been fully recovered during the year and no fresh loans have been given by the company during the year to such parties.
 - (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered under register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and sale of inventory. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal control system.
5. According to the information and explanations given to us, we are of the opinion that the particulars of the transactions, if any, made in pursuance of the contract or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
6. According to the information and explanations given to us, the Company has not accepted any deposits from the public so far upto 31st March 2012. Therefore, the provisions of clause (vi) of Paragraph 4 of the Order are not applicable to the Company.
7. In our opinion, the Company has an internal audit system in commensurate with its size and the nature of its business.
8. To the best of our knowledge the Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the products of the Company.
9.
 - (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has generally been regular in depositing, during the year, the undisputed statutory dues including, Income Tax, Sales Tax, Cess and other statutory dues as applicable, with appropriate authorities.
 - (b) According to the information and explanations given to us, no undisputed amount is payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty, Cess and other material statutory dues, were in arrears, as at 31st March, 2012 for a period of more than 6 months from the date they became payable.
10. The Company does not have accumulated losses as at March 31, 2012 and it has not incurred any cash losses

Annexure to the Auditors' Report (Contd.)

- during the financial year ended on that date and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to the banks.
 12. According to the records of the Company, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
 13. In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of Paragraph 4 of the Order are not applicable to the Company.
 14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures, and other investments. Accordingly, the provisions of clause (xiv) of Paragraph 4 of the Order are not applicable to the Company.
 15. According to the information and explanations provided by the management, the terms and conditions of the guarantees given by the Company for loans taken by others from Banks or financial institutions are not prejudicial to the interest of the Company.
 16. On the basis of review of utilisation of funds pertaining to term loans on overall basis and related information as made available to us, the term loans taken by the Company have been applied for the purposes for which they are obtained.
 17. On the basis of review of utilisation of funds on overall basis, related information as made available to us and as represented to us by the management, the funds raised on short- term basis have not been applied during the year for long term investment.
 18. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
 19. According to the records the Company, the Company has not issued any debentures during the year.
 20. The Company has not raised any monies by way of public issues of equity shares during the year.
 21. In our opinion and according to the information and explanations provided by the management, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For Agrawal S. Kumar & Associates
Chartered Accountants
Firm Registration No. 322324E

(M. K. Jhawar)
Partner
Membership No. 061308

New Delhi
Dated : 30th May, 2012

Balance Sheet

as at 31st March, 2012

₹ in Lacs

	Note No.	As at 31.03.2012	As at 31.03.2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	1,751.37	1,751.37
Reserves and surplus	3	32,466.72	25,993.52
Non-Current Liabilities			
Long-term borrowings	4	4,905.60	6,770.05
Deferred tax liabilities	5	2,592.03	2,078.80
Other long-term liabilities	6	2,619.13	1,757.54
Long-term provisions	7	75.33	54.06
Current Liabilities			
Short-term borrowings	8	28,727.52	15,186.78
Trade payables	9	2,157.17	2,811.18
Other current liabilities	10	11,482.17	11,598.14
Short-term provisions	11	3,725.82	1,821.05
Total		90,502.86	69,822.49
ASSETS			
Non-Current Assets			
<u>Fixed Assets</u>			
Tangible assets	12	11,117.79	10,655.18
Capital work-in-progress	12	–	14.46
Non-current investments	13	7,223.46	1,200.50
Long-term loans and advances	14	91.55	37.77
Other non-current assets	15	1,973.43	4,048.18
Current Assets			
Inventories	16	44,879.15	19,165.63
Trade receivables	17	17,104.40	24,494.17
Cash and bank balances	18	2,134.55	2,217.16
Short-term loans and advances	19	5,894.92	7,917.05
Other current assets	20	83.61	72.39
Total		90,502.86	69,822.49
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 38		

The notes are an integral part of the financial statements.

In terms of our report of even date attached.

For Agrawal S. Kumar & Associates

Chartered Accountants

Firm Registration No. 322324E

(M.K.Jhawar)

Partner

Membership No. 061308

New Delhi

Dated : 30th May, 2012

(R. N. Bansal)

Vice President (Finance & Accounts)

(Nitin Bagaria)

Company Secretary

For and on behalf of the Board

(Ram Gopal Maheshwari)

Chairman

(Anjanee Kumar Lakhotia)

Wholetime Director & CEO

Statement of Profit and Loss

for the year ended 31st March, 2012

₹ in Lacs

	Note No.	For the year ended 31.03.2012	For the year ended 31.03.2011
INCOME			
Revenue from operations	21	125,141.93	99,152.88
Other income	22	178.66	233.37
Total Revenue		125,320.59	99,386.25
EXPENSES			
Cost of materials consumed	23	95,902.63	52,188.10
Employee benefits expense	24	1,739.62	1,594.03
Finance costs	25	4,603.14	2,976.38
Depreciation and amortisation expense	12	787.50	630.89
Other expenses	26	11,930.61	33,003.49
Total Expenses		114,963.50	90,392.89
Profit before tax		10,357.09	8,993.36
Tax expense			
Current tax		2,760.00	2,300.00
Deferred tax		513.23	581.86
Earlier years tax		–	79.22
Profit for the year		7,083.86	6,032.28
Earnings per equity share (₹)			
Basic		40.45	34.44
Diluted		40.45	34.44
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 38		

The notes are an integral part of the financial statements.
In terms of our report of even date attached.

For Agrawal S. Kumar & Associates
Chartered Accountants
Firm Registration No. 322324E

(M.K.Jhawar)
Partner
Membership No. 061308
New Delhi
Dated : 30th May, 2012

(R. N. Bansal)
Vice President (Finance & Accounts)

(Nitin Bagaria)
Company Secretary

For and on behalf of the Board

(Ram Gopal Maheshwari)
Chairman

(Anjaneer Kumar Lakhotia)
Wholetime Director & CEO

Cash Flow Statement

for the year ended 31st March, 2012

₹ in Lacs

	Year ended 31.03.2012		Year ended 31.03.2011	
A. Cash flow from operating activities				
Net profit before tax & extraordinary items		10,357.09		8,993.36
Adjusted for :				
(Profit) / Loss on sale of fixed assets	(10.51)		3.03	
(Profit) / Loss on sale of investments	(6.86)		—	
Depreciation	787.50		630.89	
Interest and finance charges	4,603.14	5,373.27	2,976.38	3,610.30
Operating profit before working capital changes		15,730.36		12,603.66
(Increase) / Decrease in inventories	(25,713.53)		(9,400.05)	
(Increase) / Decrease in trade and other receivable	11,367.09		670.27	
Increase / (Decrease) in trade payables and other liabilities	115.91	(14,230.53)	(3,853.44)	(12,583.22)
Cash generated from operations		1,499.83		20.44
Direct taxes paid		(654.72)		(1,163.70)
Net cash generated from / (used in) operation		845.11		(1,143.26)
B. Cash flow from investing activities				
Additions in fixed assets	(1,787.20)		(3,059.65)	
Sale of fixed assets	562.06		18.24	
(Additions) / Disposals of investments	(6,016.10)		(0.50)	
Net cash generated from / (used in) investing activities		(7,241.24)		(3,041.91)
C. Cash flow from financing activities				
(Repayments) / Proceeds of secured loan	13,176.29		7,763.60	
(Repayments) / Proceeds of unsecured loan	(1,500.00)		(2,639.02)	
Dividend & corporate tax on dividend paid	(814.20)		(408.45)	
Interest and finance charges	(4,603.14)		(2,976.38)	
Net cash generated from / (used in) financing activities		6,258.95		1,739.75
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)		(137.18)		(2,445.42)
Opening balance of cash & cash equivalent		856.26		3,301.68
Closing balance of cash & cash equivalent (refer note 18)		719.08		856.26

In terms of our report of even date attached.

For Agrawal S. Kumar & Associates

Chartered Accountants

Firm Registration No. 322324E

(M.K.Jhawar)

Partner

Membership No. 061308

New Delhi

Dated : 30th May, 2012

(R. N. Bansal)

Vice President (Finance & Accounts)

(Nitin Bagaria)

Company Secretary

For and on behalf of the Board

(Ram Gopal Maheshwari)

Chairman

(Anjanee Kumar Lakhotia)

Wholtime Director & CEO

Notes on Financial Statements

for the year ended 31st March, 2012

1. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation of Financial Statements

- (i) The financial statements have been prepared under the historical cost convention and in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956.
- (ii) The Company follows mercantile system of accounting and recognises income and expenditure on accrual basis.

b. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the reported amounts of income and expenses and disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c. Revenue Recognition

- (i) In respect of construction/ project related activity, the Company follows percentage of completion method. Percentage of completion is determined by survey of work performed / physical measurement of work actually completed at the balance Sheet date taking into account contractual price/ unit rates and revision thereto.
- (ii) Revenue in respect of claims is recognised to the extent the Company is reasonably certain of their realisation.
- (iii) Other operational income is recognised on rendering of related services, as per the terms of the contracts.
- (iv) Other items of income are accounted as and when the right to receive arises.
- (v) Each contract is recognised as a profit centre. Payments/ reimbursements under the same are grouped under direct and other expenses.

d. Fixed Assets, Depreciation and Amortisation

- (i) Fixed assets are stated at their original cost. Cost includes acquisition price, attributable expenses and pre-operational expenses. Fixed Assets retired from active use are valued at net realisable value.
- (ii) Depreciation on fixed assets is provided on straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over their remaining useful life.
- (iii) Assets acquired on equipment finance (hire purchase) are stated at their cash values.
- (iv) Leasehold land, if any, is amortised over the period of lease.

e. Investments

Long term investments are valued at cost. Provision for diminution in the value of long term investments is made only if such decline is other than temporary.

f. Foreign Currency Transactions

- (i) The reporting currency of the Company is the Indian Rupee.
- (ii) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- (iii) Monetary items denominated in foreign currencies, if any, at the end of the year are restated at year end rates.
- (iv) Non monetary foreign currency items are carried at cost.
- (v) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the statement of profit and loss.

g. Leases

The Company's significant leasing arrangements are in respect of operating leases for premises and quarries for varying periods and the lease can be renewed as per mutual agreement. The aggregate lease rents payable are charged as rent in the statement of profit and loss. There is no restriction or contingent rent in the lease agreements. All leases are cancelable in nature.

Notes on Financial Statements

for the year ended 31st March, 2012 (Contd.)

h. Inventories

Construction materials are valued at cost or net realisable value whichever is lower. Cost of inventories is ascertained on FIFO basis.

i. Taxes on Income

- i) Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.
- ii) Deferred tax resulting from "timing difference" between book and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is reasonable certainty that the assets will be adjusted in future. The carrying amount of deferred tax assets are reviewed at each balance sheet date. In case of unabsorbed depreciation and losses, deferred tax assets are recognised and carried forward only to the extent there is a virtual certainty that the asset will be adjusted in future.

j. Employee Benefits

- (i) All employees benefits payable wholly within twelve months of rendering the service such as salaries, wages, short term compensated absences, etc. and the expected cost of bonus, ex-gratia are recognised in the period in which the employees render the related services.
- (ii) Retirement benefit in the form of provident fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss when the contributions to the respective funds are accrued. Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial valuation made at the end of each financial year. Short term and long term compensated absences are provided for based on actuarial valuation at the year end. Actuarial gains/losses are immediately taken to statement of profit and loss and are not deferred.

k. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to statement of profit and loss.

l. Accounting for Joint Venture Contracts

- (i) Contracts executed in joint venture under work sharing arrangement (consortium) are accounted in accordance with the accounting policy followed by the Company as that of an independent contract to the extent work is executed.
- (ii) Assets, liabilities and expenditure arising out of contracts executed wholly by the Company pursuant to a joint venture contract are recognised under respective heads in the financial statements. Income from the contract is accounted net of joint venturer's share under income from operations in these financial statements.
- (iii) Share of turnover attributable to the Company in respect of contracts executed by the other joint venture partners pursuant to joint venture agreement, is accounted under income from operations in these financial statements.

m. Impairment of Assets

The carrying amount of assets is reviewed at each balance sheet date to determine if there is any indication of impairment thereof based on external / internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount, which represents the greater of the net selling price of assets and their 'value in use'. The estimated future cash flows are discounted to their present value at appropriate rate arrived at after considering the prevailing interest rates and weighted average cost of capital.

n. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

₹ in Lacs

	As at 31.03.2012	As at 31.03.2011
2. SHARE CAPITAL		
AUTHORISED		
2,52,50,000 equity shares of ₹ 10/- each	2,525.00	2,525.00
ISSUED, SUBSCRIBED AND PAID UP		
1,75,13,727 equity shares of ₹ 10/- each fully paid up	1,751.37	1,751.37
(Previous year 1,75,13,727 equity shares of ₹ 10/- each fully paid up)	1,751.37	1,751.37

2.1 The Company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share. The dividend proposed by the board of directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

2.2 The details of shareholders holding more than 5% shares of the aggregate shares in the Company:

Name of the Shareholders	No. of Shares %	No. of Shares %
MBL A Capital Limited (formerly SMH Capital Limited)	3918187 22.37	3918187 22.37
Prabhu International Vyapar Private Limited	3160290 18.04	3160290 18.04
Ram Gopal Maheshwari	2248750 12.84	2248750 12.84
Reliance Capital Trustee Company Limited - Reliance Infrastructure Fund	1394956 07.96	1389956 07.94
ICICI Prudential Mutual Fund - Under Various Schemes	977293 05.58	744719 04.25

3. RESERVES AND SURPLUS		
Capital Redemption Reserve		
Balance as per last account	1,391.01	1,391.01
Securities Premium Account		
Balance as per last account	10,281.67	10,281.67
General Reserve		
Opening balance	10,000.00	7,500.00
Add - Transfer from surplus	5,000.00	2,500.00
Closing balance	15,000.00	10,000.00
Surplus		
Opening balance	4,320.84	1,297.43
Add - Transfer from statement of profit and loss	7,083.86	6,032.28
Less - Interim dividend paid	(262.71)	-
Less - Corporate tax on interim dividend	(42.62)	-
Amount available for appropriation	11,099.37	7,329.71
Appropriation		
Less - Proposed dividend (refer note 3.1)	(262.71)	(437.84)
Less - Corporate tax on proposed dividend	(42.62)	(71.03)
Less - Transfer to General Reserve	(5,000.00)	(2,500.00)
Closing balance	5,794.04	4,320.84
	32,466.72	25,993.52

3.1 Dividend proposed to be distributed to equity shareholders is ₹ 1.50 (Previous year ₹ 2.50) per equity share.

Notes on Financial Statements

for the year ended 31st March, 2012 (Contd.)

₹ in Lacs

	As at 31.03.2012	As at 31.03.2011
4. LONG-TERM BORROWINGS		
Secured		
Equipment / Vehicle finance / External commercial borrowings		
From banks	4,838.94	6,666.58
From others	66.66	103.47
	4,905.60	6,770.05

4.1 External commercial borrowings (ECB) availed from banks are secured by hypothecation of certain plant and equipments. Such ECBs are fully hedged.

4.2 Equipment / Vehicle finance availed from banks and others are secured by hypothecation of the respective assets; comprising construction equipments and vehicles acquired out of the said loans and personal guarantee of promoter directors.

4.3 Maturity profile of long term borrowings are as set out below :

Particulars	Rate of Interest (%) ^	within 1 year	1 to 2 years	2 to 3 years	beyond 3 years
From banks	between 5.93 - 8.75	1,016.76	1,012.92	898.69	140.31
	between 9.25 - 11.69	262.19	247.47	123.13	–
	between 12.75 - 13.02	559.39	745.20	742.89	928.33
From others	between 9.25 - 11.75	57.00	37.97	25.36	–
	between 12.00 - 13.78	73.26	3.33	–	–
Total		1,968.60	2,046.89	1,790.07	1,068.64

^ Includes interest rates that are linked to base rates of the respective lender, which may vary accordingly.

5. DEFERRED TAX LIABILITIES		
Difference between book and tax depreciation	1,112.83	974.14
Retention money not yet released and hence not offered for taxation	1,479.20	1,104.66
	2,592.03	2,078.80
6. OTHER LONG-TERM LIABILITIES		
Mobilisation advance from contractees	1,137.13	1,157.54
Other payables	1,482.00	600.00
	2,619.13	1,757.54
7. LONG-TERM PROVISIONS		
Provision for employee benefits	75.33	54.06
	75.33	54.06

₹ in Lacs

	As at 31.03.2012	As at 31.03.2011
8. SHORT-TERM BORROWINGS		
Secured		
Working capital facilities from banks	28,727.52	13,440.40
Acceptances	–	246.38
Unsecured		
Working capital demand loan	–	1,500.00
	28,727.52	15,186.78
8.1 Working capital facilities in the form of cash credit facilities and working capital demand loans from consortium of banks are secured by:		
i) Hypothecation of book debts and other current assets of the Company, both present and future, ranking pari passu with consortium banks.		
ii) Hypothecation of all unencumbered fixed assets (excluding those present and future fixed assets under specific charge for loans against those specific assets) of the Company, both present and future, ranking pari passu with consortium banks.		
iii) Equitable mortgage of land & building at Bhadravati (Karnataka), land at Dankuni (West Bengal), land at Rourkela (Orissa), office space at Jasola (New Delhi), office space at Kolkata (West Bengal) and personal guarantees of promoter directors of the Company.		
9. TRADE PAYABLES		
Micro, Small and Medium Enterprises (refer note 9.1)	–	–
Others (refer note 9.2)	2,157.17	2,811.18
	2,157.17	2,811.18
9.1 There are no Micro, Small and Medium Enterprises, to whom the company owes dues, and which are outstanding for more than 30 days as at 31st March, 2012. This information as required to be disclosed under Micro, Small, Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.		
9.2 Trade payables are subject to confirmation from certain parties.		
10. OTHER CURRENT LIABILITIES		
<u>Current maturities of long term borrowings</u>		
From banks	1,838.34	1,171.33
From others	130.26	219.00
Unclaimed share application and interest amount (refer note 10.1)	0.46	0.47
Unclaimed dividend (refer note 10.1)	0.57	0.21
Advances from contractees	7,459.68	6,714.11
Payable on purchase of capital goods	28.47	27.89
Other payables (refer note 10.2)	2,024.39	3,465.13
	11,482.17	11,598.14

10.1 These figures do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.

10.2 Other payables include statutory dues, security deposits, overdrawn bank balance (due to reconciliation), advance from customers etc.

Notes on Financial Statements

for the year ended 31st March, 2012 (Contd.)

₹ in Lacs

	As at 31.03.2012	As at 31.03.2011
11. SHORT-TERM PROVISIONS		
Provision for employee benefits	7.55	4.51
Provision for tax (refer note 11.1)	3,412.94	1,307.67
Proposed dividend	262.71	437.84
Tax on proposed dividend	42.62	71.03
	3,725.82	1,821.05

11.1 Provision for tax of ₹ 7221.35 lacs (Previous year ₹ 4461.36 lacs) is net of advance tax of ₹ 3808.41 lacs (Previous year ₹ 3153.69 lacs).

12. Fixed Assets

₹ in Lacs

Particulars	Gross Block				Depreciation				Net Block	
	As at 31.03.2011	Additions	Sales	As at 31.03.2012	Upto 31.03.2011	For the Year	Sales	Upto 31.03.2012	As at 31.03.2012	As at 31.03.2011
<u>Tangible Assets</u>										
Land - Freehold	10.62	–	–	10.62	–	–	–	–	10.62	10.62
Buildings	762.13	–	–	762.13	28.94	25.46	–	54.40	707.73	733.19
Plant and Equipment	12,661.51	1,512.22	2,012.03	12,161.70	3,463.49	642.40	1,484.18	2,621.71	9,539.99	9,198.02
Vehicles	510.11	139.19	25.61	623.69	186.50	48.96	15.38	220.08	403.61	323.61
Office Equipments	11.24	36.36	–	47.60	1.99	1.01	–	3.00	44.60	9.25
Furniture and Fixtures	164.26	88.21	17.34	235.13	38.75	10.88	3.87	45.76	189.37	125.51
Computer	371.10	25.68	–	396.78	116.12	58.79	–	174.91	221.87	254.98
Total	14,490.97	1,801.66	2,054.98	14,237.65	3,835.79	787.50	1,503.43	3,119.86	11,117.79	10,655.18
Previous Year	11,460.52	3,059.65	29.20	14,490.97	3,212.84	630.89	7.94	3,835.79	10,655.18	
Capital Work-in-Progress									–	14.46

₹ in Lacs

	As at 31.03.2012	As at 31.03.2011
13. NON-CURRENT INVESTMENTS		
Long-term, Unquoted, Trade		
Subsidiary Companies (wholly owned)		
i) AAP Infrastructure Limited 1,20,00,000 (1,20,00,000) equity shares of ₹ 10/- each fully paid up	1,200.00	1,200.00
ii) MBL Highway Development Co. Limited 4,51,76,000 equity shares of ₹ 10/- each fully paid up	4,517.60	–
iii) MBL (MP) Toll Road Co. Limited 1,50,00,000 equity shares of ₹ 10/- each fully paid up	1,500.00	–
Others		
i) Narayan Infracon Private Limited 50,000 equity shares of ₹ 10/- each fully paid up	5.00	–
ii) Orissa Steel Expressway Private Limited 3,600 (5,000) equity shares of ₹ 10/- each fully paid up	0.36	0.50
iii) Suratgarh Bikaner Toll Road Company Private Limited 5,000 equity shares of ₹ 10/- each fully paid up	0.50	–
	7,223.46	1,200.50
13.1 100% investment in equity shares of wholly owned subsidiary, AAP Infrastructure Limited and 30% investment in equity shares of wholly owned subsidiary, MBL Highway Development Company Limited, have been pledged with bankers against long term credit facilities availed by the respective subsidiary company.		
14. LONG-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Prepaid expenses	91.55	37.77
	91.55	37.77
15. OTHER NON-CURRENT ASSETS		
(Unsecured, considered good)		
Long-term trade receivable		
Retention and deposits	1,973.43	4,048.18
	1,973.43	4,048.18
16. INVENTORIES		
(As valued and certified by the management)		
(at cost or net realisable value, whichever is lower)		
Construction materials at site	44,879.15	19,165.63
	44,879.15	19,165.63
17. TRADE RECEIVABLES		
(Unsecured, considered good)		
Outstanding for a period exceeding six months (refer note 17.1)	1,520.94	1,476.26
Others (refer note 17.1)	15,583.46	23,017.91
	17,104.40	24,494.17

17.1 Trade receivables are subject to confirmation from certain parties.

Notes on Financial Statements

for the year ended 31st March, 2012 (Contd.)

₹ in Lacs

	As at 31.03.2012	As at 31.03.2011
18. CASH AND BANK BALANCES		
Cash and cash equivalents		
Balances with banks (refer note 18.1)	448.72	301.56
Cash on hand	180.65	310.06
Fixed deposits of maturity less than 3 months with banks (refer notes 18.2 to 18.4)	89.71	244.64
	719.08	856.26
Other bank balances		
Fixed deposits of maturity more than 3 months with banks (refer notes 18.2 to 18.4)	1,415.47	1,360.90
	2,134.55	2,217.16

18.1 Includes unclaimed share application and interest of ₹ 0.46 lacs (Previous year ₹ 0.47 lacs) and unclaimed dividend of ₹ 0.57 lacs (Previous year ₹ 0.21 lacs).

18.2 Includes fixed deposits pledged with banks as margin ₹ 788.64 lacs (Previous year ₹ 1162.86 lacs).

18.3 Includes fixed deposits pledged with others as security deposit ₹ 716.54 lacs (Previous year ₹ 442.68 lacs).

18.4 Fixed deposits with banks include deposits of ₹ 578.67 lacs (Previous year ₹ 463.11 lacs) with maturity of more than 12 months.

19. SHORT-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Loan to related parties	–	1,102.43
Security and other deposits	546.78	360.93
<u>Others</u>		
Capital advances	178.60	52.70
Prepaid expenses	145.51	153.26
Advances against materials, services etc. (refer note 19.1)	5,024.03	6,247.73
	5,894.92	7,917.05

19.1 Advances against materials and services are subject to confirmation from certain parties.

20. OTHER CURRENT ASSETS		
(Unsecured, considered good)		
Accrued Interest on fixed deposits	83.61	72.39
	83.61	72.39

₹ in Lacs

	For the year ended 31.03.2012	For the year ended 31.03.2011
21. REVENUE FROM OPERATIONS		
Construction and project related activities	125,141.93	99,152.88
	125,141.93	99,152.88
22. OTHER INCOME		
Claims	2.07	4.70
Interest on fixed deposits	158.88	180.55
Miscellaneous income and receipts	0.34	48.12
Profit on sale of fixed assets	10.51	–
Profit on sale of long term investments	6.86	–
	178.66	233.37
23. COST OF MATERIALS CONSUMED		
Consumption of raw materials	95,902.63	52,188.10
	95,902.63	52,188.10
24. EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	1,558.01	1,416.63
Contribution to provident and other funds	60.75	64.25
Provision for employee retirement benefits	24.30	36.50
Staff welfare expenses	54.56	34.65
Director's remuneration	42.00	42.00
	1,739.62	1,594.03
25. FINANCE COSTS		
Interest expense	4,321.07	2,830.05
Applicable loss on currency transactions and translation	183.25	–
Other borrowing costs	98.82	146.33
	4,603.14	2,976.38
26. OTHER EXPENSES		
Power, fuel and lubricants	2,227.76	2,671.97
Direct labour, sub-contract etc.	6,250.68	25,864.87
Stores and spares consumed	586.48	668.47
Hire charges - vehicles and equipments	255.95	535.01
Site development expenses	7.74	95.75
Repairs to machinery	54.20	65.27
Other repairs	96.00	93.80
Insurance	61.91	72.51
Rates and taxes, excluding, taxes on income	1,168.27	1,653.31
Sites rent	130.96	116.64
Office rent	12.99	48.15
<u>Payments to auditor</u>		
Statutory audit	5.62	2.50
Tax audit	0.28	0.25
Other services	0.85	0.15
Miscellaneous expenses	776.24	724.55
Bank commission and charges	294.68	387.26
Loss on sale of fixed assets	–	3.03
	11,930.61	33,003.49

Notes on Financial Statements

for the year ended 31st March, 2012 (Contd.)

27. Disclosure in respect of Joint Ventures

₹ in Lacs

List of Joint Ventures	Proportion of Ownership Interests	Assets	Liabilities	Income	Expenses
MBL-Atlas (JV)	51%	–	–	41.45	37.57
TCIL-MBL (JV)	51%	–	–	746.34	705.96
MBL-Calcutta Industrial Supply Corporation (JV)	60%	–	–	255.55	240.62
MBL-Lakheshwari Builders Pvt.Ltd. (JV)	60%	–	–	43.47	40.57

All joint ventures are of Indian origin

28. Earnings per Share

		2011-2012	2010-2011
i.	Profit computation for earnings per share of ₹10/- each		
	Net profit as per statement of profit & loss before earlier years' tax (₹ In lacs)	7,083.86	6,111.50
	Net profit as per statement of profit & loss after earlier years' tax (₹ In lacs)	7,083.86	6,032.28
ii.	Weighted average number of equity shares for EPS computation		
	For Basic EPS	17,513,727	17,513,727
	For Diluted EPS	17,513,727	17,513,727
iii.	Basic EPS (weighted average)		
	Basic EPS (before earlier years' tax) (₹)	40.45	34.90
	Basic EPS (after earlier years' tax) (₹)	40.45	34.44
iv.	Diluted EPS (weighted average)		
	Diluted EPS (before earlier years' tax) (₹)	40.45	34.90
	Diluted EPS (after earlier years' tax) (₹)	40.45	34.44

29. Employee Benefits

The Disclosure as per Accounting Standard (AS) 15 (Revised 2005) of the Companies (Accounting Standards) Rules, 2006 is as under -

₹ in Lacs

		2011-2012		2010-2011		
(i) Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation for gratuity:						
Obligation at the beginning of the financial year		40.40		22.07		
Service cost		14.06		18.70		
Interest on defined benefit obligation		3.42		1.70		
Benefits settled		(0.25)		(1.53)		
Actuarial gain/(loss)		(2.15)		(0.55)		
Obligation at the end of the financial year		55.48		40.40		
(ii) Change in Plan assets						
Plan assets at the beginning of the financial year, at fair value		—		—		
Expected return on plan assets		—		—		
Actuarial gain/(loss)		—		—		
Contributions		0.25		1.53		
Benefits settled		(0.25)		(1.53)		
Plan assets at the end of the financial year, at fair value		—		—		
		2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
(iii) Reconciliation of Present Value of the obligation and the fair value of the plan assets:						
Closing DBO		55.48	40.40	22.07	7.85	13.88
Closing fair value of plan assets		—	—	—	—	—
Closing funded status		(55.48)	(40.40)	(22.07)	(7.85)	(13.88)
Net asset/(liability) recognised in the balance sheet		(55.48)	(40.40)	(22.07)	(7.85)	(13.88)
		2011-2012		2010-2011		
(iv) Expenses recognised in the statement of profit & loss						
Service cost		14.06		18.70		
Interest cost		3.42		1.70		
Expected return on plan assets		—		—		
Actuarial (gain)/loss		(2.15)		(0.55)		
Net Gratuity Cost		15.33		19.85		
(v) The basis used to determine the overall expected rate of return on assets including major categories of plan assets is as follows :		NA		NA		

Notes on Financial Statements

for the year ended 31st March, 2012 (Contd.)

₹ in Lacs

	2011-2012	2010-2011
(vi) Assumptions		
a. Interest Rate	8.5%	8%
b. Discounting factor	8.5%	8%
c. Estimated rate of return on plan assets	0%	0%
d. Salary Increase	6%	6%
e. Attrition rate	5%	5%
f. Retirement age (years)	60	60

(vii) The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

(viii) The actuarial liability of compensated absences (unfunded) of accumulated privileged leaves of the employees of the Company is as under:

Particulars	2011-2012	2010-2011
1) Current liability (within 12 months)	3.04	1.23
2) Non current liability	24.35	16.94

30. Segment Reporting

The Company has single business segment namely 'Infrastructure Activity'. Therefore, the Company's business does not fall under different business segments as defined by AS-17 issued by "The Institute of Chartered Accountants of India". The Company at present primarily operates in India and therefore the analysis of geographical segments is not applicable to the Company.

31. Disclosure pursuant to clause 32 of Listing Agreement

Loans and advances given to a subsidiary and an associate	Outstanding as on 31-03-2012	Maximum Balance outstanding during the year
1) Loan to subsidiary (AAP Infrastructure Ltd.)*	–	452.17
2) Loan to associate (MSP Infrastructures Ltd.)*	–	650.26
3) Investment by subsidiary and associate	Nil	Nil

*(The above loans are interest free and there is no repayment schedule for the same)

32. Disclosure of related parties / related party transactions:

As per Accounting Standard (AS) - 18 of The Companies (Accounting Standards) Rules, 2006, the Company's related party disclosure is as under:

A. Related party disclosures

Relationship	Name of the related party
(i) Subsidiary Companies	<ul style="list-style-type: none"> a) AAP Infrastructure Limited b) MBL Highway Development Co. Limited c) MBL (MP) Toll Road Co. Limited
(ii) Joint Ventures	<ul style="list-style-type: none"> a) TCIL - MBL (JV) b) MBL - Atlas (JV) c) MBL - Calcutta Industrial Supply Corporation (JV) d) MBL - Laksheshwari Builders Pvt.Ltd. (JV) e) MBL - Supreme (JV)
(iii) Associates	<ul style="list-style-type: none"> a) Orissa Steel Expressway (P) Ltd.-a Joint Venture SPV Company for BOT Project b) Suratgarh Bikaner Toll Road Company (P) Ltd. - a Joint Venture SPV Company for BOT Project c) Narayan Infracon Private Limited
(iv) Key Management Personnel	<ul style="list-style-type: none"> a) Mr. Ram Gopal Maheshwari (Chairman) b) Mr. Anjanee Kumar Lakhotia (Wholetime Director & CEO) c) Mr. Maruti Maheshwari (Executive Director) d) Mr. Aditya Maheshwari (Vice President - Operations) e) Mr. Anuj Maheshwari (Vice President - Operations)
(v) Enterprises owned or significantly influenced by key management personnel or their relatives	<ul style="list-style-type: none"> a) Prabhu International, Proprietary Concern of a Director b) Prabhu International Vyapar Pvt. Ltd. c) MBL A Capital Limited d) MSP Infrastructures Ltd. e) Narayan Infracon Pvt. Ltd. f) Sahaj Promoters Pvt. Ltd. g) Mahamaya Trade-link Pvt. Ltd. (subsidiary of MBL A Capital Limited)

Notes on Financial Statements

for the year ended 31st March, 2012 (Contd.)

B. Transactions carried out with related parties referred in "A" above, in ordinary course of business

₹ in Lacs

Nature of transaction	Subsidiary Company/ Associates	Joint Ventures	Key Management Personnel	Enterprises owned/ significantly influenced by Key Management Personnel
Payments:				
Salary				
Anjaneer Kumar Lakhotia	—	—	24.00	—
	—	—	(24.00)	—
Maruti Maheshwari	—	—	18.00	—
	—	—	(18.00)	—
Aditya Maheshwari	—	—	8.00	—
	—	—	(6.00)	—
Anuj Maheshwari	—	—	8.00	—
	—	—	(6.00)	—
Director Sitting Fee				
Ram Gopal Maheshwari	—	—	0.80	—
	—	—	(1.60)	—
Dividend				
Ram Gopal Maheshwari	—	—	89.95	—
	—	—	(44.98)	—
Anjaneer Kumar Lakhotia	—	—	20.32	—
	—	—	(10.16)	—
Maruti Maheshwari	—	—	0.98	—
	—	—	(0.49)	—
Aditya Maheshwari	—	—	2.00	—
	—	—	(1.00)	—
Anuj Maheshwari	—	—	2.00	—
	—	—	(1.00)	—
Prabhu International Vyapar Pvt. Ltd.	—	—	—	126.41
	—	—	—	(63.21)
MBL A Capital Limited	—	—	—	156.72
	—	—	—	(78.36)
Loan				
AAP Infrastructure Ltd.	—	—	—	—
	(230.54)	—	—	—
MSP Infrastructures Ltd.	—	—	—	—
	(220.13)	—	—	—

₹ in Lacs

Nature of transaction	Subsidiary Company/ Associates	Joint Ventures	Key Management Personnel	Enterprises owned/ significantly influenced by Key Management Personnel
Receipts:				
MBL- Supreme (JV)	—	—	—	—
	—	(1,254.35)	—	—
TCIL - MBL (JV)	—	2,643.32	—	—
	—	(3,137.29)	—	—
MBL-Calcutta Industrial Supply Corporation (JV)	—	241.97	—	—
	—	(861.78)	—	—
MBL - Laksheshwari Builders Pvt.Ltd. (JV)	—	87.65	—	—
	—	(457.19)	—	—
Operation & Maintenance Charges- AAP Infrastructure Ltd.	28.26	—	—	—
	(20.54)	—	—	—
Repayment Received:				
AAP Infrastructure Ltd.	452.17	—	—	—
	(1,383.02)	—	—	—
MSP Infrastructures Ltd.	650.26	—	—	—
	(327.00)	—	—	—
Investment purchased/subscribed:				
MBL A Capital Limited	2.00	—	—	—
	—	—	—	—
Anjanee Kumar Lakhotia	—	—	2.00	—
	—	—	—	—
MBL Highway Development Co. Ltd.	4,515.20	—	—	—
	—	—	—	—
MBL (MP) Toll RoadCo. Ltd.	1,497.60	—	—	—
	—	—	—	—
Narayan Infracon Pvt. Ltd.	5.00	—	—	—
	—	—	—	—
Suratgarh Bikaner Toll Road Company Pvt. Ltd.	—	0.50	—	—
	—	—	—	—
C. Balance outstanding as on 31st March, 2012				
AAP Infrastructure Ltd.	—	—	—	—
	(452.17)	—	—	—
MSP Infrastructures Ltd.	—	—	—	—
	(650.26)	—	—	—
MBL- Supreme (JV)	—	310.99	—	—
	—	(310.99)	—	—
TCIL - MBL (JV)	—	3,105.04	—	—
	—	(5,002.02)	—	—

Notes on Financial Statements

for the year ended 31st March, 2012 (Contd.)

₹ in Lacs

Nature of transaction	Subsidiary Company/ Associates	Joint Ventures	Key Management Personnel	Enterprises owned/ significantly influenced by Key Management Personnel
MBL-Calcutta Industrial Supply Corporation (JV)	—	91.18	—	—
	—	(77.61)	—	—
MBL - Lakheshwari Builders Pvt.Ltd. (JV)	—	121.96	—	—
	—	(166.14)	—	—
Investment outstanding at year end:				
AAP Infrastructure Ltd.	1,200.00	—	—	—
	(1,200.00)	—	—	—
MBL Highway Development Co. Ltd.	4,517.60	—	—	—
	—	—	—	—
MBL (MP) Toll Road Co. Ltd.	1,500.00	—	—	—
	—	—	—	—
Narayan Infracon Pvt. Ltd.	5.00	—	—	—
	—	—	—	—
Suratgarh Bikaner Toll Road Company Pvt. Ltd.	0.50	—	—	—
	—	—	—	—
Orissa Steel Expressway Pvt. Ltd.	—	0.36	—	—
	—	(0.50)	—	—

Previous years figures are in brackets

33. Contingent Liabilities and Commitments

₹ in Lacs

I. Contingent Liabilities	31.03.2012	31.03.2011
(i) Claims against the Company / disputed liabilities not acknowledged as debts (to the extent ascertained)	648.22	648.22
(ii) Corporate guarantee given on behalf of a wholly owned subsidiary company AAP Infrastructure Limited	5,000.00	5,000.00
(iii) Outstanding bank guarantees	26,244.51	21,021.03
(iv) Outstanding letter of credit	—	99.43

II. Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for as on 31.3.2012 is ₹ 745.00 lacs (Previous year ₹ 90.00 lacs).

Advances paid on capital account is ₹ 125.90 lacs (Previous year ₹ Nil).

34. Information in accordance with the requirements of the Accounting Standard (AS-7) as per Companies (Accounting Standards) Rules, 2006 : ₹ in Lacs

	2011-2012	2010-2011
Contract revenue recognised for the year ended 31st March, 2012	125,141.93	99,152.88
Aggregate amount of contract costs incurred and recognised profits (less recognised losses) up to 31st March, 2012 for all the contracts in progress	89,261.03	81,767.54
The amount of customer advances outstanding for contracts in progress as at 31st March, 2012	5,613.03	3,609.11
The amount of retention due from customers for contracts in progress as at 31st March, 2012	4,521.93	2,805.04
Gross amount due from customers for contracts in progress	8,588.56	15,613.06

35. Raw materials, stores & spares consumed are 100% indigenous.

36. Expenditure in Foreign Currency ₹ in Lacs

	2011-2012	2010-2011
Capital Expenditure	–	68.94
Interest Charges/Bank Charges	850.07	512.45

37. The financial statements for the year ended 31st March, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification under the Companies Act, 1956, the financial statements for the year ended 31st March, 2012 are prepared under revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification.

38. Figures in the financial statements have been rounded off in rupees lacs upto two decimal places.

The notes are an integral part of the financial statements.

In terms of our report of even date attached.

For Agrawal S. Kumar & Associates

Chartered Accountants

Firm Registration No. 322324E

(M.K.Jhawar)

Partner

Membership No. 061308

New Delhi

Dated : 30th May, 2012

(R. N. Bansal)

Vice President (Finance & Accounts)

(Nitin Bagaria)

Company Secretary

For and on behalf of the Board

(Ram Gopal Maheshwari)

Chairman

(Anjaneer Kumar Lakhota)

Wholetime Director & CEO

Directors' Report

To
The Members of
AAP INFRASTRUCTURE LIMITED

The Directors have pleasure in presenting their Tenth Annual Report on the business and operations of the Company and the financial accounts for the year ended 31st March 2012:-

1 Financial Results

The financial results for the year ended March 31, 2012 are as under –

(₹ in '000)

	2011-2012	2010-2011
Turnover (Net)	142,249	102,199
Gross Profit Before Interest and Depreciation	125,494	91,345
Less: Interest on loan	70,738	35,172
Profit Before Depreciation	54,756	56,173
Less: Depreciation	34,291	32,468
Profit Before Taxes	20,465	23,705
Less: Current Tax	3,900	4,725
Less: Deferred Tax Charge	–	4,914
Profit After Taxes	16,565	14,066

The Directors do not recommend any dividend for the year under review.

2 Holding Company

The Company is a 100% subsidiary of MBL Infrastructures Limited.

3 Operations

The operations of Build-Operate-Transfer project of Seoni-Balaghat-Gondia Road are going on smoothly.

4 Management Discussions and Future Outlook

Government of India is committed to improve the level and the quality of economic and social infrastructure services across the country. In pursuance of this goal, the Government has envisaged a substantive role for Public Private Partnership (PPPs) as a means for harnessing private sector investment. India has already witnessed considerable growth in PPPs in the last one and half decade. It has emerged as one of the leading PPP markets in the world, due to several policy and institutional initiatives taken by the central as well as many state governments. Extensive support has been extended

through project development funds, viability gap funding, user charge reforms, provision of long tenor financing and refinancing as well as institutional and individual capacity building.

The Public Private Partnership (PPP) model will remain the predominant way of developing highways in India due to government's funding constraints and efficiency through private player entry. With increasing projects being offered on a BOT (toll) basis, government's contribution in funding these projects would further reduce as more projects are getting tendered out on user toll basis. Substantial progress was witnessed in attracting private investment in infrastructure sector. Momentum has been set for massive private investment in infrastructure industry. It is estimated that over \$ 1 trillion would be spent over the next five years in the infrastructure space.

5 Directors

Mr. Kumar Singh Baghel, a Director of the Company, retires by rotation under Articles 106 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.

6 Directors' Responsibility Statement Pursuant to Section 217(2AA) of The Companies Act, 1956

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

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

7 Corporate Governance

Your Company has been practicing the principle of good Corporate Governance since inception. Mr. Kumar Singh Baghel is an Independent Director.

Audit Committee consists of Mr. Kumar Singh Baghel as Chairman and Mr. Anjanee Kumar Lakhota and Mr. Maruti Maheshwari as members. The role of the Audit Committee includes the following:-

- to have discussions with the auditors periodically about internal control systems,
- to review the financial statements before submission to the Board,
- to ensure compliance of internal control systems.

8 Auditors

M/s. Agrawal S. Kumar & Associates, Chartered Accountants, Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. The Company has received letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224 (1-B) of the Companies Act, 1956. The said auditors are being proposed for reappointment as auditors of the Company at the ensuing Annual General Meeting.

9 Industrial Relations

The Company has been able to maintain cordial relations with its employees.

10 Statutory Information

Conservation of Energy / Technology Absorption / Foreign Exchange Earning and Outgo

The core activities of the Company are not energy

intensive and therefore no information is furnished regarding Technology Absorption. Your Company has not undertaken any research and development activity for any manufacturing activity nor any specific technology was obtained from any external sources which needs to be absorbed or adapted.

There were no transactions in foreign currency and therefore no details of foreign exchange earning and outgo are required to be furnished.

Deposits:

The Company has not accepted any Public Deposit.

Personnel:

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

11 Appreciation

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

The Directors wish to place on record their deep sense of appreciation for the devoted services of the Executives, Staff and Workers of the Company for its success.

By Order of the Board

Place : New Delhi
Dated : 29th May, 2012

Anjanee Kumar Lakhota
Chairman



Auditors' Report

To
The Members of
AAP Infrastructure Limited

1. We have audited the attached Balance Sheet of M/s AAP Infrastructure Limited, as at March 31, 2012 and the related Profit and Loss Account annexed thereto and 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 the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An Audit includes examining, on 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.
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 the 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, the Profit and Loss Account and the Cash Flow Statement dealt with by this report

are in agreement with the books of accounts as submitted to us.

- d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report have been drawn up in compliance 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 March 31, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give 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 March 31, 2012;
 - ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Agrawal S. Kumar & Associates
Chartered Accountants
Firm Registration No. 322324E

(M. K. Jhawar)
Partner
Membership No. 061308

New Delhi
Dated : 29th May, 2012

Annexure to the Auditors' Report

Referred to in paragraph 3 of our report of even date

1. In respect of Fixed Assets :
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
 - b) As explained to us, all the fixed assets have been physically verified by the management at reasonable intervals and in accordance with a phased programme of verification, which, in our opinion, is reasonable, considering the size and nature of

- the business. No material discrepancies were noticed on such verification.
- (c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
2. On the basis of available information, the Company doesn't have any inventories; hence any comment on this clause is not required.
 3. The Company has not taken / given any loan during the year from / to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 4. In our opinion and according to explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to fixed assets and collection of User fees (Toll). During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal control system.
 5. According to the information and explanations given to us, we are of the opinion that the particulars of the contracts or arrangements, if any, that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 6. According to the information and explanations given to us, the Company has not accepted any deposits from the public so far upto 31st March 2012. Therefore, the provisions of clause (vi) of Paragraph 4 of the Order are not applicable to the Company.
 7. In our opinion, the Company has an internal audit system in commensurate with its size and the nature of its business.
 8. According to the information and explanations provided by the management, the Company is not engaged in production, processing, manufacturing or mining activities; hence the provisions of Section 209(1)(d) of the Companies Act, 1956 does not apply to the Company.
 9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has generally been regular in depositing, during the year, the undisputed statutory dues including, Income Tax, Cess and other statutory dues as applicable, with appropriate authorities.
(b) According to the information and explanations given to us, no undisputed amount is payable in respect of Income Tax, Wealth Tax, Cess and other material statutory dues, were in arrears, as at 31st March, 2012 for a period of more than 6 months from the date they became payable.
 10. The Company does not have accumulated losses as at March 31, 2012 and it has not incurred any cash losses during the financial year ended on that date and in the immediately preceding financial year.
 11. Based on our audit procedures and according to the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to the banks.
 12. According to the records of the Company, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
 13. In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of Paragraph 4 of the Order are not applicable to the Company.
 14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures, and other investments. Accordingly, the provisions of clause (xiv) of Paragraph 4 of the Order are not applicable to the Company.
 15. The Company has not given any guarantees for loans taken by others from Banks or financial institutions. Therefore, the provisions of clause (xv) of Paragraph 4 of the Order are not applicable to the Company.
 16. On the basis of review of utilisation of funds pertaining to term loans on overall basis and related information as made available to us, the term loans taken by the Company have been applied for the purposes for which they are obtained.
 17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.
 18. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
 19. According to the records the Company, the Company has not issued any debentures during the year.
 20. The Company has not raised any monies by way of public issues of equity shares during the year.
 21. In our opinion and according to the information and explanations provided by the management, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For Agrawal S. Kumar & Associates
Chartered Accountants
Firm Registration No. 322324E

(M. K. Jhawar)
Partner
Membership No. 061308

New Delhi
Dated: 29th May, 2012

Balance Sheet

as at 31st March, 2012

₹ in '000

	Note No.	As at 31.03.2012	As at 31.03.2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	120,000.00	120,000.00
Reserves and surplus	3	49,359.15	32,793.72
Non-Current Liabilities			
Long-term borrowings	4	395,000.00	442,876.94
Current Liabilities			
Short-term borrowings	5	–	45,217.31
Trade payables	6	2,544.82	2,576.93
Other current liabilities	7	61,609.54	46,563.88
Short term provisions	8	1,844.57	3,873.38
TOTAL		630,358.08	693,902.16
ASSETS			
Non-Current Assets			
<u>Fixed Assets</u>			
Intangible asset	9	558,006.25	592,296.92
Current Assets			
Cash and bank balances	10	58,650.64	77,314.76
Short-term loans and advances	11	40.19	10,959.39
Other current assets	12	13,661.00	13,331.09
TOTAL		630,358.08	693,902.16
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 23		

The notes are an integral part of the financial statements.

In terms of our report of even date attached.

For Agrawal S. Kumar & Associates

Chartered Accountants

Firm Registration No.322324E

For and on behalf of the Board

(M.K.Jhawar)

Partner

Membership No. 061308

New Delhi

Dated : 29th May, 2012

Anjanee Kumar Lakhotia

Director

Namrata Rathi
Company Secretary

Maruti Maheshwari
Director

Statement of Profit and Loss

for the year ended 31st March, 2012

₹ in '000

	Note No.	For the year ended 31.03.2012	For the year ended 31.03.2011
INCOME			
Revenue from operations	13	138,477.41	100,676.55
Other income	14	3,771.30	1,522.40
Total Revenue		142,248.71	102,198.95
EXPENSES			
Employee benefits expense	15	616.78	361.05
Finance costs	16	70,737.86	35,172.06
Depreciation and amortisation expense	9	34,290.67	32,467.63
Other expenses	17	16,137.97	10,493.45
Total Expenses		121,783.28	78,494.19
Profit before tax		20,465.43	23,704.76
Tax Expenses			
Current tax		3,900.00	4,724.67
Deferred tax		–	4,914.04
Profit for the year		16,565.43	14,066.05
Earnings per equity share (₹)			
Basic		1.38	1.17
Diluted		1.38	1.17
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 23		

The notes are an integral part of the financial statements.

In terms of our report of even date attached.

For Agrawal S. Kumar & Associates
Chartered Accountants
Firm Registration No.322324E

For and on behalf of the Board

(M.K.Jhawar)
Partner
Membership No. 061308
New Delhi
Dated : 29th May, 2012

Anjanee Kumar Lakhotia
Director

Namrata Rathi
Company Secretary

Maruti Maheshwari
Director

Cash Flow Statement

for the year ended 31st March, 2012

₹ in '000

	For the year ended 31.03.2012		For the year ended 31.03.2011	
A. Cash flow from operating activities				
Net profit before tax & extraordinary items		20,465.43		23,704.76
Adjusted for :				
Amortisation	34,290.67		32,467.63	
Interest on fixed deposit	(3,771.30)		(1,522.40)	
Interest paid on term loan	70,737.86	101,257.23	35,172.07	66,117.30
Operating profit before working capital changes :		121,722.66		89,822.06
Adjusted for :				
(Increase) / Decrease in trade and other receivables	44,902.16		(88,441.01)	
Increase / (Decrease) in trade payables and other liabilities	15,013.55	59,915.71	1,650.00	(86,791.01)
Cash generated from operations		181,638.37		3,031.05
Income tax paid		(5,928.82)		(6,644.00)
Net cash generated from / (used in) operation		175,709.55		(3,612.95)
B. Cash flow from investing activities:				
Movement in project development expenditure		—		(180,417.00)
Net cash generated from / (used in) investing activities		—		(180,417.00)
C. Cash flow from financing activities				
(Repayments) / Proceeds of secured loan	(47,876.94)		327,747.00	
(Repayments) / Proceeds of unsecured loan	(45,217.31)		(115,248.00)	
Interest on fixed deposit	3,771.30		1,522.40	
Interest on term loan	(70,737.86)		(35,172.07)	
Net cash generated from / (used in) financing activities		(160,060.81)		178,849.33
Net Increase /(Decrease) in cash and cash equivalents (A+B+C)		15,648.74		(5,180.62)
Opening balance of cash & cash equivalent		314.76		5,495.38
Closing balance of cash & cash equivalent		15,963.50		314.76

In terms of our report of even date attached.

For Agrawal S. Kumar & Associates
Chartered Accountants
Firm Registration No.322324E

(M.K.Jhawar)
Partner
Membership No. 061308
New Delhi
Dated : 29th May, 2012

For and on behalf of the Board

Anjaneer Kumar Lakhoria
Director

Namrata Rathi
Company Secretary

Maruti Maheshwari
Director

Notes on Financial Statements

for the year ended 31st March, 2012

1 SIGNIFICANT ACCOUNTING POLICIES

A. Description of Business:

Road on BOT (Build-Operate-Transfer) basis:

A 'Concession Agreement' entered into between MBL Infrastructures Ltd., AAP Infrastructure Ltd. (Jointly termed as "concessionaire") and MP Road Development Corporation Ltd. (MPRDC) (formerly Madhya Pradesh Rajya Setu Nirman Nigam Limited) conferred the rights of concession of 114 km road, to implement the project and recover the project cost, through levy of toll revenue over the toll period commencing from the date of start upto a period of 5440 days. The concessionaire is required to transfer the project asset to MPRDC in accordance with the said concession agreement at the end of concession period.

B. Significant Accounting Policies :

a. Basis of Preparation of Financial Statements

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with generally accepted accounting principles ("GAAP") and in compliance with the Accounting Standards referred to in Section 211 (3C) and other requirements of the Companies Act, 1956.

b. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the reported amounts of income and expenses of the period and disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c. Revenue Recognition

Fee collections from users of facilities are accounted for as and when the amount is due and recovery of which is certain. The user fees are accounted for net off operation and maintenance charges.

d. Fixed Assets, Depreciation and Amortisation

Intangible assets: Carriage ways, being right to operate and maintain highways on BOT basis is capitalised on commencement of commercial operation of homogenous section as per concession agreement. Expenditure incurred during the construction period including borrowing cost attributable to the homogenous section is proportionately allocated and is netted off proportionate capital subsidy.

Amortisation

Toll collection rights are amortised over the concession period as notified by Government of India, Ministry of Corporate Affairs vide its notification dated 17th April, 2012. The rights are amortised based on the principle and guidelines notified in the aforementioned notification, which specifies that the total projected revenue shall be adjusted for any change in the estimates based on the actual revenue generated at the end of each financial year so that the whole of the cost of the intangible assets should be amortised at the end of the concession period.

e. Employee Benefits

Contribution to provident fund are accounted on actual liability basis. Leave encashment provision is made on actual liability basis. Provision for gratuity is made as per Payment of Gratuity Act, 1972.

f. Borrowing Cost

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial

Notes on Financial Statements

for the year ended 31st March, 2012 (Contd.)

period of time to get ready for its intended use for sale. All other borrowing costs are recognized as an expense in the period in which they are incurred.

g. Taxes on Income

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent it become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

h. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

₹ in '000

	As at 31.03.2012	As at 31.03.2011
2. SHARE CAPITAL		
AUTHORISED		
1,20,00,000 equity shares of ₹ 10/- each	120,000.00	120,000.00
ISSUED, SUBSCRIBED AND PAID UP		
1,20,00,000 equity shares of ₹ 10/- each fully paid up	120,000.00	120,000.00
(Previous year : 1,20,00,000 equity shares of ₹ 10/- each fully paid up)	120,000.00	120,000.00
2.1 100% equity shares are held by MBL Infrastructures Ltd., the holding company and its nominees.		
3. RESERVES AND SURPLUS		
Surplus		
Opening balance	32,793.72	18,727.67
Add : Transfer from statement of profit and loss	16,565.43	14,066.05
	49,359.15	32,793.72
4. LONG-TERM BORROWINGS		
Secured		
From a bank	395,000.00	442,876.94
	395,000.00	442,876.94

4.1 Secured by road on BOT basis, personal guarantee of certain directors, corporate guarantee of the holding company and pledge of 100% equity shares of the Company held by the holding company.

4.2 Maturity profile of long term borrowings are as set out below :

Particulars	Rate of Interest (%)	within 1 year	1 to 2 years	2 to 3 years	beyond 3 years
From a bank	12.00	45,000.00	60,000.00	70,000.00	265,000.00

₹ in '000

	As at 31.03.2012	As at 31.03.2011
5. SHORT-TERM BORROWINGS		
Unsecured		
From holding company (interest free)	–	45,217.31
	–	45,217.31
6. TRADE PAYABLES		
Due to Micro, Small and Medium Enterprises (Refer note 6.1)	–	–
Others (refer note 6.2)	2,544.82	2,576.93
	2,544.82	2,576.93

6.1 There are no Micro, Small and Medium Enterprises, to whom the company owes dues, and which are outstanding for more than 30 days as at 31st March, 2012. This information as required to be disclosed under Micro, Small, Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

6.2 Trade payables are subject to confirmation from certain parties.

7. OTHER CURRENT LIABILITIES		
<u>Current maturities of long term borrowings</u>		
From a bank	55,376.52	40,000.00
Book overdraft from bank (due to reconciliation)	13.98	–
Tax deducted at source payable	19.02	328.28
Other liabilities	6,200.02	6,235.60
	61,609.54	46,563.88
8 SHORT-TERM PROVISIONS		
Provision for taxation	1,844.57	3,873.38
	1,844.57	3,873.38

8.1 Provision for tax of ₹ 14465.67 thousands (Previous year ₹ 10565.67 thousands) is net of advance tax ₹ 12621.10 thousands (Previous year ₹ 6692.29 thousands).

9 FIXED ASSETS

Fixed Assets	Gross Block			Depreciation			Net Block	
	As on 01.04.2011	Addition during the year	As on 31.3.2012	Up to 31.3.2011	For the year	Up to 31.3.2012	As on 31.3.2012	As on 31.03.2011
Intangible Asset								
Carriage Ways *	729,785.92	–	729,785.92	137,489.00	34,290.67	171,779.67	558,006.25	592,296.92
Total	729,785.92	–	729,785.92	137,489.00	34,290.67	171,779.67	558,006.25	592,296.92
Previous Year	729,785.92	–	729,785.92	105,021.37	32,467.63	137,489.00	592,296.92	

* Being the right to operate and maintain the highways on Build, Operate and Transfer basis.

Notes on Financial Statements

for the year ended 31st March, 2012 (Contd.)

₹ in '000

	As at 31.03.2012	As at 31.03.2011
10. CASH AND BANK BALANCES		
Cash and cash equivalents		
Balances with banks	15,791.17	296.41
Cash on hand	172.33	18.35
Fixed deposits of maturity less than 3 months with banks (refer notes 10.1 to 10.3)	—	—
Other Bank Balances		
Fixed deposits of maturity more than 3 months with banks (refer notes 10.1 to 10.3)	42,687.14	77,000.00
	58,650.64	77,314.76

10.1 Fixed deposits pledged with bank as reserve ₹ 37719.37 thousands (Previous year ₹ 72600.00 thousands).

10.2 Fixed deposits pledged with others as security deposit ₹ 4967.77 thousands (Previous year ₹ 4400.00 thousands).

10.3 Fixed deposits with banks include deposits of ₹ 42687.14 thousands (Previous year ₹ 77000.00 thousands) with maturity of more than 12 months.

11. SHORT-TERM LOANS AND ADVANCES		
Prepaid expenses	40.19	10,959.39
	40.19	10,959.39
12. OTHER CURRENT ASSETS (Unsecured, Considered good)		
Accrued Interest on fixed deposits	1,852.14	1,522.23
Security and other deposits	11,808.86	11,808.86
	13,661.00	13,331.09

₹ in '000

	For the year ended 31.03.2012	For the year ended 31.03.2011
13. REVENUE FROM OPERATIONS		
User fee (toll) (net)	138,477.41	100,676.55
	138,477.41	100,676.55
14. OTHER INCOME		
Interest on fixed deposits	3,771.30	1,522.40
	3,771.30	1,522.40
15. EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	616.78	361.05
	616.78	361.05
16. FINANCE COSTS		
Interest on loan	70,737.86	30,863.47
Other borrowing costs	–	4,308.59
	70,737.86	35,172.06
17. OTHER EXPENSES		
Insurance	133.43	136.85
Project monitoring fee	1,151.03	1,027.31
Project management fee	1,413.04	2,875.90
<u>Payments to auditor</u>		
Statutory audit	20.00	20.00
Tax audit	10.00	10.00
Bank commission and charges	118.22	129.91
Filing fees	4.02	5.15
Legal and professional fees	10,951.55	5,620.77
Miscellaneous expenses	2,336.68	667.56
	16,137.97	10,493.45
	2011-2012	2010-2011
18. Earnings per Share		
i. Profit computation for earnings per share of ₹10/- each		
Net profit as per statement of profit and loss before earlier years' tax (₹ in '000)	16,565.43	14,066.05
Net profit as per statement of profit and loss after earlier years' tax (₹ in '000)	16,565.43	14,066.05
ii. Weighted average number of equity shares for EPS computation		
For basic EPS	12000000	12000000
For diluted EPS	12000000	12000000
iii. Basic EPS (weighted average)		
Basic EPS (before earlier years' tax) (₹)	1.38	1.17
Basic EPS (after earlier years' tax) (₹)	1.38	1.17
iv. Diluted EPS (weighted average)		
Diluted EPS (before earlier years' tax) (₹)	1.38	1.17
Diluted EPS (after earlier years' tax) (₹)	1.38	1.17

Notes on Financial Statements

for the year ended 31st March, 2012 (Contd.)

19. Deferred Tax

Since there are no differences between the carrying amount of an asset or liability recognised in the financial statements and the amount attributed to that asset or liability for tax, there is no asset or liability on account of deferred tax.

20. Segment Reporting

The Company is in the business of building, operating and maintaining a road. Therefore, the Company's business does not fall under different business segments as defined by AS-17 issued by "The Institute of Chartered Accountants of India". The Company at present primarily operates in India and therefore the analysis of geographical segments is not applicable to the Company.

21. Disclosure of related parties / related party transactions:

As per Accounting Standard (AS) - 18 of The Companies (Accounting Standards) Rules, 2006, the Company's related party disclosure is as under:

A. Related party disclosures

Relationship	Name of the related party
Holding company	MBL Infrastructures Limited

B. Transactions carried out with the related party referred in "A" above, in the ordinary course of business

₹ in '000

	2011-2012	2010-2011
(i) Unsecured Loan (Interest Free)		
Opening Balance	45,217.31	160,465.00
Add : loan taken during the year	–	23,053.80
Less : repayment during the year	45,217.31	138,301.49
Balance outstanding at the year end	–	45,217.31
(ii) Operation and Maintenance Charges paid	2,826.07	2,054.62

There are no transactions (other than loan transactions with the holding Company as disclosed in Para 21.(B).(i) above) which are required to be disclosed under Clause 32 of the Listing Agreement between the holding Company and the Stock Exchanges where the equity shares of the holding Company are listed. The maximum amount outstanding during the year was ₹ 452.17 Lacs. The said loan was interest free and has been repaid in full during the financial year.

22. Contingent liabilities

- (i) There is a demand of stamp duty of ₹ 12 million on the BOT agreement. The Company has challenged the said levy of stamp duty and also contended that MPRDC will be liable to reimburse the said levy in terms of the concession agreement in the event the case is decided against the company. The Company has preferred SLP with the Hon'ble Supreme Court against the order of Hon'ble High Court of MP, Jabalpur holding the levy of stamp duty on the BOT Agreement.

₹ in '000

	2011-2012	2010-2011
(ii) Claims against the Company not acknowledged as debt	500.00	500.00

23. The financial statements for the year ended 31st March, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification under the Companies Act, 1956, the financial statements for the year ended 31st March, 2012 are prepared under revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification.

The notes are an integral part of the financial statements.

In terms of our report of even date attached.

For Agrawal S. Kumar & Associates
Chartered Accountants
Firm Registration No.322324E

For and on behalf of the Board

(M.K.Jhawar)
Partner
Membership No. 061308
New Delhi
Dated : 29th May, 2012

Anjaneer Kumar Lakhota
Director

Namrata Rathi
Company Secretary

Maruti Maheshwari
Director

Directors' Report

To
The Members
MBL Highway Development Company Limited

The Board of Directors is pleased to present the First Annual Report of the Company and the Audited Accounts for the period from 23rd August 2011, being the date of incorporation of the Company, upto 31st March, 2012.

Financial Results

During the period under review, the revenue generating operations of the BOT project have not been started. The expenditure incurred by the Company during the period under review has been transferred to "Intangible Asset under Development".

Operations

The Company has signed the Concession Agreement with Madhya Pradesh Road Development Corporation Ltd (MPRDC) for developing the road of Seoni-Katangri to Maharashtra Border Section of State Highway-54 of Madhya Pradesh on BOT Basis. The financial closure of the project has been achieved. The said project road is under construction.

Management Discussions and Future Outlook

Road transport contributes the most to the country's GDP, among all the infrastructure sectors. India has an extensive road network of 3.3 million km. Roads carry about 65% of freight and 80% of passenger traffic in the country. An estimate says that the NHAI will award 100 projects covering at least 11,000 km in FY12-13 with a total value of INR 821 bn. With growth in sales of commercial vehicles, the traffic volumes are expected to rise as well.

The Public-Private Partnership model will remain the predominant way of developing highways in India. The role of the private sector in the infrastructure growth is critical. The Planning Commission has assumed 9% growth in investment by the central/state sector and a 25% growth in investment by the private sector. Investment by the private sector in the 12th Plan period is estimated at 50% as against 38% in 11th Plan and 25% in 10th Plan.

Holding Company

The Company is a 100% subsidiary of MBL Infrastructures Limited.

Dividend

The Directors does not recommend any dividend for the year under review.

Share Capital

The Company was incorporated with an Authorised Capital of ₹ 10 Crores. During the period under review, the Authorised Capital of the Company was increased to ₹ 51 Crores w.e.f. 19.03.2012 pursuant to Shareholders' Resolution passed at the Extra Ordinary General Meeting of the Company held on 19.03.2012. Further, during the period under review, 4,51,02,000 Equity Shares of ₹ 10 each, were allotted to MBL Infrastructures Limited (Holding Company) at par, in addition to the 74,000 Shares allotted to the subscribers upon incorporation.

Directors

As per Article 123 of the Articles of Association, Mr. Anjaneer Kumar Lakhotia, Mr. Venkatesh Lakhotia and Mr. Kumar Singh Baghel were appointed as First Directors of the Company with effect from the date of incorporation of the Company i.e. 23rd August 2011.

As per the provisions of the Companies Act, 1956 read with the Articles of Association of the Company, Mr. Anjaneer Kumar Lakhotia, one of the first Directors, retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting. The Board of directors recommends his re-appointment.

Directors' Responsibility Statement Pursuant To Section 217(2AA) of The Companies Act, 1956

The Board of Directors confirm:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial period and of the preoperative expenses of the Company for the period under review;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in

accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (iv) that the Directors have prepared the annual accounts on a going concern basis.

Finance

During the period under review, the Company availed an External Commercial Borrowing (ECB) of USD 13 Million.

Energy, Technology & Foreign Exchange

Information in accordance with the provision of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in report of the Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo:

- | | |
|--|------------------|
| A. Conservation of Energy | : Not Applicable |
| B. Technology Absorption | |
| Research & Development (R&D) | : Nil |
| Technology absorption, adaptation and innovation | : None |
| C. Foreign Exchange Earnings | : ₹ Nil |
| D. Foreign Exchange Expenditure | : ₹ 26589403 |

Auditors

M/s. Agrawal S. Kumar & Associates, Chartered Accountants, the First Statutory Auditors of the Company, having firm registration No. 322324E who holds office until the conclusion

of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a letter from them to the effect that their re-appointment, if made, will be in accordance with the limits specified under Section 224(1B) of the Companies Act, 1956.

Corporate Governance & Audit Committee

Your Company has been practicing the principle of good Corporate Governance since its inception. In line with this, Mr. Kumar Singh Baghel has been appointed as an Independent Director.

Audit Committee consisting of Mr. Kumar Singh Baghel as Chairman and Mr. Anjaneer Kumar Lakhota and Mr. Venkatesh Lakhota as members has also been constituted for better Corporate Governance. The role of the Audit Committee is in accordance with the Companies Act, 1956.

Particulars of Employees

There was no employee of the Company who received remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 [as Amended by Companies (Particulars of Employees) Amendment Rules, 2011 read with General Circular No. 23/2011 issued by Ministry of Corporate Affairs, Government of India].

By Order of the Board

New Delhi

Dated: 29th May, 2012

Anjaneer Kumar Lakhota

Chairman

Auditors' Report

To

The Members of

MBL Highway Development Company Limited

1. We have audited the attached Balance Sheet of M/s MBL Highway Development Company Limited, as at March 31, 2012 and the related Cash Flow Statement for the period 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. No profit and Loss Account has been prepared since the Company has yet to commence its revenue operations and the necessary details as per Part II of Schedule VI of the Companies Act, 1956 have been disclosed in Note 6 as "Intangible Assets under development".
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An Audit includes examining, on 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.
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 the 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 and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts as submitted to us.
- d) In our opinion, the Balance Sheet and the Cash Flow Statement dealt with by this report have been drawn up in compliance 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 March 31, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give 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 March 31, 2012;
 - ii) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

For Agrawal S. Kumar & Associates
Chartered Accountants

Firm Registration No. 322324E

(M. K. Jhawar)

Partner

Membership No. 061308

New Delhi

Dated : 29th May, 2012

Annexure to the Auditors' Report referred to in paragraph 3 of our report of even date

1. The Company does not have any Fixed Assets at any time during the period under audit, hence clauses of paragraph 4(i)(a) to 4(i)(c) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
2. Since the Company has not started any business/ commercial activities, the clauses 4(ii)(a) to 4(ii)(c) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
3. The Company has not granted nor taken any loans, secured or unsecured, to/from companies, firms or other

parties covered under register maintained under Section 301 of the Companies Act, 1956.

4. In our opinion and according to explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and sale of inventory. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal control system.
5. According to the information and explanations given to us, we are of the opinion that the particulars of the transactions, if any, made in pursuance of the contract or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
6. According to the information and explanations given to us, the Company has not accepted any deposits from the public so far upto 31st March 2012. Therefore, the provisions of clause (vi) of Paragraph 4 of the Order are not applicable to the Company.
7. The Company has an internal audit system commensurate with the size and nature of the Company.
8. To the best of our knowledge, the Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the products of the Company.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has generally been regular in depositing, during the year, the undisputed statutory dues including, Income Tax, Cess and other statutory dues as applicable, with appropriate authorities.
(b) According to the information and explanations given to us, no undisputed amount is payable in respect of Income Tax, Cess and other material statutory dues, were in arrears, as at 31st March, 2012 for a period of more than 6 months from the date they became payable.
10. The Company does not have accumulated losses as at March 31, 2012 and it has not incurred any cash losses during the period ended on that date.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to the banks.
12. According to the records of the Company, the Company has not granted any loans or advances on the basis of

security by way of pledge of shares, debentures or other securities.

13. In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of Paragraph 4 of the Order are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures, and other investments. Accordingly, the provisions of clause (xiv) of Paragraph 4 of the Order are not applicable to the Company.
15. According to the information and explanations provided by the management, the Company has not given any guarantee for loans taken by others from Banks or financial institutions during the period under audit.
16. According to the information and explanations given to us, in our opinion, the term loans raised were, prima facie, either utilized for the purpose for which they were obtained or pending utilization, been temporarily invested in Term Deposits with Banks.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. According to the records the Company, the Company has not issued any debentures during the year.
20. The Company has not raised any monies by way of public issues of equity shares during the year.
21. In our opinion and according to the information and explanations provided by the management, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For Agrawal S. Kumar & Associates
Chartered Accountants
Firm Registration No. 322324E

(M. K. Jhawar)
Partner
Membership No. 061308

New Delhi
Dated: 29th May, 2012

Balance Sheet

as at 31st March, 2012

₹ in '000

	Note No.	As at 31.03.2012
EQUITY AND LIABILITIES		
Shareholders' Funds		
Share capital	2	451,760.00
Non-Current Liabilities		
Long-term borrowings	3	661,391.90
Other long-term liabilities	4	54,736.28
Current Liabilities		
Other current liabilities	5	19,823.78
TOTAL		1,187,711.96
ASSETS		
Non-Current Assets		
<u>Fixed Assets</u>		
Intangible asset under development	6	590,172.49
Long-term loans and advances	7	94,556.50
Current Assets		
Cash and bank balances	8	411,841.74
Short-term loans and advances	9	88,339.08
Other current assets	10	2,802.15
TOTAL		1,187,711.96
Significant Accounting Policies	1	
Notes on Financial Statements	2 to 21	

The notes are an integral part of the financial statements.

In terms of our report of even date attached.

For Agrawal S. Kumar & Associates
Chartered Accountants
Firm Registration No.322324E

(M.K.Jhawar)
Partner
Membership No. 061308
New Delhi
Dated : 29th May, 2012

For and on behalf of the Board

Anjaneer Kumar Lakhotia
Director

Venkatesh Lakhotia
Director

Cash Flow Statement for the period ended 31st March, 2012

₹ in '000

	For the Period Ended 31.03.2012	
A. Cash flow from operating activities		
Operating profit before working capital changes:		–
Adjusted for:		
(Increase) / Decrease in other receivables	(185,427.73)	
Increase / (Decrease) in other liabilities	74,560.07	(110,867.66)
Less : Income tax paid		285.00
Net cash generated from / (used in) operation		(111,152.66)
B. Cash flow from investing activities:		
Intangible asset under development		(590,172.50)
Net Cash generated from / (used in) investing activities		(590,172.50)
C. Cash flow from financing activities		
Proceeds from issue of equity share capital	451,760.00	
Proceeds from long term / short term borrowings	661,391.90	1,113,151.90
Net cash generated from / (used in) financing activities		1,113,151.90
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)		411,826.74
Opening Balance of Cash & Cash Equivalent		–
Closing Balance of Cash & Cash Equivalent (refer note 8)		411,826.74

In terms of our report of even date attached.

For Agrawal S. Kumar & Associates
Chartered Accountants
Firm Registration No.322324E

(M.K.Jhawar)
Partner
Membership No. 061308
New Delhi
Dated : 29th May, 2012

For and on behalf of the Board

Anjaneer Kumar Lakhotia
Director

Venkatesh Lakhotia
Director

Notes on Financial Statements

for the period ended 31st March, 2012

1. SIGNIFICANT ACCOUNTING POLICIES

A. Description of Business:

Road on BOT (Build-Operate-Transfer) basis:

A 'Concession Agreement' entered into between MBL Highway Development Company Ltd. (termed as "concessionaire") and MP Road Development Corporation Limited on 9.09.2011, conferred the rights of concession of 75.600 km road, to implement the project and recover the project cost, through levy of toll revenue over the toll period commencing from the date of start upto a period of 30 years (including construction period of 1.5 years). The concessionaire is required to transfer the project asset to MPRDC in accordance with the said concession agreement at the end of concession period.

B. Significant Accounting Policies :

a. Basis of Preparation of Financial Statements

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with generally accepted accounting principles ("GAAP") and in compliance with the Accounting Standards referred to in Section 211(3C) and other requirements of the Companies Act, 1956.

b. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the reported amounts of income and expenses of the period and disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c. Fixed Assets, Depreciation and Amortisation

Intangible asset: Carriage ways, being right to operate and maintain highways on Design, Build, Finance, Operate & Transfer (DBFOT) basis is under implementation. Payment made for development charges during the construction period including borrowing cost and interest earned on fixed deposits attributable to the homogenous section is accordingly debited / credited to intangible asset under development and will be capitalised at the time of start of operations.

Amortisation

Toll collection rights are amortised over the concession period as notified by Government of India, Ministry of Corporate Affairs vide its notification dated 17th April, 2012. The rights are amortised based on the principle and guidelines notified in the aforementioned notification, which specifies that the total projected revenue shall be adjusted for any change in the estimates based on the actual revenue generated at the end of each financial year so that the whole of the cost of the intangible assets should be amortised at the end of the concession period.

d. Borrowing Cost

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use.

e. Foreign Currency Transactions

- (i) The reporting currency of the company is the Indian Rupee (₹).
- (ii) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of transaction.
- (iii) Monetary items denominated in foreign currencies, if any, at the end of the year are restated at year end currency rates.
- (iv) Non monetary foreign currency items are carried at cost. Non monetary foreign currency items are carried at cost.
- (v) Any income or expense on account of exchange difference either on settlement or on year end date is recognised in the 'Intangible asset under development'.

f. Preliminary Expenses

In accordance with AS-26 on Intangible Assets, preliminary expenses has been written off during the first year of reporting.

g. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

₹ in '000

	As at 31.03.2012
2. SHARE CAPITAL	
AUTHORISED	
5,10,00,000 equity shares of ₹ 10/- each	510,000.00
ISSUED, SUBSCRIBED AND PAID UP	
4,51,76,000 equity shares of ₹ 10/- each fully paid up	451,760.00
	451,760.00

2.1 100% equity shares are held by MBL Infrastructures Ltd., the holding company and its nominees.

3. LONG-TERM BORROWINGS	
Secured	
From a bank	661,391.90
	661,391.90

3.1 External commercial borrowing (ECB) availed by the Company from a bank is secured by following:

- (i) First charge on all the movable & immovable assets of the Company, present and future.
- (ii) First charge on escrow account.
- (iii) First charge on intangible assets.
- (iv) Pledge of 30% equity shares of the Company held by the holding company.

3.2 Maturity profile of long term borrowings are as set out below :

Particulars	Rate of Interest (%)	within 1 year	1 to 2 years	2 to 3 years	beyond 3 years
From a bank	5.27	–	–	13,227.84	648,164.06

4. OTHER LONG-TERM LIABILITIES	
Retention Money	54,736.28
	54,736.28
5. OTHER CURRENT LIABILITIES	
Interest accrued but not due	3,627.50
Tax deducted at source payable	16,155.69
Payable for expenses	40.59
	19,823.78

Notes on Financial Statements

for the period ended 31st March, 2012 (Contd.)

	₹ in '000
	As at 31.03.2012
6. INTANGIBLE ASSET UNDER DEVELOPMENT	
Payment for development charges	547,362.81
Design and survey charges	15,505.19
Bank charges	1.47
Interest on external commercial borrowing	3,627.50
Interest on fixed deposit	(2,850.48)
Printing and stationery	5.45
Preliminary expenses written off	3,431.01
Legal and professional fees	99.55
Payment to auditor	
Statutory audit fee	28.09
Foreign exchange loss on currency translation	22,961.90
	590,172.49
7. LONG-TERM LOANS AND ADVANCES	
(Unsecured, considered good)	
Advances to related parties	94,556.50
	94,556.50
8. CASH AND BANK BALANCES	
Cash and cash equivalents	
Balances with banks	41,778.41
Fixed deposits of maturity less than 3 months with banks	370,048.33
	411,826.74
Other bank balances	
Fixed deposits of maturity more than 3 months with banks (refer note 8.1)	15.00
	411,841.74
8.1 Fixed deposits pledged with others as security deposit ₹ 15.00 thousands.	
9. SHORT-TERM LOANS AND ADVANCES	
(Unsecured, considered good)	
Advances to related parties	88,339.08
	88,339.08
10. OTHER CURRENT ASSETS	
Accrued interest	2,517.15
Tax deducted at source	285.00
	2,802.15

11. Reporting Period

The figures in these financial statements pertain to the period from the date of incorporation to 31st March, 2012.

12. Micro, Small and Medium Enterprises

There are no Micro, Small and Medium Enterprises, to whom the company owes dues, which are outstanding for more than 30 days as at 31st March, 2012. This information as required to be disclosed under Micro, Small, Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

13. Earnings per Share

Since the revenue generating operation of the project has not yet started, no statement for profit and loss has been prepared and details pertaining to earning per share is not applicable.

14. Deferred Tax

Since the revenue generating operation of the project has not yet started, no statement of profit and loss has been prepared and details pertaining to deferred tax is not applicable.

15. Segment Reporting

The Company is in the business of building, operating and maintaining a road. Therefore, the Company's business does not fall under different business segments as defined by AS-17 issued by "The Institute of Chartered Accountants of India". The Company at present primarily operates in India and therefore the analysis of geographical segments is not applicable to the Company.

16. Disclosure of related parties / related party transactions:

As per Accounting Standard (AS) - 18 of The Companies (Accounting Standards) Rules, 2006, the Company's related party disclosure is as under:

A. Related party disclosures

Relationship	Name of the related party
Holding company	MBL Infrastructures Limited

B. Transactions carried out with the related party referred in "A" above, in ordinary course of business

	₹ in '000
1 Share application money received	451,760.00
2 Preliminary and other expenses paid as reimbursement	3,431.01
3 Mobilisation advance paid	182,895.58
4 Retention money deducted	54,736.28
5 Development charges paid	547,362.81
C. Year end balances of the related party transaction	
1 Mobilisation advance paid	182,895.58
2 Retention money deducted	54,736.28

17. The foreign currency exposures are marked to market on the balance sheet date.

18. Expenditure in Foreign Currency

Interest charges	3,627.50
Exchange fluctuation on translation	22,961.90

Notes on Financial Statements

for the period ended 31st March, 2012 (Contd.)

19. There are no transactions that are required to be disclosed under clause 32 of the listing agreement entered between the holding company and the stock exchanges where the equity shares of the holding company are listed.
20. In accordance with AS-26 on Intangible Assets, preliminary expenses has been fully written off during the year.
21. These being the first financial statements of the Company since its incorporation, the corresponding figures of the previous year are not applicable.

The notes are an integral part of the financial statements.

In terms of our report of even date attached.

For Agrawal S. Kumar & Associates
Chartered Accountants
Firm Registration No.322324E

(M.K.Jhawar)
Partner
Membership No. 061308
New Delhi
Dated : 29th May, 2012

For and on behalf of the Board

Anjanee Kumar Lakhotia
Director

Venkatesh Lakhotia
Director

Directors' Report

To
The Members
MBL (MP) Toll Road Company Limited

The Board of Directors is pleased to present the First Annual Report of the Company and the Audited Accounts for the period from 31st October, 2011, being the date of incorporation of the Company, upto 31st March, 2012.

Financial Results

During the period under review, the revenue generating operations of the BOT project have not been started. The financial closure of the project has been achieved. The expenditure incurred by the Company during the period under review has been transferred to "Intangible Asset under Development".

Operations

The Company has signed the Concession Agreement with Madhya Pradesh Road Development Corporation Ltd (MPRDC) for Strengthening, Widening, Maintaining and Operating of Waraseoni-Lalbarra Road of Madhya Pradesh on BOT (Annuity + Toll) basis. The said project road is under construction.

Management Discussions And Future Outlook

Government of India has committed itself to the spirit of 'partnership' amongst all the stakeholders – public, private, end users and community. In pursuance of this goal, the Government has envisaged a substantive role for Public Private Partnership (PPPs) as a means for harnessing private sector investment. In a mixed economy like ours, the private sector entity is responsible for executing the project and operating the infrastructure for a limited period of time and takes on a substantial portion of the associated project risks.

PPPs are now seen as the preferred execution mode in many sectors such as highways, ports and airports. Increasingly, PPPs are being adopted in the urban sector and in social sectors. The approach paper to the XIIth Five Year Plan emphasises on accelerating the pace of investment in infrastructure. The cumulative investment in infrastructure in the XIIth Five Year Plan is targeted at around \$1 trillion.

Holding Company

The Company is a 100% subsidiary of MBL Infrastructures Limited.

Dividend

The Board of Directors does not recommend any dividend for the year under review.

Share Capital

The Company was incorporated with an Authorised Capital of ₹ 10 Crores. During the period under review, the Authorised Capital of the Company was increased to ₹ 15 Crores w.e.f. 20.03.2012 pursuant to Shareholders' Resolution passed at the Extra Ordinary General Meeting of the Company held on 20.03.2012. Further, during the period under review, 1,49,26,000 Equity Shares of ₹ 10 each, were allotted to MBL Infrastructures Limited (Holding Company) at par, in addition to the 74,000 Shares allotted to the subscribers upon incorporation.

Directors

As per Article 123 of the Articles of Association, Mr. Anjanee Kumar Lakhotia, Mr. Venkatesh Lakhotia and Mr. Ram Dayal Modi were appointed as First Directors of the Company with effect from the date of incorporation of the Company i.e. 31.10.2011.

As per the provisions of the Companies Act, 1956 read with the Articles of Association of the Company, Mr. Venkatesh Lakhotia, one of the first Directors, retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting. The Board of directors recommends his re-appointment.

Directors' Responsibility Statement Pursuant To Section 217(2AA) Of The Companies Act, 1956

The Board of Directors confirm:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial period and of the preoperative expenses of the Company for the period under review;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in

accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (iv) that the Directors have prepared the annual accounts on a going concern basis.

Finance

During the period under review, the Company has tied-up with a bank to avail an External Commercial Borrowing (ECB) of USD 8.06 Million.

Energy, Technology & Foreign Exchange

Information in accordance with the provision of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in report of the Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo:

- | | |
|--|------------------|
| A. Conservation of Energy | : Not Applicable |
| B. Technology Absorption | |
| Research & Development (R&D) | : Nil |
| Technology absorption, adaptation and innovation | : None |
| C. Foreign Exchange Earnings | : ₹ Nil |
| D. Foreign Exchange Expenditure | : ₹ Nil |

Auditors

M/s. Agrawal S. Kumar & Associates, Chartered Accountants, the First Statutory Auditors of the Company, having firm registration No. 322324E who holds office until the conclusion

of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a letter from them to the effect that their re-appointment, if made, will be in accordance with the limits specified under Section 224(1B) of the Companies Act, 1956.

Corporate Governance & Audit Committee

Your Company has been practicing the principle of good Corporate Governance since its inception. In line with this, Mr. R. D. Modi has been appointed as an Independent Director.

Audit Committee consisting of Mr. R. D. Modi as Chairman and Mr. Anjanee Kumar Lakhota and Mr. Venkatesh Lakhota as members has also been constituted for better Corporate Governance. The role of the Audit Committee is in accordance with the Companies Act, 1956.

Particulars of Employees

There was no employee of the Company who received remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 [as Amended by Companies (Particulars of Employees) Amendment Rules, 2011 read with General Circular No. 23/2011 issued by Ministry of Corporate Affairs, Government of India].

By Order of the Board

Place : New Delhi
Dated : 30th May, 2012

Anjanee Kumar Lakhota
Chairman

Auditors' Report

To
The Members of
MBL (MP) Toll Road Company Limited

1. We have audited the attached Balance Sheet of M/s MBL (MP) Toll Road Company Limited, as at March 31, 2012 and the related Cash Flow Statement for the period 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. No profit and Loss Account has been prepared since the Company has yet to commence its revenue operations and the necessary details as per Part II of Schedule VI of the Companies Act, 1956 have been disclosed in Note 5 as "Intangible Assets under development".
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An Audit includes examining, on 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.
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 the 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 and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts as submitted to us.
- d) In our opinion, the Balance Sheet and the Cash Flow Statement dealt with by this report have been drawn up in compliance 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 March 31, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give 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 March 31, 2012;
 - ii) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

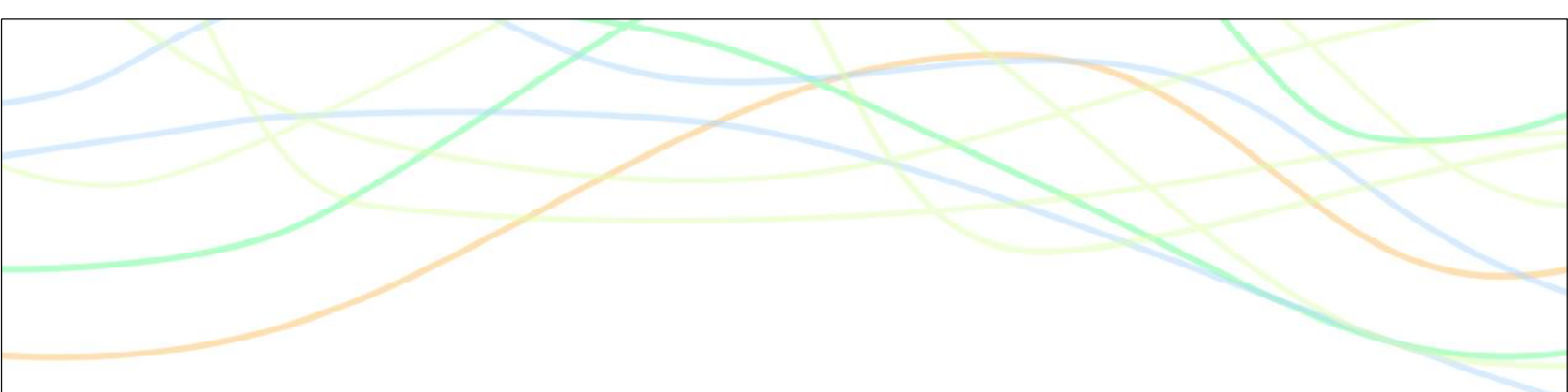
For Agrawal S. Kumar & Associates
Chartered Accountants
Firm Registration No. 322324E

(M. K. Jhawar)
Partner
Membership No. 061308

New Delhi
Dated : 30th May, 2012

Annexure to the Auditors' Report referred to in paragraph 3 of our report of even date

1. The Company does not have any Fixed Assets at any time during the period under audit, hence clauses of paragraph 4(i)(a) to 4(i)(c) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
2. Since the Company has not started any business/commercial activities, the clauses 4(ii)(a) to 4(ii)(c) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

- 
3. The Company has not granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered under register maintained under Section 301 of the Companies Act, 1956.
 4. In our opinion and according to explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and sale of inventory. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal control system.
 5. According to the information and explanations given to us, we are of the opinion that the particulars of the transactions, if any, made in pursuance of the contract or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 6. According to the information and explanations given to us, the Company has not accepted any deposits from the public so far upto 31st March 2012. Therefore, the provisions of clause (vi) of Paragraph 4 of the Order are not applicable to the Company.
 7. The Company has an internal audit system commensurate with the size and nature of the Company.
 8. To the best of our knowledge, the Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the products of the Company.
 9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has generally been regular in depositing, during the year, the undisputed statutory dues including, Income Tax, Cess and other statutory dues as applicable, with appropriate authorities.
(b) According to the information and explanations given to us, no undisputed amount is payable in respect of Income Tax, Cess and other material statutory dues, were in arrears, as at 31st March, 2012 for a period of more than 6 months from the date they became payable.
 10. The Company does not have accumulated losses as at March 31, 2012 and it has not incurred any cash losses during the period ended on that date.
 11. The Company has not taken any loan from banks or financial institutions during the period under review, hence clause 4(xi) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
 12. According to the records of the Company, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
 13. In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of Paragraph 4 of the Order are not applicable to the Company.
 14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures, and other investments. Accordingly, the provisions of clause (xiv) of Paragraph 4 of the Order are not applicable to the Company.
 15. According to the information and explanations provided by the management, the Company has not given any guarantee for loans taken by others from Banks or financial institutions during the period under audit.
 16. The Company has not taken any loan from banks or financial institutions during the year under review, hence clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
 17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.
 18. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
 19. According to the records the Company, the Company has not issued any debentures during the year.
 20. The Company has not raised any monies by way of public issues of equity shares during the year.
 21. In our opinion and according to the information and explanations provided by the management, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For Agrawal S. Kumar & Associates
Chartered Accountants
Firm Registration No. 322324E

(M. K. Jhawar)
Partner
Membership No. 061308

New Delhi
Dated: 30th May, 2012

Balance Sheet

as at 31st March, 2012

₹ in '000

	Note No.	As at 31.03.2012
EQUITY AND LIABILITIES		
Shareholders' Funds		
Share capital	2	150,000.00
Non-Current Liabilities		
Other long-term liabilities	3	10,942.56
Current Liabilities		
Other current liabilities	4	6,699.04
TOTAL		167,641.60
ASSETS		
Non-Current Assets		
<u>Fixed Assets</u>		
Intangible asset under development	5	113,149.08
Long-term loans and advances	6	25,373.75
Current Assets		
Cash and cash equivalents	7	796.38
Short-term loans and advances	8	28,322.39
TOTAL		167,641.60
Significant Accounting Policies	1	
Notes on Financial Statements	2 to 18	

The notes are an integral part of the financial statements.

In terms of our report of even date attached.

For Agrawal S. Kumar & Associates
Chartered Accountants
Firm Registration No.322324E

(M.K.Jhawar)
Partner
Membership No. 061308
New Delhi
Dated : 30th May, 2012

For and on behalf of the Board

Anjaneer Kumar Lakhotia
Director

Venkatesh Lakhotia
Director

Cash Flow Statement

for the period ended 31st March, 2012

₹ in '000

	For the Period Ended 31.03.2012	
A. Cash flow from operating activities		
Operating profit before working capital changes:		–
Adjusted for:		
(Increase) / Decrease in other receivables	(53,696.15)	
Increase / (Decrease) in other liabilities	17,641.60	(36,054.55)
Less : Income tax paid		–
Net cash generated from / (used in) operation		(36,054.55)
B. Cash flow from investing activities:		
Intangible asset under development		(113,149.07)
Net Cash generated from / (used in) investing activities		(113,149.07)
C. Cash flow from financing activities		
Proceeds from issue of equity share capital		150,000.00
Net cash generated from / (used in) financing activities		150,000.00
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)		796.38
Opening Balance of Cash & Cash Equivalent		–
Closing Balance of Cash & Cash Equivalent (refer note 7)		796.38

In terms of our report of even date attached.

For Agrawal S. Kumar & Associates
Chartered Accountants
Firm Registration No.322324E

(M.K.Jhawar)
Partner
Membership No. 061308
New Delhi
Dated : 30th May, 2012

For and on behalf of the Board

Anjaneer Kumar Lakhoria
Director

Venkatesh Lakhoria
Director

Notes on Financial Statements

for the period ended 31st March, 2012

1 SIGNIFICANT ACCOUNTING POLICIES

A. Description of Business:

Road on BOT (Build-Operate-Transfer) basis:

A 'Concession Agreement' entered into between MBL (MP) Toll Road Company Ltd. (termed as "concessionaire") and MP Road Development Corporation Limited on 7.12.2011, conferred the rights of concession of 18.303 km road, to implement the project and recover the project cost, through levy of toll revenue over the toll period commencing from the date of start upto a period of 15 years (including construction period of 1.5 years). The concessionaire is entitled for annuity of Rs. 3.26 crore semi-annually for 13 years after 6 months of COD. The concessionaire is required to transfer the project asset to MPRDC in accordance with the said concession agreement at the end of concession period.

B. Significant Accounting Policies :

a. Basis of Preparation of Financial Statements

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with generally accepted accounting principles ("GAAP") and in compliance with the Accounting Standards referred to in Section 211(3C) and other requirements of the Companies Act, 1956.

b. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the reported amounts of income and expenses of the period and disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c. Fixed Assets, Depreciation and Amortisation

Intangible asset: Carriage ways, being right to operate and maintain highways on Design ,Build, Finance, Operate & Transfer (DBFOT) basis is under implementation. Payments made for development charges during the construction period is debited to intangible asset under development and will be capitalised at the time of start of operations.

Amortisation

Toll collection rights are amortised over the concession period as notified by Government of India, Ministry of Corporate Affairs vide its notification dated 17th April, 2012. The rights are amortised based on the principle and guidelines notified in the aforementioned notification, which specifies that the total projected revenue shall be adjusted for any change in the estimates based on the actual revenue generated at the end of each financial year so that the whole of the cost of the intangible assets should be amortised at the end of the concession period.

d. Preliminary Expenses

In accordance with AS-26 on Intangible Assets, preliminary expenses has been written off during the first year of reporting.

e. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Notes on Financial Statements

for the period ended 31st March, 2012 (Contd.)

₹ in '000

	As at 31.03.2012
2. SHARE CAPITAL	
AUTHORISED	
1,50,00,000 equity shares of ₹ 10/- each	150,000.00
ISSUED, SUBSCRIBED AND PAID UP	
1,50,00,000 equity shares of ₹ 10/- each fully paid up	150,000.00
	150,000.00
2.1 100% equity shares are held by MBL Infrastructures Ltd., the holding company and its nominees	
3. OTHER LONG-TERM LIABILITIES	
Retention money	10,942.56
	10,942.56
4. OTHER CURRENT LIABILITIES	
Overdrawn bank balance (due to reconciliation)	3,157.71
Tax deducted at source payable	3,513.24
Payable for expenses	28.09
	6,699.04
5. INTANGIBLE ASSET UNDER DEVELOPMENT	
Payment for development charges	109,425.63
Design and survey charges	2,508.08
Bank charges	3.12
Printing and stationery	4.52
Preliminary expenses written off	1,097.30
Legal and professional fees	82.34
<u>Payment to auditor</u>	
Statutory audit fee	28.09
	113,149.08
6. LONG-TERM LOANS AND ADVANCES	
(Unsecured, considered good)	
Advances to related parties	25,373.75
	25,373.75
7. CASH AND CASH EQUIVALENTS	
Balance with a bank	796.38
	796.38
8. SHORT-TERM LOANS AND ADVANCES	
(Unsecured, considered good)	
Advances to related parties	28,322.39
	28,322.39

9. Reporting Period

The figures in these financial statements pertain to the period from the date of incorporation to 31st March, 2012.

10. Micro, Small and Medium Enterprises

There are no Micro, Small and Medium Enterprises, to whom the company owes dues, which are outstanding for more than 30 days as at 31st March, 2012. This information as required to be disclosed under Micro, Small, Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

11. Earnings per Share

Since the revenue generating operation of the project has not yet started, no statement for profit and loss has been prepared and details pertaining to earning per share is not applicable.

12. Deferred Tax

Since the revenue generating operation of the project has not yet started, no statement for profit and loss statement has been prepared and details pertaining to deferred tax is not applicable.

13. Segment Reporting

The Company is in the business of building, operating and maintaining a road. Therefore, the Company's business does not fall under different business segments as defined by AS-17 issued by "The Institute of Chartered Accountants of India". The Company at present primarily operates in India and therefore the analysis of geographical segments is not applicable to the Company.

14. Disclosure of related parties / related party transactions:

As per Accounting Standard (AS) - 18 of The Companies (Accounting Standards) Rules, 2006, the Company's related party disclosure is as under:

A. Related party disclosures

Relationship	Name of the related party
Holding company	MBL Infrastructures Limited

B. Transactions carried out with the related party referred in "A" above, in ordinary course of business

	₹ in '000
1 Share application money received	150,000.00
2 Preliminary and other expenses paid as reimbursement	1,097.30
3 Mobilisation advance paid	53,696.14
4 Retention money deducted	10,942.56
3 Development charges paid	109,425.63

C. Year end balances of the related party transaction

	₹ in '000
1 Mobilisation advance paid	53,696.14
2 Retention money deducted	10,942.56

15. There are no transactions that are required to be disclosed under clause 32 of the listing agreement entered between the holding company and the stock exchanges where the equity shares of the holding company are listed.



Notes on Financial Statements

for the period ended 31st March, 2012 (*Contd.*)

16. The Company has executed documents for External Commercial Borrowing of US\$ 8.06 Million with Punjab National Bank (International) Limited and the same has been secured in their favour by :
- (i) First charge on all the movable & immovable assets present and future.
 - (ii) First charge on escrow account.
 - (iii) First charge on intangible assets.
 - (iv) Pledge of 30% equity shares of the Company held by the holding company.
17. In accordance with AS-26 on Intangible Assets, preliminary expenses has been fully written off during the year.
18. These being the first financial statements of the Company since its incorporation, the corresponding figures of the previous year are not applicable.
-

In terms of our report of even date attached.

For Agrawal S. Kumar & Associates
Chartered Accountants
Firm Registration No.322324E

(M.K.Jhawar)
Partner
Membership No. 061308
New Delhi
Dated : 30th May, 2012

For and on behalf of the Board

Anjaneer Kumar Lakhoria
Director

Venkatesh Lakhoria
Director

Consolidated Auditors' Report

To
The Members of
MBL Infrastructures Limited.

1. We have audited the attached Consolidated Balance Sheet of M/s MBL Infrastructures Limited ('the Company') and its subsidiaries (collectively referred to as 'the Group') as at March 31, 2012, the related Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These Consolidated Financial Statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An Audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements notified under sub-section (3C) of Section 211 of the Companies Act, 1956.

4. We report that on the basis of information and according to the explanations given to us, in our opinion, the attached consolidated financial statement give, a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2012;
- ii) in the case of the consolidated Profit and Loss Account, of the consolidated profit of the Group for the year ended on that date; and
- iii) in the case of the consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the year ended on that date.

For Agrawal S. Kumar & Associates
Chartered Accountants
Firm Registration No. 322324E
(M. K. Jhawar)

Partner
Membership No. 061308

New Delhi
Dated : 30th May, 2012

Consolidated Balance Sheet

as at 31st March, 2012

₹ in Lacs

	Note No.	As at 31.03.2012	As at 31.03.2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	1,751.37	1,751.37
Reserves and surplus	3	32,960.30	26,321.46
Non-Current Liabilities			
Long-term borrowings	4	15,469.52	11,198.82
Deferred tax liabilities	5	2,592.03	2,078.80
Other long-term liabilities	6	1,482.00	1,757.54
Long-term provisions	7	75.33	54.06
Current Liabilities			
Short-term borrowings	8	28,727.52	15,186.78
Trade payables	9	2,182.62	2,836.95
Other current liabilities	10	11,134.72	12,063.77
Short-term provisions	11	3,741.42	1,859.78
Total		100,116.83	75,109.33
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible assets	12	11,117.79	10,655.17
Intangible assets	12	5,580.07	5,922.98
Capital work-in-progress	12	–	14.46
Intangible Assets under development	12	7,033.22	–
Non-current investments	13	5.86	0.50
Long-term loans and advances	14	91.55	37.77
Other non-current assets	15	1,316.64	4,048.18
Current Assets			
Inventories	16	44,879.15	19,165.63
Trade receivables	17	17,104.40	24,494.17
Cash and bank balances	18	6,847.44	2,990.31
Short-term loans and advances	19	6,013.41	7,692.55
Other current assets	20	127.30	87.61
Total		100,116.83	75,109.33
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 37		

The notes are an integral part of the financial statements.

In terms of our report of even date attached.

For Agrawal S. Kumar & Associates

Chartered Accountants

Firm Registration No. 322324E

(M.K.Jhawar)

Partner

Membership No. 061308

New Delhi

Dated : 30th May, 2012

(R. N. Bansal)

Vice President (Finance & Accounts)

(Nitin Bagaria)

Company Secretary

For and on behalf of the Board

(Ram Gopal Maheshwari)

Chairman

(Anjaneer Kumar Lakhota)

Wholetime Director & CEO

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2012

₹ in Lacs

	Note No.	For the year ended 31.03.2012	For the year ended 31.03.2011
INCOME			
Revenue from operations	21	126,526.70	100,159.65
Other income	22	216.37	248.60
Total Revenue		126,743.07	100,408.25
EXPENSES			
Cost of materials consumed	23	95,902.63	52,188.10
Employee benefits expense	24	1,745.78	1,597.64
Finance costs	25	5,310.52	3,328.11
Depreciation and amortisation expense	12	1,130.42	955.57
Other expenses	26	12,091.99	33,108.42
Total Expenses		116,181.34	91,177.84
Profit before tax		10,561.73	9,230.41
Tax Expenses			
Current tax		2,799.00	2,347.25
Deferred tax		513.23	631.00
Earlier years tax		–	79.22
Profit for the year		7,249.50	6,172.94
Earnings per equity share (₹)			
Basic		41.39	35.25
Diluted		41.39	35.25
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 37		

The notes are an integral part of the financial statements.

In terms of our report of even date attached.

For Agrawal S. Kumar & Associates

Chartered Accountants

Firm Registration No. 322324E

(M.K.Jhawar)

Partner

Membership No. 061308

New Delhi

Dated : 30th May, 2012

(R. N. Bansal)

Vice President (Finance & Accounts)

(Nitin Bagaria)

Company Secretary

For and on behalf of the Board

(Ram Gopal Maheshwari)

Chairman

(Anjaneer Kumar Lakhota)

Wholetime Director & CEO

Consolidated Cash Flow Statement

for the year ended 31st March, 2012

₹ in Lacs

	For the year ended 31.03.2012		For the year ended 31.03.2011	
A. Cash flow from operating activities				
Net profit before tax & extraordinary items		10,561.73		9,230.41
Adjusted for :				
(Profit) / Loss on sale of fixed assets	(10.51)		3.03	
(Profit) / Loss on sale of investments	(6.86)		–	
Depreciation	1,130.42		955.57	
Interest and finance charges	5,310.52	6,423.57	3,328.11	4,286.71
Operating profit before working capital changes		16,985.30		13,517.12
(Increase) / Decrease in inventories	(25,713.53)		(9,400.05)	
(Increase) / Decrease in trade and other receivable	11,995.41		(3,170.85)	
Increase / (Decrease) in trade payables and other liabilities	(1,834.63)	(15,552.75)	(3,836.90)	(16,407.80)
Cash generated from operations		1,432.55		(2,890.68)
Direct taxes paid		(716.86)		(1,230.13)
Net cash generated from / (used in) operation		715.69		(4,120.82)
B. Cash flow from investing activities				
Additions in fixed assets	(8,820.42)		(3,059.65)	
Sale of fixed assets	562.06		18.24	
(Additions) / Disposals of investments	1.50		(0.50)	
Net cash generated from / (used in) investing activities		(8,256.86)		(3,041.91)
C. Cash flow from financing activities				
(Repayments) / Proceeds of secured loan	19,311.44		11,041.08	
(Repayments) / Proceeds of unsecured loan	(1,500.00)		(2,639.02)	
Dividend & corporate tax on dividend paid	(814.20)		(408.45)	
Interest and finance charges	(5,310.52)		(3,328.11)	
Net cash generated from / (used in) financing activities		11,686.72		4,665.50
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)		4,145.54		(2,497.23)
Opening balance of cash & cash equivalent		859.41		3,356.64
Closing balance of cash & cash equivalent (refer note 18)		5,004.95		859.41

In terms of our report of even date attached.

For Agrawal S. Kumar & Associates

Chartered Accountants

Firm Registration No. 322324E

(M.K.Jhawar)

Partner

Membership No. 061308

New Delhi

Dated : 30th May, 2012

(R. N. Bansal)
Vice President (Finance & Accounts)

(Nitin Bagaria)
Company Secretary

For and on behalf of the Board

(Ram Gopal Maheshwari)
Chairman

(Anjaneer Kumar Lakhotia)
Wholetime Director & CEO

Notes on Consolidated Financial Statements

for the year ended 31st March, 2012

1. SIGNIFICANT ACCOUNTING POLICIES

a. Principles of Consolidation

The Consolidated Financial Statements comprise MBL Infrastructures Ltd. ("the Company") and its subsidiary companies as at 31st March 2012 and for the year ended on that date.

List of subsidiary companies included in consolidation are as under:

Name of the Subsidiary	Country of Incorporation	% holding	Nature of relationship
AAP Infrastructure Limited	India	100%	Subsidiary
MBL Highway Development Company Limited (w.e.f. 23.08.2011)	India	100%	Subsidiary
MBL (MP) Toll Road Company Limited (w.e.f. 31.10.2011)	India	100%	Subsidiary

The Consolidated Financial Statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiaries are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-company balances in accordance with the Accounting Standard 21 on "Consolidated Financial Statements" of the Companies (Accounting Standards) Rules, 2006.
- The financial statements of the subsidiaries are drawn-up upto the same reporting date as that of the Company, i.e. March 31, 2012.
- The Consolidated Financial Statements are prepared to the extent possible using uniform accounting policies for the like transactions and other events in similar circumstances and are presented in the manner as the Company's separate financial statements.

b. Basis of Preparation of Financial Statements

- The financial statements of the Company and its subsidiaries have been prepared under the historical cost convention (other than certain Fixed Assets which are stated at revalued amount) and in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956.
- The Company and its subsidiaries follows mercantile system of accounting and recognises income and expenditure on accrual basis.

c. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the reported amounts of income and expenses and disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

d. Revenue Recognition

- In respect of construction/ project related activity, the company follows percentage of completion method. Percentage of completion is determined by survey of work performed / physical measurement of work actually completed at the balance Sheet date taking into account contractual price/ unit rates and revision thereto.
- Revenue in respect of claims is recognised to the extent the Company and its subsidiaries is reasonably certain of their realisation.
- Other operational income is recognized on rendering of related services, as per the terms of the contracts.
- Other items of income are accounted as and when the right to receive arises.

Notes on Consolidated Financial Statements

for the year ended 31st March, 2012 (Contd.)

- (v) Fee collections from users of facilities are accounted for as and when the amount is due and recovery of which is certain. The user fees are accounted for net off operation and maintenance charges.
- (vi) Each contract is recognised as a profit centre. Payments/ reimbursements under the same are grouped under direct and other expenses.

e. Fixed Assets, Depreciation and Amortisation

- (i) Fixed assets are stated at their original cost. Cost includes acquisition price, attributable expenses and pre-operational expenses. Fixed assets retired from active use are valued at net realisable value.
- (ii) Depreciation on fixed assets is provided on straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over their remaining useful life.
- (iii) Assets acquired on equipment finance (hire purchase) are stated at their cash values.
- (iv) Carriage ways, being right to operate and maintain highways on Build, Operate and Transfer (BOT) basis is capitalized on commencement of commercial operation of homogeneous section as per concession agreement. Expenditure incurred during the construction period including borrowing cost attributable to the homogeneous section is proportionately allocated and is netted of proportionate capital subsidy.
- (v) Toll collection rights are amortised over the concession period. The rights are amortised based on the projected toll revenue which reflects the pattern in which the assets' economic benefits are consumed. The projected total toll revenue is based on the latest available base case traffic volume projections. If there is material change in the expected pattern of economic benefits the amortisation is revised.

f. Foreign Currency Transactions

- (i) The reporting currency of the company and its subsidiaries is the Indian Rupee.
- (ii) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- (iii) Monetary items denominated in foreign currencies, if any, at the end of the year are restated at year end rates.
- (iv) Non monetary foreign currency items are carried at cost.
- (v) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the statement of profit and loss.

g. Leases

The Company's significant leasing arrangements are in respect of operating leases for premises and quarries for varying periods and the lease can be renewed as per mutual agreement. The aggregate lease rents payable are charged as Rent in the statement of profit and loss. There is no restriction or contingent rent in the lease agreements. All leases are cancelable in nature.

h. Inventories

Construction materials are valued at cost or net realisable value whichever is lower. Cost of inventories is ascertained on FIFO basis.

i. Taxes on Income

- (i) Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.
- (ii) Deferred tax resulting from "timing difference" between book and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet

date. The deferred tax asset is recognised and carried forward only to the extent that there is reasonable certainty that the assets will be adjusted in future. The carrying amount of deferred tax assets are reviewed at each balance sheet date. In case of unabsorbed depreciation and losses, deferred tax assets are recognised and carried forward only to the extent there is a virtual certainty that the asset will be adjusted in future.

j. Employee Benefits

- (i) All employees benefits payable wholly within twelve months of rendering the service such as salaries, wages, short term compensated absences, etc. and the expected cost of bonus, ex-gratia are recognized in the period in which the employees render the related services.
- (ii) Retirement benefit in the form of provident fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss when the contributions to the respective funds are accrued. Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial valuation made at the end of each financial year. Short term and long term compensated absences are provided for based on actuarial valuation at the year end. Actuarial gains/losses are immediately taken to statement of profit and loss and are not deferred.

k. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to statement of profit and loss.

l. Accounting for Joint Venture Contracts

- (i) Contracts executed in Joint Venture under work sharing arrangement (consortium) are accounted in accordance with the accounting policy followed by the company as that of an independent contract to the extent work is executed.
- (ii) Assets, liabilities and expenditure arising out of contracts executed wholly by the Company pursuant to a joint venture contract are recognised under respective heads in the financial statements. Income from the contract is accounted net of joint venturer's share under income from operations in these financial statements.
- (iii) Share of turnover attributable to the company in respect of contracts executed by the other joint venture partners pursuant to joint venture agreement, is accounted under income from operations in these financial statements.

m. Impairment of Assets

The carrying amount of assets is reviewed at each balance sheet date to determine if there is any indication of impairment thereof based on external / internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount, which represents the greater of the net selling price of assets and their 'value in use'. The estimated future cash flows are discounted to their present value at appropriate rate arrived at after considering the prevailing interest rates and weighted average cost of capital.

n. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

Notes on Consolidated Financial Statements

for the year ended 31st March, 2012 (Contd.)

₹ in Lacs

	As at 31.03.2012	As at 31.03.2011
2. SHARE CAPITAL		
AUTHORISED		
2,52,50,000 equity shares of ₹ 10/- each	2,525.00	2,525.00
ISSUED, SUBSCRIBED AND PAID UP		
1,75,13,727 equity shares of ₹ 10/- each fully paid up	1,751.37	1,751.37
(Previous year 1,75,13,727 equity shares of ₹ 10/- each fully paid up)	1,751.37	1,751.37

2.1 The Company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share. The dividend proposed by the board of directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

2.2 The details of Shareholders holding more than 5% shares of the aggregate shares in the Company:

Name of the Shareholders	As at 31.3.2012		As at 31.3.2011	
	No. of Shares	%	No. of Shares	%
MBL A Capital Limited (formerly SMH Capital Limited)	3918187	22.37	3918187	22.37
Prabhu International Vyapar Private Limited	3160290	18.04	3160290	18.04
Ram Gopal Maheshwari	2248750	12.84	2248750	12.84
Reliance Capital Trustee Company Limited - Reliance Infrastructure Fund	1394956	07.96	1389956	07.94
ICICI Prudential Mutual Fund - Under Various Schemes	977293	05.58	744719	04.25

	As at 31.03.2012	As at 31.03.2011
3. RESERVES AND SURPLUS		
Capital Redemption Reserve		
Balance as per last account	1,391.01	1,391.01
Securities Premium Account		
Balance as per last account	10,281.67	10,281.67
General Reserve		
Opening balance	10,000.00	7,500.00
Add - Transfer from surplus	5,000.00	2,500.00
Closing balance	15,000.00	10,000.00
Surplus as per Profit and Loss Account		
Opening balance	4,648.78	1,484.71
Add - Transfer from statement of profit and loss	7,249.50	6,172.94
Less - Interim dividend paid	(262.71)	—
Less - Corporate tax on interim dividend	(42.62)	—
Amount available for appropriation	11,592.95	7,657.65
Appropriation		
Less - Proposed dividend (refer note 3.1)	(262.71)	(437.84)
Less - Corporate tax on proposed dividend	(42.62)	(71.03)
Less - Transfer to General Reserve	(5,000.00)	(2,500.00)
Closing balance	6,287.62	4,648.78
	32,960.30	26,321.46

3.1 Dividend proposed to be distributed to equity shareholders is ₹ 1.50 (Previous year ₹ 2.50) per equity share.

₹ in Lacs

	As at 31.03.2012	As at 31.03.2011
4. LONG-TERM BORROWINGS		
Secured		
Equipment / Vehicle finance / Term loan / External commercial borrowings		
From banks	15,402.86	11,095.35
From others	66.66	103.47
	15,469.52	11,198.82

- 4.1 External commercial borrowings (ECB) availed by MBL Infrastructures Ltd. from banks are secured by hypothecation of certain plant and equipments. Such ECBs are fully hedged.
- 4.2 External commercial borrowings (ECB) availed by MBL Highway Development Company Ltd. is secured by road on BOT basis and pledge of 30% equity shares of the company held by the holding company. The ECB is restated at year end currency rates on marked to market basis and provision is made for exchange fluctuation.
- 4.3 Term loan availed by AAP Infrastructure Ltd. is secured by road on BOT basis, personal guarantee of certain directors, corporate guarantee of the holding company and pledge of 100% equity shares of the company held by the holding company.
- 4.4 Equipment / Vehicle finance availed from banks and others are secured by hypothecation of the respective assets; comprising construction equipments and vehicles acquired out of the said loans and personal guarantee of promoter directors.
- 4.5 Maturity profile of long term borrowings are as set out below :

Particulars	Rate of Interest (%) ^	within 1 year	1 to 2 years	2 to 3 years	beyond 3 years
From banks	between 5.27 - 8.75	1,016.76	1,012.92	1,030.97	6,621.95
	between 9.25 - 11.69	262.19	247.47	123.13	–
	between 12.00 -13.02	1,113.15	1,345.20	1,442.89	3,578.33
From others	between 9.25 - 11.75	57.00	37.97	25.36	–
	between 12.00 -13.78	73.26	3.33	–	–
Total		2,522.36	2,646.89	2,622.35	10,200.28

^ Includes interest rates that are linked to base rates of the respective lender, which may vary accordingly.

	As at 31.03.2012	As at 31.03.2011
5. DEFERRED TAX LIABILITIES		
Difference between book and tax depreciation	1,112.83	974.14
Retention money not yet released and hence not offered for taxation	1,479.20	1,104.66
	2,592.03	2,078.80
6. OTHER LONG-TERM LIABILITIES		
Mobilisation advance from contractees	–	1,157.54
Other payables	1,482.00	600.00
	1,482.00	1,757.54

Notes on Consolidated Financial Statements

for the year ended 31st March, 2012 (Contd.)

₹ in Lacs

	As at 31.03.2012	As at 31.03.2011
7. LONG-TERM PROVISIONS		
Provision for employee benefits	75.33	54.06
	75.33	54.06
8. SHORT-TERM BORROWINGS		
Secured		
Working capital facilities from banks	28,727.52	13,440.40
Acceptances	–	246.38
Unsecured		
Working capital demand loan	–	1,500.00
	28,727.52	15,186.78

8.1 Working capital facilities in the form of cash credit facilities and working capital demand loans from consortium of banks are secured by:

- Hypothecation of book debts and other current assets of the Company, both present and future, ranking pari passu with consortium banks.
- Hypothecation of all unencumbered fixed assets (excluding those present and future fixed assets under specific charge for loans against those specific assets) of the Company both present and future ranking pari passu with consortium banks.
- Equitable mortgage of land & building at Bhadravati (Karnataka), land at Dankuni (West Bengal), land at Rourkela (Orissa), office space at Jasola (New Delhi), office space at Kolkata (West Bengal) and personal guarantees of promoter directors of the Company.

9. TRADE PAYABLES		
Micro, Small and Medium Enterprises (refer note 9.1)	–	–
Others (refer note 9.2)	2,182.62	2,836.95
	2,182.62	2,836.95

9.1 There are no Micro, Small and Medium Enterprises, to whom the company owes dues, and which are outstanding for more than 30 days as at 31st March, 2012. This information as required to be disclosed under Micro, Small, Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

9.2 Trade payables are subject to confirmation from certain parties.

₹ in Lacs

	As at 31.03.2012	As at 31.03.2011
10. OTHER CURRENT LIABILITIES		
Current maturities of long term borrowings		
From banks	2,392.10	1,571.33
From others	130.26	219.00
Unclaimed share application and interest amount (refer note 10.1)	0.46	0.47
Unclaimed dividend (refer note 10.1)	0.57	0.21
Advances from contractees	6,230.89	6,714.11
Payable on purchase of capital goods	28.47	27.89
Other payables (refer note 10.2)	2,351.97	3,530.76
	11,134.72	12,063.77

10.1 These figures do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.

10.2 Other payables include statutory dues, security deposits, overdrawn bank balance (due to reconciliation), advance from customers etc.

11. SHORT-TERM PROVISIONS		
Provision for employee benefits	7.55	4.51
Provision for tax (refer note 11.1)	3,428.54	1,346.40
Proposed dividend	262.71	437.84
Tax on proposed dividend	42.62	71.03
	3,741.42	1,859.78

11.1 Provision for tax of ₹ 7366.01 lacs (Previous year ₹ 4567.02 lacs) is net of advance tax of ₹ 3937.47 lacs (Previous year ₹ 3220.61 lacs).

12. Fixed Assets

Particulars	Gross Block				Depreciation				Net Block	
	As at 31.03.2011	Additions	Sales	As at 31.03.2012	Upto 31.03.2011	For the Year	Sales	Upto 31.03.2012	As at 31.03.2012	As at 31.03.2011
Tangible Assets										
Land - Freehold	10.62	-	-	10.62	-	-	-	-	10.62	10.62
Buildings	762.13	-	-	762.13	28.94	25.46	-	54.40	707.73	733.19
Plant and Equipment	12,661.51	1,512.22	2,012.03	12,161.70	3,463.48	642.40	1,484.18	2,621.70	9,540.00	9,198.03
Vehicles	510.11	139.19	25.61	623.69	186.50	48.96	15.38	220.08	403.61	323.60
Office Equipments	11.24	36.36	-	47.60	1.99	1.01	-	3.00	44.60	9.25
Furniture and Fixtures	164.26	88.21	17.34	235.13	38.75	10.88	3.87	45.76	189.37	125.51
Computer	371.10	25.68	-	396.78	116.13	58.79	-	174.92	221.86	254.97
Total Tangible Assets (A)	14,490.96	1,801.66	2,054.98	14,237.65	3,835.79	787.50	1,503.43	3,119.86	11,117.79	10,655.17
Intangible Assets										
Carriage Ways *	7,297.87	-	-	7,297.87	1,374.89	342.91	-	1,717.80	5,580.07	5,922.98
Total Intangible Assets (B)	7,297.87	-	-	7,297.87	1,374.89	342.91	-	1,717.80	5,580.07	5,922.98
Total (A+B)	21,788.83	1,801.66	2,054.98	21,535.52	5,210.68	1,130.42	1,503.43	4,837.66	16,697.85	16,578.15
Previous Year	18,758.38	3,059.65	29.20	21,788.83	4,263.07	955.57	7.95	5,210.68	16,578.15	
Capital Work-in-Progress									-	14.46
Intangible Assets under Development									7,033.22	-

* Being the right to operate and maintain the highways on Build, Operate and Transfer basis

Notes on Consolidated Financial Statements

for the year ended 31st March, 2012 (Contd.)

₹ in Lacs

	As at 31.03.2012	As at 31.03.2011
13. NON-CURRENT INVESTMENTS		
Long-term, Unquoted, Trade Others		
i) Narayan Infracon Private Limited 50,000 equity shares of ₹ 10/- each fully paid up	5.00	–
ii) Orissa Steel Expressway Private Limited 3,600 (5,000) equity shares of ₹ 10/- each fully paid up	0.36	0.50
iii) Suratgarh Bikaner Toll Road Company Private Limited 5,000 equity shares of ₹ 10/- each fully paid up	0.50	–
	5.86	0.50
13.1 100% investment in equity shares of wholly owned subsidiary, AAP Infrastructure Limited and 30% investment in equity shares of wholly owned subsidiary, MBL Highway Development Company Limited, have been pledged with bankers against long term credit facilities availed by the respective subsidiary company.		
14. LONG-TERM LOANS AND ADVANCES (Unsecured, considered good) Prepaid expenses	91.55	37.77
	91.55	37.77
15. OTHER NON-CURRENT ASSETS (Unsecured, considered good) <u>Long-term trade receivable</u> Retention and deposits	1,316.64	4,048.18
	1,316.64	4,048.18
16. INVENTORIES (As valued and certified by the management) (at cost or net realisable value, whichever is lower) Construction materials at site	44,879.15	19,165.63
	44,879.15	19,165.63
17. TRADE RECEIVABLES (Unsecured, considered good) Outstanding for a period exceeding six months (refer note 17.1) Others (refer note 17.1)	1,520.94 15,583.46	1,476.26 23,017.91
	17,104.40	24,494.17

17.1 Trade receivables are subject to confirmation from certain parties.

₹ in Lacs

	As at 31.03.2012	As at 31.03.2011
18. CASH AND BANK BALANCES		
Cash and cash equivalents		
Balances with banks (refer note 18.1)	1,032.38	304.53
Cash on hand	182.37	310.24
Fixed deposits of maturity less than 3 months with banks (refer notes 18.2 to 18.4)	3,790.20	244.64
	5,004.95	859.41
<u>Other bank balances</u>		
Fixed deposits of maturity more than 3 months with banks (refer notes 18.2 to 18.4)	1,842.49	2,130.90
	6,847.44	2,990.31

18.1 Includes unclaimed share application and interest of ₹ 0.46 lacs (Previous year ₹ 0.47 lacs) and unclaimed dividend of ₹ 0.57 lacs (Previous year ₹ 0.21 lacs).

18.2 Fixed deposits pledged with banks as margin ₹ 4916.15 lacs (Previous year ₹ 1932.86 lacs).

18.3 Fixed deposits pledged with others as security deposit ₹ 716.54 lacs (Previous year ₹ 442.68 lacs)

18.4 Fixed deposits with banks include deposits of ₹ 1005.72 lacs (Previous year ₹ 1233.11 lacs) with maturity of more than 12 months.

19. SHORT-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Loan to related parties	–	650.26
Security and other deposits	664.87	479.02
Others		
Capital advances	178.60	52.70
Prepaid expenses	145.91	262.85
Advances against materials, services etc. (refer note 19.1)	5,024.03	6,247.72
	6,013.41	7,692.55

19.1 Advances against materials and services are subject to confirmation from certain parties.

20. OTHER CURRENT ASSETS		
(Unsecured, considered good)		
Others (refer note 20.1)	127.30	87.61
	127.30	87.61

20.1 Other current assets include accrued interest, etc.

Notes on Consolidated Financial Statements

for the year ended 31st March, 2012 (Contd.)

₹ in Lacs

	For the year ended 31.03.2012	For the year ended 31.03.2011
21. REVENUE FROM OPERATIONS		
Construction and project related activities	126,526.70	100,159.65
	126,526.70	100,159.65
22. OTHER INCOME		
Claims	2.07	4.70
Interest on fixed deposits	196.59	195.78
Miscellaneous income and receipts	0.34	48.12
Profit on sale of fixed assets	10.51	—
Profit on sale of long term investments	6.86	—
	216.37	248.60
23. COST OF MATERIALS CONSUMED		
Consumption of raw materials	95,902.63	52,188.10
	95,902.63	52,188.10
24. EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	1,564.17	1,420.24
Contribution to provident and other funds	60.75	64.25
Provision for employee retirement benefits	24.30	36.50
Staff welfare expenses	54.56	34.65
Director's remuneration	42.00	42.00
	1,745.78	1,597.64
25. FINANCE COSTS		
Interest expense	5,028.45	3,138.69
Applicable loss on currency transactions and translation	183.25	—
Other borrowing costs	98.82	189.42
	5,310.52	3,328.11
26. OTHER EXPENSES		
Power, fuel and lubricants	2,227.76	2,671.97
Direct labour, sub-contract etc.	6,250.68	25,864.87
Stores and spares consumed	586.48	668.47
Hire charges - vehicles and equipments	255.95	535.01
Site development expenses	7.74	95.75
Repairs to machinery	54.20	65.27
Other repairs	96.00	93.80
Insurance	63.24	73.88
Rates and taxes, excluding, taxes on income	1,168.27	1,653.31
Sites rent	130.96	116.64
Office rent	12.99	48.15
<u>Payments to auditor</u>		
Statutory audit	5.82	2.70
Tax audit	0.38	0.35
Other services	0.85	0.15
Miscellaneous expenses	934.81	826.51
Bank commission and charges	295.86	388.56
Loss on sale of fixed assets	—	3.03
	12,091.99	33,108.42

27. Disclosure in respect of Joint Ventures

₹ in Lacs

List of Joint Ventures	Proportion of Ownership Interests	Assets	Liabilities	Income	Expenses
MBL-Atlas (JV)	51%	–	–	41.45	37.57
TCIL-MBL (JV)	51%	–	–	746.34	705.96
MBL-Calcutta Industrial Supply Corporation (JV)	60%	–	–	255.55	240.62
MBL-Lakshewari Builders Pvt.Ltd. (JV)	60%	–	–	43.47	40.57

All joint ventures are of Indian origin

	2011-2012	2010-2011
28. Earnings per Share		
(i) Profit computation for earnings per share of ₹10/- each		
Net profit as per statement of profit & loss before earlier years' tax (₹ In lacs)	7,249.50	6,252.16
Net profit as per statement of profit & loss after earlier years' tax (₹ In lacs)	7,249.50	6,172.94
(ii) Weighted average number of equity shares for EPS computation		
For Basic EPS	17,513,727	17,513,727
For Diluted EPS	17,513,727	17,513,727
(iii) Basic EPS (weighted average)		
Basic EPS (before earlier years' tax) (₹)	41.39	35.70
Basic EPS (after earlier years' tax) (₹)	41.39	35.25
(iv) Diluted EPS (weighted average)		
Diluted EPS (before earlier years' tax) (₹)	41.39	35.70
Diluted EPS (after earlier years' tax) (₹)	41.39	35.25

29. Employees' Benefits

The Disclosure as per Accounting Standard (AS) 15 (Revised 2005) of the Companies (Accounting Standards) Rules, 2006 is as under -

	2011-2012	2010-2011
(i) Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation for gratuity:		
Obligation at the beginning of the financial year	40.40	22.07
Service cost	14.06	18.70
Interest on defined benefit obligation	3.42	1.70
Benefits settled	(0.25)	(1.53)
Actuarial gain/(loss)	(2.15)	(0.55)
Obligation at the end of the financial year	55.48	40.40
(ii) Change in Plan assets		
Plan assets at the beginning of the financial year, at fair value	–	–
Expected return on plan assets	–	–
Actuarial gain/(loss)	–	–
Contributions	0.25	1.53
Benefits settled	(0.25)	(1.53)
Plan assets at the end of the financial year, at fair value	–	–

Notes on Consolidated Financial Statements

for the year ended 31st March, 2012 (Contd.)

₹ in Lacs

	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
(iii) Reconciliation of present value of the obligation and the fair value of the plan assets:					
Closing DBO	55.48	40.40	22.07	7.85	13.88
Closing fair value of plan assets	—	—	—	—	—
Closing funded status	(55.48)	(40.40)	(22.07)	(7.85)	(13.88)
Net asset/ (liability) recognised in the balance sheet	(55.48)	(40.40)	(22.07)	(7.85)	(13.88)

	2011-2012	2010-2011
(iv) Expenses recognised in the statement of profit & loss		
Service cost	14.06	18.70
Interest cost	3.42	1.70
Expected return on plan assets	—	—
Actuarial (gains)/ loss	(2.15)	(0.55)
Net Gratuity Cost	15.33	19.85
(v) The basis used to determine the overall expected rate of return on assets including major categories of plan assets is as follows :		
(vi) Assumptions		
a. Interest Rate	8.5%	8%
b. Discounting factor	8.5%	8%
c. Estimated rate of return on plan assets	0%	0%
d. Salary Increase	6%	6%
e. Attrition rate	5%	5%
f. Retirement age (years)	60	60

(vii) The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

(viii) The actuarial liability of compensated absences (unfunded) of accumulated privileged leaves of the employees of the Company is as under:

₹ in Lacs

Particulars	2011-2012	2010-2011
1 Current liability (within 12 months)	3.04	1.23
2 Non current liability	24.35	16.94

30. Segment Reporting

The Company has single business segment namely 'Infrastructure Activity'. Therefore, the Company's business does not fall under different business segments as defined by AS-17 issued by "The Institute of Chartered Accountants of India". The Company at present primarily operates in India and therefore the analysis of geographical segments is not applicable to the Company.

31. Disclosure of related parties / related party transactions:

As per Accounting Standard (AS) - 18 of The Companies (Accounting Standards) Rules, 2006, related party disclosure is as under:

A. Related party disclosures

<u>Relationship</u>	<u>Name of the related party</u>
(i) Joint Ventures	<ul style="list-style-type: none"> a) TCIL - MBL (JV) b) MBL - Atlas (JV) c) MBL - Calcutta Industrial Supply Corporation (JV) d) MBL - Laksheshwari Builders Pvt.Ltd. (JV) e) MBL - Supreme (JV)
(ii) Associates	<ul style="list-style-type: none"> a) Orissa Steel Expressway (P) Ltd. - a Joint Venture SPV Company for BOT Project b) Suratgarh Bikaner Toll Road Company (P) Ltd. - a Joint Venture SPV Company for BOT Project c) Narayan Infracon Private Limited
(iii) Key Management Personnel	<ul style="list-style-type: none"> a) Mr. Ram Gopal Maheshwari (Chairman) b) Mr. Anjanee Kumar Lakhotia (Wholetime Director & CEO) c) Mr. Maruti Maheshwari (Executive Director) d) Mr. Aditya Maheshwari (Vice President - Operations) e) Mr. Anuj Maheshwari (Vice President - Operations)
(iv) Enterprises owned or significantly influenced by key management personnel or their relatives	<ul style="list-style-type: none"> a) Prabhu International, Proprietary Concern of a Director b) Prabhu International Vyapar Pvt. Ltd. c) MBL A Capital Limited d) MSP Infrastructures Ltd. e) Narayan Infracon Pvt. Ltd. f) Sahaj Promoters Pvt. Ltd. g) Mahamaya Trade-link Pvt. Ltd. (subsidiary of MBL A Capital Limited)

Notes on Consolidated Financial Statements

for the year ended 31st March, 2012 (Contd.)

B. Transactions carried out with related parties referred in "A" above, in ordinary course of business

₹ in Lacs

Nature of transaction	Subsidiary Company/ Associates	Joint Ventures	Key Management Personnel	Enterprises owned/ significantly influenced by Key Management Personnel
Payments:				
Salary				
Anjaneer Kumar Lakhota	—	—	24.00	—
	—	—	(24.00)	—
Maruti Maheshwari	—	—	18.00	—
	—	—	(18.00)	—
Aditya Maheshwari	—	—	8.00	—
	—	—	(6.00)	—
Anuj Maheshwari	—	—	8.00	—
	—	—	(6.00)	—
Director Sitting Fee				
Ram Gopal Maheshwari	—	—	0.80	—
	—	—	(1.60)	—
Dividend				
Ram Gopal Maheshwari	—	—	89.95	—
	—	—	(44.98)	—
Anjaneer Kumar Lakhota	—	—	20.32	—
	—	—	(10.16)	—
Maruti Maheshwari	—	—	0.98	—
	—	—	(0.49)	—
Aditya Maheshwari	—	—	2.00	—
	—	—	(1.00)	—
Anuj Maheshwari	—	—	2.00	—
	—	—	(1.00)	—
Prabhu International Vyapar Pvt. Ltd.	—	—	—	126.41
	—	—	—	(63.21)
MBL A Capital Limited	—	—	—	156.72
	—	—	—	(78.36)
Loan				
MSP Infrastructures Ltd.	—	—	—	—
	(220.13)	—	—	—
Receipts:				
MBL- Supreme (JV)	—	—	—	—
	—	(1,254.35)	—	—
TCIL - MBL (JV)	—	2,643.32	—	—
	—	(3,137.29)	—	—
MBL-Calcutta Industrial Supply Corp. (JV)	—	241.97	—	—
	—	(861.78)	—	—

₹ in Lacs

Nature of transaction	Subsidiary Company/ Associates	Joint Ventures	Key Management Personnel	Enterprises owned/ significantly influenced by Key Management Personnel
MBL - Lakheshwari Builders Pvt.Ltd. (JV)	—	87.65	—	—
	—	(457.19)	—	—
Repayment Received:				
MSP Infrastructures Ltd.	650.26	—	—	—
	(327.00)	—	—	—
Investment purchased/subscribed:				
MBL A Capital Limited	2.00	—	—	—
	—	—	—	—
Anjaneer Kumar Lakhotia	—	—	2.00	—
	—	—	—	—
Narayan Infracon Pvt. Ltd.	5.00	—	—	—
	—	—	—	—
Suratgarh Bikaner Toll Road Company Pvt. Ltd.	—	0.50	—	—
	—	—	—	—
C. Balance outstanding at year end :				
Amount receivable at year end:				
MSP Infrastructures Ltd.	—	—	—	—
	(650.26)	—	—	—
MBL- Supreme (JV)	—	310.99	—	—
	—	(310.99)	—	—
TCIL - MBL (JV)	—	3,105.04	—	—
	—	(5,002.02)	—	—
MBL-Calcutta Industrial Supply Corporation (JV)	—	91.18	—	—
	—	(77.61)	—	—
MBL - Lakheshwari Builders Pvt.Ltd. (JV)	—	121.96	—	—
	—	(166.14)	—	—
Investment outstanding at year end:				
Narayan Infracon Pvt. Ltd.	5.00	—	—	—
	—	—	—	—
Suratgarh Bikaner Toll Road Company Pvt. Ltd.	0.50	—	—	—
	—	—	—	—
Orissa Steel Expressway Pvt. Ltd.	—	0.36	—	—
	—	(0.50)	—	—

Previous years figures are in brackets

Notes on Consolidated Financial Statements

for the year ended 31st March, 2012 (Contd.)

32. Contingent Liabilities and Commitments

₹ in Lacs

	As at 31.03.2012	As at 31.03.2011
I. Contingent Liabilities		
(i) Claims against the Company / disputed liabilities not acknowledged as debts (to the extent ascertained)	648.22	648.22
(ii) Corporate guarantee given on behalf of a wholly owned subsidiary company AAP Infrastructure Limited	5,000.00	5,000.00
(iii) Claims against the subsidiary company not acknowledged as debt	5.00	5.00
(iv) Outstanding bank guarantees	26,244.51	21,021.03
(v) Outstanding letter of credit	–	99.43

II. Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for in the financial statements as on 31.3.2012 is ₹ 745.00 lacs (Previous year ₹ 90.00 lacs).

Advances paid on capital account is ₹ 125.90 lacs (Previous year ₹ Nil).

33. Information in accordance with the requirements of the Accounting Standard (AS-7) as per Companies (Accounting Standards) Rules, 2006 :

	2011-2012	2010-2011
Contract revenue recognised for the year ended 31st March, 2012	125,141.93	99,152.88
Aggregate amount of contract costs incurred and recognised profits (less recognised losses) up to 31st March, 2012 for all the contracts in progress	89,261.03	81,767.54
The amount of customer advances outstanding for contracts in progress as at 31st March, 2012	5,613.03	3,609.11
The amount of retention due from customers for contracts in progress as at 31st March, 2012	4,471.93	2,755.04
Gross amount due from customers for contracts in progress	8,588.56	15,613.06

34. Raw materials, stores & spares consumed are 100% indigenous.

35. Expenditure in Foreign Currency

Capital expenditure	–	68.94
Interest charges/bank charges	886.34	512.45

36. The financial statements for the year ended 31st March, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification under the Companies Act, 1956, the financial statements for the year ended 31st March, 2012 are prepared under revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification.
37. Figures in the financial statements have been rounded off in rupees lacs upto two decimal places.

The notes are an integral part of the financial statements

In terms of our report of even date attached.

For Agrawal S. Kumar & Associates

Chartered Accountants

Firm Registration No. 322324E

(M.K.Jhawar)

Partner

Membership No. 061308

New Delhi

Dated : 30th May, 2012

(R. N. Bansal)
Vice President (Finance & Accounts)

(Nitin Bagaria)
Company Secretary

For and on behalf of the Board

(Ram Gopal Maheshwari)
Chairman

(Anjanee Kumar Lakhotia)
Wholetime Director & CEO

[illegible]