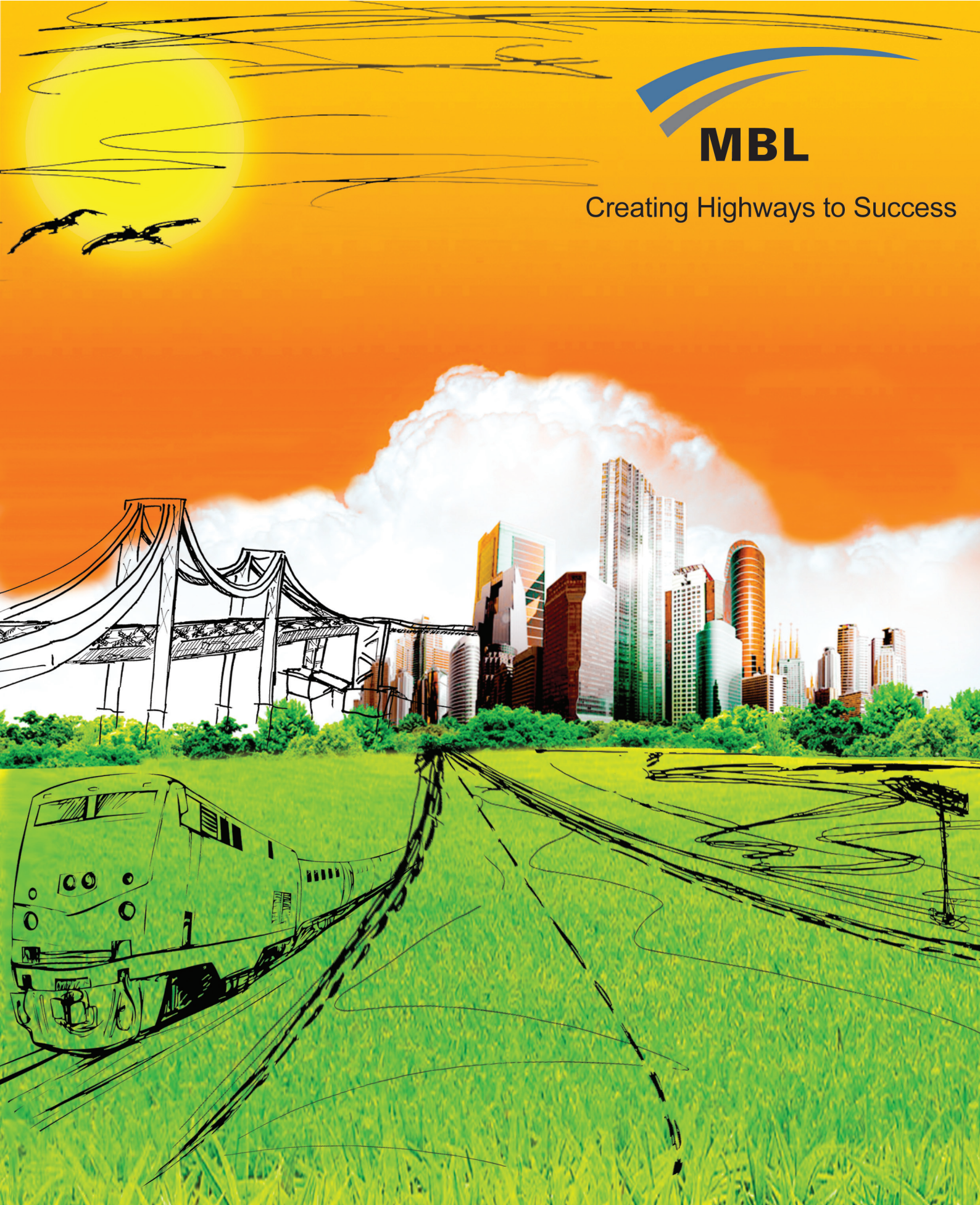




**MBL**

Creating Highways to Success



**MBL Infrastructures Ltd.**

Annual Report 2013-2014

PDF processed with CutePDF evaluation edition [www.CutePDF.com](http://www.CutePDF.com)



# Forward Looking Statement

---

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 Market data and information gathered from various published and unpublished reports, their accuracy, reliability and completeness cannot be assured.

## Table Of Contents

Corporate Information	01
Vision	02
Mission	02
Director's Report	03
Management Discussion & Analysis	15
Report on Corporate Governance	28
Risk Management	40
<b><u>Standalone Financial Statements</u></b>	
Independent Auditors' Report	42
Balance Sheet	47
Statement of Profit & Loss	48
Cash Flow Statement	49
Notes on Financial Statements	50
<b><u>Consolidated Financial Statements</u></b>	
Independent Auditors' Report	67
Balance Sheet	68
Statement of Profit & Loss	69
Cash Flow Statement	70
Notes on Financial Statements	71

## Directors

Mr. Anjanee Kumar Lakhota -Chairman & Managing Director  
Mr. Ashwini Kumar Singh -Independent Director  
Mr. Kumar Singh Baghel -Independent Director  
Mr. Ram Dayal Modi -Independent Director  
Mr. Bhagwan Singh Duggal -Independent Director  
Ms. Sunita Palita -Independent Director (Appointed w.e.f. 26<sup>th</sup> May, '14)

## Company Secretary

Mr. Vivek Jain

## Auditors

M/s. Agrawal S. Kumar & Associates  
21, Hemanta Basu Sarani, 3rd Floor, Room No. 306,  
'Centre Point', Kolkata - 700 001.  
Phone: 033-30288500-512. Fax: 033-30288499

## Registrar & Share Transfer Agent

Link Intime India Pvt. Ltd.  
Kolkata Office: 59C, Chowringhee Road,  
3rd Floor, Kolkata - 700 020.  
Phone: 033-22890540  
Fax: 033-22890539. Email: [kolkata@linkintime.co.in](mailto:kolkata@linkintime.co.in)

## Registered Office

Divine Bliss, 1st Floor, 2/3, Judges Court Road,  
Kolkata -700027.  
Phone: 033-3341 1800  
Fax: 033-3341 1801. Email : [kolkata@mblinfra.com](mailto:kolkata@mblinfra.com)  
Website: [www.mblinfra.com](http://www.mblinfra.com)

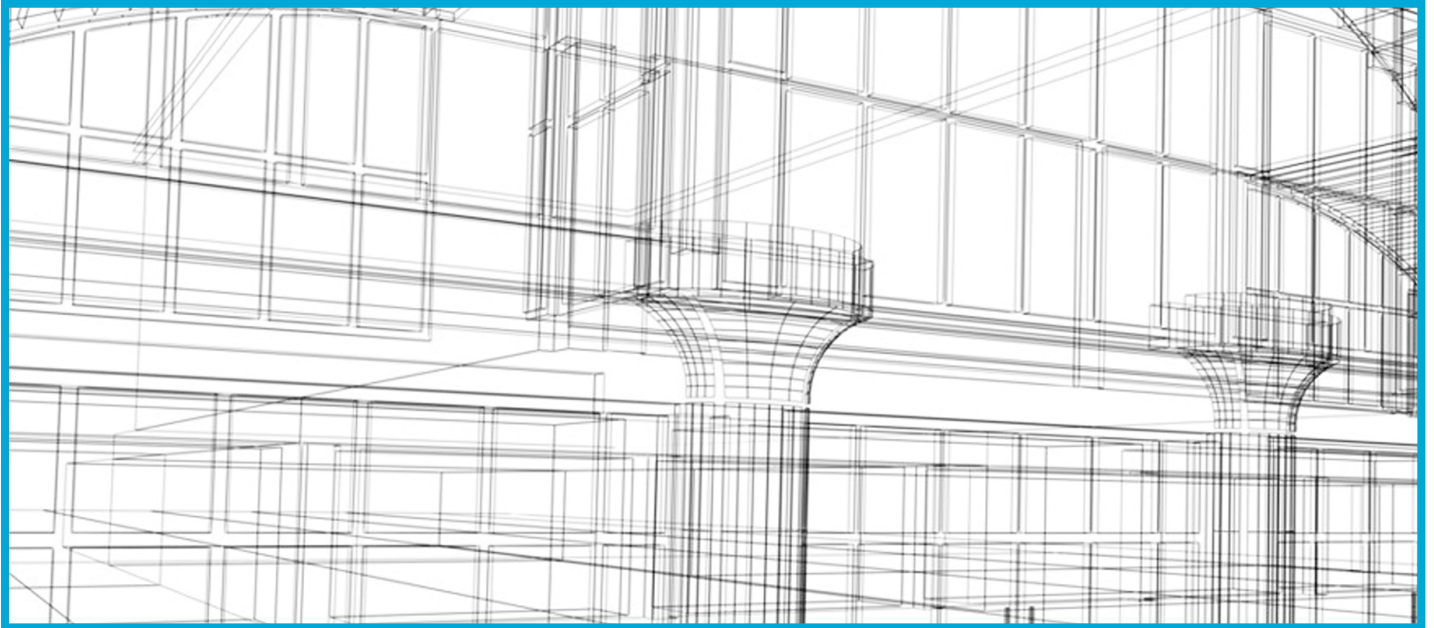
## Corporate Office

Baani Corporate One  
Suite No. 303&308, 3rd Floor, Plot No. 5, Commercial Centre  
Jasola, New Delhi - 110025.  
Phone: 011- 49593300  
Fax: 011- 4959 3320. E-mail: [delhi@mblinfra.com](mailto:delhi@mblinfra.com)

## Bankers & Financial Institutions

Allahabad Bank  
Bank of Baroda  
Bank of India  
Corporation Bank  
DBS Bank Ltd.  
IDBI Bank Ltd.  
IndusInd Bank Ltd.  
Oriental Bank of Commerce  
Punjab National Bank  
Punjab National Bank (International Limited)  
Ratnakar Bank  
Standard Chartered Bank  
State Bank of Bikaner & Jaipur  
State Bank Of Mysore  
State Bank Of Patiala  
Yes Bank Ltd.

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.



---

---

*Dear Members,*

The Board of Directors is pleased to present the Nineteenth Annual Report together with the Audited Statement of Accounts for the financial year ended 31st March 2014.

---

---



# Financial Highlights

(₹ In Lakhs)				
	Standalone		Consolidated	
	2013-14	2012-13	2013-14	2012-13
Gross Revenue	175760.29	134404.00	177047.36	135701.68
Earnings Before Interest, Taxes & Depreciation	18002.50	13256.78	19233.65	14500.49
Less: Interest & Finance Charges	6962.23	5128.81	7533.19	5768.31
Less: Depreciation	974.20	712.34	1405.13	1109.36
Profit Before Tax	10066.07	7415.63	10295.33	7622.82
Provision for Tax	2110.00	1500.00	2153.27	1575.10
Deferred Tax (Net)	442.56	383.00	442.56	383.00
Profit After Tax	7513.51	5532.63	7699.50	5664.72
Balance Brought Forward From Last Year	5716.03	5794.04	6341.70	6287.62
Amount Available for Appropriation	13229.54	11326.67	14041.20	11952.34
<b>Appropriations:</b>				
Proposed Dividend	525.41	525.41	525.41	525.41
Corporate Dividend Tax	89.29	85.23	89.29	85.23
Transfer to General Reserve	5000.00	5000.00	5000.00	5000.00
Balance Carried To Balance Sheet	7614.84	5716.03	8426.50	6341.70

## Review of Operations

The Gross revenue of the Company for the financial year under review was ₹ 175760.29 Lakhs as against ₹ 134404.00 Lakhs for the previous financial year. The Earnings before Interest, Taxes and Depreciation (EBIDTA) was ₹ 18002.50 Lakhs as against ₹ 13256.78 Lakhs for the previous year. The profit before tax (after interest and depreciation) was ₹ 10066.07 Lakhs and profit after tax was ₹ 7513.51 Lakhs for the financial year as against ₹ 7415.63 Lakhs and ₹ 5532.63 Lakhs respectively for the previous year.

Your Company bagged prestigious orders across various segments of construction business during the year. The order book of the Company stood at ₹ 320488 Lakhs as at 31st March 2014.



## Dividend

The Board of Directors is pleased to recommend a dividend of ₹ 3.00 (i.e. 30%) per equity share of the face value of ₹ 10/- each, to the shareholders, subject to approval of the members at the forthcoming Annual General Meeting.

## Capital Expenditure

During the year under review, the Company has made additions of ₹ 3940.34 Lakhs to its fixed assets.

## BOT Projects & Subsidiary Companies

At the beginning of the year, your Company had 6 Subsidiary Companies. During the year under review MBL (Haldia) Toll Road Company Limited became subsidiary w.e.f 26th April, 2013.

## BOT Projects

A summary of the BOT projects under execution is as under:

Project	SPV	Type	Current Status
114-kms long Seoni-Balaghat-Gondia Road in the state of Madhya Pradesh.	AAP Infrastructure Limited	Toll	Operational. (Toll Collection ₹ 1740 Lakhs in 2013-14)
75.60 kms BOT project of Seoni-Katangi-Maharashtra Border Section of State Highway-54	MBL Highway Development Company Limited	Toll + Grant/Subsidy of ₹ 5,950 Lakhs	Financial Closure achieved. Work is in Progress.
Strengthening, Widening, Maintaining and Operating of 18.303 kms Waraseoni-Lalbarra Road in the state of Madhya Pradesh	MBL (MP) Toll Road Company Limited	Toll + Annuity of ₹ 8,476 Lakhs (₹ 326 Lakhs Semi-annual)	Financial Closure achieved. Work is in Progress.
Developing and Operation of Bikaner-Suratgarh Section of NH-15 in the State of Rajasthan	Suratgarh Bikaner Toll Road Company Private Limited	Toll	Financial Closure achieved. Work is in Progress.
Developing a 46.98 kms road from Garra-Waraseoni upto Maharashtra Border in the State of Madhya Pradesh	MBL (MP) Road Nirman Company Limited	Toll + Annuity of ₹ 21,190 Lakhs (₹ 815 Lakhs Semi-annual.)	Financial Closure achieved. Work is in Progress.

## Note on Particulars required as per Section 212 of Companies Act, 1956

In terms of the provisions of Section 212 of the Companies Act, 1956, the Company was required to attach the Annual Reports of the Subsidiary Companies and the related detailed information to the Balance Sheet of the Holding Company. However, the Ministry of Corporate Affairs vide their General Circular No. 2/2011 dated 8th February, 2011 read together with General Circular No. 3/2011 dated 21st February, 2011, granted general exemption to the companies under section 212(8) of the Companies Act, 1956 from the requirement to attach detailed financial statements of each subsidiary Company. Accordingly, the Annual Report does not contain the financial statements of the subsidiaries. The detailed financial statements and audit reports of each Subsidiary Company are available for inspection at the Registered Office of the Company and of the concerned subsidiary company. Upon written request from a Shareholder, your Company will arrange to send the financial statements of Subsidiary Companies to such Shareholder.

A statement pursuant to Section 212(1)(e) and 212(8) 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.

On consolidated basis, the turnover was ₹ 177047.36 Lakhs as against ₹ 135701.68 Lakhs in the previous financial year. The Earnings before Interest, Tax and Depreciation (EBIDTA) was ₹ 19233.65 Lakhs against ₹ 14500.49 Lakhs in the previous financial year. The Profit after Tax (PAT) was ₹ 7699.50 Lakhs as against ₹ 5664.72 Lakhs in the previous year.

## Management Discussion and Analysis Report

The Management Discussion and Analysis as required under Clause 49(IV)(f) of the Listing Agreement is annexed hereto and forms a part of this 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

The Company is poised to reap opportunities available to it in the infrastructure sector. With stable government at the center and special impetus being given to the infrastructure sector, the Company expects exponential growth in its business. Therefore, the Company plans to raise funds to gear up for the new projects and necessary steps are being taken for meeting the requirement of finance for the growth.

## Directors

Mr. Anjanee Kumar Lakhota has been appointed as Chairman & Managing Director of the Company for a period of five years from 26th May 2014 by the Board of Directors in their meeting held on 26th May, 2014 subject to the approval of the shareholders in the forthcoming general meeting of the Company.



In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Anjanee Kumar Lakhotia, liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors recommends his re-appointment.

The Board of Directors of the Company at their Meeting held on 26th May 2014 appointed Ms. Sunita Palita as an Independent Director of the Company pursuant to Section 149 of the Companies Act, 2013 and Rules made there under, w.e.f. 26th May 2014 for a term of 5 (five) years up to 25th May 2019 subject to the approval of the shareholders in the forthcoming general meeting of the Company. Such appointment was evaluated and recommended by the Nomination and Remuneration Committee to the Board at their meeting held on the same date.

Mr. Maruti Maheshwari, Executive Director of the Company, has expressed his unwillingness to continue as Director of the Company after completion of his term on 30th June, 2014. The Board has accepted the proposal of Mr. Maruti Maheshwari.

As per Companies Act, 2013, an Independent Director shall not hold office for more than two consecutive terms of five years each and his tenure of appointment as Independent Director in a Company prior to the coming into force of the new Act shall not be taken into consideration for the said purpose. Further, it is provided that an Independent Director shall not be liable to retire by rotation.

It is necessary to seek the consent of the shareholders at the ensuing Annual General Meeting for the appointment of the existing Independent Directors of the Company for a period of five years effective from 1st April, 2014 during which period they shall not be liable to retire by rotation. The Company has received from the Independent Directors the required declaration that they meet the criteria of independence as provided in Section 149(6) of the Act.

In view of the above, approval of the members is required to appoint following independent directors for a period of 5 years with effect from 01st April 2014.

Mr. Ashwini Kumar Singh, Mr. Kumar Singh Baghel, Mr. Ram Dayal Modi and Mr. Bhagwan Singh Duggal.

### Directors' Responsibility Statement

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

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures are made from the same;
- (b) we 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 period under review;
- (c) we have taken proper and sufficient care to the best of our 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;
- (d) we have prepared the annual accounts on a going concern basis.

## Auditors and Auditors' Report

M/s. Agrawal S. Kumar & Associates, Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received letter from them to the effect that their re-appointment, if made, would be within the prescribed limits and that they are not disqualified for re-appointment within the meaning of the Companies Act. The directors recommend their re-appointment for the financial year 2014-15 and 2015-16. The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

## Cost Auditors

Pursuant to Order from the Ministry of Corporate Affairs, Dipak Lal & Associates, Cost Accountants have been appointed as Cost Auditors for the year 2013-14. They are required to submit the report to the Central Government within 180 days from the end of the accounting year.

## Disclosure of Particulars with respect to 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 was any specific technology 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 No 36 of Notes on Financial Statements.

## Public Deposits

The Company has not accepted Deposits falling within the provisions of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975 during the year under review.

## Corporate Social Responsibility (CSR)

At MBL, Corporate Social Responsibility (CSR) has been our conscience and our way of working. It is our motto to do business at zero social cost. Our focus is always on CSR in whatever we do at MBL. It is our mission to contribute to the society as a part of our corporate social responsibility. CSR at MBL is not merely a charitable activity oriented towards donations to the poor or NGOs or for religious purposes but as a positive contribution to the creation of a healthy, progressive and successful society.

We believe that CSR means much more than merely responding to social responsibility. We understand the mutual interdependence between our business and the economic, social and human environment that surrounds us. We have an inclusive approach taking care of the interests of shareholders, employees and workers (direct or indirect), government, local community, suppliers (direct or indirect), clients and society at large. We believe in constant evolution of our CSR practices which have progressed beyond some adhoc or isolated charitable projects that embrace the project surrounding community as a whole. In other words, we believe in integration of our CSR practices with the totality of community development process.

An essential component to the Company's Corporate Social Responsibility is to care of the community. The Company endeavours to make a positive contribution towards various social causes by supporting a wide range of socio-economic initiatives. While engaging in a socially responsible employer-employee relationship, MBL strives to stay committed to the entire community around it.



In the areas where we are awarded work to develop Infrastructure, we try to take care of the environment. Wherever possible, we plant, replant or relocate trees and plantations. We identify social opportunities which assure benefit to the society in terms of community development. We contribute to the medical needs of the users of the infrastructure whether or not listed in our contracts. Free ambulance facility by way of medical and accident support to users of our operational Seoni-Balaghat-Gondia BOT project though not contractually obliged to do so, is one such endeavour.

We also encourage our employees to participate in CSR practices in their individual dealings surrounding the business of the Company. With dynamic CSR practices to match country's social requirements, MBL aims at achieving high levels of community development while always keeping in sharp focus, the higher realms of life.

In accordance with the provisions of Section 135 of the Companies Act, 2013, all Companies having net worth of ₹ 500 Crore or more or has a turnover of ₹ 1,000 Crore or more or net Profit of ₹ 5 Crore or more during any financial year will be required to constitute a Committee of Directors to be called "Corporate Social Responsibility (CSR) Committee" which should consist of three or more directors of whom at least one should be an Independent Director:

Aligning with the same the Company has constituted a committee comprising of Mr. Anjanee Kumar Lakhotia (Chairman), Mr. Ashwini Kumar Singh (Member) and Mr. Kumar Singh Baghel (Member). The Committee is responsible for formulating and monitoring the CSR policy of the Company and shall discharge its functions in terms of Section 135(3) of the Act.



## Green Initiatives

Electronic copies of the Annual Report 2014 and notice of the 19th AGM are sent to all the members whose email address are registered with the Company /Depository Participant(s). For members who have not registered their email addresses, physical copies of the Annual Report 2014 and the notice of 19th AGM are sent in the permitted mode. Members requiring physical copies can send a request to the Company Secretary.

The Company is providing e-voting facility to all members to enable them to cast their votes electronically on all resolutions set forth in Notice. The instructions for e-voting are provided in the Notice.



# Awards & Recognition

MBL has been judged the 3rd fastest growing Construction Company in the Medium Category at the 11th Annual Construction World Global Awards 2013 - New Delhi.

## Third Fastest Growing Construction Company (Medium Category)



Mr. Venkatesh Lakhotia (Fourth From right) and Mr. Ram Dayal Modi (second from right), Independent Director, MBL Infrastructures accept the award for the Third fastest growing Construction Company (Medium Category).

*"The award reaffirms our strategy and execution capabilities during such challenging times and motivates the entire team to overcome challenges and perform better."*

AK Lakhotia  
Chairman  
MBL Infrastructures



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).

## Acknowledgement & 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

**Anjanee Kumar Lakhotia**  
Chairman & Managing Director  
(DIN-00357695)

**Place: New Delhi**  
**Dated: 26th May, 2014**



## Annexure - A

Statement Pursuant to Section 212(1)(e) of the Companies Act, 1956 relating to Subsidiary Companies

Name of the Subsidiary Company	AAP Infrastructure Limited	MBL Highway Development Company Limited	MBL (MP) Toll Road Company Limited	MBL Projects Limited	MBL (MP) Road Nirman Company Limited	Suratgarh Bikaner Toll Road Company Private Limited	MBL (Haldia) Toll Road Company Limited
<b>Particulars</b>							
The Financial Year of the Subsidiary Company ended on	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014
Number of shares held and extent of holding thereof by the Holding Company, at the above date							
a) The number of equity shares of ₹ 10/- each fully paid	12,000,000	51,100,000	15,000,000	72,500	10,000,000	58,050,000	72,500
b) Extent of holding in percentage terms	100%	100%	100%	100%	100%	64.50%	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 (₹ In Lakhs)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Not dealt with or provided in the accounts of the Holding Company (₹ In Lakhs)	185.82	NIL	NIL	0.14	NIL	NIL	0.03
The net aggregate profits or (losses) of the Subsidiary Company for the Previous 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 (₹ In Lakhs)	NIL	NIL	NIL	NA	NA	NA	NA
b) Not dealt with or provided in the accounts of the Holding Company (₹ In Lakhs)	131.94	NIL	NIL	0.14	NA	NA	NA



# Summary of Financial Statements of Subsidiary Companies pursuant to Section 212(8) of the Companies Act, 1956

₹ in Lakhs

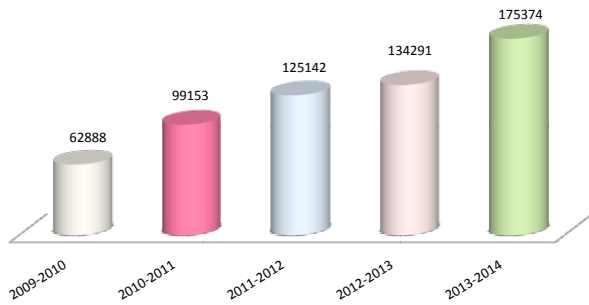
S.No.	Name of the Subsidiary Company	Reporting Currency	AAP Infrastructure Limited		MBL Highway Development Company Limited.		MBL (MP) Toll Road Company Limited		MBL Projects Limited		MBL (MP) Road Nirman Company Limited		Suratgarh Bikaner Toll Road Company Private Limited		MBL (Haldia) Toll Road Company Limited	
			2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013
1	Capital	INR	1,200.00	1,200.00	5,110.00	5,110.00	1,500.00	1,500.00	7.25	7.25	1,000.00	7.25	9,000.00	5.00	7.25	NA
2	Reserves	INR	811.35	625.53	-	-	-	-	0.28	0.14	-	-	-	-	0.03	NA
3	Total Assets	INR	5,801.04	6,130.97	19,015.08	17,218.12	7,940.85	7,082.23	7.71	7.62	3,103.01	7.63	25,311.51	18,067.41	7.44	NA
4	Total Liabilities	INR	5,801.04	6,130.97	19,015.08	17,218.12	7,940.85	7,082.23	7.71	7.62	3,103.01	7.63	25,311.51	18,067.41	7.44	NA
5	Investments	INR	-	-	-	-	-	-	-	-	-	-	-	-	-	NA
6	Turnover/ Total Income	INR	1,769.81	1,614.74	-	-	-	-	2.00	2.04	-	-	-	-	0.60	NA
7	Profit Before Taxation	INR	229.02	206.98	-	-	-	-	0.20	0.20	-	-	-	-	0.04	NA
8	Provision For Taxation	INR	43.20	75.04	-	-	-	-	0.06	0.06	-	-	-	-	0.01	NA
9	Profit After Taxation	INR	185.82	131.94	-	-	-	-	0.14	0.14	-	-	-	-	0.03	NA
10	Proposed Dividend	INR	-	-	-	-	-	-	-	-	-	-	-	-	-	NA
11	Country		India		India		India		India		India		India		India	

Notes:

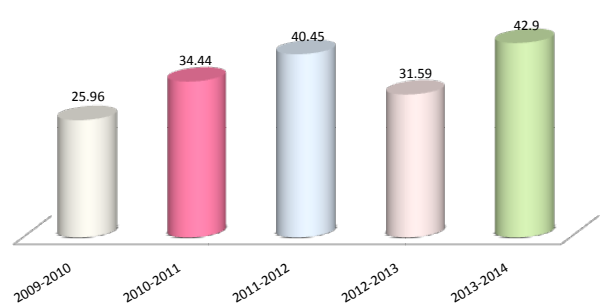
- The above figures are before elimination of inter-company balances and transactions.
- The annual accounts of the above subsidiary companies are kept for inspection at the Registered Office of the Company and of the respective Subsidiary Company. The same will be made available to the shareholders on written request.

# Financial Snapshot

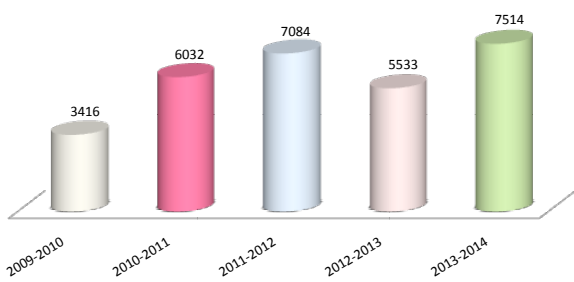
**Turnover (₹ in lacs)**



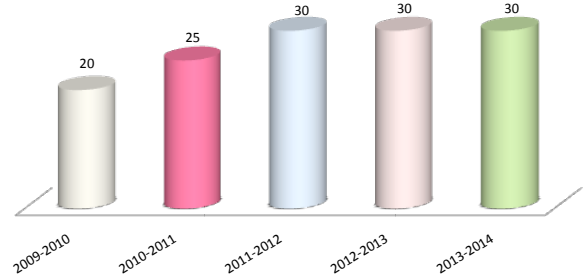
**EPS (Basic) (₹)**



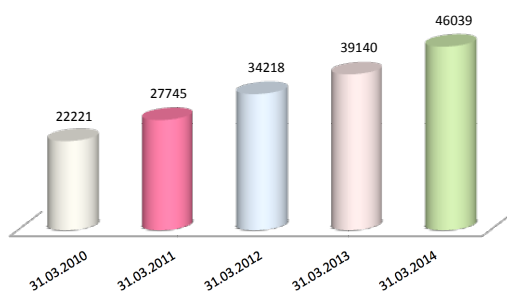
**Profit After Tax (₹ in lacs)**



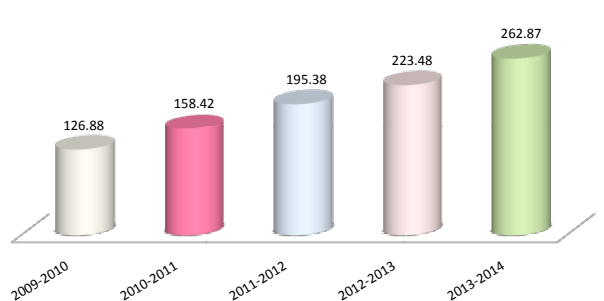
**Dividend Percentage (%)**



**Networth (₹ in lacs)**



**Book Value/Share (₹)**



## 1. Economic Scenario, Industry Structure & Developments

Global economies underperformed in financial year 2013-2014, but is expected to improve in financial year 2014-2015. The World Economy reached only subdued growth of 2.1 % in 2013-2014. While most developed economies continued to grapple with the challenge of taking appropriate fiscal and monetary policy actions in the aftermath of financial crisis, a number of emerging economies, which had already experienced a notable slowdown in the past two years, encountered new domestic and international headwinds during 2013-2014. Some signs of improvements have emerged more recently. The euro area has finally come out of a protracted recession, with GDP for the region as a whole starting to grow again, the economy of USA continues to recover, and a few large emerging economies, including china, seem to have at least stopped a further slowdown. World gross product (WGP) is forecast to grow at a pace of 3.0 and 3.3 percent in 2014-2015 and 2015-2016 respectively.

### Indian Economy

The 12th five year plan has projected investment of \$1 trillion in India's infrastructure. Era of shaky coalition Governments, pessimism and policy paralysis has ended in India. With stable new Government at the centre, the economic growth rate can improve to 6.2 per cent in current fiscal and can go up to 8 per cent in the next three years on back of favourable domestic and global environment. As per Confederation of Indian Industry (CII) with robust reforms and a strong economic revival package, the economy can achieve a growth of 6.5% in 2014-15.

The renewed buying by foreign institutional investors (FIIs) in the Indian equity market and due to expected fiscal policies of new Government, Indian currency has strengthened. The buoyant market sentiment would allow more Indian Companies to tap into the domestic and international market with new equity issues. The SENSEX gained to hit all-time record high of over 25,000 points.

The World Bank announced in a report that India overtook Japan as the world's third largest economy in terms of purchasing power parity (PPP). According to the World Bank's International Comparison Program (ICP) data, India holds a 6.4 percent share of global GDP on a PPP basis. The United States remains in first place with a 17.1 percent share and China trails it at 14.9 percent.



## Industry Structures & Developments

Over the years the Indian construction industry has seen tremendous growth. This growth can be associated to various factors such as multinational entrepreneurialism, buoyant local stock markets, robust economy-changing demographics and the overall emergence of India on the global stage. Consequentially, with improved living standards, there came a growing need for sophisticated commercial spaces and increasing demand for improved housing. This in turn led to policies which encouraged steady supply of power and efficient transport infrastructure, which in turn provided a boost to investments in the construction industry, and made it an attractive sector to both domestic and foreign investors and developers. To maintain consistent growth, foreign investment is crucial for India.

During last few years, the construction industry faced multiple challenges. Investment capex of the private sector continued to be weak due to slowdown in economic growth. Also, uncertainties related to regulations & policy making resulted in muted new order inflows for construction companies. Companies also faced challenges on the execution front due to delays in land acquisition and obtaining clearances which plagued key infrastructure sectors such as power, roads and ports. Sluggish pace of execution coupled with rising wages and other cost-pressures resulted in lower fixed cost absorption and pressurized operating profit margins. Companies also witnessed elongation in working capital cycle driven by delays in work certification and billings and in realizing receivables coupled with the need to extend greater support to sub-contractors. Combination of falling operating profitability, inability to grow order book, lower mobilization advances and longer cash conversion cycle led to weak cash-flows from core construction business. This, coupled with the need to support the asset-ownership business resulted in an increase in debt levels and dented net profit margins on account of increased interest costs.

Construction Industry is the second largest employer after agriculture in the country. The last few years have been tougher for the construction and engineering sector. Environment and forest clearances, land acquisition, delay in decision making etc. created a negative environment.

With the new stable Government at the centre, this sector is a big focus area. The road segment is expected to be the first in the sector to see a pickup in order. For the current fiscal year NHAI intends to award orders for 5000 Km of road through EPC route. The Central Government has targeted 25 kms of highways per day.

The present Government has made it clear that it will not tolerate any delays in green clearances. Policy changes to iron out all problems in environment and forest clearances are in the process. Ministry of environment and forests grants clearances to industry leaders before they can go ahead with big projects like airports, ports, mining, power plants and road construction.

Changing or amending Land Acquisition Act, tree plantation across highway network, concrete roads instead of bitumen roads, higher priority to northeast/Uttarakhand, at least 25km/day highway construction, no road regulators, introduction of Eelectronic chip system to avoid toll payment, change outdated motor vehicle act etc. are some of the measures being taken by the present Government.

The scenario in infrastructure sector, particularly roads and highways, has witnessed significant improvements with positive steps taken by NHAI/MORTH. Infrastructure sector is a sector of choice for getting India back on the growth track. A wave of positivity is evident with the country's improving investment climate. Infrastructure segment is witnessing resurgence in sentiment and renewed interest from both domestic and international investors. Players like MBL who have remained cautious in the challenging times will be front runners in the coming years.





## Highway Construction, Operation & Maintenance

India has an extensive road network of 3.3 Million kms – the second largest in the world. About 65% of the freight and 80% of the passenger traffic is carried by the roads. No. of vehicles has been growing at an average pace of 10.16% per annum over the last five years. National Highways have a total length of 92,851.07 kms and serve as the arterial road network of the country. National Highways in India constitute 1.7% of the road network but carry 40% of the traffic. The Government has planned construction of atleast 25km/day. In line with its vision for emphasis on infrastructure development in the country, policy reforms for acquisition of land for highway construction is in process. These efforts will bring growth in the highway infrastructure development.

National Highway Development Project (NHDP) through host of funding options including from external multilateral agencies is being implemented by NHAI. Work mainly comprises of strengthening and four laning of high density corridors around 13146 kms comprising of 5846 kms Golden Quadrilateral connecting four metros viz. Delhi-Kolkata-Chennai-Mumbai and 7300 kms of “North-South-east-west corridors. North-South corridor connects Srinagar (Kashmir) to Kanyakumari (Tamilnadu) and East-West corridor connects Silchar (Assam) to Porbandar (Gujarat). A well-developed network of world class highways is must for India poised to surge ahead.

Operations & maintenance is the other important segment in the highway construction and development. Our highways/expressways constitute only about 2% of the length of all roads, they carry about 40 % of the road traffic which highlights scope of the operations & maintenance in highway construction.

The Government of India has launched major initiatives to upgrade and strengthen National Highways through various phases of the National Highways Development Project (NHDP). NHDP is one of the largest road development programmes in the world and involves widening, upgrading and rehabilitation of about 54,000 km, entailing an estimated investment of more than ₹ 3,00,000 Crores.





## Railways/Metro

The world's fourth largest rail network and the second largest in Asia, Indian Railways with 63000 route kilometres is the backbone of the socio-economic growth of India. Given the shortcomings of the road system, the Railways are required to play a larger role in the transport of passengers and goods. Of long term significance is the proposal to complete 25000 km of rail lines by 2020, including dedicated freight and high speed corridors. Apart from new track projects the Railways is also investing substantially in allied infrastructure ranging from manufacturing units to railway stations and multifunctional complexes. The Indian Railways is spending large sums in setting up or expanding metro rail projects in all major cities. Metro rail projects and other mass rapid transport systems are being planned across major cities to ease traffic congestion, allow rapid connectivity and control pollution levels. These initiatives have created multiple opportunities for construction companies.

## Housing Infrastructure

Housing Infrastructure is yet another area where India is making rapid strides. Growing urbanisation is leading to serious infrastructure pressure in the cities. Over the last decade the number of metropolitan cities with population of 1 Million and above has increased from 35 in 2001 to 50 in 2011 and this is expected to increase further to 87 by 2031. The growing urban population also creates a demand for Building & Housing and the consensus estimate is that over 20 Million families are looking for homes. This kind of demand has led to the concept of high-rise residential and commercial blocks, which have technical and economic advantages in areas with high population density like the cities of India. Residential towers have become a preferred form of housing accommodation in virtually all densely populated urban areas around the world. In contrast with low-rise and single-family houses, apartment blocks accommodate more inhabitants per unit of area of land they occupy and also decrease the cost of municipal infrastructure. 5% of the India's GDP is contributed to by the housing sector, which is expected to rise to 6% in the next five years.

## Urban Infrastructure

India's urban population is likely to soar to 590 Million by 2030. India needs to invest USD 1.2 Trillion over next 20 years to modernise urban infrastructure and keep pace with the growing urbanisation.

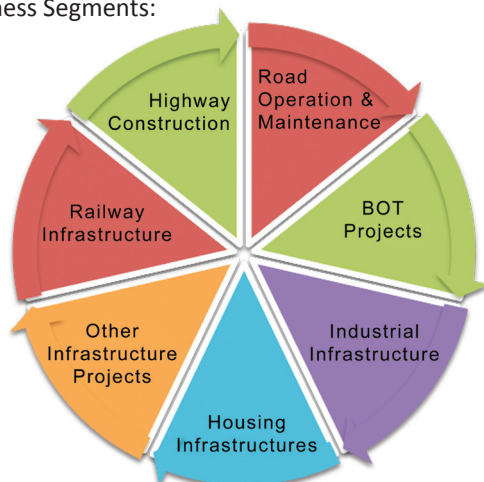
## Industrial & Other Infrastructure

India is witnessing growth in industrial infrastructure, ports, airports, bridges, water supply/ sanitation, marine/ harbour etc. With the sanction for new industrial projects, specific steps are taken by the Government to enhance & upgrade the existing industrial infrastructure & utilities to support economic growth of the country.



# Our Company's Business Overview

The Company is organised into the following Business Segments:



## Civil Engineering Projects

MBL Infrastructures Limited is engaged in the execution of various Civil Engineering Projects. The Company provides integrated Engineering, Procurement and Construction (EPC) services for Civil Construction and Infrastructure sector projects. In recent years, MBL has executed and commenced a number of praiseworthy projects in 14 states of India. The Company has successfully completed the execution of the BOT project of 114 km long Seoni - Balaghat - Gondia State Highway (Madhya Pradesh), which is operational since February, 2008.

### 1. Highway Construction

In recent years, MBL has executed and commenced a number of praiseworthy projects in the states of West Bengal, Madhya Pradesh, Maharashtra, Assam, Uttar Pradesh, Delhi, Rajasthan, Karnataka, Haryana, Orissa, Andhra Pradesh, Bihar and Uttarakhand.

### 2. Highway Operations & Maintenance

India possesses the second largest road network in the world which amounts to approximately 3.3 Million km., creating a significant opportunity in the area of road maintenance. The Company has an early mover advantage into this segment. The Company was the first ever Company to be awarded the comprehensive maintenance of Ring road & Outer Ring road.

### 3. Highway-BOT Projects

The Company has successfully completed the execution of the BOT project of 114 km Seoni- Balaghat- Gondia State Highway in the state of Madhya Pradesh. MBL is currently executing four other BOT projects. Seoni – Katangi Road Project (100% owned SPV Company, MBL Highway Development Company Limited) in the State of Madhya Pradesh awarded by M.P. Road Development Corporation (MPRDC), Waraseoni - Lalbarra Road project (100% owned SPV Company, MBL (MP) Toll Road Company Limited) in the state of Madhya Pradesh awarded by MPRDC, Development and operation 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 and development of Garra - Waraseoni Road Project (100% owned by SPV Company, MBL (MP) Road Nirman Company Limited) up to Maharashtra border 46.98 km road for MPRDC on BOT (Toll + Annuity) basis. Financial Closure has been achieved for all the projects and these are being executed as per the scheduled time frame.

### 4. Housing Infrastructure

MBL has successfully completed Housing Project at Rajiv Gandhi Thermal Power Project, Khedar-Hissar, Haryana. The Company is currently executing 13 Housing/Building Projects of ₹ 541.27 Crores PAN India. RITES has awarded three works of ₹ 49.82 Crores, ₹ 40.60 Crores and ₹ 18.87 Crores.

### 5. Railway Infrastructure

Indian Railways have embarked upon expansion programme as per Vision Document 2020. Metro Railways are being constructed in major cities all over country. Dedicated Freight Corridor project on Indian Railways is back on tracks. MBL has been awarded work order from Delhi Metro Rail Corporation of ₹ 85.23 Crores. MBL is executing three ROB at Sonapat. MBL has completed three RUBs at Narela, Badli and Faridabad, Haryana.



## 6. Industrial Infrastructure

MBL is also engaged in Industrial Infrastructure Development projects across the country. Pre-incorporation, MBL was a part of the development of Haldia Petrochemicals in the state of West Bengal. The Company was also involved in the expansion of the IISCO Steel Plant in Burnpur (WB) where it constructed the Approach Road, which included Railway Over Bridge connecting the steel plant from the National Highway.

## 7. Civil Engineering Projects Of Construction Of Ports, Harbour/Marine Structure, Water Supply/Sanitation, Bridges, Viaducts and Elevated Structures

Company is foraying into these works and have executed an MOU with M/s. PIACENTINI COSTRUZIONI ("PIACENTINI"), Italy for the same.

## 8. Other Infrastructure Projects

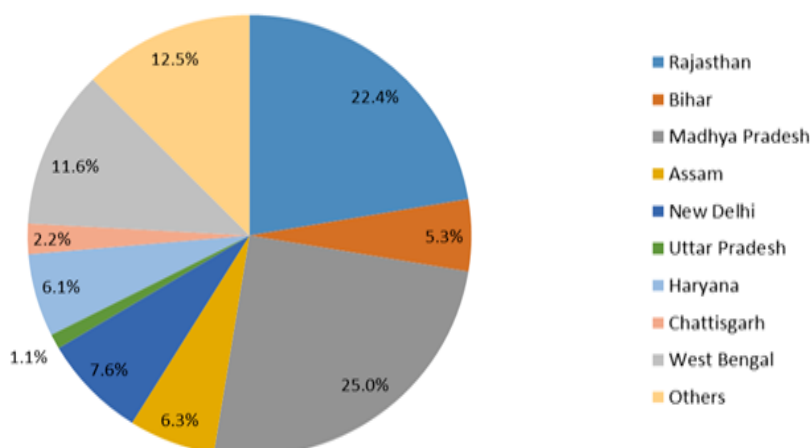
The Company also forays into urban infrastructure development, flyovers, residential & commercial complexes, mining, ports, harbours/marines structures, water supply/sanitation etc. MBL has ready mix concrete and bitumen divisions to ensure adequate and timely supply of high quality RMC and bitumen mixes. MBL also has quarrying/mining division to ensure adequate and timely supply of bulk raw material of stone aggregates.

## Other Significant Highlights

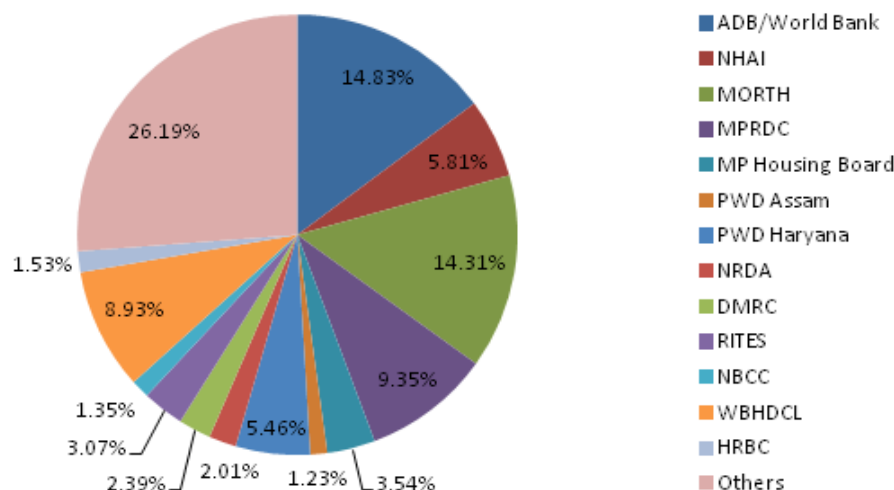
- During the year under review MBL is Certified for execution of civil engineering projects under the following categories:
  - ISO 9001:2008 – in recognition of the Organization's Quality Management System
  - ISO 14001:2004 - in recognition of the Organization's Environment Management System
  - OHSAS 18001:2007 – in recognition of the Organization's Health and Safety Management System
- MBL has the following firsts to its credit:
  - MBL was among the first batch of contractors to be awarded the contracts of prestigious North South East West Corridor by NHAI and was the first to complete the project.
  - MBL was also amongst the first batch of contractors to be awarded the contract for maintenance of National Highways by NHAI
  - MBL was awarded the first ever contract for comprehensive maintenance of Inner & Outer Ring Road of NCT, New Delhi.
- MBL has over a decade's experience in executing infrastructure projects (especially of Highways) as Prime Contractor and has established its ability to deliver quality jobs within budget and schedule.
- Strong Order Book amounting to ₹ 320488 Lakhs as at 31st March, 2014.
- Major clients comprises of NHAI, MPRDC, SAIL, CPWD, DMRC, PWD (NCT New Delhi, Haryana, Rajasthan, Assam, UP, Uttarakhand, West Bengal), RCD (Bihar), HUDA, MCD, RVNL, M.P. Housing Board, NBCC, RITES, NRDA, WBHDC and Hooghly River Bridge Commissioner (HRBC) etc.
- MBL is executing more than 25 projects simultaneously at different sites exhibiting its project execution capabilities.
- Acumen in sourcing and maintaining supply chain for raw material and achieving benefits of backward integration.
- MBL has been prequalified by NHAI for projects having TPC up to ₹ 64954 Lakhs for the year 2014 for Public Private Partnership in National Highway Projects.
- Strong control on its costs and timelines through:
  - Focus on backward integration - ownership of RMC, Bitumen, Quarrying / mining plants
  - Ownership of a large fleet of construction equipment
  - Cost escalation clauses built into majority of its contracts
  - Proven execution bandwidth with a pan India presence - projects ongoing in more than 10 states

The Company has a well diversified order book across road, rail, building construction segments.

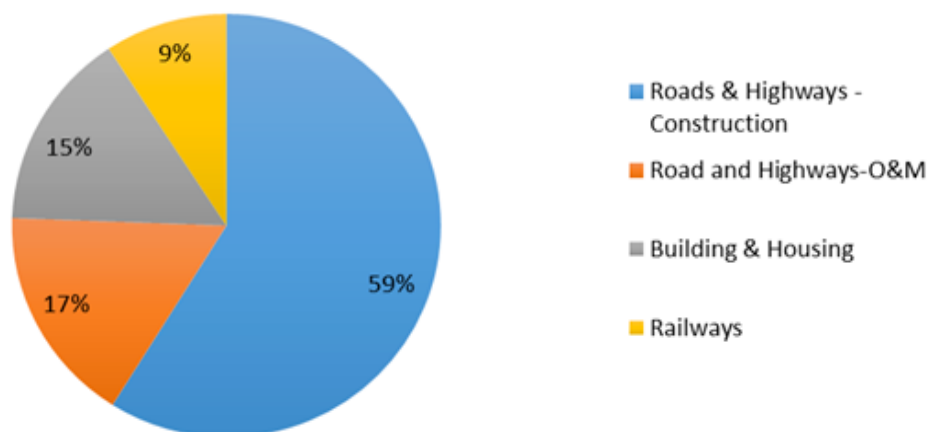
Statewise Distribution of Order Book



Clientwise Order Book



Categorywise Order Book



## 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 maximize client satisfaction. We leverage technologies, designs and project management tools to increase productivity and maximize asset utilization in capital-intensive activities. Our ability to effectively manage projects will be crucial to our continued success as a recognized 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.



## II. Opportunities, threats, risks & concerns

After the parliamentary elections, the mood in the industry has brightened up.

The medium and long-term prospects for the Indian construction industry are very promising. The potential for infrastructure investments for the next 15 years is huge as the dynamic growth in the Indian population stimulates the need for infrastructure improvements. All those factors create a positive effect on the domestic construction industry. According to a recent study conducted by Icema in cooperation with Accenture, Indian construction industry has the potential to grow six to seven times by 2020 to US\$22.7 Billion.

Increased investments in IT Infrastructure, public and private-sector construction projects, and growing demand for sustainable construction are likely to be key growth drivers in construction industry. The construction industry is more optimistic now.

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 lack 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 materials, 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.

Your Company minimizes risks by efficient 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.

### III. Outlook

Your Company is having a good track record of proven performance. As immense opportunities are 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 ₹ 41 Lakhs Crores. NHAI intends to award significant projects during the year. Your Company has been prequalified for a number of projects.

The Company's management has shown the ability to steer the Company through troubled waters also. In FY 2013-14 not only the top line and bottom line figures of the Company improved, but other important parameters such as operational efficiency, net profit margins have improved despite stiff market competition and rising raw material costs. The Company has potential and will outperform in the coming years with the improvement in the economy and macro-economic factors. The superior execution skills, ability to raise and fund own projects and a healthy mix of under construction and operational projects will give MBL an edge in the coming years.

With strong and stable Government at the Centre, the business outlook of construction industry has changed in a positive direction. The Company is expecting good inflow of fresh orders in the FY 2014-15.

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

Challenges in the sector have thrown immense opportunities to experienced players like MBL. The Company has adapted itself to meet the challenges and encash the opportunities available. The Company's Business Plan is well balanced. Net-Worth, long term funds, investments in plant & machinery, investment in BOT projects and Net Margin for Working Capital and Working Capital Tie-up have been well balanced. With expectation of increased spending in the infrastructure segment in India, the Company is poised to reap the benefit of the opportunities.

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





#### IV. Internal Control Systems & Their Adequacy

The Company has an adequate system of internal controls to ensure that transactions are properly authorised, recorded, and reported, apart from safeguarding its assets. The internal control system is supplemented by well-documented policies, guidelines and procedures and reviews carried out by the Company's internal audit function, which submits reports periodically to the Management and the Audit Committee of the Board.

#### V. Discussion On Financial Performance with Respect to Operational Performance

##### Sales & Other Income

The gross revenue during the year was ₹ 175760.29 Lakhs and Profit after tax of ₹ 7513.51 Lakhs. 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 on fixed deposits, etc.

##### 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 PBT of ₹ 10066.07 Lakhs as against ₹ 7,415.63 Lakhs last year.

##### Profit After Tax

Your Company has registered PAT of ₹ 7513.51 Lakhs as against ₹ 5,532.63 Lakhs last year.

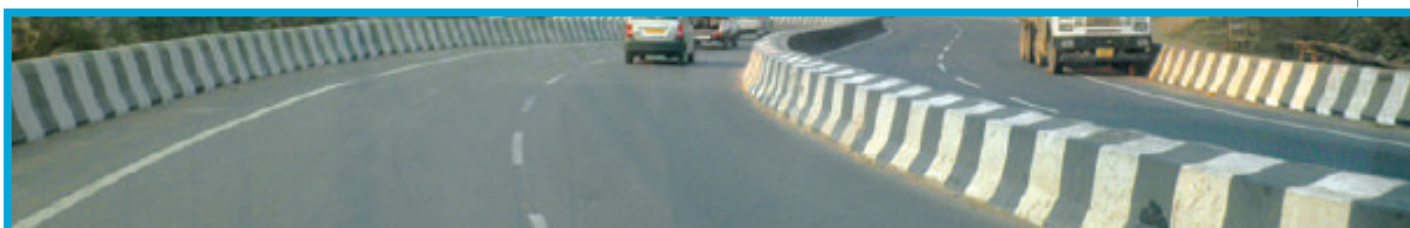
##### Investments

During the year, the Company has invested ₹ 992.75 Lakhs in MBL (MP) Road Nirman Company Limited, towards its commitment for execution of BOT project.

##### Key Ratios

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

Particulars	2013-14	2012-13
EBIDTA/Turnover (percent)	10.26	9.87
Profit After Tax/Turnover (percent)	4.28	4.12
EBIDTA/Net Interest (no. of times)	2.59	2.58
Debt to Equity	0.54	0.55
Return on Equity (percent)	16.32	14.14
Book Value per share ( ₹ /share)	262.87	223.48
Earnings per share ( ₹ /share)	42.90	31.59



## VI. Material Developments in Human Resources/Industrial Relations Front Including Number of People Employed

Your Company has a favourable work environment that motivates performance, customer focus and innovation while adhering to the highest degree of quality and integrity. The senior management team consists of experienced professionals with diverse skills. The total employee strength of the Group, as on 31st March, 2014, stands at 1100 approx. This is across all cadres and geographic locations.

The Employees are the key to Success and Growth. The organisation faces various challenges at many fronts. In such situations, it is the quality of talent which helps us withstand these pressures. Your Company aims to become “EMPLOYER OF CHOICE” in the industry and is on course to achieve the same.

### Health, Safety & Environment (HSE)

At MBL, Health, Safety and Environment, (HSE) is given the highest priority. The HSE Policy enunciated by the Management lays emphasis on Health, Safety & Environment through a structured approach and well-defined Systems and procedures have been established for implementing the requisites at all stages of construction

The safety and health of employees, partners, service providers and the public, the wellbeing of stakeholders and the minimisation of impact on the natural environment are a priority at MBL. Health, Safety and Environment (HSE) are key focus areas, and integrated into our business operations at every level.

The key objective of our HSE policy is to empower employees to attain a healthy and safe work place with emphasis on zero injury and environmental protection. The Company is giving regular training to its employees, is conducting regular audits, and has taken ISO 9001, ISO 14001 and OHSAS 18001 to ensure proper working of its HSE policy.

Tree plantation activities are undertaken to create green belts at the project locations. The Green initiative also extends to the business practices and product innovation. Continuous efforts are made for practices that are sensitive to current environmental needs.

The HSE policies laid down, ensure that site operations meet legal and Company requirements and that operations cause minimal visual impact or nuisance to the public. Efforts to achieve safety awareness and eliminate unsafe practices are made through employee involvement.





## Cautionary Statement

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





# Report on Corporate Governance

## 1. MBL's Philosophy on Code of Governance

Over the years, the Company has followed best practices of Corporate Governance. Our 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. Our Company is now **an ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007 certified Company.**

## 2. Date of Report

The information provided in the Report on Corporate Governance for the purpose of unanimity is as on 31st March, 2014. The Report is updated as on the date of the report wherever applicable.

## 3. Board of Directors

### a. Composition of the Board:

The Company is managed and controlled through a professional body of Board of Directors (the Board), which comprises of an optimum combination of Executive and Independent Directors headed by the Executive-Chairman. As on 31st March, 2014, the Board of Directors of the Company comprised of six 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 Director has any pecuniary or business relationship with the Company. All Independent Directors comply with the requirements of the Listing Agreement and section 149(6) of the Companies Act, 2013 for being "Independent Director".

The composition of the Board of Directors as on 31st March, 2014 is as under:

S.No.	Category	Name of the Director	Date of Appointment
1	Promoter and Executive	Mr. Anjanee Kumar Lakhotia	25 <sup>th</sup> August, 1995
		Mr. Maruti Maheshwari	19 <sup>th</sup> April, 2006
2	Independent and Non-Executive Directors	Mr. Ashwini Kumar Singh	29 <sup>th</sup> May, 2006
		Mr. Kumar Singh Baghel	09 <sup>th</sup> September, 2006
		Mr. Ram Dayal Modi	21 <sup>st</sup> October, 2011
		Mr. Bhagwan Singh Duggal	13 <sup>th</sup> July, 2013



## b. Attendance Records and other Directorships/Committee Memberships:

Name of the Director	DIN	Category	No. of other <sup>^</sup> Directorships*	No. of other <sup>^</sup> Board Committee(s)** in which he is		Attendance Particulars	
				Member	Chairman	Last AGM held on 31 <sup>st</sup> August, 2013	Board Meetings held during 2013-14
Mr. Anjanee Kumar Lakhotia	00357695	Promoter - Executive	12	6	1	YES	7 out of 7
Mr. Maruti Maheshwari	00349177	Promoter - Executive	4	--	--	YES	5 out of 7
Mr. Ashwini Kumar Singh	00365901	Independent - Non - Executive	--	--	--	YES	6 out of 7
Mr. Kumar Singh Baghel	00774004	Independent - Non - Executive	7	1	3	YES	7 out of 7
Mr. Ram Dayal Modi	03047117	Independent - Non - Executive	3	1	2	YES	7 out of 7
Mr. Bhagwan Singh Duggal (appointed w.e.f 13 <sup>th</sup> July, 2013)	06634772	Independent - Non - Executive	--	--	--	NO	3 out of 7
Mr. Surinder Singh Kohli (ceased to be director w.e.f 1 <sup>st</sup> June, 2013)	00169907	Independent - Non - Executive	13	16	6	NO	1 out of 7

<sup>^</sup> Excluding MBL Infrastructures Limited.

\* Also includes directorships other than Public Limited Companies.

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

• As per listing agreement, none of the Directors of the Company was a member of more than ten Board-level committees, nor a chairman of more than five such committees, across all companies in which he was a Director.

• Mr. Anjanee Kumar Lakhotia has been appointed as Chairman & Managing Director of the Company for a period of five years from 26th May 2014 by the Board of Directors in their meeting held on 26th May, 2014 subject to the approval of the shareholders in the forthcoming general meeting of the Company.

• The Board of Directors of the Company at their Meeting held on 26th May 2014, re-appointed all the existing Independent Directors of the Company pursuant to Section 149 of the Companies Act, 2013, for a period of 5 years with effect from 01st April 2014.

• The Board of Directors of the Company at their Meeting held on 26th May 2014, appointed Ms. Sunita Palita as an Independent Director of the Company pursuant to Section 149 of the Companies Act, 2013, w.e.f. 26th May 2014.

• Mr. Maruti Maheshwari, Executive Director of the Company, has expressed his unwillingness to continue as Director of the Company after completion of his term on 30th June, 2014. The Board has accepted the proposal of Mr. Maruti Maheshwari.

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

## c. Meetings during the year

During the Financial Year 2013-2014, the Board of Directors met 7 (Seven) times on the following dates:

April to June 2013	30.05.2013 29.06.2013	July to September 2013	13.07.2013 10.08.2013 31.08.2013	October to December 2013	11.11.2013	January to March 2014	14.02.2014
--------------------	--------------------------	------------------------	----------------------------------------	--------------------------	------------	-----------------------	------------

The maximum gap between any two meetings was less than four months.

All material information was circulated to the directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board under Clause 49 of the Listing Agreement.

## 4. Audit Committee

### a. Brief description of Terms of Reference

The role and power of the Audit Committee includes:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.
- 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.
- 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.
- Approval of payment to statutory auditor for any other services rendered by statutory auditors.
- 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 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.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- 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.
- Reviewing with the management, performance of statutory and internal auditors, and adequacy of internal control systems.
- 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.
- Discussion with internal auditors any significant findings and follow up thereon.
- 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.
- 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.
- 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.
- To review the functioning of the Whistle Blower Mechanism.
- Carry out any other functions as is mentioned in the terms of reference of the Audit Committee.
- Approval of appointment of CFO.

- The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Examination of the financial statement and the auditors' report thereon;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters.

#### b. Composition, Meetings & Attendance

Name of the Member	Category	No. of Meetings attended	Dates on which Meetings held
Mr. Kumar Singh Baghel (Chairman)	Independent - Non-Executive	5 out of 5	30.05.2013 13.07.2013 10.08.2013 11.11.2013 14.02.2014
Mr. Ashwini Kumar Singh	Independent - Non-Executive	4 out of 5	
Mr. Anjanee Kumar Lakhotia	Promoter - Executive	5 out of 5	

### 5. Nomination & Remuneration Committee

To comply with the requirements of Section 178 of the Companies Act, 2013, the Board in its meeting held on 26th May, 2014 changed the name of the Remuneration/Selection Committee to "Nomination and Remuneration Committee". The Committee comprised of three non-executive independent directors as on 31st March, 2014.

#### a. Brief description of Terms of Reference

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal.
- To carry out evaluation of every Director's performance
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria.

#### b. Composition, Meetings & Attendance

Name of the Member	Position	Category	Dates on which Meetings held
Mr. Ashwini Kumar Singh	Chairman	Independent - Non-Executive	During the financial year ended March 31, 2014, no meeting of the committee was conducted.
Mr. Ram Dayal Modi (Appointed w.e.f 01 <sup>st</sup> June, 2013)	Member	Independent - Non-Executive	
Mr. Kumar Singh Baghel	Member	Independent - Non-Executive	

## c. Remuneration Policy

The Non-Executive Directors are being remunerated by way of sitting fees of ₹ 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 sitting fees, incentives fixed/linked with the performance, severance fees, stock options etc.

## d. Remuneration to Directors paid during the financial year 2013-2014 and other disclosures

Name of the Director	Salary (₹)	Benefits (₹)	Contribution to PF, Gratuity and other Funds (₹)	Sitting Fees (₹)	Tenure upto	Notice period	Number of Shares held
Mr. Anjaneer Kumar Lakhotia	36,00,000	----	----	----	30 <sup>th</sup> June, 2014	3 Months	7,02,115
Mr. Maruti Maheshwari	24,00,000	----	----	----	30 <sup>th</sup> June, 2014	3 Months	24,500
Mr. Kumar Singh Baghel	----	----	----	2,40,000	N.A.	N.A.	----
Mr. Ashwini Kumar Singh	----	----	----	2,00,000	N.A.	N.A.	----
Mr. Ram Dayal Modi	----	----	----	1,40,000	N.A.	N.A.	----
Mr. Bhagwan Singh Duggal (from 13.07.2013)	----	----	----	60,000	N.A.	N.A.	-----
Mr. Surender Singh Kohli (ceased to be a director w.e.f 01.06.2013)	----	----	----	20,000	N.A.	N.A.	-----

## 6. Stakeholder's Relationship Committee

### a. Composition:

Name of the Member	Position	Category
Mr. Ram Dayal Modi (Appointed w.e.f 01 <sup>st</sup> June, 2013)	Chairman	Independent - Non-Executive
Mr. Ashwini Kumar Singh	Member	Independent - Non-Executive
Mr. Kumar Singh Baghel (Appointed w.e.f 01 <sup>st</sup> June, 2013)	Member	Independent - Non-Executive

### b. Name and Designation of Compliance Officer:

Mr. Vivek Jain, Company Secretary, is the Compliance Officer of the Company.

### c. Details of Complaints/ Requests received, resolved and pending during the Year 2013-14:

During the financial year 2013-2014, no complaints were received from the shareholders. To comply with the requirements of Section 178 of the Companies Act, 2013, the Board in its meeting held on 26th May, 2014 changed the name of the Shareholders/Investors Grievance Committee to "Stakeholder's Relationship Committee"



## 7. Corporate Social Responsibility Committee

In accordance with the provisions of Section 135 of the Companies Act, 2013, all Companies having net worth of ₹ 500 Crore or more or has a turnover of ₹ 1,000 Crore or more or net Profit of ₹ 5 Crore or more during any financial year will be required to constitute a Committee of Directors to be called “Corporate Social Responsibility (CSR) Committee” which should consist of three or more directors of whom at least one should be an Independent Director. Aligning with the same company has constituted this committee.

### a. Composition

Name of the Member	Position	Category
Mr. Anjanee Kumar Lakhotia	Chairman	Promoter - Executive
Mr. Ashwini Kumar Singh	Member	Independent - Non-Executive
Mr. Kumar Singh Baghel	Member	Independent - Non-Executive

### Brief description of Terms of Reference:

- To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules made there under.
- To recommend the amount of expenditure to be incurred on the CSR activities.
- To monitor the implementation of the framework of the CSR Policy.
- To observe corporate governance practices at all levels and to suggest remedial measures wherever necessary
- To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties.

### Committee Meetings Procedure:

Company’s guidelines relating to Board meetings are applicable to all the Committee meetings also. Minutes of proceedings of Committee meetings are placed before the Board for noting. Mr. Vivek Jain, Company Secretary and Compliance Officer, is the Secretary of all Board Committees.

## 8. General Body Meetings

### a. Location, Date and Time of Last three AGMs and Special Resolutions passed thereat are as under:

No. of AGM and FY	Date of Meeting	Location	Time	Special Resolution Passed
18 <sup>th</sup> AGM 2012-2013	Saturday, 31 <sup>st</sup> August, 2013	“Kalakunj”, 48, Shakespeare Sarani, Kolkata - 700017	3.30 P.M.	No
17 <sup>th</sup> AGM 2011-2012	Saturday, 4 <sup>th</sup> August, 2012	“Kalakunj”, 48, Shakespeare Sarani, Kolkata - 700017	3.30 P.M.	No
16 <sup>th</sup> AGM 2010-2011	Saturday, 6 <sup>th</sup> August, 2011	“Kalakunj”, 48, Shakespeare Sarani, Kolkata - 700017	3.30 P.M.	No

## **b. Passing of Special Resolution by Postal Ballot**

No Special Resolution was passed by postal ballot during the year 2013-14.  
No Special Resolution is proposed to be conducted through Postal Ballot.

## **9. Disclosures**

### **a. Materially Significant Related Party Transactions**

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.

### **b. Compliances**

There are no penalties, strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to capital markets, during the last three years.

### **c. Whistle Blower Mechanism**

With a view to adopt the highest ethical standards in the course of business, the Company has a whistle blower policy in place for reporting the instances of conduct which are not in conformity with the policy. Directors, employees, vendors or any person having dealings with the Company may report non-compliance to the Chairman of Audit Committee, who reviews the report. Confidentiality is maintained of such reporting and it is ensured that the whistle blowers are not subjected to any discrimination. No person was denied access to the Audit Committee.

### **d. Compliance with mandatory requirements and adoption of the non-mandatory requirements.**

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:

- i. The Chairman of the Company is an Executive Chairman and hence the provisions for Non-Executive Chairman are not applicable. All other requirements of the Board during the year have been complied with.
- ii. The Board has constituted a Nomination and Remuneration Committee whose terms of reference, composition and other relevant particulars have been mentioned in this report.
- iii. The Financial Statements are free from any Audit Qualifications.
- iv. The Company has established a Whistle Blower mechanism and has adopted a Whistle Blower Policy. Access to the Senior Management/Audit Committee has not been denied to any personnel of the Company.

## **10. Means of Communication**

The Company's quarterly/annual financial results are generally published in Business Standard (All Editions), Economic Times (Selected Editions) and Dainik Lipi/News Bangla (Regional) and displayed on the website of the Company [www.mblinfra.com](http://www.mblinfra.com). During the year under review, the official news had also been displayed on the website.

## 11. General Shareholder Information

### a. Annual General Meeting:

Date & Time	Saturday, 09 <sup>th</sup> August, 2014 at 3:30 PM
Venue	Kalakunj, 48, Shakespeare Sarani, Kolkata - 700017

### b. Financial Year

1st April 2013 to 31st March, 2014

### c. Financial Calendar for the Year 2014-15

Particulars	Tentative Schedule
Financial reporting for the quarter ending 30 <sup>th</sup> June, 2014	On or before 14 <sup>th</sup> August, 2014
Financial reporting for the half-year ending 30 <sup>th</sup> September, 2014	On or before 14 <sup>th</sup> November, 2014
Financial reporting for the quarter ending 31 <sup>st</sup> December, 2014	On or before 14 <sup>th</sup> February, 2015
Financial reporting for the year ending 31 <sup>st</sup> March, 2015	On or before 30 <sup>th</sup> May, 2015.
Annual General Meeting for the year ending 31 <sup>st</sup> March, 2015	Before end September, 2015

### d. Date of Book Closure

02<sup>nd</sup> August, 2014 to 09<sup>th</sup> August, 2014 (both days inclusive)

### e. Dividend Payment Date

Within 30 days from the date of AGM

### f. Listing on Stock Exchanges & Stock Code

The Equity Shares of the Company are listed on National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE). The Company has paid the listing fees for the year 2013-14 to both the stock exchanges. There are no arrears of listing fees with any of the said stock exchanges till date.

### g. Stock Code

Exchange	Code
National Stock Exchange of India Limited	Symbol – MBLINFRA
BSE Limited	Stock Code – 533152



## h. Stock Market Price Data at BSE Limited and at National Stock Exchange of India Limited during the Financial Year 2013-2014

The monthly high and low stock quotations of Equity Shares of the Company on NSE and BSE during the year 2013-14 were as under:

MONTH	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2013	149.95	130.50	149.80	132.65
May, 2013	146.95	102.20	145.45	103.15
June, 2013	142.65	107.00	130.00	106.50
July, 2013	128.55	93.10	127.00	98.10
August, 2013	102.00	65.00	105.50	65.10
September, 2013	83.05	62.65	75.50	64.75
October, 2013	67.90	55.70	68.50	61.70
November, 2013	81.90	62.60	81.00	60.75
December, 2013	87.15	68.50	86.95	69.00
January, 2014	141.00	79.00	141.50	78.80
February, 2014	126.50	100.35	127.25	100.25
March, 2014	135.00	111.60	135.85	112.65

## i. Stock Performance in comparison to broad based indices:

	31.03.2014	1.04.2013	Change (%)
Share prices of MBL INFRA ₹ (BSE)	129.95	148.65	-12.57
V/s BSE Sensex	22386.27	18864.75	18.67
Share prices of MBL INFRA ₹ (NSE)	129.35	148.30	-12.77
V/s NSE Nifty	6704	5704.40	17.53

## j. Registrar & Share Transfer Agents

LINK INTIME INDIA PVT. LTD.	
Mumbai Office	Kolkata office
C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (W) Mumbai – 400 078 Phone: – 022-25963838 Email id: mumbai@linkintime.co.in	59C, Chowringhee Road, 3rd Floor, Kolkata – 700 020 Phone – 033-22890540 Email id: kolkata@linkintime.co.in
Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>	

## k. 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.

## l. Distribution of Shareholding as on 31st March, 2014

S.No	Category Of Shareholders (No. of Shares Held)			No. of Shareholders	Percentage of Shareholders	No. of Shares Held	Percentage of Holding
1	1	to	500	3996	87.7663	494236	2.8220
2	501	to	1000	242	5.3152	183840	1.0497
3	1001	to	2000	117	2.5697	176925	1.0102
4	2001	to	3000	39	0.8566	98676	0.5634
5	3001	to	4000	22	0.4832	79366	0.4532
6	4001	to	5000	24	0.5271	111288	0.6354
7	5001	to	10000	42	0.9225	318193	1.8168
8	10001	to	above	71	1.5594	16051203	91.65
TOTAL				4553	100	17513727	100



**m. Shareholding Pattern as on 31st March, 2014**

Category	Number of Shares held	Percentage (%)
Promoter and Promoter Group	1,02,20,680	58.358
Foreign Institutional Investors	2,86,570	1.636
Non-Resident Indians	64,916	0.371
Mutual Funds	18,65,827	10.654
Financial Institutions/Banks	Nil	N.A.
Corporate Bodies (other than above)	2511327	14.339
Resident Indians	2470096	14.104
Employees	1995	0.011
Others (Including Clearing Members)	92316	0.527
<b>Total</b>	<b>175,13,727</b>	<b>100.00</b>

**n. 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, 2014. The shares are regularly traded at BSE & NSE.

**o. Outstanding Convertible instruments**

As of 31st March, 2014, there are no outstanding convertible instruments.

**p. 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 31.03.2014 (₹)	Due Date for transfer to IEPF
2009-2010	18,368.00	17 <sup>th</sup> October, 2017
2010-2011	27,483.00	04 <sup>th</sup> September, 2018
2011-2012 (Interim Dividend)	26,334.00	13 <sup>th</sup> March, 2019
2011-2012 (Final Dividend)	13,572.00	03 <sup>rd</sup> September, 2019
2012-2013	59,340.00	30 <sup>th</sup> September, 2020

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 [www.mblinfra.com/unclaimeddividend.php](http://www.mblinfra.com/unclaimeddividend.php)

**q. Address for correspondence:**

Mr. Vivek Jain,  
 Company Secretary and Compliance Officer  
 Divine Bliss, 2/3, Judges Court Road, 1st Floor,  
 Kolkata - 700 027.  
 Tel: +91-33-33411800  
 Fax: +91-33-33411801  
 E-mail: [cs@mblinfra.com](mailto:cs@mblinfra.com)

## 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](http://www.mblinfra.com)

For MBL Infrastructures Limited

Anjanee Kumar Lakhotia  
Chairman & Managing Director  
DIN (00357695)

Place : New Delhi  
Date : 26th May, 2014

## Corporate Governance Compliance Certificate

To  
The Members of  
MBL Infrastructures Limited

We have examined the relevant records of MBL Infrastructures Limited ("the Company") for the purpose of certifying compliance of the conditions of Corporate Governance under Clause 49 of the Listing Agreement with the Stock Exchanges, for the Financial Year ended on 31st March, 2014. We have obtained all the information and explanations which to the best of my knowledge and belief are necessary for the purposes of Certification.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation process adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. This Certificate is neither an assurance as to the further viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs 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 all the mandatory conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement(s).

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

(Hitesh Lilha)  
Partner  
Membership No. 069536

Place : New Delhi  
Dated : 26th May, 2014

## Certification by Chairman & Managing Director and GM (F&A) of the Company

To  
The Board of Directors  
MBL Infrastructures Limited

Dear Sir(s),

As required under clause 49(V) of the Listing agreement, we state that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31.03.2014 and that to the best of our knowledge and belief:

a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

b. 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;

2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

3. 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 have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

4. We have indicated to the Auditors and the Audit Committee:

a. significant changes in internal control over financial reporting during the year, if any;

b. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

c. instances of significant frauds, if any, 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,

Anjanee Kumar Lakhotia  
Chairman & Managing Director

Shailendra Goel  
GM (F&A)

Place : New Delhi  
Dated : 26th May, 2014

# Risk Management

The construction industry encounters risks typical to its business, mitigated through various initiatives.

## Business Model Risk

In new business models like BOT, revenues accrue to the contractor at a later date in the form of user-fees or toll. It is risky if the toll collected is insufficient to compensate the contractor with reasonable profits.

## Risk Mitigation

MBL takes due care and caution before taking up any such project; estimates of toll revenues are made with utmost diligence, considering all practical constraints and realistic view points, so as to arrive at a reasonably accurate figure of future revenues to be earned through collection of user fees.

The quality of its project is always maintained at the highest levels, which would attract higher traffic intensity.

## Capital-Intensive Business Risk

Construction business is inherently capital intensive. Our Company may fall short of funds while bidding for new projects or may not be able to bid due to lack of sufficient funds.

## Risk Mitigation

MBL funds its operations primarily through internal accruals and has earned itself sufficient goodwill to be able to fund its operations through external sources like bank loans, private placements etc. Its quality performance and timely performance would help it overcome the pressures of funding in such business where capital outflow is very high.

The low debt-equity ratio as compared with industry figures speaks of the Company's capability to counter the deficiency in capital in a practical and efficient manner. The low leverage position also makes it an attractive client for granting of further loans, by banks, financial institutions etc.

## Input Risk

The availability of the right quality and quantity of resources (raw material and finances) is critical for the timely completion of infrastructure projects. Besides, cost escalation could affect profitability.

## Risk Mitigation

The Company controls its projects directly - as opposed to sub-contracting core infrastructure assignments - enabling it to ascertain when material would be required in what quantity and where. It procures key raw materials (steel and cement) directly from leading manufacturers for a more timely access. Moreover, most of the Company's contracts are protected with input escalation clauses, which protect profitability.

## Government Policy Changes

Any adverse change in policy by government could affect the entire industry.

## Risk Mitigation

Any change in government policy is outside the control of the company. It also affects the entire industry and therefore the company is not disadvantaged in an isolated way.

The company's personnel remain alert to policy changes and their probable impact which helps them plan accordingly.

The company's quick response and adaptability mitigates adverse policy changes.



### Equipment Risk

Sophisticated equipment represents the heart of an infrastructure Company leading to quality and timely project completion; inability to mobilize at the right time at the right site could dent profitability.

### Manpower Risk

Since people represent the most valuable asset in the business, any attrition could lead to a valuable loss of competitive edge. Recruitment & retention of specialized professionals is an industry-wide problem.

### Financial Closure Risk

An inability of the customer to raise adequate funds could result in project delay or even abandonment of the project.

### Quality Risk

For an infrastructure Company, product quality needs to withstand the test across time. Any failure could effectively invite negative publicity affecting the Company's prospects.



### Risk Mitigation

Company possesses the capability to deploy resources in a timely manner. The Company has a large fleet of sophisticated equipment, including hot mix plants, sensor pavers, tandem rollers, soil compactors, stone crushers, loaders, excavators, tippers, motor graders, concrete batching plants, transit mixers, concrete pumps, dozers, cranes, etc.

The company keeps a continuous review of its equipment deployment, making a proactive schedule of equipment hire and deployment, project documentation and equipment mapping covering operational characteristics, maintenance schedules, cross-site logistical management and equipment upgradation plans.

### Risk Mitigation

The company maintains a cordial & informal working environment. It delegates authority at all levels through a defined system of the scope of work, responsibility and reporting structure which results in leaders being grown at every tier. It remunerates employees according to the prevailing industry standards and conducts in-depth training - functional and attitudinal, leading to a low attrition rate.

### Risk Mitigation

As a business policy, MBL Infrastructure works only on government-sanctioned projects or those funded by World Bank and Asian Development Bank, resulting in completion certainty.

### Risk Mitigation

Incoming material checks: MBL Infrastructures Limited procures raw material from reputed brands (SAIL, TISCO, RINL, Ultratech, ACC, IOCL, HPCL, BPCL etc.) only, minimizing much of the risk. The company has inhouse laboratories and engineers for quality checks.

Work-in-progress checks: These checks are carried out during execution. The company has its own quarrying & crushing, concrete & bituminous divisions and engineering personnel to ensure quality execution. Finished quality checks: These checks are carried out post execution to ensure quality of the final product before handing over the works to the clients.

# Independent Auditors' Report

To the members of  
MBL Infrastructures Limited

## Report on the Financial Statements

We have audited the accompanying financial statements of MBL INFRASTRUCTURES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, 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 account as required by law have been kept by the Company so far as appears from our examination of those books
- c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013, and
- e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For Agrawal S. Kumar & Associates,**  
Chartered Accountants,  
Firm Regn No. 322324E

Hitesh Lilha  
(Partner)  
Membership No. 069536  
Place : New Delhi.  
Date : 26th Day of May 2014

The Annexure referred to in paragraph 1 of Our Report of even date to the members of MBL Infrastructures Limited, on the accounts of the company for the year ended 31st March, 2014.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us, the Company has not disposed off a substantial part of its fixed asset during the year and therefore does not affect the going concern assumption.

2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.

3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses 3 (b), 3 (c) and 3 (d) of the order are not applicable to the Company.

(e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.

4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.

5. a) In our opinion and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.



b) In our opinion and according to the information and explanations provided by the management, the transactions made in pursuance of contracts and arrangements referred to in (5)(a) above and exceeding the value of Rs. 5 lakh with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.

7. In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with its size and the nature of its business.

8. We have broadly reviewed the books of accounts maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of Cost Records under clause (d) of sub-section 1 of Section 209 of the Act in respect of Company's products and services and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained.

9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities *except for Tax Deducted at Source by them which are sometimes not regularly deposited*.

According to the information and explanations given to us there were no Statutory dues outstanding as on 31.03.2014 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues that have not been deposited with the appropriate authorities on account of any dispute except for the amount mentioned below:

Name of the Statute	Nature of the Dues	Amount (₹ In Lacs)	Period	Forum where dispute is pending
Income Tax Act	Income Tax	103.06	A.Y. 2005-06	CIT(Appeals)
Income Tax Act	Income Tax	0.43	A.Y. 2006-07	CIT(Appeals)
Income Tax Act	Income Tax	119.82	A.Y. 2008-09	CIT(Appeals)
Income Tax Act	Income Tax	228.45	A.Y. 2009-10	CIT(Appeals)
Income Tax Act	Income Tax	182.91	A.Y. 2010-11	CIT(Appeals)

There is also a disputed Income Tax refund amounting to ₹ 24.14 Lakhs relating to A.Y. 2007-08 standing to the credit of the Company.

10. The Company does not have any accumulated loss at the end of the financial year and has not incurred cash loss during the financial year covered by our audit 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 a financial institution, bank or debenture holders.

12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.

14. According to information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures, and other Investments.

15. According to the information and explanations given to us, the Company has given Corporate guarantees for loan taken by its Fully owned Subsidiary "AAP Infrastructures Limited" to the tune of ₹ 50 Crores from a bank or financial institution. Also the Company has given Corporate guarantees for loan taken by its Subsidiary "Suratgarh Bikaner Toll Road Company Private Limited" to the tune of ₹ 50 Crores from a bank or financial institution

16. To the best of our knowledge and belief and according to the information and explanations given to us, term loans were applied for the purpose for which these were obtained.

17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.

18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year.

19. The Company did not have any outstanding debentures during the year.

20. The Company has not raised any money by public issue during the year.

21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor we have been informed of such case by the management.

**For Agrawal S. Kumar & Associates,**

Chartered Accountants,

Firm Regn No. 322324E

Hitesh Lilha

(Partner)

Membership. No. 069536

Place : New Delhi.

Date : 26th Day of May 2014

# Balance Sheet

As at 31st March, 2014

₹ in Lakhs

	Note No.	As at 31.03.2014	As at 31.03.2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	2	1,751.37	1,751.37
Reserves and surplus	3	44,287.52	37,388.71
<b>Non-Current Liabilities</b>			
Long-term borrowings	4	6,172.44	7,886.01
Deferred tax liability (Net)	5	3,417.59	2,975.03
Other long-term liabilities	6	15,188.01	10,659.98
Long-term provisions	7	96.66	92.17
<b>Current Liabilities</b>			
Short-term borrowings	8	40,160.00	36,687.23
Trade payables	9	11,544.40	9,313.67
Other current liabilities	10	19,400.27	18,369.76
Short-term provisions	11	1,503.00	811.55
<b>Total</b>		<b>143,521.26</b>	<b>125,935.48</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible assets	12	16,632.46	13,679.72
Non-current investments	13	16,592.90	9,791.13
Long-term loans and advances	14	131.77	53.98
Other non-current assets	15	5,207.37	13,808.81
<b>Current Assets</b>			
Inventories	16	55,886.03	49,118.68
Trade receivables	17	37,407.84	30,234.64
Cash and bank balances	18	1,338.84	1,763.73
Short-term loans and advances	19	9,678.45	7,053.14
Other current assets	20	645.60	431.65
<b>Total</b>		<b>143,521.26</b>	<b>125,935.48</b>
<b>Significant Accounting Policies</b>	1		
<b>Notes on Financial Statements</b>	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

**For and on behalf of the Board**

**(Hitesh Lilha)**

Partner

Membership No. 069536

Place: New Delhi

Dated : 26th May, 2014

**(Shailendra Goel)**  
General Manager (F & A)

**(Anjanee Kumar Lakhota)**  
Chairman & Managing Director  
DIN-00357695

**(Vivek Jain)**  
Company Secretary

**(Ram Dayal Modi)**  
Director  
DIN-03047117

# Statement of Profit & Loss

For the year ended 31st March, 2014

₹ in Lakhs

	Note No.	For the year ended 31.03.2014	For the year ended 31.03.2013
<b>INCOME</b>			
Revenue from operations	21	175,373.94	134,290.82
Other income	22	386.35	113.18
<b>Total Revenue</b>		<b>175,760.29</b>	<b>134,404.00</b>
<b>EXPENSES</b>			
Cost of materials consumed	23	137,623.12	95,423.22
Employee benefits expense	24	2,677.69	2,256.10
Finance costs	25	6,962.23	5,128.81
Depreciation	12	974.20	712.34
Other expenses	26	17,456.98	23,467.90
<b>Total Expenses</b>		<b>165,694.22</b>	<b>126,988.37</b>
<b>Profit before tax</b>		<b>10,066.07</b>	<b>7,415.63</b>
<b>Tax expense</b>			
Current tax		2,110.00	1,500.00
Deferred tax		442.56	383.00
<b>Profit for the year</b>		<b>7,513.51</b>	<b>5,532.63</b>
<b>Earnings per equity share (₹)</b>			
Basic		42.90	31.59
Diluted		42.90	31.59
<b>Significant Accounting Policies</b>	1		
<b>Notes on Financial Statements</b>	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

**(Hitesh Lilha)**

Partner

Membership No. 069536

Place : New Delhi

Dated : 26th May, 2014

**(Shailendra Goel)**

General Manager (F & A)

**(Vivek Jain)**

Company Secretary

**For and on behalf of the Board**

**(Anjanee Kumar Lakhotia)**

Chairman & Managing Director

DIN-00357695

**(Ram Dayal Modi)**

Director

DIN-03047117



# Cash Flow Statement

For the year ended 31st March, 2014

₹ in Lakhs

	Year Ended 31.03.2014		Year Ended 31.03.2013	
<b>A. Cash flow from operating activities</b>				
<b>Net profit before tax &amp; extraordinary items</b>		10,066.08		7,415.63
Adjusted for :				
(Profit) / Loss on sale of fixed assets	7.14		35.59	
Depreciation	974.20		712.34	
Finance cost	6,962.23	7,943.57	5,128.81	5,876.74
<b>Operating profit before working capital changes</b>		18,009.65		13,292.37
<b>Adjustments for Working Capital :</b>				
(Increase) / Decrease in inventories	(6,767.34)		(4,239.53)	
(Increase) / Decrease in trade and other receivable	(1,343.21)		(25,948.07)	
Increase / (Decrease) in trade payables and other liabilities	7,794.45	(316.10)	22,102.78	(8,084.82)
<b>Cash generated from operations</b>		17,693.55		5,207.55
Direct taxes paid		(1,423.29)		(4,720.57)
<b>Net cash generated from / (used in) operating activities</b>		<b>16,270.26</b>		<b>486.98</b>
<b>B. Cash flow from investing activities</b>				
Additions in fixed assets	(3,940.35)		(3,403.20)	
Sale of fixed assets	6.25		93.33	
(Additions) / Disposals of investments	(6,801.78)		(2,567.67)	
<b>Net cash generated from / (used in) investing activities</b>		<b>(10,735.88)</b>		<b>(5,877.54)</b>
<b>C. Cash flow from financing activities</b>				
(Repayments) / Proceeds from Long term borrowings	1,404.22		10,940.11	
(Repayments) / Proceeds from Short term borrowings	355.00		-	
Dividend paid (including Dividend Distribution Tax)	(610.65)		(305.32)	
Finance Cost	(6,962.23)		(5,128.81)	
<b>Net cash generated from / (used in) financing activities</b>		<b>(5,813.66)</b>		<b>5,505.98</b>
<b>Net Increase / (Decrease) in cash and cash equivalents (A+B+C)</b>		<b>(279.28)</b>		<b>115.42</b>
<b>Opening balance of cash &amp; cash equivalent</b>		<b>834.50</b>		<b>719.08</b>
<b>Closing balance of cash &amp; cash equivalent (refer note 18)</b>		<b>555.22</b>		<b>834.50</b>

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**

**(Hitesh Lilha)**

Partner

Membership No. 069536

Place : New Delhi

Dated : 26th May, 2014

**(Shailendra Goel)**  
General Manager (F & A)

**(Anjanee Kumar Lakhota)**  
Chairman & Managing Director  
DIN-00357695

**(Vivek Jain)**  
Company Secretary

**(Ram Dayal Modi)**  
Director  
DIN-03047117

# Notes on Financial Statements

For the year ended 31st March, 2014

## 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 recognizes 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. Financial Derivatives & Hedging transactions

- (i) The company uses derivative financial instruments such as forward exchange contracts, options, currency swaps, etc., to hedge its risks associated with foreign currency fluctuations relating to the underlying transactions.
- (ii) Financial derivatives and hedging contracts are accounted on the date of their settlement and realised gain/loss in respect of settled contracts is recognised in the Statement of Profit and Loss along with the underlying transactions.

### h. 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.

**i. Inventories**

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

**j. Taxes on Income**

- (i) Provision for current tax is made after taking into consideration benefits admissible under the provision 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.

**k. 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.

**l. 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.

**m. 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.

**n. 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.

**o. 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 Financial Statements

For the year ended 31st March, 2014 (contd.)

₹ in Lakhs

	As at 31.03.2014	As at 31.03.2013
<b>2. SHARE CAPITAL</b>		
<b>Authorised</b>		
2,52,50,000 (2,52,50,000) equity shares of ₹ 10/- each	2,525.00	2,525.00
<b>Issued, subscribed and paid up</b>		
1,75,13,727 (1,75,13,727) equity shares of ₹ 10/- each fully paid up	1,751.37	1,751.37
	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 31.03.2014	As at 31.03.2013
	No. of Shares %	No. of Shares %
MBL A Capital Limited (formerly SMH Capital Limited)	5381550 30.73	3931687 22.44
Prabhu International Vyapar Private Limited	2204158 12.59	3160290 18.04
Ram Gopal Maheshwari	1908357 10.89	2248750 12.84
Reliance Capital Trustee Company Limited - Reliance Infrastructure Fund	1394956 07.96	1394956 07.96

<b>3. RESERVES AND SURPLUS</b>		
<b>Capital Redemption Reserve</b>		
Balance as per last account	1,391.01	1,391.01
<b>Securities Premium Account</b>		
Balance as per last account	10,281.67	10,281.67
<b>General Reserve</b>		
Opening balance	20,000.00	15,000.00
Add - Transfer from surplus	5,000.00	5,000.00
Closing balance	25,000.00	20,000.00
<b>Surplus</b>		
Opening balance	5,716.03	5,794.04
Add - Transfer from statement of profit and loss	7,513.51	5,532.63
Amount available for appropriation	13,229.54	11,326.67
<b>Appropriation</b>		
Less - Proposed dividend (refer note 3.1)	(525.41)	(525.41)
Less - Corporate tax on proposed dividend	(89.29)	(85.23)
Less - Transfer to General Reserve	(5,000.00)	(5,000.00)
Closing balance	7,614.84	5,716.03
	44,287.52	37,388.71

3.1 Dividend proposed to be distributed to equity shareholders is ₹ 3.00 (Previous year ₹ 3.00) per equity share.



# Notes on Financial Statements

For the year ended 31st March, 2014 (contd.)

₹ in Lakhs

	As at 31.03.2014	As at 31.03.2013
<b>4. LONG-TERM BORROWINGS</b>		
<b>Secured</b>		
Equipment / Vehicle finance / External commercial borrowings		
From banks	6,171.75	7,860.65
From others	0.69	25.36
	<b>6,172.44</b>	<b>7,886.01</b>

4.1 External commercial borrowings (ECB) availed from banks are secured by hypothecation of specific plants and equipments.

4.2 ECBs with currency swaps outstanding as at 31.03.2014 is ₹ 2642.43 lakhs (long term ₹ 882.97 lakhs and current maturities ₹ 1759.46 lakhs).

4.3 Unhedged ECB outstanding as at 31.03.2014 is ₹ 5889.78 lakhs (restated at the year end rates), (long term ₹ 5288.78 lakhs and current maturities ₹ 601.00 lakhs).

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 guarantees of promoter director/s of the company.

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

₹ in Lakhs

Particulars	Rate of Interest (%) ^	within 1 year	1 to 2 years	2 to 3 years	beyond 3 years
<b>From banks</b>	<b>between 5.93 - 8.75</b>	1,496.67	693.23	721.20	4,014.67
	<b>between 9.25 - 11.75</b>	123.14	-	-	-
	<b>between 12.00 - 12.75</b>	742.66	742.65	-	-
<b>From others</b>	<b>between 9.25 - 16.00</b>	1,712.00	0.69	-	-
<b>Total</b>		<b>4,074.47</b>	<b>1,436.57</b>	<b>721.20</b>	<b>4,014.67</b>

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

<b>5. DEFERRED TAX LIABILITY (NET)</b>		
Difference between book and tax depreciation	1,730.37	1,360.01
Retention money not yet released and hence not offered for taxation	1,758.32	1,675.55
Less : Deferred assets	(71.10)	(60.53)
	<b>3,417.59</b>	<b>2,975.03</b>
<b>6. OTHER LONG-TERM LIABILITIES</b>		
Advance from contractees	13,120.73	8,688.70
Other advances and deposits	2,067.28	1,971.28
	<b>15,188.01</b>	<b>10,659.98</b>
<b>7. LONG-TERM PROVISIONS</b>		
Provision for employee benefits	96.66	92.17
	<b>96.66</b>	<b>92.17</b>
<b>8. SHORT-TERM BORROWINGS</b>		
<b>Secured</b>		
Working capital facilities from banks	39,805.00	36,687.23
<b>Unsecured</b>		
Loan from others	355.00	-
	<b>40,160.00</b>	<b>36,687.23</b>

# Notes on Financial Statements

For the year ended 31st March, 2014 (contd.)

₹ in Lakhs

	As at 31.03.2014	As at 31.03.2013
--	---------------------	---------------------

- 8.1 All secured 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 director/s of the company.

## 9. TRADE PAYABLES

Acceptances	4,986.62	1,650.87
Micro, Small and Medium Enterprises (refer note 9.1)	-	-
Others (refer note 9.2)	6,557.78	7,662.80
	11,544.40	9,313.67

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, 2014. 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

Current maturities of long term borrowings		
From banks	2,362.47	2,388.96
From others	1,712.00	34.51
Unclaimed share application and interest amount (refer note 10.1)	0.46	0.46
Unclaimed dividends (refer note 10.1)	1.45	0.88
Advance from contractees	5,752.28	12,513.22
Payable on purchase of capital goods	43.10	25.45
Statutory dues payable	249.51	128.39
Other payables	9,279.00	3,277.89
	19,400.27	18,369.76

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

## 11. SHORT-TERM PROVISIONS

Provision for employee benefits	9.21	8.53
Provision for tax (refer note 11.1)	879.09	192.38
Proposed dividend	525.41	525.41
Tax on proposed dividend	89.29	85.23
	1,503.00	811.55

11.1 Provision for tax of ₹10831.36 lakhs (Previous year ₹8721.36 lakhs) is net of advance tax of ₹9952.27 lakhs (Previous year ₹8528.98 lakhs).

# Notes on Financial Statements

For the year ended 31st March, 2014 (contd.)

## 12. FIXED ASSETS

₹ in Lakhs

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2013	Additions	Deductions/ Adjustments	As at 31.03.2014	Upto 01.04.2013	For the Year	Deductions/ Adjustments	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
<b><u>Tangible Assets</u></b>										
Land - Freehold	10.62	-	-	10.62	-	-	-	-	10.62	10.62
Office Buildings	1,680.81	52.42	-	1,733.23	49.25	27.40	-	76.65	1,656.58	1,631.56
Factory Building	13.12	-	-	13.12	6.97	0.44	-	7.41	5.71	6.15
Plant and Equipment	14,355.97	3,713.49	4.99	18,064.47	3,177.26	800.62	0.55	3,977.33	14,087.14	11,178.71
Vehicles	661.67	36.21	22.63	675.25	254.99	59.58	13.67	300.90	374.35	406.68
Office Equipments	73.13	34.25	-	107.38	6.18	5.49	-	11.67	95.71	66.95
Furniture and Fixtures	254.32	76.07	-	330.39	60.76	16.20	-	76.96	253.43	193.56
Computer	420.47	27.90	-	448.37	234.98	64.47	-	299.45	148.92	185.49
<b>Total</b>	<b>17,470.11</b>	<b>3,940.34</b>	<b>27.62</b>	<b>21,382.83</b>	<b>3,790.39</b>	<b>974.20</b>	<b>14.22</b>	<b>4,750.37</b>	<b>16,632.46</b>	<b>13,679.72</b>
Previous Year	14,237.65	3,403.19	170.73	17,470.11	3,119.86	712.34	41.81	3,790.39	13,679.72	-

₹ in Lakhs

	As at 31.03.2014	As at 31.03.2013
<b>13. NON-CURRENT INVESTMENTS</b>		
<b>Long-term, Unquoted, Trade</b>		
<b>Subsidiary Companies (wholly owned)</b>		
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 5,11,00,000 (5,11,00,000) equity shares of ₹ 10/- each fully paid up	5,110.00	5,110.00
iii) MBL (MP) Toll Road Co. Limited 1,50,00,000 (1,50,00,000) equity shares of ₹ 10/- each fully paid up	1,500.00	1,500.00
iv) MBL Projects Ltd. 72,500 (72,500) equity shares of ₹ 10/- each fully paid up	7.25	7.25
v) MBL (MP) Road Nirman Co. Ltd. 1,00,00,000 (72,500) equity shares of ₹ 10/- each fully paid up	1,000.00	7.25
vi) MBL (Haldia) Toll Road Co. Ltd. 72,500 (Nil) equity shares of ₹ 10/- each fully paid up	7.25	-
<b>Subsidiary Company (partly owned)</b>		
i) Suratgarh Bikaner Toll Road Company Private Limited 5,80,50,000 (32,250) equity shares of ₹ 10/- each fully paid up	5,805.00	3.23
<b>Others</b>		
i) Narayan Infracon Private Limited 50,000 (50,000) equity shares of ₹ 10/- each fully paid up	5.00	5.00
ii) Orissa Steel Expressway Private Limited 1,95,84,000 (1,95,84,000) equity shares of ₹ 10/- each fully paid up	1,958.40	1,958.40
	<b>16,592.90</b>	<b>9,791.13</b>

13.1 100% investment in equity shares of wholly owned subsidiary, AAP Infrastructure Limited, 30% investment in equity shares of wholly owned subsidiaries, MBL Highway Development Company Limited and MBL (MP) Toll Road Company Limited and 30% investment in equity shares of partly owned subsidiary, Suratgarh Bikaner Toll Road Company Private Limited have been pledged with bankers against long term credit facilities availed by the respective subsidiary company.

# Notes on Financial Statements

For the year ended 31st March, 2014 (contd.)

₹ in Lakhs

	As at 31.03.2014	As at 31.03.2013
<b>14. LONG-TERM LOANS AND ADVANCES</b> (Unsecured, considered good)		
Prepaid expenses	125.98	47.64
Capital advances	5.79	6.34
	131.77	53.98
<b>15. OTHER NON-CURRENT ASSETS</b> (Unsecured, considered good)		
Share application money in SPVs/Subsidiaries (refer note 32)	416.00	9,823.10
Long-term trade receivable		
Retention and deposits	4,791.37	3,985.71
	5,207.37	13,808.81
<b>16. INVENTORIES</b> (As valued and certified by the management) (at cost or net realisable value, whichever is lower)		
Construction materials at site	55,886.03	49,118.68
	55,886.03	49,118.68
<b>17. TRADE RECEIVABLES</b> (Unsecured, considered good)		
Outstanding for a period exceeding six months (refer note 17.1)	1,130.24	1,167.13
Others (refer note 17.1)	36,277.60	29,067.51
	37,407.84	30,234.64

17.1 Trade receivables are subject to confirmation from certain parties.

<b>18. CASH AND BANK BALANCES</b>		
<b>Cash and cash equivalents</b>		
Balances with banks (refer note 18.1)	74.34	411.90
Cash on hand	331.72	269.75
Fixed deposits of maturity less than 3 months with banks (refer notes 18.2 to 18.4)	149.16	152.85
	555.22	834.50
<b>Other bank balances</b>		
Fixed deposits of maturity more than 3 months with banks (refer notes 18.2 to 18.4)	783.62	929.23
	1,338.84	1,763.73

18.1 Includes unclaimed share application and interest of ₹ 0.46 lakhs (Previous year ₹ 0.46 lakhs) and unclaimed dividend of ₹ 1.45 lakhs (Previous year ₹ 0.88 lakhs).

18.2 Includes fixed deposits pledged with banks as margin ₹ 471.26 lakhs (Previous year ₹ 532.42 lakhs).

18.3 Includes fixed deposits pledged with others as security deposit ₹ 461.52 lakhs (Previous year ₹ 549.66 lakhs).

18.4 Fixed deposits with banks include deposits of ₹ 596.45 lakhs (Previous year ₹ 793.18 lakhs) with maturity of more than 12 months.



# Notes on Financial Statements

For the year ended 31st March, 2014 (contd.)

₹ in Lakhs

	As at 31.03.2014	As at 31.03.2013
<b>19. SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Others		
Prepaid expenses	301.91	241.43
Advances against materials, services etc. (refer note 19.1)	9,376.54	6,811.71
	9,678.45	7,053.14

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

<b>20. OTHER CURRENT ASSETS</b>		
(Unsecured, considered good)		
Security and other deposits	561.10	367.06
Accrued Interest on fixed deposits	84.50	64.59
	645.60	431.65



# Notes on Financial Statements

For the year ended 31st March, 2014 (contd.)

<i>₹ in Lakhs</i>		
	For the year ended 31.03.2014	For the year ended 31.03.2013
<b>21. REVENUE FROM OPERATIONS</b>		
Construction and project related activities	175,373.94	134,290.82
	175,373.94	134,290.82
<b>22. OTHER INCOME</b>		
Claims	44.90	8.58
Interest on fixed deposits	82.07	99.91
Miscellaneous income and receipts	259.38	4.69
	386.35	113.18
<b>23. COST OF MATERIALS CONSUMED</b>		
Consumption of raw materials	137,623.12	95,423.22
	137,623.12	95,423.22
<b>24. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages and bonus	2,385.94	1,981.81
Contribution to provident and other funds	101.58	81.34
Provision for employee retirement benefits	16.94	25.50
Staff welfare expenses	113.23	107.45
Director's remuneration	60.00	60.00
	2,677.69	2,256.10
<b>25. FINANCE COSTS</b>		
Interest expense	6,200.07	4,937.84
Net loss on foreign currency transactions and translation	585.06	87.23
Other borrowing costs	177.10	103.74
	6,962.23	5,128.81
<b>26. OTHER EXPENSES</b>		
Power, fuel and lubricants	2,166.10	2,058.48
Direct labour, sub-contract etc.	11,772.19	17,989.01
Stores and spares consumed	617.39	596.67
Hire charges - vehicles and equipments	269.32	246.83
Site development expenses	63.35	90.46
Repairs to machinery	48.03	90.40
Other repairs	146.09	122.27
Insurance	119.78	72.87
Rates and taxes, excluding, taxes on income	823.11	609.54
Sites rent	165.49	152.23
Office rent	6.52	2.29
Payments to auditor		
Statutory audit	14.05	14.05
Tax audit	1.69	1.69
Other services	1.00	5.66
Miscellaneous expenses	814.43	1,160.33
Bank commission and charges	421.30	219.53
Loss on sale of fixed assets	7.14	35.59
	17,456.98	23,467.90

# Notes on Financial Statements

For the year ended 31st March, 2014 (contd.)

## 27. Disclosure in respect of Joint Ventures

₹ in Lakhs

List of Joint Ventures	Proportion of Ownership Interests	Assets	Liabilities	Income	Expenses
MBL-Atlas (JV)	51%	-	-	198.90	187.20
TCIL-MBL (JV)	51%	-	-	91.04	91.04
MBL-Calcutta Industrial Supply Corporation (JV)	60%	-	-	414.46	390.26
MBL-Lakshewari Builders Pvt.Ltd. (JV)	60%	-	-	35.97	36.17
MBL - Supreme (JV)	50%	-	-	513.76	503.51

All joint ventures are of Indian origin

## 28. Earnings per Share

	2013-2014	2012-2013
i. Profit computation for earning per share of ₹10/- each		
Net profit as per statement of profit & loss before earlier years' tax (₹ In lakhs)	7,513.51	5,532.63
Net profit as per statement of profit & loss after earlier years' tax (₹ In lakhs)	7,513.51	5,532.63
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) (₹)	42.90	31.59
Basic EPS (after earlier years' tax) (₹)	42.90	31.59
iv. Diluted EPS (weighted average)		
Diluted EPS (before earlier years' tax) (₹)	42.90	31.59
Diluted EPS (after earlier years' tax) (₹)	42.90	31.59

## 29. Employee Benefits

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

	2013-2014	2012-2013
(i) <b>Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation for gratuity:</b>		
Obligation at the beginning of the financial year	71.35	55.48
Service cost	8.43	15.06
Interest on defined benefit obligation	6.38	4.53
Benefits settled	(2.88)	(1.10)
Actuarial gain/ (loss)	(8.56)	(2.62)
Obligation at the end of the financial year	74.72	71.35
(ii) <b>Change in Plan assets</b>		
Plan assets at the beginning of the financial year, at fair value	-	-
Expected return on plan assets	-	-
Actuarial gain/ (loss)	-	-
Contributions	2.88	1.10
Benefits settled	(2.88)	(1.10)
Plan assets at the end of the financial year, at fair value	-	-

# Notes on Financial Statements

For the year ended 31st March, 2014 (contd.)

₹ in Lakhs

	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010
(iii) <b>Reconciliation of Present Value of the obligation and the fair value of the plan assets:</b>					
Closing DBO	74.72	71.35	55.48	40.40	22.07
Closing fair value of plan assets	-	-	-	-	-
Closing funded status	(74.72)	(71.35)	(55.48)	(40.40)	(22.07)
Net asset/ (liability) recognised in the balance	(74.72)	(71.35)	(55.48)	(40.40)	(22.07)

	2013-2014	2012-2013
(iv) <b>Expenses recognised in the statement of profit &amp; loss</b>		
Service cost	8.43	15.06
Interest cost	6.38	4.53
Expected return on plan assets	-	-
Actuarial (gains)/ loss	(8.56)	(2.62)
<b>Net Gratuity Cost</b>	<b>6.25</b>	<b>16.97</b>
(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
(vi) <b>Assumptions</b>		
a. Interest Rate	9.12%	8.25%
b. Discounting factor	9.12%	8.25%
c. Estimated rate of return on plan assets	0.00%	0.00%
d. Salary Increase	6.00%	6.00%
e. Attrition rate	5.00%	5.00%
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	2013-2014	2012-2013
1 Current liability (within 12 months)	3.74	3.29
2 Non current liability	27.41	26.06

## 30. Segment Reporting

The company's operations consist of "Construction/Project Activities" and there are no other reportable segment under AS-17 issued by "The Institute of Chartered Accountants of India".

## 31. Disclosure pursuant to clause 32 of Listing Agreement

There are no transactions that are required to be disclosed under clause 32 of the listing agreement.

# Notes on Financial Statements

For the year ended 31st March, 2014 (contd.)

## 32. Disclosure of related parties / related party transactions:

As per Accounting Standard (AS) - 18 of The Companies (Accounting Standards) Rules, 2006, the list of related parties where control exists and related parties with whom transactions have taken place and relationships are as under:

### A. Related party disclosures

Relationship	Name of the related party
(i) Subsidiary Companies	a) AAP Infrastructure Limited b) MBL Highway Development Company Limited c) MBL (MP) Toll Road Company Limited d) MBL Projects Limited e) MBL (MP) Road Nirman Company Limited f) MBL (Haldia) Toll Road Company Limited g) Suratgarh Bikaner Toll Road Company Private Limited
(ii) Joint Ventures	a) TCIL - MBL (JV) b) MBL - Atlas (JV) c) MBL - Calcutta Industrial Supply Corporation (JV) d) MBL - Lakheshwari Builders Pvt.Ltd. (JV) e) MBL - Supreme (JV) f) Supreme - MBL (JV)
(iii) Associates	a) Orissa Steel Expressway (P) Ltd. - a Joint Venture SPV Company for BOT Project b) Narayan Infracon Private Limited
(iv) Key Management Personnel	a) Mr. Anjanee Kumar Lakhotia (Chairman) b) Mr. Maruti Maheshwari (Executive Director) c) Mr. Aditya Maheshwari (Vice President - Operations) (Upto 15th October'2013) d) Mr. Anuj Maheshwari (Vice President - Operations) (Upto 7th October'2013)
(v) Enterprises owned or significantly influenced by key management personnel or their relatives	a) Prabhu International Vyapar Pvt. Ltd. b) MBL A Capital Limited c) MSP Infrastructures Ltd. d) Narayan Infracon Pvt. Ltd. e) Sahaj Promoters Pvt. Ltd. f) Mahamaya Trade-link Pvt. Ltd. (subsidiary of MBL A Capital Limited)



# Notes on Financial Statements

For the year ended 31st March, 2014 (contd.)

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

₹ in Lakhs

Nature of transaction	Subsidiary Company/ Associates	Joint Ventures	Key Management Personnel	Enterprises owned/ significantly influenced by Key Management Personnel
<b>Payments:</b>				
<b>Salary</b>				
Anjaneer Kumar Lakhotia	-	-	36.00	-
	-	-	(36.00)	-
Maruti Maheshwari	-	-	24.00	-
	-	-	(24.00)	-
Aditya Maheshwari	-	-	4.86	-
	-	-	(9.00)	-
Anuj Maheshwari	-	-	4.67	-
	-	-	(9.00)	-
<b>Director Sitting Fee</b>				
Ram Gopal Maheshwari	-	-	-	-
	-	-	(0.60)	-
<b>Dividend</b>				
Ram Gopal Maheshwari	-	-	67.46	-
	-	-	(33.73)	-
Anjaneer Kumar Lakhotia	-	-	11.16	-
	-	-	(7.62)	-
Maruti Maheshwari	-	-	0.74	-
	-	-	(0.37)	-
Aditya Maheshwari	-	-	1.50	-
	-	-	(0.75)	-
Anuj Maheshwari	-	-	1.50	-
	-	-	(0.75)	-
Prabhu International Vyapar Pvt. Ltd.	-	-	-	94.81
	-	-	-	(47.40)
MBL A Capital Limited	-	-	-	141.31
	-	-	-	(58.77)
<b>Share Application Money</b>				
Suratgarh Bikaner Toll Road Company Pvt. Ltd.	-	-	-	-
	(9,503.10)	-	-	-
Orissa Steel Expressway (P) Ltd.	416.00	-	-	-
	(320.00)	-	-	-
<b>Advance</b>				
MBL - Laksheshwari Builders Pvt.Ltd. (JV)	-	-	-	-
	-	(2.12)	-	-
MSP Infrastructures Ltd.	-	-	-	388.01
	-	-	-	(-)
AAP Infrastructure Limited	513.94	-	-	-
	(324.64)	-	-	-

# Notes on Financial Statements

For the year ended 31st March, 2014 (contd.)

₹ in Lakhs

<b>Receipts:</b>				
Supreme - MBL (JV)	-	-	-	-
	-	(310.99)	-	-
TCIL - MBL (JV)	-	675.13	-	-
	-	(3,411.64)	-	-
MBL - Calcutta Industrial Supply Corporation (JV)	-	405.69	-	-
	-	(175.14)	-	-
MBL - Lakheshwari Builders Pvt.Ltd. (JV)	-	171.67	-	-
	-	(-)	-	-
MBL - Supreme (JV)	-	1,001.83	-	-
	-	(1.77)	-	-
MBL - Atlas (JV)	-	218.93	-	-
	-	(569.52)	-	-
AAP Infrastructure Limited	513.94	-	-	-
	(324.64)	-	-	-
Operation & Maintenance Charges	485.34	-	-	-
-AAP Infrastructure Ltd.		-	-	-
	(319.09)	-	-	-
<b>Investment purchased/subscribed:</b>				
MBL A Capital Limited	-	-	-	1.00
	-	-	-	(-)
Anjanee Kumar Lakhotia	-	-	1.00	-
	-	-	(-)	-
MBL Highway Development Co. Ltd.	-	-	-	-
	(592.40)	-	-	-
Suratgarh Bikaner Toll Road Company Pvt. Ltd.	5,801.77	-	-	-
	(2.73)	-	-	-
Orissa Steel Expressway (P) Ltd.	-	-	-	-
	(1,958.04)	-	-	-
MBL Projects Ltd	-	-	-	-
	(5.00)	-	(1.00)	(1.00)
MBL (MP) Road Nirman Company Limited	992.75	-	-	-
	(5.00)	-	(1.00)	(1.00)
MBL (Haldia) Toll Road Company Limited	7.25	-	-	-
	(-)	-	-	-
<b>Share Application money</b>				
Narayan Infracon Pvt. Ltd.	-	-	-	-
	(0.20)	-	-	-
Suratgarh Bikaner Toll Road Company Pvt. Ltd.	508.10	-	-	-
	(-)	-	-	-
<b>Mobilisation Advance Received</b>				
MBL Highway Development Co. Ltd.	-	-	-	-
	(1,767.50)	-	-	-
MBL (MP) Toll Road Co. Ltd.	-	-	-	-
	(2,967.40)	-	-	-
Suratgarh Bikaner Toll Road Company Pvt. Ltd.	-	-	-	-
	(12,750.00)	-	-	-

# Notes on Financial Statements

For the year ended 31st March, 2014 (contd.)

₹ in Lakhs

Nature of transaction	Subsidiary Company/ Associates	Joint Ventures	Key Management Personnel	Enterprises owned/ significantly influenced by Key Management Personnel
<b>Development Charges, etc</b>				
MBL Highway Development Co. Ltd.	1,322.45 (9,432.97)	- -	- -	- -
MBL (MP) Toll Road Co. Ltd.	379.08 (2,626.81)	- -	- -	- -
Suratgarh Bikaner Toll Road Company Pvt. Ltd.	8,328.92 (-)	- -	- -	- -
MBL (MP) Road Nirman Company Limited	3,085.14 (-)	- -	- -	- -
Orissa Steel Expressway (P) Ltd.	50.00 (-)	- -	- -	- -
<b>Retention Money Deducted</b>				
MBL Highway Development Co. Ltd.	- (2,433.96)	- -	- -	- -
MBL (MP) Toll Road Co. Ltd.	- (634.79)	- -	- -	- -
<b>C. Balance outstanding as on 31st March, 2014</b>				
<b>Amount receivable at year end:</b>				
MBL - Atlas (JV)	-	17.66 (51.58)	- -	- -
TCIL - MBL (JV)	-	3,908.61 (2,585.15)	- -	- -
MBL - Calcutta Industrial Supply Corporation (JV)	-	221.28 (236.72)	- -	- -
MBL - Lakheshwari Builders Pvt.Ltd. (JV)	-	225.08 (306.44)	- -	- -
MBL - Supreme (JV)	-	29.79 (92.73)	- -	- -
<b>Investment outstanding at year end:</b>				
AAP Infrastructure Ltd.	1,200.00 (1,200.00)	- -	- -	- -
MBL Highway Development Co. Ltd.	5,110.00 (5,110.00)	- -	- -	- -
MBL (MP) Toll Road Co. Ltd.	1,500.00 (1,500.00)	- -	- -	- -
Narayan Infracon Pvt. Ltd.	5.00 (5.00)	- -	- -	- -
Suratgarh Bikaner Toll Road Company Pvt. Ltd.	5,805.00 (3.23)	- -	- -	- -
Orissa Steel Expressway (P) Ltd.	1,958.40 (1,958.40)	- -	- -	- -
MBL Projects Ltd	7.25 (7.25)	- -	- -	- -
MBL (MP) Road Nirman Company Limited	1,000.00 (7.25)	- -	- -	- -
MBL (Haldia) Toll Road Company Limited	7.25 (-)	- -	- -	- -

# Notes on Financial Statements

For the year ended 31st March, 2014 (contd.)

₹ in Lakhs

Nature of transaction	Subsidiary Company/ Associates	Joint Ventures	Key Management Personnel	Enterprises owned/ significantly influenced by Key Management Personnel
<b>Share Application Money at year end:</b>				
Suratgarh Bikaner Toll Road Company Pvt. Ltd.	- (9,503.10)	-	-	-
Orissa Steel Expressway (P) Ltd.	416.00 (320.00)	-	-	-
<b>Mobilisation Advance at year end:</b>				
MBL Highway Development Co. Ltd.	- (690.85)	-	-	-
MBL (MP) Toll Road Co. Ltd.	2,365.34 (2,738.23)	-	-	-
Suratgarh Bikaner Toll Road Company Pvt. Ltd.	10,667.77 (12,750.00)	-	-	-
<b>Development Charges Receivable etc</b>				
MBL Highway Development Co. Ltd.	2,800.12 (1,706.34)	-	-	-
MBL (MP) Toll Road Co. Ltd.	750.72 (103.58)	-	-	-
MBL (MP) Road Nirman Company Limited	2,033.95 (-)	-	-	-
<b>Retention Money Deducted</b>				
MBL Highway Development Co. Ltd.	2,981.32 (2,981.32)	-	-	-
MBL (MP) Toll Road Co. Ltd.	744.21 (744.21)	-	-	-

Previous year's figures are in brackets

## 33. Contingent Liabilities and Commitments

I Contingent Liabilities	As at 31.03.2014	As at 31.03.2013
(i) Claims against the company / disputed liabilities not acknowledged as debts (to the extent ascertained)	35.00	35.00
(ii) Corporate guarantee given on behalf of a wholly owned subsidiary company AAP Infrastructure Limited and subsidiary company Suratgarh Bikaner Toll road Company Pvt. Ltd.	5,628.17	4,160.77
(iii) Outstanding bank guarantees	38,619.84	23,961.12
(iv) Outstanding letter of credit	926.16	289.32
(v) Tax matters in dispute under appeal	610.53	1,387.10
Company has preferred appeal against the orders of Deputy Commissioner of Income Tax for the Assessment Years from 2005-06 to 2011-12. Based on the expert opinions obtained, it has been advised to the Company that no provision is required against the same.		

## II Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for as on 31.3.2014 is ₹ 45.44 lakhs (Previous year ₹ 1.44 lakhs). Advances paid on capital account is ₹ 5.78 lakhs (Previous year ₹ 6.34 lakhs).

# Notes on Financial Statements

For the year ended 31st March, 2014 (contd.)

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

	2013-2014	2012-2013
Contract revenue recognised for the year ended 31st March, 2014	175,373.94	134,290.82
Aggregate amount of contract costs incurred and recognised profits (less recognised losses) up to 31st March, 2014 for all the contracts in progress	61,419.43	74,267.53
The amount of customer advances outstanding for contracts in progress as at 31st March, 2014	19,414.08	21,278.50
The amount of retention due from customers for contracts in progress as at 31st March, 2014	6,168.31	6,161.98
Gross amount due from customers for contracts in progress	24,209.19	14,556.28

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

**36. Expenditure in Foreign Currency**

	2013-2014	2012-2013
Interest Charges/Bank Charges	731.70	789.69

**37.** Previous year figures have been reclassified, regrouped, rearranged and recomputed to conform to this year's classification, wherever considered necessary.

**38.** Figures in the financial statements have been rounded off in rupees lakhs 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

**(Hitesh Lilha)**

Partner

Membership No. 069536

Place : New Delhi

Dated : 26th May, 2014

**(Shailendra Goel)**

General Manager (F & A)

**(Vivek Jain)**

Company Secretary

**For and on behalf of the Board**

**(Anjanee Kumar Lakhotia)**

Chairman & Managing Director

DIN-00357695

**(Ram Dayal Modi)**

Director

DIN-03047117



# Independent Auditors' Report

On Consolidated Financial Statements

**To The Board of Directors of MBL Infrastructures Limited**

## **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of MBL INFRASTRUCTURES LIMITED ("the Company"), and its subsidiaries (collectively referred as "Group") which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## **Management's Responsibility for the Consolidated Financial Statements**

The Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Consolidated Statements of Profit and Loss, of the profit for the year ended on that date;
- c) and in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

**For Agrawal S. Kumar & Associates,**

Chartered Accountants,  
Firm Regn No. 322324E

Hitesh Lilha  
(Partner)  
Membership. No. 069536

Place: New Delhi.  
Date: 26th Day of May 2014

# Consolidated Balance Sheet

As at 31st March, 2014

₹ in Lakhs

	Note No.	As at 31.03.2014	As at 31.03.2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	2	1,751.37	1,751.37
Reserves and surplus	3	45,099.18	38,014.38
<b>Minority interest</b>		3,195.00	1.77
<b>Non-Current Liabilities</b>			
Long-term borrowings	4	37,050.58	27,743.61
Deferred tax liabilities (Net)	5	3,417.59	2,975.03
Other long-term liabilities	6	3,932.86	4,284.99
Long-term provisions	7	96.66	92.17
<b>Current Liabilities</b>			
Short-term borrowings	8	40,160.00	36,687.23
Trade payables	9	11,656.84	9,757.67
Other current liabilities	10	19,799.20	10,159.35
Short-term provisions	11	1,558.98	846.78
<b>Total</b>		<b>167,718.26</b>	<b>132,314.35</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	12		
Tangible assets		16,632.46	13,679.72
Intangible assets		4,752.12	5,183.05
Intangible Assets under development		37,590.02	20,882.92
Non-current investments	13	1,963.40	1,963.40
Long-term loans and advances	14	132.04	53.98
Other non-current assets	15	1,487.86	580.18
<b>Current Assets</b>			
Inventories	16	55,886.03	49,118.68
Trade receivables	17	31,823.05	25,347.74
Cash and bank balances	18	6,824.89	7,659.61
Short-term loans and advances	19	9,829.13	7,228.14
Other current assets	20	797.26	616.93
<b>Total</b>		<b>167,718.26</b>	<b>132,314.35</b>
<b>Significant Accounting Policies</b>	1		
<b>Notes on Financial Statements</b>	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

**(Hitesh Lilha)**

Partner

Membership No. 069536

Place : New Delhi

Dated : 26th May, 2014

**(Shailendra Goel)**

General Manager (F & A)

**(Vivek Jain)**

Company Secretary

**For and on behalf of the Board**

**(Anjanee Kumar Lakhota)**

Chairman & Managing Director

DIN-00357695

**(Ram Dayal Modi)**

Director

DIN-03047117

# Consolidated Statement of Profit & Loss

For the year ended 31st March, 2014

₹ in Lakhs

	Note No.	For the year ended 31.03.2014	For the year ended 31.03.2013
<b>INCOME</b>			
Revenue from operations	21	176,628.83	135,542.99
Other income	22	418.53	158.69
<b>Total Revenue</b>		<b>177,047.36</b>	<b>135,701.68</b>
<b>EXPENSES</b>			
Cost of materials consumed	23	137,623.12	95,423.22
Employee benefits expense	24	2,689.08	2,262.63
Finance costs	25	7,533.19	5,768.31
Depreciation and amortisation expenses	12	1,405.13	1,109.36
Other expenses	26	17,501.51	23,515.34
<b>Total Expenses</b>		<b>166,752.03</b>	<b>128,078.86</b>
<b>Profit before tax</b>		<b>10,295.33</b>	<b>7,622.82</b>
<b>Tax Expenses</b>			
Current tax		2,153.27	1,541.56
Tax for Earlier Years		-	33.54
Deferred tax		442.56	383.00
<b>Profit for the year</b>		<b>7,699.50</b>	<b>5,664.72</b>
<b>Earnings per equity share (₹)</b>			
Basic		43.96	32.34
Diluted		43.96	32.34
<b>Significant Accounting Policies</b>	1		
<b>Notes on Financial Statements</b>	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

**For and on behalf of the Board**

**(Hitesh Lilha)**

Partner

Membership No. 069536

Place : New Delhi

Dated : 26th May, 2014

**(Shailendra Goel)**

General Manager (F & A)

**(Anjanee Kumar Lakhotia)**

Chairman & Managing Director

DIN-00357695

**(Vivek Jain)**

Company Secretary

**(Ram Dayal Modi)**

Director

DIN-03047117

# Consolidated Cash Flow Statement

For the year ended 31st March, 2014

₹ in Lakhs

	Year Ended 31.03.2014		Year Ended 31.03.2013	
<b>A. Cash flow from operating activities:</b>				
Net profit before tax & extraordinary items		10,295.33		7,622.82
Adjusted for :				
(Profit) / Loss on sale of fixed assets	7.14		35.59	
Depreciation	1,405.13		1,109.36	
Finance Cost	7,533.19	8,945.46	5,768.31	6,913.26
<b>Operating profit before working capital changes</b>		19,240.79		14,536.08
<b>Adjustments for Working Capital :</b>				
(Increase) / Decrease in inventories	(6,767.35)		(4,239.53)	
(Increase) / Decrease in trade and other receivable	(10,038.73)		(8,697.95)	
Increase / (Decrease) in trade payables and other liabilities	11,192.06	(5,614.02)	9,420.49	(3,516.99)
<b>Cash generated from operations</b>		13,626.77		11,019.09
Direct taxes paid		(1,445.81)		(4,776.03)
<b>Net cash generated from / (used in) operating activities</b>		<b>12,180.96</b>		<b>6,243.06</b>
<b>B. Cash flow from investing activities:</b>				
Additions in fixed assets	(20,647.44)		(17,252.89)	
Sale of fixed assets	6.26		93.33	
(Additions) / Disposals of investments	-		(1,957.54)	
<b>Net cash generated from / (used in) investing activities</b>		<b>(20,641.18)</b>		<b>(19,117.10)</b>
<b>C. Cash flow from financing activities:</b>				
(Repayments) / Proceeds from Long term borrowings	12,424.74		20,233.80	
(Repayments) / Proceeds from Short term borrowings	355.00		-	
Minority Interest	3,193.23		1.77	
Dividend paid (including Dividend Distribution Tax)	(610.64)		(305.33)	
Finance Cost	(7,533.19)		(5,768.31)	
<b>Net cash generated from / (used in) financing activities</b>		<b>7,829.14</b>		<b>14,161.93</b>
<b>Net Increase / (Decrease) in cash and cash equivalents (A+B+C)</b>		<b>(631.08)</b>		<b>1,287.89</b>
<b>Opening balance of cash &amp; cash equivalent</b>		<b>6,292.84</b>		<b>5,004.95</b>
<b>Closing balance of cash &amp; cash equivalent (refer note 18)</b>		<b>5,661.76</b>		<b>6,292.84</b>

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**

**(Hitesh Lilha)**

Partner

Membership No. 069536

**(Shailendra Goel)**  
General Manager (F & A)

**(Anjanee Kumar Lakhotia)**  
Chairman & Managing Director  
DIN-00357695

Place : New Delhi

Dated : 26th May, 2014

**(Vivek Jain)**  
Company Secretary

**(Ram Dayal Modi)**  
Director  
DIN-03047117

## 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 recognizes 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. Financial Derivatives & Hedging transactions

- (i) The company uses derivative financial instruments such as forward exchange contracts, options, currency swaps, etc., to hedge its risks associated with foreign currency fluctuations relating to the underlying transactions.
- (ii) Financial derivatives and hedging contracts are accounted on the date of their settlement and realised gain/loss in respect of settled contracts is recognised in the Statement of Profit and Loss along with the underlying transactions.

### h. 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



# Notes on Consolidated Financial Statements

For the year ended 31st March, 2014 (contd.)

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.

**i. Inventories**

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

**j. Taxes on Income**

(i) Provision for current tax is made after taking into consideration benefits admissible under the provision 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.

**k. 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.

**l. 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.

**m. 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.

**n. 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.

**o. 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, 2014 (contd.)

₹ in Lakhs

	As at 31.03.2014	As at 31.03.2013
<b>2. SHARE CAPITAL</b>		
<b>Authorised</b>		
2,52,50,000 (2,52,50,000) equity shares of ₹ 10/- each	2,525.00	2,525.00
<b>Issued, subscribed and paid up</b>		
1,75,13,727 (1,75,13,727) equity shares of ₹ 10/- each fully paid up	1,751.37	1,751.37
	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 31.03.2013		As at 31.03.2013	
	No. of Shares	%	No. of Shares	%
MBL A Capital Limited (formerly SMH Capital Limited)	5381550	30.73	3931687	22.44
Prabhu International Vyapar Private Limited	2204158	12.59	3160290	18.04
Ram Gopal Maheshwari	1908357	10.89	2248750	12.84
Reliance Capital Trustee Company Limited - Reliance Infrastructure Fund	1394956	07.96	1394956	07.96

## 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

20,000.00 15,000.00

Add - Transfer from surplus

5,000.00 5,000.00

Closing balance

25,000.00 20,000.00

### Surplus as per Profit and Loss Account

Opening balance

6,341.70 6,287.62

Add - Transfer from statement of profit and loss

7,699.50 5,664.72

Amount available for appropriation

14,041.20 11,952.34

### Appropriation

Less - Proposed dividend (refer note 3.1)

(525.41) (525.41)

Less - Corporate tax on proposed dividend

(89.29) (85.23)

Less - Transfer to General Reserve

(5,000.00) (5,000.00)

Closing balance

8,426.50 6,341.70

45,099.18 38,014.38

3.1 Dividend proposed to be distributed to equity shareholders is ₹ 3.00 (Previous year ₹ 3.00) per equity share.

# Notes on Consolidated Financial Statements

For the year ended 31st March, 2014 (contd.)

₹ in Lakhs

	As at 31.03.2014	As at 31.03.2013
<b>4. LONG-TERM BORROWINGS</b>		
<b>Secured</b>		
Equipment / Vehicle finance / Term loan / External commercial borrowings		
From banks	37,049.89	27,718.25
From others	0.69	25.36
	<b>37,050.58</b>	<b>27,743.61</b>

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

4.2 ECBs with currency swaps outstanding as at 31.03.2014 is ₹1899.77 lakhs (long term ₹ 140.31 lakhs and current maturities ₹ 1759.46 lakhs).

4.3 Unhedged ECBs outstanding as at 31.03.2014 is ₹18863.99 lakhs (restated at the year end rates), (long term ₹17416.91 lakhs and current maturities ₹1447.08 lakhs).

4.4 External commercial borrowings (ECB) availed by MBL Highway Development Company Ltd. and MBL (MP) Toll Road Company Limited 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.

4.5 Term loan availed by AAP Infrastructure Ltd. is secured by road on BOT basis, personal guarantees of certain director/s, corporate guarantee of the holding company and pledge of 100% equity shares of the company held by the holding company.

4.6 Term loan availed by Suratgarh Bikaner Toll Road Company Private Ltd. is secured by road on BOT basis, corporate guarantee of the holding company and pledge of 30% equity shares of the company held by the holding company.

4.7 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 guarantees of promoter director/s of the company.

4.8 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
<b>From banks</b>	<b>between 5.32 - 8.75</b>	2,342.76	1,750.99	1,778.96	14,027.29
	<b>between 9.25 - 11.75</b>	123.14	-	-	-
	<b>between 12.00 - 12.75</b>	742.66	814.21	214.67	15,813.77
	<b>between 13.00 - 14.50</b>	978.17	800.00	920.00	930.00
<b>From others</b>	<b>between 9.25 - 16.00</b>	1,712.00	0.69	-	-
<b>Total</b>		<b>5,898.73</b>	<b>3,365.89</b>	<b>2,913.63</b>	<b>30,771.06</b>

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

<b>5. DEFERRED TAX LIABILITIES (NET)</b>		
Difference between book and tax depreciation	1,730.37	1,360.01
Retention money not yet released and hence not offered for taxation	1,758.32	1,675.55
Less : Deferred assets	(71.10)	(60.53)
	<b>3,417.59</b>	<b>2,975.03</b>
<b>6. OTHER LONG-TERM LIABILITIES</b>		
Advance from contractees	1,865.58	2,313.70
Other payables	2,067.28	1,971.29
	<b>3,932.86</b>	<b>4,284.99</b>

# Notes on Consolidated Financial Statements

For the year ended 31st March, 2014 (contd.)

₹ in Lakhs		
	As at 31.03.2014	As at 31.03.2013
<b>7. LONG-TERM PROVISIONS</b>		
Provision for employee benefits	96.66	92.17
	96.66	92.17
<b>8. SHORT-TERM BORROWINGS</b>		
<b>Secured</b>		
Working capital facilities from banks	39,805.00	36,687.23
<b>Unsecured</b>		
Loan from others	355.00	-
	40,160.00	36,687.23

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 director/s of the company.

<b>9. TRADE PAYABLES</b>		
Acceptances	4,986.62	1,650.87
Micro, Small and Medium Enterprises (refer note 9.1)	-	-
Others (refer note 9.2)	6,670.22	8,106.80
	11,656.84	9,757.67

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, 2014. 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.

<b>10. OTHER CURRENT LIABILITIES</b>		
Current maturities of long term borrowings		
From banks	4,186.73	3,291.45
From others	1,712.00	34.51
Unclaimed share application and interest amount (refer note 10.1)	0.46	0.46
Unclaimed dividends (refer note 10.1)	1.45	0.88
Advance from contractees	3,974.32	2,709.14
Payable on purchase of capital goods	43.10	25.45
Statutory dues payable	313.15	461.87
Other payables	9,567.99	3,635.59
	19,799.20	10,159.35

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

# Notes on Consolidated Financial Statements

For the year ended 31st March, 2014 (contd.)

		₹ in Lakhs	
		As at 31.03.2014	As at 31.03.2013
<b>11. SHORT-TERM PROVISIONS</b>			
Provision for employee benefits		9.21	8.53
Provision for tax (refer note 11.1)		935.07	227.61
Proposed dividend		525.41	525.41
Tax on proposed dividend		89.29	85.23
		1,558.98	846.78

11.1 Provision for tax of ₹10955.20 lakhs (Previous year ₹8818.84 lakhs) is net of advance tax of ₹10020.13 lakhs (Previous year ₹8591.23 lakhs).

## 12. FIXED ASSETS

₹ in Lakhs										
Particulars	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01.04.2013	Additions	Deductio ns/	As at 31.03.2014	Upto 01.04.2013	For the Year	Deductio s/	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
<b>Tangible Assets</b>										
Land - Freehold	10.62	-	-	10.62	-	-	-	-	10.62	10.62
Office Buildings	1,680.81	52.42	-	1,733.23	49.25	27.40	-	76.65	1,656.58	1,631.56
Factory Building	13.12	-	-	13.12	6.97	0.44	-	7.41	5.71	6.15
Plant and Equipment	14,355.97	3,713.49	4.99	18,064.47	3,177.26	800.62	0.55	3,977.33	14,087.14	11,178.71
Vehicles	661.67	36.21	22.63	675.25	254.99	59.58	13.67	300.90	374.35	406.68
Office Equipments	73.13	34.25	-	107.38	6.18	5.49	-	11.67	95.71	66.95
Furniture and Fixtures	254.32	76.07	-	330.39	60.76	16.20	-	76.96	253.43	193.56
Computer	420.47	27.90	-	448.37	234.98	64.47	-	299.45	148.92	185.49
<b>Total Tangible Assets (A)</b>	<b>17,470.11</b>	<b>3,940.34</b>	<b>27.62</b>	<b>21,382.83</b>	<b>3,790.39</b>	<b>974.20</b>	<b>14.22</b>	<b>4,750.37</b>	<b>16,632.46</b>	<b>13,679.72</b>
<b>Intangible Assets</b>										
Carriage Ways *	7,297.87	-	-	7,297.87	2,114.82	430.93	-	2,545.75	4,752.12	5,183.05
<b>Total Intangible Assets</b>	<b>7,297.87</b>	<b>-</b>	<b>-</b>	<b>7,297.87</b>	<b>2,114.82</b>	<b>430.93</b>	<b>-</b>	<b>2,545.75</b>	<b>4,752.12</b>	<b>5,183.05</b>
<b>Total (A+B)</b>	<b>24,767.98</b>	<b>3,940.34</b>	<b>27.62</b>	<b>28,680.70</b>	<b>5,905.21</b>	<b>1,405.13</b>	<b>14.22</b>	<b>7,296.12</b>	<b>21,384.58</b>	<b>18,862.77</b>
Previous Year	21,535.52	3,403.19	170.73	24,767.98	4,837.66	1,109.36	41.81	5,905.21	18,862.77	-

Intangible Assets under Development	37,590.02	20,882.92
-------------------------------------	-----------	-----------

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

		₹ in Lakhs	
		As at 31.03.2014	As at 31.03.2013
<b>13. NON-CURRENT INVESTMENTS</b>			
<b>Long-term, Unquoted, Trade</b>			
<b>Others</b>			
i) Narayan Infracon Private Limited 50,000 (50,000) equity shares of ₹ 10/- each fully paid up		5.00	5.00
ii) Orissa Steel Expressway Private Limited 1,95,84,000 (1,95,84,000) equity shares of ₹ 10/- each fully paid up		1,958.40	1,958.40
		1,963.40	1,963.40
<b>14. LONG-TERM LOANS AND ADVANCES</b>			
(Unsecured, considered good)			
Prepaid expenses		126.25	47.64
Capital advances		5.79	6.34
		132.04	53.98



# Notes on Consolidated Financial Statements

For the year ended 31st March, 2014 (contd.)

₹ in Lakhs		
	As at 31.03.2014	As at 31.03.2013
<b>15. OTHER NON-CURRENT ASSETS</b> (Unsecured, considered good)		
Share application money in SPVs (refer note 31)	416.00	320.00
Preliminary expenses not written off	6.02	-
Long-term trade receivable		
Retention and deposits	1,065.84	260.18
	1,487.86	580.18
<b>16. INVENTORIES</b> (As valued and certified by the management) (at cost or net realisable value, whichever is lower)		
Construction materials at site	55,886.03	49,118.68
	55,886.03	49,118.68
<b>17. TRADE RECEIVABLES</b> (Unsecured, considered good)		
Outstanding for a period exceeding six months (refer note 17.1)	1,130.24	1,167.13
Others (refer note 17.1)	30,692.81	24,180.61
	31,823.05	25,347.74
17.1 Trade receivables are subject to confirmation from certain parties.		
<b>18. CASH AND BANK BALANCES</b> <b>Cash and cash equivalents</b>		
Balances with banks (refer note 18.1)	5,164.67	5,866.78
Cash on hand	336.74	273.21
Fixed deposits of maturity less than 3 months with banks (refer notes 18.2 to 18.4)	160.35	152.85
	5,661.76	6,292.84
<b>Other bank balances</b>		
Fixed deposits of maturity more than 3 months with banks (refer notes 18.2 to 18.4)	1,163.13	1,366.77
	6,824.89	7,659.61
18.1 Includes unclaimed share application and interest of ₹0.46 lakhs (Previous year ₹0.46 lakhs) and unclaimed dividend of ₹1.45 lakhs (Previous year ₹0.88 lakhs).		
18.2 Fixed deposits pledged with banks as margin ₹792.26 lakhs (Previous year ₹909.61 lakhs).		
18.3 Fixed deposits pledged with others as security deposit ₹531.22 lakhs (Previous year ₹610.01 lakhs)		
18.4 Fixed deposits with banks include deposits of ₹922.08 lakhs (Previous year ₹1230.72 lakhs) with maturity of more than 12 months.		
<b>19. SHORT-TERM LOANS AND ADVANCES</b> (Unsecured, considered good)		
Others		
Prepaid expenses	313.74	262.02
Advance to Others	31.48	-
Advances against materials, services etc. (refer note 19.1)	9,483.91	6,966.12
	9,829.13	7,228.14
19.1 Advances against materials and services are subject to confirmation from certain parties.		
<b>20. OTHER CURRENT ASSETS</b> (Unsecured, considered good)		
Security and other deposits	594.63	494.65
Others (refer note 20.1)	202.63	122.28
	797.26	616.93
20.1 Other current assets include accrued interest, etc.		

# Notes on Consolidated Financial Statements

For the year ended 31st March, 2014 (contd.)

₹ in Lakhs		
	For the year ended 31.03.2014	For the year ended 31.03.2013
<b>21. REVENUE FROM OPERATIONS</b>		
Construction and project related activities	176,628.83	135,542.99
	176,628.83	135,542.99
<b>22. OTHER INCOME</b>		
Claims	44.90	8.58
Interest on fixed deposits	111.65	143.38
Miscellaneous income and receipts	261.98	6.73
	418.53	158.69
<b>23. COST OF MATERIALS CONSUMED</b>		
Consumption of raw materials	137,623.12	95,423.22
	137,623.12	95,423.22
<b>24. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages and bonus	2,397.33	1,988.34
Contribution to provident and other funds	101.58	81.34
Provision for employee retirement benefits	16.94	25.50
Staff welfare expenses	113.23	107.45
Director's remuneration	60.00	60.00
	2,689.08	2,262.63
<b>25. FINANCE COSTS</b>		
Interest expense	6,771.03	5,577.34
Net loss on foreign currency transactions and translation	585.06	87.23
Other borrowing costs	177.10	103.74
	7,533.19	5,768.31
<b>26. OTHER EXPENSES</b>		
Power, fuel and lubricants	2,166.10	2,058.48
Direct labour, sub-contract etc.	11,772.19	17,989.01
Stores and spares consumed	617.39	596.67
Hire charges - vehicles and equipments	269.32	246.83
Site development expenses	63.35	90.46
Repairs to machinery	48.03	90.40
Other repairs	146.09	122.27
Insurance	122.33	75.10
Rates and taxes, excluding, taxes on income	823.11	609.54
Sites rent	165.49	152.23
Office rent	6.52	2.29
Payments to auditor		
Statutory audit	14.46	14.38
Tax audit	1.80	1.80
Other services	1.00	5.65
Miscellaneous expenses	855.83	1,204.86
Bank commission and charges	421.36	219.78
Loss on sale of fixed assets	7.14	35.59
	17,501.51	23,515.34

# Notes on Consolidated Financial Statements

For the year ended 31st March, 2014 (contd.)

## 27. Disclosure in respect of Joint Ventures

₹ in Lakhs

List of Joint Ventures	Proportion of Ownership Interests	Assets	Liabilities	Income	Expenses
MBL-Atlas (JV)	51%	-	-	198.90	187.20
TCIL-MBL (JV)	51%	-	-	91.04	91.04
MBL-Calcutta Industrial Supply Corporation (JV)	60%	-	-	414.46	390.26
MBL-Lakheshwari Builders Pvt.Ltd. (JV)	60%	-	-	35.97	36.17
MBL - Supreme (JV)	50%	-	-	513.76	503.51

All joint ventures are of Indian origin

## 28. Earnings per Share

	2013-2014	2012-2013
(i) Profit computation for earning per share of ₹ 10/- each		
Net profit as per statement of profit & loss before earlier years' tax (₹ In lakhs)	7,699.50	5,698.26
Net profit as per statement of profit & loss after earlier years' tax (₹ In lakhs)	7,699.50	5,664.72
(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) (₹)	43.96	32.54
Basic EPS (after earlier years' tax) (₹)	43.96	32.34
(iv) Diluted EPS (weighted average)		
Diluted EPS (before earlier years' tax) (₹)	43.96	32.54
Diluted EPS (after earlier years' tax) (₹)	43.96	32.34

## 29. Employees' Benefits

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

₹ in Lakhs

	2013-2014	2012-2013
(i) <b>Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation for gratuity:</b>		
Obligation at the beginning of the financial year	71.35	55.48
Service cost	8.43	15.06
Interest on defined benefit obligation	6.38	4.53
Benefits settled	(2.88)	(1.10)
Actuarial gain/ (loss)	(8.56)	(2.62)
Obligation at the end of the financial year	74.72	71.35
(ii) <b>Change in Plan assets</b>		
Plan assets at the beginning of the financial year, at fair value	-	-
Expected return on plan assets	-	-
Actuarial gain/ (loss)	-	-
Contributions	2.88	1.10
Benefits settled	(2.88)	(1.10)
Plan assets at the end of the financial year, at fair value	-	-

# Notes on Consolidated Financial Statements

For the year ended 31st March, 2014 (contd.)

₹ in Lakhs

	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010
(iii) <b>Reconciliation of present value of the obligation and the fair value of the plan assets:</b>					
Closing DBO	74.72	71.35	55.48	40.40	22.07
Closing fair value of plan assets	-	-	-	-	-
Closing funded status	(74.72)	(71.35)	(55.48)	(40.40)	(22.07)
Net asset/ (liability) recognised in the balance sheet	(74.72)	(71.35)	(55.48)	(40.40)	(22.07)

₹ in Lakhs

	2013-2014	2012-2013
(iv) <b>Expenses recognised in the statement of profit &amp; loss</b>		
Service cost	8.43	15.06
Interest cost	6.38	4.53
Expected return on plan assets	-	-
Actuarial (gains)/ loss	(8.56)	(2.62)
<b>Net Gratuity Cost</b>	6.25	16.97
(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
(vi) <b>Assumptions</b>		
a. Interest Rate	9.12%	8.25%
b. Discounting factor	9.12%	8.25%
c. Estimated rate of return on plan assets	0.00%	0.00%
d. Salary Increase	6.00%	6.00%
e. Attrition rate	5.00%	5.00%
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 Lakhs

Particulars	2013-2014	2012-2013
1 Current liability (within 12 months)	3.74	3.29
2 Non current liability	27.41	26.06

## 30. Segment Reporting

The company's operations consist of "Construction/Project Activities" and there are no other reportable segment under AS-17 issued by "The Institute of Chartered Accountants of India".

## 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

### A. Related party disclosures

Relationship	Name of the related party
(i) Joint Ventures	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) f) Supreme - MBL (JV)

# Notes on Consolidated Financial Statements

For the year ended 31st March, 2014 (contd.)

- (ii) Associates
- a) Orissa Steel Expressway (P) Ltd. - a Joint Venture SPV Company for BOT Project  
b) Narayan Infracon Private Limited
- (iii) Key Management Personnel
- a) Mr. Anjanee Kumar Lakhotia (Chairman)  
b) Mr. Maruti Maheshwari (Executive Director)  
c) Mr. Aditya Maheshwari (Vice President - Operations) (Upto 15th October'2013)  
d) Mr. Anuj Maheshwari (Vice President - Operations) (Upto 7th October'2013)
- (iv) Enterprises owned or significantly influenced by key management personnel or their relatives
- a) Prabhu International Vyapar Pvt. Ltd.  
b) MBL A Capital Limited  
c) MSP Infrastructures Ltd.  
d) Narayan Infracon Pvt. Ltd.  
e) Sahaj Promoters Pvt. Ltd.  
f) Mahamaya Trade-link Pvt. Ltd. (subsidiary of MBL A Capital Limited)

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

₹ in Lakhs

Nature of transaction	Associates Company	Joint Ventures	Key Management Personnel	Enterprises owned /significantly influenced by Key Management Personnel
<b>Payments:</b>				
<b>Salary</b>				
Anjanee Kumar Lakhotia	-	-	36.00	-
	-	-	(36.00)	-
Maruti Maheshwari	-	-	24.00	-
	-	-	(24.00)	-
Aditya Maheshwari	-	-	4.86	-
	-	-	(9.00)	-
Anuj Maheshwari	-	-	4.67	-
	-	-	(9.00)	-
<b>Director Sitting Fee</b>				
Ram Gopal Maheshwari	-	-	-	-
	-	-	(0.60)	-
<b>Dividend</b>				
Ram Gopal Maheshwari	-	-	67.46	-
	-	-	(33.73)	-
Anjanee Kumar Lakhotia	-	-	11.16	-
	-	-	(7.62)	-
Maruti Maheshwari	-	-	0.74	-
	-	-	(0.37)	-
Aditya Maheshwari	-	-	1.50	-
	-	-	(0.75)	-
Anuj Maheshwari	-	-	1.50	-
	-	-	(0.75)	-
Prabhu International Vyapar Pvt. Ltd.	-	-	-	94.81
	-	-	-	(47.40)
MBL A Capital Limited	-	-	-	141.31
	-	-	-	(58.77)



# Notes on Consolidated Financial Statements

For the year ended 31st March, 2014 (contd.)

₹ in Lakhs

	Associates Company	Joint Ventures	Key Management Personnel	Enterprises owned /significantly influenced by Key Management Personnel
<b>Share Application Money</b>				
Orissa Steel Expressway (P) Ltd.	416.00	-	-	-
	(320.00)	-	-	-
<b>Advance</b>				
MBL - Laksheshwari Builders Pvt.Ltd. (JV)	-	-	-	-
	-	(2.12)	-	-
MSP Infrastructures Limited	-	-	-	388.01
	-	-	-	( - )
<b>Receipts:</b>				
Supreme - MBL (JV)		-	-	-
		(310.99)	-	-
TCIL - MBL (JV)	-	675.13	-	-
	-	(3,411.64)	-	-
MBL - Calcutta Industrial Supply Corporation (JV)	-	405.69	-	-
	-	(175.14)	-	-
MBL - Laksheshwari Builders Pvt.Ltd. (JV)	-	171.67	-	-
	-	( - )	-	-
MBL - Supreme (JV)	-	1,001.83	-	-
	-	(1.77)	-	-
MBL - Atlas (JV)	-	218.93	-	-
	-	(569.52)	-	-
<b>Investment purchased/subscribed:</b>				
MBL A Capital Limited	-	-	-	1.00
	-	-	-	( - )
Anjanee Kumar Lakhotia	-	-	1.00	-
	-	-	( - )	-
Orissa Steel Expressway (P) Ltd.	-	-	-	-
	(1,958.04)	-	-	-
<b>Share Application Money</b>				
Narayan Infracon Pvt. Ltd.	-	-	-	-
	(0.20)	-	-	-
<b>Development Charges, etc</b>				
Orissa Steel Expressway (P) Ltd.	50.00			
	(-)			
C. Balance outstanding as on 31st March, 2014				
<b>Amount receivable at year end:</b>				
MBL - Atlas (JV)	-	17.66	-	-
	-	(51.58)	-	-
TCIL - MBL (JV)	-	3,908.61	-	-
	-	(2,585.15)	-	-
MBL - Calcutta Industrial Supply Corporation (JV)	-	221.28	-	-
	-	(236.72)	-	-
MBL - Laksheshwari Builders Pvt.Ltd. (JV)	-	225.08	-	-
	-	(306.44)	-	-

# Notes on Consolidated Financial Statements

For the year ended 31st March, 2014 (contd.)

₹ in Lakhs

MBL - Supreme (JV)	-	29.79	-	-
	-	(92.73)	-	-
<b>Investment outstanding at year end:</b>				
Narayan Infracon Pvt. Ltd.	5.00	-	-	-
	(5.00)	-	-	-
Orissa Steel Expressway Pvt. Ltd.	1,958.40	-	-	-
	(1,958.40)	-	-	-
<b>Share Application Money at year end:</b>				
Orissa Steel Expressway (P) Ltd.	416.00	-	-	-
	(320.00)	-	-	-

Previous years figures are in brackets

## 32. Contingent Liabilities and Commitments

₹ in Lakhs

	As at 31.03.2014	As at 31.03.2013
<b>I Contingent Liabilities</b>		
(i) Claims against the Company / disputed liabilities not acknowledged as debts (to the extent ascertained)	40.00	40.00
(ii) Outstanding bank guarantees	38,619.84	23,961.12
(iii) Outstanding letter of credit	926.16	289.32
(iv) Tax matters in dispute under appeal	610.53	1,387.10
Company has preferred appeal against the orders of Deputy Commissioner of Income Tax for the Assessment Years from 2005-06 to 2011-12. Based on the expert opinions obtained, It has been advised to the Company that no provision is required against the same.		

## 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 31.3.2014 is ₹ 45.44 lakhs (Previous year ₹ 1.44 lakhs).

Advances paid on capital account is ₹ 5.78 lakhs (Previous year ₹ 6.34 lakhs).

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

₹ in Lakhs

	2013-2014	2012-2013
Contract revenue recognised for the year ended 31st March, 2014	175,373.94	134,290.82
Aggregate amount of contract costs incurred and recognised profits (less recognised losses) up to 31st March, 2014 for all the contracts in progress	61,419.43	74,267.53
The amount of customer advances outstanding for contracts in progress as at 31st March, 2014	19,414.08	21,278.50
The amount of retention due from customers for contracts in progress as at 31st March, 2014	6,168.31	6,161.98
Gross amount due from customers for contracts in progress	24,209.19	14,556.28

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

## 35. Expenditure in Foreign Currency

₹ in Lakhs

	2013-2014	2012-2013
Interest charges/bank charges	1,505.35	1,511.21

# Notes on Consolidated Financial Statements

For the year ended 31st March, 2014 (contd.)

36. Previous year figures have been reclassified, regrouped, rearranged and recomputed to conform to this year's classification, wherever considered necessary.

37. Figures in the financial statements have been rounded off in rupees lakhs 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

**(Hitesh Lilha)**

Partner

Membership No. 069536

Place : New Delhi

Dated : 26th May, 2014

**(Shailendra Goel)**

General Manager (F & A)

**(Vivek Jain)**

Company Secretary

**For and on behalf of the Board**

**(Anjanee Kumar Lakhotia)**

Chairman & Managing Director

DIN-00357695

**(Ram Dayal Modi)**

Director

DIN-03047117











MBL INFRASTRUCTURES LIMITED

Registered Office

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

Phone: 033-3341 1800, Fax: 033-3341 1801

Email : [kolkata@mblinfra.com](mailto:kolkata@mblinfra.com)

Website: [www.mblinfra.com](http://www.mblinfra.com)

Corporate Office

Baani Corporate One,  
Suite No. 303&308, 3rd Floor,  
Plot No. 5, Commercial Centre,  
Jasola, New Delhi - 110025. India.

Phone: 011- 4959 3300, Fax: 011- 4959 3320,

E-mail: [delhi@mblinfra.com](mailto:delhi@mblinfra.com)



FORM A

1.	Name of the Company:	MBL Infrastructures Limited Scrip ID : MBLINFRA Scrip Code : 533152
2.	Annual financial statements for the year ended	31st March 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable

For MBL Infrastructures  
Limited

*Anjanee Kumar Lakhota*

Anjanee Kumar Lakhota  
Chairman & Managing  
Director  
Place : New Delhi  
Date : 26.05.2014

For MBL Infrastructures  
Limited

*K. S. Baghel*

K. S. Baghel  
Audit Committee  
Chairman  
Place : New Delhi  
Date : 26.05.2014

For MBL Infrastructures  
Limited

*Shailendra Goel*

Shailendra Goel  
GM(F & A)  
Place : New Delhi  
Date : 26.05.2014

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

*Hitesh Lilha*

Hitesh Lilha  
Partner, Mem. No. 069536

Place : New Delhi  
Date : 26.05.2014

