



Creating Highways to **Success**

Annual Report 2010 - 11



MBL Infrastructures Ltd.

Forward Looking Statements

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 Market data and information gathered from various published and unpublished reports, their accuracy, reliability and completeness cannot be assured.

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Corporate Information

Directors

Mr. Ram Gopal Maheshwari
Chairman

Mr. Anjanee Kumar Lakhota
Whole-time Director & CEO

Mr. Maruti Maheshwari
Executive Director

Mr. Surinder Singh Kohli
Independent Director

Mr. Ashwini Kumar Singh
Independent Director

Mr. Kumar Singh Baghel
Independent Director



VP (Finance & Accounts)

Mr. R. N. Bansal

Company Secretary

Mr. Nitin Bagaria

Bankers

State Bank of Mysore
State Bank of Bikaner & Jaipur
Bank of India
State Bank of Patiala
Standard Chartered Bank
Yes Bank Limited
Allahabad Bank
State Bank of Hyderabad
DBS Bank Limited

Auditors

M/s Agrawal S. Kumar & Associates



Registered Office

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

Corporate Office

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

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

Vision

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



Mission

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



Business

- ❑ Executes civil engineering projects with a specialisation in roads and highways
- ❑ Enjoys over a decade's experience in executing highway infrastructure construction, operation and maintenance projects
- ❑ Operates on an integrated business model for EPC and BOT projects
- ❑ Has a pan-India presence with projects currently running in nine states
- ❑ Has an operational BOT
- ❑ Among the first set of contractors to be awarded sections of the prestigious North-South and East-West corridors by NHAI and the first to complete projects out of these



CLIENTS



NHAI



MPRDC



CPWD



SAIL



HUDA

RELIANCE Infrastructure
Anil Dhirubhai Ambani Group

Reliance Infrastructure Ltd.

and state PWDs, among others

Directors' Report

Dear Members,

The Directors have pleasure in presenting the Sixteenth Annual Report on the business and operations of the company and the financial accounts for the year ended 31st March 2011:

Financial Results

The Financial results of the Company are as under:

(Rs. in Lacs)				
	Standalone		Consolidated	
	2010-11	2009-10	2010-11	2009-10
Gross Revenue	99205.70	62954.28	100212.47	63765.49
Earnings Before Interest, Taxes and Depreciation	12807.35	8421.95	13763.09	9201.15
Less : Interest & Finance Charges	3183.10	2819.33	3577.11	3024.68
Less : Depreciation	630.89	433.95	955.57	666.29
Profit Before Tax	8993.36	5168.67	9230.41	5510.18
Provision for Tax	2379.22	1170.00	2426.47	1228.05
Deferred Tax (Net)	581.86	582.62	631.00	582.62
Profit After Tax	6032.28	3416.05	6172.94	3699.51
Balance Brought Forward From Last Year	1297.43	1789.83	1484.71	1693.65
Amount Available for Appropriation	7329.71	5205.88	7657.65	5393.16
Appropriations :				
Proposed Dividend	437.84	350.27	437.84	350.27
Corporate Dividend Tax	71.03	58.18	71.03	58.18
Transfer to General Reserve	2500.00	3500.00	2500.00	3500.00
Balance Carried To Balance Sheet	4320.84	1297.43	4648.78	1484.71

Dividend

Your Directors are pleased to recommend dividend @ 25% i.e. Rs. 2.50 per equity share of face value of Rs. 10 each aggregating to Rs. 437.84 lacs.

Transfer to Reserves

Your Directors propose to transfer a sum of Rs. 2500 lacs to the General Reserve Account.

Operations and overview

During the year under review your company has achieved gross turnover of Rs. 99205.70 Lacs as against Rs. 62954.28 Lacs for the previous year registering a growth of 57.58% over the previous year. The earnings before interest, tax and depreciation (EBIDTA) increased to Rs. 12807.35 Lacs from Rs. 8421.95 Lacs in the previous year, the Net Profit after tax (PAT) increased to Rs. 6032.28 Lacs as against Rs. 3416.05 Lacs in the previous year.

Consolidated results were in line with the above. The consolidated gross turnover was Rs. 100212.47 Lacs for the financial Year 2010-2011 as against Rs. 63765.49 Lacs for the previous financial year 2009-2010 registering a growth of 57.16% over the previous year. The earnings before interest, tax and depreciation (EBIDTA) increased to Rs. 13763.09 Lacs from Rs. 9201.15 Lacs in the previous year, the Net Profit after tax (PAT) increased to Rs. 6172.94 Lacs as against Rs.

3699.51 Lacs in the previous year.

Your Company feels proud to be the FIRST on various categories. Some of these are as under:

- FIRST batch of contractors to be awarded the contracts of the prestigious NSEW (North-South and East-West) corridors by the NHAI and was the first to complete the project.
- FIRST to be awarded the comprehensive maintenance of the Ring Road, the most important corridors of Delhi.

Our focus area continues to be the execution of civil engineering projects with specialisation in construction and maintenance of roads and highways.

As on 31.03.2011, Order Book stood at Rs. 1069.85 Crores. In view of the unprecedented opportunities available in its core competency area, the Company expects substantial increase in the Order Book position.

Financial Closure of BOT PROJECT

The financial closure of the project for "Four / Two Laning of Rimuli-Roxy-Rajamunda of NH – 215 in the State of Orissa" by NHAI under Phase – III of National Highways Development Program has been achieved. Project will be executed on a Design, Build, Finance, Operate & Transfer (Toll) basis with a concession period of 19 years including construction period of 910 days.

Management Discussion and Analysis Report

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

Finance

Avenues for raising long term funds will be explored further to increase the pace of growth.

Directors

Mr. Kumar Singh Baghel, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment.

Directors’ Responsibility Statement

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

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

the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

Subsidiary Companies

Your company firmly believes in partnering with the Government in implementing and managing infrastructure projects under the concept of Public-Private Partnership (PPP).

The project of Seoni - Balaghat - Gondia Road on BOT basis has been successfully implemented through SPV, AAP Infrastructure Ltd., a wholly owned subsidiary of the Company.

A Statement pursuant to Section 212(1)(e) of the Companies Act, 1956, is at Annexure A.

Consolidated Financial Statements

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 subsidiary. 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.

Corporate Governance

The Company is committed to high standards of the corporate ethics, professionalism and transparency. 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.

Auditors

M/s. Agrawal S. Kumar & Associates, Chartered Accountants, Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received their letter to the effect that the appointment, if made, would be within the prescribed limits under Section 224 (1-B) of the Companies Act, 1956 and they are being proposed for reappointment as auditors of the company at the ensuing Annual General Meeting.

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

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 Technology Absorption. Your company has not undertaken any research and development activity for any manufacturing activity

nor any specific technology was obtained from any external sources which needs to be absorbed or adapted. The particulars of expenditure and earnings in foreign currency is furnished in item no. 3(t) of Notes to Accounts in Schedule – 21

Public Deposits

The Company has not accepted any Public Deposit.

Human Resource Development

We believe that a combination of our reputation in the market, our working environment and competitive compensation programs allow us to attract and retain talented people. Our senior management team consists of experienced individuals with diverse skills. As on 31.03.2011, the number of employees was 670.

We believe that our employees are the key to our success. Your Company aims to become “employer of choice” in the industry and is on course to achieve the same.

Corporate Social Responsibility

An essential component to the Company’s Corporate Social Responsibility is to care for the community. The Company endeavours to make a positive contribution towards various social causes by supporting a wide range of socio-economic initiatives, engaging in socially responsible employee relations and making a commitment to the community around it.

Annexure - A

Particulars of employees

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

Appreciation

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

Your 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.

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

By Order of the Board
 Ram Gopal Maheshwari
 Chairman

New Delhi

Dated: The 29th Day of May, 2011

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

Name of the Subsidiary Company	AAP Infrastructure Ltd.
The Financial year of the subsidiary company ended on	31.03.2011
Number of shares held and extent of holding thereof by the holding company, at the above date	
a) The number of equity shares of Rs.10/-each fully paid	1,20,00,000
b) Extent of holding in percentage terms	100%
The net aggregate profits or (losses) of the subsidiary company for the current financial year so far as it concerns the member of the holding company	
a) Dealt with or provided in the accounts of the holding company (Rs. in lacs)	NIL
b) Not dealt with or provided in the accounts of the holding company (Rs. in lacs)	140.66
The net aggregate profits or (losses) of the subsidiary company for the previous financial years so far as it concerns the member of the holding company	
a) Dealt with or provided in the accounts of the holding company (Rs. in lacs)	NIL
b) Not dealt with or provided in the accounts of the holding company (Rs. in lacs)	283.46

Management Discussion & Analysis Report

Economic Overview

Year 2010 saw the Indian economy rebound robustly from the global financial crisis - in large part because of strong domestic demand and as a result, growth exceeded 8% year-on-year in real terms. The strong level of economic growth achieved in India in recent years has led to an expansion of industry, commerce and per-capita income. This in turn has fuelled demand for infrastructure services including energy, transportation, telecom, water supply and other urban infrastructure.

Construction Industry – Structure

The Indian construction industry plays a pivotal part in the national economic growth. It has witnessed rapid growth over the last few years, clearly indicating the benefit of securing “industry” status. The Construction Sector is strongly linked to the overall growth and development of the economy. The industry is the second largest employer after agriculture in the country. The investment in the Construction Sector accounts for nearly 11 percent of India's Gross Domestic Product (GDP) and nearly 50 percent of its Gross Fixed Capital Formation (GFCF). There has been increased emphasis on involving private sector for infrastructure development through public private ownerships and mechanism like BOT (Build Operate Transfer), BOOT (Build Operate Own Transfer) and BOLT (Build Operate Lease Transfer).

Construction sector may be broadly classified into the following categories:

- Real estate construction investments (i.e. residential and commercial construction)
- Infrastructure construction investments (i.e. roads, urban infrastructure, power, irrigation and railways)
- Industrial construction investments (i.e. steel plants, oil pipelines and refineries)

Growth in the construction industry is expected to be led by growth in infrastructure and industrial construction investments, which are expected to grow at a faster rate than real estate construction investments.

Infrastructure Industry – Developments and Opportunities

The Indian infrastructure has to play a key role in the nation's progress towards achieving the status of “developed nation” from “developing nation”. However, inadequacies have hitherto been a constraint in realising the growth potential of the GDP of the nation. The Government has realised this and embarked upon an ambitious programme of infrastructure development and investment for strengthening and consolidating recent infrastructure initiatives. Initiatives have been taken to enhance the investments at all levels i.e. Central Government, State Government as well as Private sector in each major infrastructure sector.

The programmes that ensure strengthening and consolidating recent infrastructure-related horizontal initiatives, are Bharat Nirman for building rural infrastructure, as well as sectoral initiatives and strategies, such as the Rajiv Gandhi Grameen Vidyutikaran Yojana, Accelerated Power Development and Reforms Programme, Jawaharlal Nehru National Urban Renewal Mission, National Highways Development Programme, etc.

Highways and Roads

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

The existing network is unable to cope up with high traffic density. Currently, at 3.3 million km, India's road network is the second largest in the world. The road network comprises 70,934 km of national highways, 1,31,899 km of state highways, and 31,20,000 km of major district, rural and other roads. Road density in terms of population is only 2.75 km per 1,000 people compared to the world average (6.7). Indian roads carry about 80% of passenger traffic and 65% of freight traffic. Further, only 17% of the national highways and 1% of the state highways are four-lane. About 53% of the national highways and 22% of the state highways are double-lane. Moreover, the number of vehicles has been growing at an average pace of 10.16% per annum over the last five years.

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

The Indian Government has set ambitious plans for upgrading of the National Highways in years to come. The Eleventh Five Year Plan targets at 6-lane 6500 km in GQ; 4-lane 6736 km NS-EW, 4-lane 20000 km; 2-lane 20000 km; 1000 km Expressway.

The National Highways Development Project (NHDP)

National Highway Development Project (NHDP) comprising of the Golden Quadrilateral and North-South & East-West Corridors, is implemented through National Highways Authority of India, an autonomous body formed through an Act of Parliament. NHDP is India's largest ever highway project. The Government of India launched major initiatives to upgrade and strengthen national highways through various phases of NHDP which are as under :

NHDP Phase I – NHDP Phase I was approved by Cabinet

Committee on Economic Affairs (CCEA) in December 2000 at estimated cost of Rs. 30,000 Crores, comprises mostly of Golden Quadrilateral (5,846 km), NS-EW Corridor (981 Km), port connectivity (356 km) and others (315 km).

NHDP Phase II – NHDP Phase II was approved by CCEA in December 2003 at an estimated cost of Rs. 34,339 Crores (2002 prices) comprises mostly of NS-EW Corridor (6,161 km) and other National Highways (486 km), the total length being 6,647 km.

Under NHDP Phase I and II, 5560 km. have been completed and 1161 km are under implementation upto February 2011.

NHDP Phase III – Government has approved upgrading and 4 laning of 4,035 km of national Highways of BOT basis at an estimated cost of Rs. 22,207 Crores (2004 Prices). In April 2007, Government approved upgradation and 4 laning of 8074 km at an estimated cost of Rs. 54,339 Crores. Upto February 2011, 2135 km have been completed and 5669 km are under implementation.

NHDP Phase IV – CCEA has approved upgradation of 20,000 km into two- lane highways, at an indicative cost of Rs. 278 billion.

NHDP Phase V - CCEA has approved six laning of 6,500 km of existing 4 lane highways under this Phase. Upto February 2011, 490 km have been completed and 1922 km are under implementation.

NHDP Phase VI – CCEA has approved 1000 km of expressways under this Phase at an estimated cost of Rs. 16,680 Crores. These expressways would be constructed on new alignments.

NHDP Phase VII - CCEA has approved 700 kms of Ring Roads, Bypasses and flyovers and selected stretches at an estimated cost of Rs. 16,680 Crores. Upto February 2011, 41 km were under implementation.

Most of the NHDP projects have been developed or are under development on Public Private Partnership (PPP) basis through Build Operate and Transfer (BOT)-Annuity and Build Operate and Transfer (BOT) - Toll mode.

Investment projected for the Eleventh Five Year Plan

The Eleventh Plan emphasised the importance of investment in infrastructure for achieving a sustainable and inclusive growth of 9 to 10 per cent in GDP over the next decade. The Eleventh Five Year Plan places high priority to the expeditious completion of works approved under the different phases of the NHDP. The total investment in infrastructure during the first two years of the Eleventh Plan has risen to Rs. 3,03,807 Crores in 2007-08 and Rs. 3,59,192 Crores in 2008-09 as against the earlier projected level of Rs. 2,70,273 Crores and Rs. 3,21,579 Crores respectively. Taking account of developments in the first two years, the earlier projections for the entire Eleventh Plan period have been revised and it is now estimated that the total investment in infrastructure in the Eleventh Plan would be Rs. 2.06 Million Crores.

MORTH has decided to speed up the award and implementation of NHDP. This is likely to increase the investment during the last two years of the Eleventh Plan, but the major build up in expenditure consequent to this acceleration will be in the Twelfth Plan.

Investment Assessed for the Twelfth Five Year Plan

According to a publication of the Secretariat for Infrastructure, Planning Commission, Government of India, preliminary assessment suggest that investment in infrastructure during the Twelfth Plan (2012-17) would be about Rs. 4.10 Million Crores to achieve a share of 9.95 percent as a proportion of GDP.

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

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

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

Corridor Management

The completion of construction of many sections of National Highways has necessitated the corridor management through operation and maintenance contracts. The scope of work, among other things, includes road maintenance, road property management, incident management, traffic management, toll fee collection and engineering improvements. MBL has an early mover advantage in this sector.

Public-Private Partnership (PPP)

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

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

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

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

With the increasing investment in infrastructure in India, the share of private sector in the total investment on infrastructure has increased rapidly. The contribution of private sector in total infrastructure investment in each of the first two years of 11th Plan (2007-2012) was around 34%. This is higher than the 11th Plan target of 30%, and 25% achieved in 10th Plan period. It is expected to rise to 36% by end of 11th Plan and 50% during the 12th Plan (2012-2017).

MBL has successfully implemented the project of Seoni -

Balaghat - Gondia Road on BOT basis through SPV, AAP Infrastructure Ltd., a wholly owned subsidiary of the Company. The Company expects good opportunities in PPP Projects.

The Consortium led by the Company has been awarded project of "Four / Two Laning of Rimuli-Roxy-Rajamunda of NH – 215 in the State of Orissa" by NHAI under Phase – III of National Highways Development Program. Project will be executed on a Design, Build, Finance, Operate & Transfer (Toll) basis with a concession period of 19 years including construction period of 910 days. NHAI will give a total grant of Rs. 229.95 Crores during the construction period by way of equity support. Financial Closure of this project has been achieved. The project is in the prime iron ore mining belt.

Special Accelerated Road Development Programme in the North-Eastern Region

The Special Accelerated Road Development Programme for the North-Eastern region (SARDPNE) aims at improving the road connectivity to State capitals, district headquarters and remote places of the NE region. It envisages two/ four laning of National Highways and two-laning/improvement State roads. It covers 9,760 km.

The said programme is divided into two phases, Phase A and Phase B. Phase A has been approved at an estimated cost of Rs. 16,286 Crore.

In addition to the Roads and Highways Sector as discussed above, Airports, Ports and Urban Infrastructure development plans are good business opportunities available.

Our Business Strategy

Our primary focus is on continuous improvement and consolidation of our position in the construction and infrastructure development & management industry. We intend to achieve this through an integrated business model by implementing the following strategies:

Target specific high potential projects

We intend to concentrate on projects wherein we believe there exists high potential for growth and where we enjoy competitive advantage. We believe that our expertise and experience in development, operation, and maintenance of road infrastructure projects will provide us with an advantage in pursuing growth opportunities in this fast growing sector.

We intend to focus on operation and maintenance of roads, where we have an early mover advantage and the margins in such activities are comparatively high.

Consolidating our position in the infrastructure space

We intend to consolidate our position in the infrastructure space and may foray into Mining, Power, Railway, Airport, Irrigation, Urban Infrastructure, Industrial Infrastructure, Water, Ports, SEZs and other infrastructure projects.

Joint Venture with reputed players for increasing the bid capacity for larger projects and with regional players to reap the benefits of our experience

We continue to develop and maintain strategic alliance and form project specific alliances to increase our bid capacity. We would also continue to form project specific joint ventures with regional players whose resources, skills and strategies are complementary to our business and would help us to reap the benefits of our experience.

Continue to enhance our project execution capabilities

We believe that we have developed a reputation for undertaking challenging infrastructure and construction projects and

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

Bid for, win and operate BOT and Annuity projects.

The government has planned for projects on a BOT or annuity basis. We believe that such projects will become increasingly more prevalent in the coming years because of the government's reliance on the public-private-partnership (PPP) model. BOT or annuity projects generally provide better operating margins because of the added overall control of project costs that can be exerted by the contractor. Additionally BOT projects offer the possibility of higher revenues to the contractor by virtue of better than anticipated use of the asset. We intend to increase our focus on BOT and annuity projects by leveraging our technical and financial credentials. Avenues for raising long term funds will be explored further to increase the pace of growth. It will also increase our ability to form strategic alliances with corporate developers and financial institutions, which we intend to do more of on a project-by-project basis enhancing our prospect to bid for and execute such projects.

Encashing relationship with steel manufacturing companies and previous experience of stone aggregates mining.

Since the inception of the Company, we have maintained cordial relations with the steel manufactures and also reasonable experience in mining. We may enter into mining of minerals such as iron ore, coal etc. in future subject to availability of mines and the then prevailing Government Rules and Regulations.

Threats, Risks and Concerns

Worldwide, the construction sector is characterised by a plethora of players and the Indian scenario is no different. There are many construction companies currently operating in India.

The Construction industry is marked with low entry barriers, with several regional and national players dotting the competitive landscape. As a result, despite the strong demand scenario and a definite surge in flow of orders, the margins in the sector have remained low. That apart, the working capital cycle has elongated significantly for many companies over a period of time. Thus, construction players have lacked the bargaining power not only in terms of pricing but also in negotiating payment terms in the contracts. Major concerns include decrease in demand, increase in prices of construction material, lack of credit, increase in cost of funds, etc.

The key risks for the construction sector are increasing commodity prices, increasing interest rates and funding constraints. While infrastructure spending will accelerate, tighter credit conditions may result in a slowdown of private sector activity.

Your Company minimises risks by micro-management of its

elements and has developed management and organisational skills to protect it from adverse situations.

Outlook

With more than a decade's track record of proven performance and immense opportunities available in the core competency area of the Company, a higher growth business plan has been adopted by the Company. The Company has strengthened its management, capital and human resources. The order book of the Company is on continuous growth path.

We shall be very selective and cautious on the BOT space. We shall encash upon our position in the Industry to take up more Public Private Partnership Projects. We see tremendous growth opportunities in this segment.

The early mover's advantage in the Operation & Maintenance Segment will be further consolidated and the huge opportunities available to the Company in this segment will be encashed for rapid growth and higher profits.

The Company has opportunities in Mining, Power, Railway, Airport, Irrigation, Urban Infrastructure, Industrial Infrastructure, Water, Ports, SEZs and other infrastructure projects. We shall selectively foray in these segments.

Internal Control Systems And Their Adequacy

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

Financial Review

The following numbers reflect the Company's performance on standalone basis during the year under review:

- 26.44 % growth in gross block
- 57.58 % growth in revenues
- 52.07 % growth in EBDITA
- 76.59 % growth in post-tax profit

Revenue, Profit and Profitability

The Company's revenue grew from Rs. 62954.28 lacs in 2009-2010 to Rs. 99205.70 lacs in 2010-2011 while the EBDITA grew from Rs. 8421.95 lacs in 2009-2010 to Rs. 12807.35 lacs in 2010-2011. The EBDITA margin is 12.91 per cent in 2010-11. MBL recorded a post-tax profit of Rs. 6032.28 lacs – up from Rs. 3416.05 lacs. The Directors have recommended

a dividend of Rs. 2.50 per equity share of Rs. 10 each.

Cost analysis

In road construction, the revenue that could be earned from a particular project is frozen at the beginning of the contract (under normal circumstances), making cost management critical for viability. The Company's total expenditure increased 57.17 percent, in quantum terms to Rs. 90212.34 lacs in 2010-2011 from Rs. 57399.48 lacs in 2009-2010, and as a proportion of total income, it has reduced marginally from 91.18 per cent to 90.93 per cent.

Capital Employed

The Return on Capital Employed is 18.53 percent in 2010-2011.

Own funds

The Company funds its business activities both through internal accruals and external borrowings. While the networth of the Company constituted 55.15 percent of the total capital employed, loan funds constituted the rest. The networth increased steadily on account of continuous profit accretion and capital infusion during the year, enabling it to fund operations more through retained earnings than external borrowings.

Gross block

The gross block of a construction company usually comprises of high-grade equipment (imported and indigenous). At MBL, over 89 percent of the gross block comprised of plant and

machinery worth Rs. 13032.61 lacs as on 31 March 2011.

The percentage of net block to gross block was 73.53 percent at the end of 2010-2011, compared to 72 percent in 2009-10, indicating the newness of its assets.

Working capital management

The working capital of the Company constituted 64.59% of the total assets employed in the business as on 31st March 2011. The current ratio of 2.16 and quick ratio of 1.39 reflected the Company's comfortable liquidity position for the year.

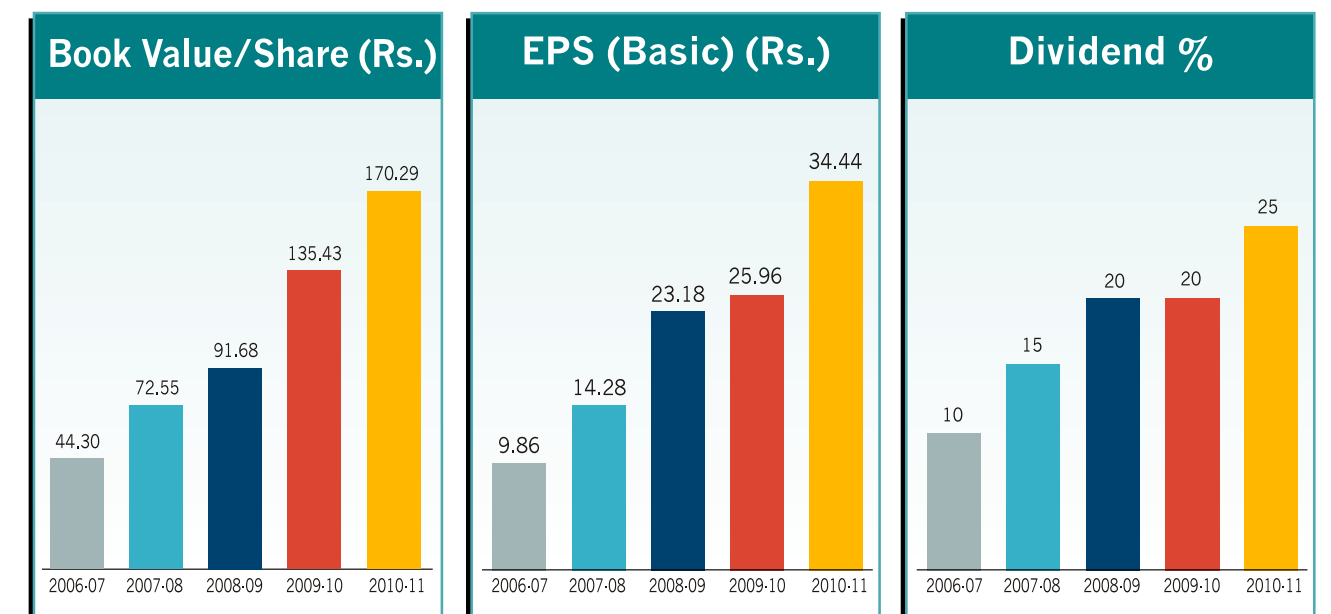
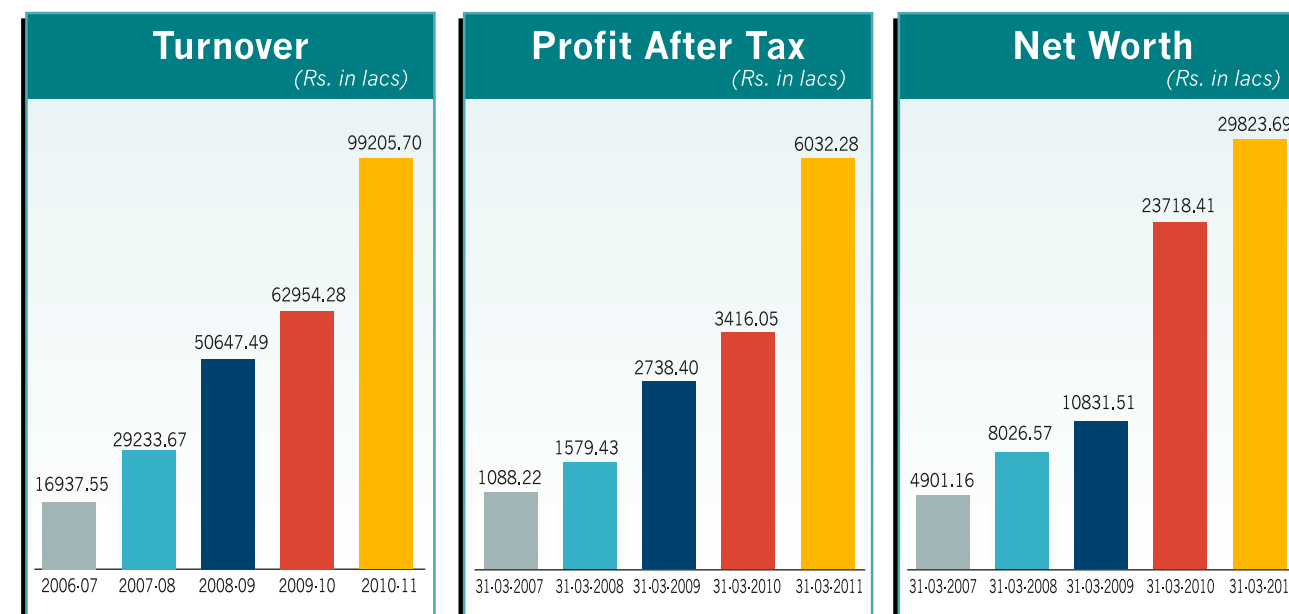
By Order of the Board

Ram Gopal Maheshwari

New Delhi

Chairman

Dated: The 29th Day of May, 2011



Report on Corporate Governance

1. Company's Philosophy on Code of Governance

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

2. Date of Report

The information provided in the Report on Corporate Governance for the purpose of unanimity is as on March 31, 2011.

The Report is updated as on the date of the report wherever applicable.

3. Board of Directors

As on March 31, 2011, the Board of Directors of the Company comprised of six members (including three independent non-executive directors) with vast experience in civil engineering, construction, finance, banking and management. The Board has been enriched with the skills and experience of the independent directors. Other than receiving sitting fees, none of the independent directors has any pecuniary or business relationship with the Company.

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

Attendance Records and other Directorships/Committee Memberships

Name of the Directors	Category	No. of other [^] Directorships*	No. of other [^] Board Committee(s)** in which he is		Attendance Particulars	
			Member	Chairman	Last AGM held on 18th Sep 2010	Board Meeting held during 2010-2011
Mr. Ram Gopal Maheshwari	Promoter Non-Executive	2	NIL	NIL	YES	8 out of 9
Mr. Anjaneer Kumar Lakhotia	Promoter - Executive	4	1	—	YES	9 out of 9
Mr. Maruti Maheshwari	Promoter - Executive	4	1	—	NO	7 out of 9
Mr. Ashwini Kumar Singh	Independent - Non - Executive	4	NIL	NIL	NO	6 out of 9
Mr. Kumar Singh Baghel	- do -	1	—	1	NO	9 out of 9
Mr. Surinder Singh Kohli ^{^^}	- do -	7	4	2	NO	5 out of 5

[^] Excluding MBL Infrastructures Limited.

^{^^} Appointed with effect from 25th June 2010.

* Also includes directorships other than Public Limited Companies.

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

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

Report on Corporate Governance (Contd..)

Meetings

During the Financial Year 2010-2011, the Board of Directors met 9 (nine) times on the following dates:

April	05/04/2010	July		October		January	
to	30/05/2010	to	24/07/2010	to	14/11/2010	to	11/02/2011
June	08/06/2010	September	14/08/2010	December		March	21/03/2011
2010	25/06/2010	2010		2010		2011	

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

The brief resume and other details relating to Mr. Kumar Singh Baghel, Director seeking re-appointment, as required to be disclosed under Clause 49 of the Listing Agreement, are given as part of the Notice Calling the Annual General Meeting.

4. Audit Committee

The role and power of the Audit Committee includes:

- 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:
 - 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.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.

- Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - 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.

Composition, Meetings & Attendance

Name of the Members	Category	No. of Meetings attended	Dates on which Meetings held
Mr. Surinder Singh Kohli (Chairman) (Appointed as Member cum Chairman w.e.f 25.06.2010)	Independent - Non-Executive	3 out of 3	30/05/2010 14/08/2010 14/11/2010
Mr. Ashwini Kumar Singh	- do -	3 out of 4	11/02/2011
Mr. Kumar Singh Baghel	- do -	4 out of 4	
Mr. Anjanee Kumar Lakhotia	Promoter - Executive	4 out of 4	

Report on Corporate Governance (Contd..)

5. Remuneration Committee

The Company has a Remuneration / Selection Committee comprising of three non-executive independent directors as on 31st March, 2011. The broad terms of reference of the Remuneration / Selection Committee are to decide, consider, review and recommend the remuneration of all the executive / wholtime directors and other payments that are required to be paid by the Company to the Directors. The Remuneration / Selection Committee also approves the selection and remuneration of relative(s) of director for holding place of office or profit in the Company pursuant to the Director's Relatives (Office or Place of Profit) Rules, 2003.

Composition, Meeting & Attendance

Name of the Members*	Attendance	Date on which Meeting held
Mr. Ashwini Kumar Singh (Chairman)	1 out of 1	11/02/2011
Mr. Surinder Singh Kohli (w.e.f. 25.06.2010)	1 out of 1	
Mr. Kumar Singh Baghel	1 out of 1	
Mr. Sunil Kumar Verma^ (Expert)	1 out of 1	

* Mr. Ram Gopal Maheshwari ceased as a member of the aforesaid committee w.e.f. 25.06.2010

^ During the year 2010-2011, Mr. Sunil Kumar Verma, Independent HR Consultant, was inducted as an Expert in the Remuneration / Selection Committee in compliance with the Director's Relatives (Office or Place of Profit) Rules, 2003 for the limited purpose of approval of selection and appointment of Mr. Aditya Maheshwari and Mr. Anuj Maheshwari, Relatives of Directors of the Company to continue to hold an office or place of profit in the Company. Mr. Sunil Kumar Verma is neither an employee nor a director of the Company.

Remuneration Policy

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

Remuneration to Directors paid during the financial year 2010-2011 and other disclosures

Name of the Director	Salary (Rs.)	Benefits (Rs.)	Contribution to PF, Gratuity and other Funds (Rs.)	Meeting Fees (Rs.)	Service Contract/ Tenure	Notice Period	Number of Shares held
Mr. R. G. Maheshwari	----	----	----	1,60,000	NA	NA	22,48,750
Mr. A. K. Lakhotia	24,00,000	----	----	----	01-07-2009 to 30-06-2014	3 Months	5,08,000
Mr. M. Maheshwari	18,00,000	----	----	----	01-07-2009 to 30-06-2014	3 Months	24,500
Mr. S. S. Kohli	----	----	----	1,80,000	NA	NA	----
Mr. K. S. Baghel	----	----	----	3,00,000	NA	NA	----
Mr. A. K. Singh	----	----	----	2,20,000	NA	NA	----

6. Shareholders/Investors Grievance Committee

The Shareholders/Investors Grievance Committee is being headed by Mr. Ashwini Kumar Singh, an Independent Non-Executive Director of the Company. **Mr. Nitin Bagaria, Company Secretary**, is the Compliance Officer of the Company. During the financial year 2010-2011, 18 complaints were received which were resolved/replied to the satisfaction of the shareholders within due time. No complaint remained unattended / pending for more than 30 days. No complaint was pending as on 31st March, 2011.

7. General Body Meetings

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

No. of AGM and FY	Date of Meeting	Venue	Time
15th AGM, 2009-2010	Saturday, 18th September, 2010	"Kalakunj", 48, Shakespeare Sarani, Kolkata - 700017	3.30 P.M.
14th AGM, 2008-2009	Tuesday, 29th September, 2009	Registered Office - 23A, N.S. Road, 3rd Floor, Room No.14, Kolkata - 700 001	11.30 A.M.
13th AGM, 2007-2008	Monday, 15th September, 2008	-do-	11.00 A.M.

No Special Resolution was proposed in the last three AGMs.

Report on Corporate Governance (Contd..)

Brief Details of the resolutions passed through Postal ballot process (in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder) during the year 2010-2011 along with the voting pattern is as under:

Description	Type	Number of Votes Casted as per Total Number of Valid Postal Ballot Forms	Number and Percentage of Valid Votes casted in favour of the Resolution	Number and Percentage of Valid Votes casted against the Resolution
Re-appointment of Mr. Aditya Maheshwari, relative of Directors of the Company under Section 314(1B) at increased remuneration;	Special Resolution	12681418	12680227	1191
			99.991%	0.009%
Re-appointment of Mr. Anuj Maheshwari, relative of Directors of the Company under Section 314(1B) at increased remuneration;	Special Resolution	12680883	12679692	1191
			99.991%	0.009%
Increase in Borrowing Limits of the Board under Section 293(1)(d) to Rs. 750 Crores	Ordinary Resolution	12680868	12679677	1191
			99.991%	0.009%
Power to the Board to create charges, etc., under Section 293(1)(a) to a maximum of Rs. 750 Crores in aggregate	Ordinary Resolution	12680868	12679677	1191
			99.991%	0.009%

Based on the report of Mr. Sandip Sarkar, Practising Company Secretary, being the Scrutinizer appointed for the purpose of postal ballot process, the above mentioned resolutions were, accordingly, declared by the Chairman as passed by the requisite majority.

8. Disclosures

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

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

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

All mandatory requirements of Clause 49 of the Listing Agreement have been appropriately complied with except Clause 49(II)(A)(iv) of the Listing Agreement, i.e. presence of Chairman of the Audit Committee at the Annual General Meeting.

The Chairman of the Audit Committee was not present at the last Annual General Meeting (18th September 2010) due to his sudden illness, however, the Chief Executive Officer of the Company who is also a member of the Audit Committee, was present at the said AGM and replied all the queries of the Shareholders to their satisfaction.

The status of non-mandatory requirements is given below:

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

Application of the proceeds from the Public Issue of 57,00,000 Equity Shares

During the financial year 2010-2011, the details of the application of funds collected from the Public Issue have been placed before the Audit Committee and the same were certified by the Statutory Auditors. The details of the application of the IPO funds have been included in the notes forming part of the statement of financial results.

The position of IPO proceeds and utilisation thereof vis-à-vis the "Objects of Issue" as stated in Prospectus dated 23rd December, 2009 upto March 31, 2011 is as follows:

Funds raised - Rs. 10,260 lacs, Utilisation as per objects of the issue- Rs. 10,260 lacs, Balance- Nil

9. Means of Communication

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

10. General Shareholder information

Annual General Meeting	Date	: Saturday, the 6th day of August, 2011
	Time	: 3.30 P.M.
	Venue	: "Kalakunj", 48, Shakespeare Sarani, Kolkata - 700017
Financial Year		: 1st April 2010 to 31st March, 2011
Date of Book Closure		: 30th July, 2011 to 6th August, 2011 (Both days inclusive)
Dividend Payment Date		: Within 30 days from the date of AGM
Listing on Stock Exchanges & Stock Code		
Bombay Stock Exchange Limited		National Stock Exchange of India Limited
Phiroze Jeejeebhoy Towers		Exchange Plaza, Bandra-Kurla Complex
Dalal Street, Mumbai 400 001		Bandra (E), Mumbai - 400 051
(Stock Code - 533152)		(Symbol - MBLINFRA)

The Company has paid the annual listing fees for the financial year 2011-2012.

Report on Corporate Governance (Contd..)

Market Price Data and Number of Shares traded at Bombay Stock Exchange Limited and at National Stock Exchange of India Limited during the Financial Year 2010-2011

Bombay Stock Exchange Limited			MONTH	National Stock Exchange of India Ltd		
High	Low	Volume		High	Low	Volume
264.80	221.25	27,18,001	April	264.00	223.10	43,03,389
244.95	190.65	5,62,225	May	245.85	190.50	11,47,656
248.80	206.00	7,23,673	June	250.00	205.50	11,50,405
254.95	225.10	4,80,873	July	256.00	224.25	8,60,114
276.00	240.60	8,57,608	August	274.90	241.00	15,20,646
292.90	256.00	10,03,946	September	292.85	255.00	13,87,896
279.00	218.00	4,47,996	October	279.45	217.10	6,88,469
250.00	160.55	3,34,111	November	253.00	160.05	8,65,129
216.70	165.10	4,36,701	December	217.00	164.00	8,36,699
217.00	176.80	2,55,587	January	217.85	175.10	4,29,737
210.00	166.00	2,25,460	February	205.00	170.80	2,76,385
185.85	168.65	2,91,202	March	200.00	163.00	2,77,771

Performance in comparison to broad based indices:

	31.03.2011	1.04.2010	Change (%)
Share prices of MBL INFRA (Rs.) (BSE)	176.70	237.50	-25.60
V/s BSE Sensex	19445.22	17692.62	9.91
Share prices of MBL INFRA (Rs.) (NSE)	175.70	236.25	-25.63
V/s NSE Nifty	5833.75	5290.50	10.27

Registrar & Share Transfer Agents	:	Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (W) Mumbai – 400 078 Phone – 022-2596 – 3838 Email id : mumbai@linkintime.co.in
Kolkata Office -	:	59C, Chowringhee Road, 3rd Floor, Kolkata – 700 020 Email id : kolkata@linkintime.co.in
Share Transfer System	:	The Transfer of Shares is effected by the Registrars after necessary approval of the Board / Share Transfer Committee. The process of Share Transfer generally takes 1-2 weeks.

Distribution of Shareholding as on 31st March, 2011

Sl. No.	Category of Shareholders (No. of Shares Held)	Number of Shareholders	Percentage of Shareholders	Number of Shares Held	Percentage of Holding
1	1-500	3573	87.51	401017	2.29
2	501-1000	220	5.39	173213	0.99
3	1001-2000	124	3.04	188721	1.08
4	2001-3000	30	0.74	77093	0.44
5	3001-4000	23	0.56	82207	0.47
6	4001-5000	23	0.56	111390	0.63
7	5001-10000	36	0.88	269589	1.54
8	10001 & above	54	1.32	16210497	92.56
	Total	4083	100.00	17513727	100.00

Shareholding Pattern as on 31st March, 2011

Category	Number of Shares held	Percentage (%)
Promoter and Promoter Group (Constituting GROUP as per MRTP Act, 1969)		
Mr. Ram Gopal Maheshwari	22,48,750	12.84
Mr. Anjanee Kumar Lakhotia	5,08,000	2.90
Mr. Maruti Maheshwari	24,500	0.14
Mrs. Uma Devi Lakhotia	49,125	0.28
Mr. Aditya Maheshwari	50,000	0.29
Mr. Anuj Maheshwari	50,000	0.29
Mrs. Sweta Maheshwari	29,250	0.17
Other Relatives / Individuals	Nil	N.A.
MBL A Capital Limited (Formerly SMH Capital Ltd.)	39,18,187	22.37
Prabhu International Vyapar Pvt. Ltd.	31,60,290	18.04
Other Companies	Nil	N.A.
Family/Charitable/Beneficial Trusts and HUFs'	Nil	N.A.
Sub-Total (A)	100,38,102	57.32
Non Promoters / Public		
Foreign Institutional Investors	7,43,974	4.25
Non-Resident Indians	32,603	0.19
Mutual Funds	22,78,332	13.01
Financial Institutions / Banks	31,014	0.17
Corporate Bodies (other than above)	29,20,777	16.68
Resident Indians	13,93,724	7.95
Employees	9,997	0.06
Others (Including Clearing Members)	65,204	0.37
Sub-Total (B)	74,75,625	42.68
Total (A+B)	175,13,727	100.00

Report on Corporate Governance (Contd..)

Certifications

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, 2011. The shares are regularly traded at BSE & NSE.

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

Unpaid/Unclaimed Dividend

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

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

Financial Year	Unclaimed Dividend as on 31.03.2011 (Rs.)	Due Date for transfer to IEPF
2009-2010	20,922.00	17.10.2017

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

For & on behalf of the Board

New Delhi
Dated : The 29th Day of May 2011

Ram Gopal Maheshwari
Chairman

Declaration regarding Code of Conduct

To
The Members of MBL Infrastructures Limited

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

For MBL Infrastructures Limited

New Delhi
Dated : The 29th Day of May 2011

Anjaneer Kumar Lakhotia
CEO & Wholetime Director

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

We have reviewed the financial statements and the cash flow statement for the year ended 31.03.2011 and to the best of our knowledge and belief, we state that:

- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) these statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- (iii) there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company’s Code of Conduct.

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

We have indicated to the Auditors and the Audit Committee :

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

Yours Sincerely,

New Delhi
Dated : The 29th Day of May 2011

Anjaneer Kumar Lakhotia
CEO and Wholetime Director

R. N. Bansal
VP (F&A)

Certificate on Corporate Governance

Auditors' Report

To
The Members of
MBL Infrastructures Limited

We have examined the compliance of conditions of Corporate Governance by MBL Infrastructures Limited ("the Company") for the year ended on 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the Company with the stock exchanges in India.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement, *except Clause 49(II)(A)(iv), i.e. the condition regarding attendance of the Audit Committee Chairman at the last Annual General Meeting of the Company.*

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

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

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

(**M. K. Jhawar**)
Partner
Membership No. 061308
New Delhi
Dated : The 29th Day of May, 2011

To
**The Members of
MBL Infrastructures Limited.**

1. We have audited the attached Balance Sheet of M/s MBL Infrastructures Limited, as at March 31, 2011 and the related Profit and Loss Account annexed thereto and the Cash Flow Statement for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An Audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a Statement on the matters specified in Paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that:
 - a) We have obtained all the information and explanations, which, to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of accounts as required by Law, have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts as submitted to us.

- d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report have been drawn up in compliance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- e) On the basis of written representations received from the Directors as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India :
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
 - ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

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

New Delhi
Dated : The 29th Day of May, 2011

Annexure to the Auditors' Report

Referred to in paragraph 3 of our report of even date

1. In respect of Fixed Assets :
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
 - (b) As explained to us, all the fixed assets have been physically verified by the management at reasonable intervals and in accordance with a phased programme of verification, which, in our opinion, is reasonable, considering the size and nature of the business. No material discrepancies were noticed on such verification.
 - (c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of Inventories :
 - (a) As explained to us, inventories have been physically verified by the management at the end of the year. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its business.
 - (b) The procedure of physical verification of inventories followed by the management in our opinion is reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) On the basis of our examination, we are of the opinion that the Company is maintaining proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
3. (a) The Company has given interest free loan to one company covered under the register maintained under Section 301 of the Companies Act, 1956.

The year end balance of the above loan is Rs. 650.26 Lacs. The terms and conditions of such loans are prima facie not prejudicial to the interest of the Company. The loan is repayable as per stipulations. The maximum amount outstanding during the year was Rs. 757.13 Lacs.
- (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered under register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and sale of inventory. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal control system.
5. According to the information and explanations given to us, we are of the opinion that the particulars of the transactions, if any, made in pursuance of the contract or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
6. According to the information and explanations given to us, the Company has not accepted any deposits from the public so far upto 31st March 2011. Therefore, the provisions of clause (vi) of Paragraph 4 of the Order are not applicable to the Company.
7. In our opinion, the Company has an internal audit system in commensurate with its size and the nature of its business.
8. To the best of our knowledge the Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the products of the Company.

9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has generally been regular in depositing, during the year, the undisputed statutory dues including, Income Tax, Sales Tax, Cess and other statutory dues as applicable, with appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amount is payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty, Cess and other material statutory dues, were in arrears, as at 31st March, 2011 for a period of more than 6 months from the date they became payable.
10. The Company does not have accumulated losses as at March 31, 2011 and it has not incurred any cash losses during the financial year ended on that date and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to the banks.
12. According to the records of the Company, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
13. In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of Paragraph 4 of the Order are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures, and other investments. Accordingly, the provisions of clause (xiv) of Paragraph 4 of the Order are not applicable to the Company.
15. According to the information and explanations provided by the management, the terms and conditions of the

guarantees given by the Company for loans taken by others from Banks or financial institutions are not prejudicial to the interest of the Company.

16. On the basis of review of utilisation of funds pertaining to term loans on overall basis and related information as made available to us, the term loans taken by the Company have been applied for the purposes for which they are obtained.
17. On the basis of review of utilisation of funds on overall basis, related information as made available to us and as represented to us by the management, the funds raised on short-term basis have not been applied during the year for long term investment.
18. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. According to the records the Company, the Company has not issued any debentures during the year.
20. The Company has not raised any monies by way of public issues of equity shares during the year.
21. In our opinion and according to the information and explanations provided by the management, no material fraud on or by the Company has been noticed or reported during the course of our audit.

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

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

New Delhi
Dated : The 29th Day of May, 2011

Balance Sheet

as at 31st March, 2011

	Schedule	31.03.2011	31.03.2010
(Rs in lacs)			
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	1,751.37	1,751.37
Reserves and Surplus	2	25,993.52	20,470.11
LOAN FUNDS			
Secured Loans	3	21,600.79	13,837.19
Unsecured Loans	4	2,657.54	5,296.56
Deferred Tax Liabilities (Net)		2,078.80	1,496.93
TOTAL		54,082.02	42,852.16
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	14,490.97	11,460.52
Less : Depreciation		3,835.79	3,212.84
Net Block		10,655.18	8,247.68
INVESTMENTS	6	1,200.50	1,200.00
CURRENT ASSETS, LOANS AND ADVANCES			
CURRENT ASSETS			
Inventories	7	19,165.63	9,765.58
Sundry Debtors	8	22,161.71	24,010.59
Cash and Bank Balances	9	2,217.16	3,301.68
Other Current Assets	10	2,235.38	2,633.30
Loans & Advances	11	7,745.37	7,529.75
		53,525.25	47,240.90
LESS : CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	12	9,441.97	13,295.42
Provisions	13	1,856.94	541.00
		11,298.91	13,836.42
NET CURRENT ASSETS		42,226.34	33,404.48
TOTAL		54,082.02	42,852.16
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS	21		

Schedules and Notes to the accounts form part of this Balance Sheet
In terms of our attached report of even date.

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

(M. K. Jhawar)
Partner
Membership No. 061308
New Delhi
Dated : The 29th Day of May, 2011

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

(Nitin Bagaria)
Company Secretary

For and on behalf of the Board
(Ram Gopal Maheshwari)
Chairman

(Anjaneer Kumar Lakhota)
Wholetime Director & CEO

Profit & Loss Account

For the year ended 31st March, 2011

	Schedule	31.03.2011	31.03.2010
(Rs in lacs)			
INCOME			
Income from Operations	14	99,152.88	62,888.28
Other Income	15	52.82	66.00
Increase/(Decrease) in Stock in Trade	16	—	(386.13)
		99,205.70	62,568.15
EXPENDITURE			
Operating Expenses	17	83,857.43	52,358.01
Employees Remuneration and Benefits	18	1,614.89	1,021.16
Administrative Expenses	19	926.03	767.03
Interest and Finance Charges	20	3,183.10	2,819.33
Depreciation		630.89	433.95
		90,212.34	57,399.48
Profit Before Tax		8,993.36	5,168.67
Provision for Taxation			
Current Tax		2,300.00	1,170.00
Deferred Tax		581.86	582.62
Profit before Earlier Years' Tax		6,111.50	3,416.05
Provision for earlier years' tax		79.22	—
Profit After Tax		6,032.28	3,416.05
Balance Brought Forward		1,297.43	1,789.83
Balance Available For Appropriation		7,329.71	5,205.88
Appropriations			
Proposed Dividend		437.84	350.27
Corporate Tax on Dividend		71.03	58.18
Transfer to General Reserve		2,500.00	3,500.00
Balance Carried to Balance Sheet		4,320.84	1,297.43
		7,329.71	5,205.88
Earning per Share of Rs.10/- each (Refer Note no 3(c), Schedule 21)			
Basic (Rs.)		34.44	25.96
Diluted (Rs.)		34.44	25.96
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS	21		

Schedules and Notes to the accounts form part of this Profit and Loss Account.
In terms of our attached report of even date.

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

(M. K. Jhawar)
Partner
Membership No. 061308
New Delhi
Dated : The 29th Day of May, 2011

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

(Nitin Bagaria)
Company Secretary

For and on behalf of the Board
(Ram Gopal Maheshwari)
Chairman

(Anjaneer Kumar Lakhota)
Wholetime Director & CEO

Cash Flow Statement

For the year ended 31st March, 2011

(Rs in lacs)

	31.03.2011	31.03.2010
A. Cash Flow from Operating Activities		
Net Profit / (Loss) before Tax & Extraordinary Items	8,993.36	5,168.67
Adjustments for :		
(Profit)/Loss on Sale of Fixed Assets	3.03	2.96
Depreciation	630.89	433.95
Interest and Finance Charges	3,183.10	2,819.33
Operating Profit before Working Capital Changes	12,810.38	8,424.91
(Increase) / Decrease in Inventories	(9,400.05)	(5,747.03)
(Increase) / Decrease in Trade and other receivable	2,031.19	(12,125.01)
Increase / (Decrease) in Trade Payables and other Liabilities	(3,853.46)	4,416.07
Cash Generated from Operations	1,588.06	(5,031.06)
Direct Taxes Paid	(1,163.70)	(1,135.97)
Net Cash from Operating Activities	424.36	(6,167.03)
B. Cash Flow from Investing Activities		
Additions in Fixed Assets	(3,059.65)	(2,719.78)
Sale of Fixed Assets	18.24	1.58
(Additions) / Disposals of Investments	(0.50)	—
Net cash used in Investing Activities	(3,041.91)	(2,718.20)
C. Cash Flow from Financing Activities		
Proceeds from Issue of Share Capital	—	9,296.67
(Net of Share Issue expenses)		
(Repayments) / Proceeds of Secured Loan	7,763.60	2,920.46
(Repayments) / Proceeds of Unsecured Loan	(2,639.02)	(1,440.48)
Dividend & Dividend Tax Paid	(408.45)	(268.93)
Interest and Finance Charges	(3,183.10)	(2,819.33)
Net cash from Financing Activities	1,533.03	7,688.39
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	(1,084.52)	(1,196.84)
Cash & Cash Equivalent (Opening Balance)	3,301.68	4,498.52
Cash & Cash Equivalent (Closing Balance)	2,217.16	3,301.68

Schedules and Notes to the accounts form part of this Cash Flow Statement

- Notes : (i) Figures in brackets represent outflows.
(ii) Previous Year figures have been recast/restated wherever necessary.
(iii) Cash and Cash Equivalents include Rs.1282.86 Lacs (31-03-2010 : Rs. 2228.40 Lacs) in margin money, Deposits pledged with banks against letters of guarantees and letters of credits issued.

In terms of our attached report of even date.

For Agrawal S. Kumar & Associates

Chartered Accountants

Firm Registration No. 322324E

(M. K. Jhavar)

Partner

Membership No. 061308

New Delhi

Dated : The 29th Day of May, 2011

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

(Nitin Bagaria)
Company Secretary

For and on behalf of the Board

(Ram Gopal Maheshwari)
Chairman

(Anjanee Kumar Lakhotia)
Wholetime Director & CEO

Schedules to the Accounts

as at 31st March, 2011

(Rs in lacs)

	31.03.2011	31.03.2010
Schedule 1 SHARE CAPITAL		
AUTHORISED		
2,52,50,000 Equity Shares of Rs. 10/- each	2,525.00	2,525.00
ISSUED, SUBSCRIBED AND PAID UP		
1,75,13,727 Equity Shares of Rs.10/- each fully paid up. (Previous Year : 1,75,13,727 Equity Shares of Rs.10/- each fully paid up) (Out of above 2,65,610 Equity Shares have been allotted for consideration other than cash and 36,21,242 Equity Shares have been allotted as Bonus shares on Capitalisation of Share Premium and General Reserve.)	1,751.37	1,751.37
	1,751.37	1,751.37

Schedule 2 RESERVES AND SURPLUS			
General Reserve			
As per last Balance Sheet	7,500.00		4,000.00
Add : Transfer from Profit and Loss Account	2,500.00	10,000.00	3,500.00
Capital Redemption Reserve		1,391.01	1,391.01
Surplus as per Profit and Loss Account Annexed		4,320.84	1,297.43
Securities Premium Account			
As per last Balance Sheet	10,281.67		1,555.00
Add : Received on account of Fresh Issue of Equity Shares			9,690.00
Less: Share Issue expenses	—	10,281.67	(963.33)
		25,993.52	20,470.11

Schedule 3 SECURED LOANS		
Working Capital facilities from Banks	13,440.40	11,602.09
External Commercial Borrowings/Equipment/Vehicle Finance		
From Banks	7,837.91	1,615.26
From Others	322.48	619.84
	21,600.79	13,837.19

Schedule 4 UNSECURED LOANS		
Short Term Loans - From Banks	1,500.00	1,500.00
Other Loans - From Contractees	1,157.54	3,796.56
	2,657.54	5,296.56

Schedules to the Accounts

as at 31st March, 2011

(Rs in lacs)

Schedule 5 FIXED ASSETS										
Particulars	Gross Block			Depreciation				Net Block		
	As at 31.03.2010	Additions	Sale/ Adjustments	As at 31.03.2011	Upto 31.03.2010	For the Year	Adjustments	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
Land	14.39	—	3.77	10.62	0.13	—	0.13	—	10.62	14.26
Buildings	13.12	749.01	—	762.13	5.65	23.29	—	28.94	733.19	7.47
Plant and Machinery	10,812.27	2,222.38	2.04	13,032.61	3,025.68	554.00	0.07	3,579.61	9,453.00	7,786.59
Vehicles	505.64	27.86	23.39	510.11	148.35	45.89	7.74	186.50	323.61	357.29
Furniture and Fittings	115.10	60.40	—	175.50	33.03	7.71	—	40.74	134.76	82.07
Total	11,460.52	3,059.65	29.20	14,490.97	3,212.84	630.89	7.94	3,835.79	10,655.18	8,247.68
Previous Year	8,749.52	2,719.78	8.78	11,460.52	2,783.12	433.95	4.23	3,212.84	8,247.68	5,966.40

Note :

- (i) Gross Block includes Rs. 943.53 lacs on revaluation of Plant and Machinery on the basis of valuation carried out by an approved Valuer on replacement basis as at 31st March, 2000.
(ii) Land includes leasehold land Rs. Nil (Previous year Rs. 3.77 lacs)

			31.03.2011	31.03.2010
Schedule 6 INVESTMENTS				
Long Term, Unquoted, Trade				
Subsidiary Company				
AAP Infrastructure Ltd.				
1,20,00,000 (Previous year 1,20,00,000) Equity Shares of Rs.10/- each fully paid up			1,200.00	1,200.00
Others				
Orissa Steel Expressway Pvt. Ltd.			0.50	—
5000 Equity shares of Rs.10/- each fully paid up acquired during the year				
			1,200.50	1,200.00

Schedule 7 INVENTORIES				
(As valued and certified by management)				
(at cost or net realisable value whichever is lower)				
Construction Materials at site			19,165.63	9,765.58
			19,165.63	9,765.58

Schedule 8 SUNDRY DEBTORS				
(Unsecured, considered good)				
Outstanding for a period exceeding six months			1,321.14	74.59
Other Debts			20,840.57	23,936.00
			22,161.71	24,010.59

Schedules to the Accounts

as at 31st March, 2011

(Rs in lacs)

		31.03.2011	31.03.2010
Schedule 9 CASH AND BANK BALANCES			
Cash Balance on Hand		310.06	177.02
Bank Balances with Scheduled Banks			
In Current Accounts		301.56	583.70
In Fixed Deposit Accounts (FDRs pledged as Security with Banks)		1,605.54	2,540.96
		2,217.16	3,301.68

Schedule 10 OTHER CURRENT ASSETS				
(Unsecured, considered good)				
Security and Other Deposits			2,162.99	2,518.81
Accrued Interest			72.39	114.49
			2,235.38	2,633.30

Schedule 11 LOANS AND ADVANCES				
(Unsecured, considered good)				
Advances (recoverable in cash or in kind or for value to be received)			7,745.37	7,529.75
			7,745.37	7,529.75

Schedule 12 CURRENT LIABILITIES				
Acceptances			246.38	704.56
Sundry Creditors for Goods and Expenses				
Due to Micro, Small and Medium Enterprises (Note-3(k) on Schedule 21)			—	—
Others			3,439.07	6,979.91
Investors' Education & Protection Fund (to be credited as and when due)				
Unclaimed Share Application and Interest Amount (if remained unclaimed)			0.47	0.73
Unclaimed Dividend (if remained unclaimed)			0.21	—
Other Liabilities			3,292.33	3,734.12
Advances from Contractees			2,463.51	1,876.10
			9,441.97	13,295.42

Schedule 13 PROVISIONS				
Provision net of Advance Payment of Taxes			1,307.67	110.48
(Advance Tax Rs. 3153.69 Lacs Previous year Rs. 2455.09 Lacs)				
(Provision for Tax Rs. 4461.36 Lacs Previous year Rs. 2565.57 Lacs)				
Provision for Employees' Benefits			40.40	22.07
Proposed Dividend			437.84	350.27
Provision for Corporate Dividend Tax			71.03	58.18
			1,856.94	541.00

Schedule 14 INCOME FROM OPERATIONS				
Construction and Project related Activities			99,152.88	51,665.48
Waste Management and Trading Activities			—	11,222.80
			99,152.88	62,888.28

Schedules to the Accounts

as at 31st March, 2011

		(Rs in lacs)	
		31.03.2011	31.03.2010
Schedule 15	OTHER INCOME		
Claims		4.70	13.93
Miscellaneous Income and Receipts		48.12	52.07
		52.82	66.00
Schedule 16	INCREASE/(DECREASE) IN STOCK IN TRADE		
Closing Stock		—	—
Opening Stock		—	386.13
		—	(386.13)
Schedule 17	OPERATING EXPENSES		
Consumption of Raw Materials		52,188.10	15,331.01
Purchases		—	10,622.83
Stores and Spares Consumed		668.47	576.14
Direct Labour, Sub-Contract etc.		25,790.40	21,911.28
Power, Fuel and Lubricants		2,671.97	2,295.52
Equipment Hire Charges		535.01	503.46
Rent (Sites)		116.64	65.85
Site Development Expenses		95.75	249.41
Repairs to Plant & Machinery		65.27	44.84
Insurance		72.51	37.81
Rates and Taxes		1,653.31	719.86
		83,857.43	52,358.01
Schedule 18	EMPLOYEES REMUNERATION AND BENEFITS		
Salaries, Wages and Bonus		1,532.31	977.85
Contribution to Provident and Other Funds		64.25	29.10
Provision for Employees Benefits		18.33	14.21
		1,614.89	1,021.16
Schedule 19	ADMINISTRATIVE EXPENSES		
Repairs to other Assets		93.80	52.08
Rent (Office)		48.15	46.01
Auditor's Remuneration			
As Audit Fee		2.50	2.00
As Tax Audit Fee		0.25	0.25
Other Matters		0.15	0.20
Miscellaneous Expenses		727.55	620.11
(Profit)/Loss on Sale of Fixed Assets		3.03	2.96
Directors' Remuneration (Including Directors' Sitting Fees)		50.60	43.42
		926.03	767.03
Schedule 20	INTEREST AND FINANCE CHARGES		
Interest :			
Fixed Term Loans		619.24	264.83
Others		2,030.26	2,074.16
Bank Commission and Charges		533.60	480.34
		3,183.10	2,819.33

Schedules to the Accounts

as at 31st March, 2011

Schedule 21 SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS

1 Significant Accounting Policies :

a. Basis of Preparation of Financial Statements

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

b. Use of Estimates

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

c. Revenue Recognition

- Sale is recognised on despatch of goods and net of Value Added Tax (VAT).
- In respect of construction/ project related activity, the Company follows Percentage of Completion Method. Percentage of Completion is determined by survey of work performed / physical measurement of work actually completed at the Balance Sheet date taking into account Contractual Price/ Unit Rates and revision thereto.
- Revenue in respect of claims is recognised to the extent the Company is reasonably certain of their realisation.
- Other operational income is recognised on rendering of related services, as per the terms of the contracts.
- Other items of income are accounted as and when the right to receive arises.

d. Each Contract is recognised as a Profit Centre. Payments/ reimbursements under the same are grouped under Direct and Other Expenses.

e. Fixed Assets and Depreciation

- Fixed Assets are stated at their original cost (other than certain Fixed Assets which are stated at revalued amount). Cost includes acquisition price, attributable expenses and pre-operational expenses. Fixed Assets retired from active use are valued at net realisable value.
- 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.
- Assets acquired on Equipment Finance (hire purchase) are stated at their cash values.
- Lease hold land is amortised over the period of lease.

f. 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.

g. Foreign Currency Transactions

- The reporting currency of the Company is the Indian Rupee.
- Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- Monetary items denominated in foreign currencies, if any, at the end of the year are restated at year end rates.
- Non monetary foreign currency items are carried at cost.

Schedules to the Accounts

as at 31st March, 2011

Schedule 21 SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS (Contd.)

(v) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss account.

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 Profit and Loss Account. There is no restriction or contingent rent in the lease agreements. All leases are cancelable in nature.

i. Inventories

Stock of goods is valued at cost or net realisable value whichever is lower. Cost of inventories is ascertained on FIFO basis.

j. Taxes on Income

- Provision for current tax is made after taking into consideration benefits admissible under the provision of the Income Tax Act, 1961.
- 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. Employees' Benefits

- 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.
- Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year 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 compensated absences are provided for based on estimates. Other long term benefits being liability for leave encashment are provided for based on actuarial valuation at the year end. Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

l. Accounting for Joint Venture Contracts

- 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.
- 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 turnover in these financial statements.
- 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 turnover in these financial statements.

m. Impairment of Assets

The carrying amount of assets is reviewed at each balance sheet date to determine if there is any indication of impairment thereof based on external / internal factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount, which represents the greater of the net selling price of assets and their

Schedules to the Accounts

as at 31st March, 2011

Schedule 21 SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS (Contd.)

'value in use'. The estimated future cash flows are discounted to their present value at appropriate rate arrived at after considering the prevailing interest rates and weighted average cost of capital.

n. Provision, Contingent Liabilities and Contingent Assets

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

2. Initial Public Offer

The actual utilisation of the IPO Proceeds as per the provisions of the Chapter 'Objects of the Issue' as stated in the Prospectus dated 23rd December, 2009 is as under :-

(Rs. in Lacs)

Purpose	Incurred out of Public Issue proceeds	
	2009-2010	2010-2011
Investment in capital equipments	3112.23	4083.61
Part Funding of working capital requirement	4716.44	4520.95
General Corporate Purposes	—	692.11
Issue Expenses	963.33	963.33
Total	8792.00	10260.00
Balance Lying in cash credit / Current Bank Accounts	1468.00	—
Total	10260.00	10260.00

Out of the total issue proceeds of Rs. 10260 lacs, amount collected under Employee Reservation Portion was Rs. 22.17 lacs.

3. Notes to the Accounts

a. Disclosure in respect of Joint Ventures :

(Rs. in Lacs)

List of Joint Ventures:	Proportion of Ownership	Assets	Liabilities	Income	Expenses
MBL-Supreme (JV)	40%	—	—	1320.24	1254.35
MBL-Telecommunications Consultants India Ltd. (JV)	51%	—	—	5415.93	5122.93
MBL-Calcutta Industrial Supply Corporation (JV)	60%	—	—	912.28	859.00
MBL - Lakheshwari Builders Pvt.Ltd. (JV)	60%	—	—	107.38	100.22

- Investments in equity shares of Wholly Owned Subsidiary, AAP Infrastructure Limited, have been pledged with Bankers against facilities availed by them.

Schedules to the Accounts

as at 31st March, 2011

Schedule 21 SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS (Contd.)

c. Earnings per Share

	2010-2011	2009-2010
i. Profit Computation for earning per share of Rs.10/- each		
Net Profit as per Profit & Loss Account before earlier years' tax (Rs. In Lacs)	6111.50	3416.05
Net Profit as per Profit & Loss Account after earlier years' tax (Rs. In Lacs)	6032.28	3416.05
ii. Weighted average number of equity shares for EPS Computation		
For Basic EPS	17513727	13156741
For Diluted EPS	17513727	13156741
iii. Basic EPS (weighted average)		
Basic EPS (before earlier years' tax) (Rs.)	34.90	25.96
Basic EPS (after earlier years' tax) (Rs.)	34.44	25.96
iv. Diluted EPS (Weighted average)		
Diluted EPS (before earlier years' tax) (Rs.)	34.90	25.96
Diluted EPS (after earlier years' tax) (Rs.)	34.44	25.96

d. Employees' Benefits

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

	2010-2011	2009-2010
(i) Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation:		
Obligation at the beginning of the financial year	22.07	7.85
Service Cost	18.70	14.60
Interest on Defined Benefit obligation	1.70	0.61
Benefits Settled	(1.53)	(0.43)
Actuarial (Gain)/ Loss	(0.55)	(0.57)
Obligation at the end of the financial year	40.40	22.07
(ii) Change in Plan assets		
Plan assets at the beginning of the financial year, at fair value	—	—
Expected return on plan assets	—	—
Actuarial gain/ (loss)	—	—
Contributions	1.53	0.43
Benefits settled	(1.53)	(0.43)
Plan assets at the end of the financial year, at fair value	—	—

Schedules to the Accounts

as at 31st March, 2011

Schedule 21 SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS (Contd.)

	2010-2011	2009-2010	2008-2009	2007-2008
(iii) Reconciliation of Present Value of the obligation and the fair value of the plan assets:				
Closing DBO	40.40	22.07	7.85	13.88
Closing fair value of plan assets	—	—	—	—
Closing Funded status	(40.40)	(22.07)	(7.85)	(13.88)
Net asset/(liability) recognised in the Balance Sheet	(40.40)	(22.07)	(7.85)	(13.88)

	2010-2011	2009-2010
(iv) Expenses recognised in the Profit & Loss Account		
Service Cost	18.70	14.61
Interest Cost	1.70	0.61
Expected return on plan assets	—	—
Actuarial (gains)/ loss	(0.55)	(0.57)
Net Gratuity Cost	19.86	14.65
(v) The basis used to determine the overall expected rate of return on assets including major categories of plan assets is as follows :	N.A.	N.A.
(vi) Assumptions		
a. Interest Rate	8%	8%
b. Discounting Factor	8%	8%
c. Estimated Rate of Return on Plan Assets	0%	0%
d. Salary Increase	6%	6%
e. Attrition rate	5%	5%
f. Retirement Age (Years)	58	58

(vii) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

(viii) The actuarial liability of Compensated Absences (Unfunded) of accumulated privileged leaves of the employees of the Company as at 31-03-2011 is Rs. 18.17 Lacs (Previous year Rs. Nil)

e. Segment Reporting

During the year the Company has operated only in infrastructure, construction & maintenance activity and accordingly this is the only reportable segment for the year. However, in the previous year the Company had also operated in waste

Schedules to the Accounts

as at 31st March, 2011

(Rs. in Lacs)

Schedule 21 SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS (Contd.)

management & trading activities. In terms of Accounting Standard 17 of the Companies (Accounting Standard) Rules, 2006 information for the pervious year for the respective segments have been given as under:

Particulars	Business Segments			Total
	Infrastructure Activity	Others	Unallocable	
Segment Revenue	51665.48	11222.80	66.00	62954.28
Segment Result before Interest & Taxes (PBIT)	7398.28	559.56	30.16	7988.00
Interest & Finance Charges				2819.33
Profit before Tax (PBT)				5168.67
Taxes				1752.62
Profit after Tax (PAT)				3416.05
Segment Assets	56660.58	—	—	56660.58
Segments Liabilities	32942.17	—	—	32942.17
Segment Capital Expenditure	2719.78	—	—	2719.78
Segment Depreciation	433.95	—	—	433.95

Notes:

- The Company has disclosed Business Segment as the primary segment, Segments have been identified taking into account the business activity, organisational structure and internal reporting system. The Company's operations predominantly relate to Infrastructure, Construction and Maintenance.
- Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis.
- There are no reportable geographical segments.

f. Disclosure pursuant to clause 32 of Listing Agreement

	Outstanding as on 31-03-2011	Maximum Balance outstanding during the year
1) Loan to Subsidiary (AAP Infrastructure Ltd.)*	452.17	1604.65
2) Loan to Associate (MSP Infrastructures Ltd.)*	650.26	757.13
*(The above loans are interest free and there is no repayment schedule for the same)		
3) Investment by subsidiary and associate	Nil	Nil

g. All External Commercial Borrowings have been fully hedged.

h. Managerial remuneration :

	2010-2011	2009-2010
Wholetime Directors/Executive Directors		
Salaries	42.00	39.75
Contribution to Provident and Gratuity fund	—	—
Other Benefits	—	—
Other Directors		
Sitting Fees	8.60	3.67

Schedules to the Accounts

as at 31st March, 2011

Schedule 21 SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS (Contd.)

i. Disclosure of related parties / related party transactions:

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

A. List of Related Parties:

- Name of the parties where control exists:
 - AAP Infrastructure Ltd., a subsidiary of the Company
 - Orissa Steel Expressway (P) Ltd. SPV Company of MBL-SREI (JV) for BOT Project
- Key Management Personnel:
 - Mr. Ram Gopal Maheshwari
 - Mr. Anjanee Kumar Lakhotia
 - Mr. Maruti Maheshwari
 - Mr. Aditya Maheshwari
 - Mr. Anuj Maheshwari
- Joint Ventures:
 - MBL - Telecommunications Consultants India Ltd. (JV)
 - MBL - Supreme (JV)
 - MBL - Calcutta Industrial Supply Corporation (JV)
 - MBL - Lakheshwari Builders Pvt.Ltd. (JV)
- Director having significant influence:
 - Prabhu International, Proprietary Concern of a Director
 - Prabhu International Vyapaar Pvt. Ltd.
 - MBL A Capital Limited (Formerly SMH Capital Limited)
 - MSP Infrastructures Ltd.
 - Sahaj Promoters Pvt. Ltd.

B. Transactions with Related parties :

(Rs. in Lacs)

	Subsidiary Company/ Associates	Joint Ventures	Key Management Personnel	Enterprises owned/significantly influenced by Key Management Personnel
Payments:				
Salary				
Anjanee Kumar Lakhotia	—	—	24.00	—
	—	—	22.50	—
Maruti Maheshwari	—	—	18.00	—
	—	—	17.25	—
Aditya Maheshwari	—	—	6.00	—
	—	—	6.00	—
Anuj Maheshwari	—	—	6.00	—
	—	—	6.00	—
Director Sitting Fee :				
Ram Gopal Maheshwari	—	—	1.60	—
	—	—	0.43	—

Schedules to the Accounts

as at 31st March, 2011

(Rs. in Lacs)

Schedule 21	SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS (Contd.)			
	Subsidiary Company/ Associates	Joint Ventures	Key Management Personnel	Enterprises owned/significantly influenced by Key Management Personnel
Dividend Paid:				
Ram Gopal Maheshwari	—	—	44.98	—
	—	—	44.98	—
Anjaneer Kumar Lakhotia	—	—	10.16	—
	—	—	10.16	—
Maruti Maheshwari	—	—	0.49	—
	—	—	0.49	—
Aditya Maheshwari	—	—	1.00	—
	—	—	1.00	—
Anuj Maheshwari	—	—	1.00	—
	—	—	1.00	—
Prabhu International Vyapaar Pvt. Ltd.	—	—	—	63.21
	—	—	—	59.68
MBL A Capital Limited (Formerly SMH Capital Limited)	—	—	—	78.36
	—	—	—	75.48
Loan :				
AAP Infrastructure Ltd.	230.54	—	—	—
	—	—	—	—
MSP Infrastructures Ltd.	220.13	—	—	—
	226.13	—	—	—
Receipts :				
MBL- Supreme (JV)	—	1,254.35	—	—
	—	775.14	—	—
MBL-Telecommunications Consultants India Ltd. (JV)	—	3,137.29	—	—
	—	1,068.90	—	—
MBL-Calcutta Industrial Supply Corporation (JV)	—	861.78	—	—
	—	2,090.45	—	—
MBL - Laksheshwari Builders Pvt.Ltd. (JV)	—	457.19	—	—
	—	93.59	—	—
Operation & Maintenance Charges - AAP Infrastructure Ltd.	20.54	—	—	—
	16.56	—	—	—
Repayment Received				
AAP Infrastructure Ltd.	1,383.02	—	—	—
	—	—	—	—
MSP Infrastructures Ltd.	327.00	—	—	—
	130.00	—	—	—

Schedules to the Accounts

as at 31st March, 2011

(Rs. in Lacs)

Schedule 21	SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS (Contd.)			
	Subsidiary Company/ Associates	Joint Ventures	Key Management Personnel	Enterprises owned/significantly influenced by Key Management Personnel
Amount Receivable at year end:				
AAP Infrastructure Ltd.	452.17	—	—	—
	1,604.65	—	—	—
MSP Infrastructures Ltd.	650.26	—	—	—
	757.13	—	—	—
MBL- Supreme (JV)	—	310.99	—	—
	—	245.10	—	—
MBL-Telecommunications Consultants India Ltd. (JV)	—	5,002.02	—	—
	—	2,206.26	—	—
MBL-Calcutta Industrial Supply Corporation (JV)	—	77.61	—	—
	—	27.12	—	—
MBL - Laksheshwari Builders Pvt.Ltd. (JV)	—	166.14	—	—
	—	515.95	—	—
Investment outstanding at year end:				
AAP Infrastructure Ltd.	1,200.00	—	—	—
	1,200.00	—	—	—
Orissa Steel Expressway Pvt. Ltd.	—	0.50	—	—
	—	—	—	—

Previous years figures are in italic

j. Deferred Tax Liability (Net)

	Deferred Tax Liability / (Assets) as at 01.04.2010	Current year Charge/ (Credit)	Deferred Tax Liability/(Assets) as at 31.03.2011
Deferred Tax Liabilities			
i) Difference between book and Tax Depreciation	749.60	224.54	974.14
ii) Deferred Tax Liability in respect of Retention Money not yet released and hence not offered for taxation : Rs. 3325.55 lacs	747.33	357.33	1104.66
	1496.93	581.87	2078.80

k. There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 30 days as at 31st March, 2011. 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.

l. Interest income on Fixed Deposits of Rs. 195.77 lacs (Tax Deducted at Source Rs. 11.46 lacs) (Previous Year Rs. 228.96 lacs) (Tax Deducted at Source Rs. 30.66 lacs) is adjusted against Interest and Finance Charges.

Schedules to the Accounts

as at 31st March, 2011

(Rs. in Lacs)

Schedule 21 SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS (Contd.)

m. Contingent Liabilities

	31.03.2011	31.03.2010
i) Claims against the Company/disputed Liabilities not acknowledged as Debts (to the extent ascertained)	648.22	1013.93
ii) Corporate Guarantees given on behalf of Subsidiary Companies	5000.00	2200.00
iii) Disputed Income Tax Income Tax Department has preferred appeal against the orders of Commissioner of Income Tax (Appeals) for the Assessment Year 2004-05 and 2005-06 which were settled in favour of the Company. The amount of the contingent liability is indeterminate.	—	—
n. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 90.00 lacs (Previous year Rs. 120.21 lacs)		
o. As on March 31, 2011, Outstanding Bank Gurantees amount to Rs. 21021.03 lacs (Previous year Rs. 18959.82 lacs) and Outstanding Letter of Credit amount to Rs. 99.43 lacs (Previous year Rs. 45.22 lacs)		
p. External Commercial Borrowings / Equipment / Vehicle Finance availed from banks and others are secured by hypothecation of specific assets; comprising plant and machinery, construction equipment and vehicles acquired out of the said loans and personal guarantee of certain Directors.		
q. Working Capital facilities: Cash Credit facilities and Working Capital Demand Loans from consortium of banks are secured by:		
i) Hypothecation against first charge on book debts and other current assets of the Company, both present and future, ranking pari passu with consortium banks.		
ii) Hypothecation against first charge on all unencumbered fixed assets of the Company both present and future ranking pari passu with consortium banks.		
iii) Equitable Mortgage of certain properties (Land & Buildings).		
iv) Personal guarantees of certain Directors.		
r. Information in accordance with the requirements of the Accounting Standard (AS-7) as per Companies (Accounting Standards) Rules, 2006 :		
	2010-2011	2009-2010
Contract revenue recognised for the year ended 31st March, 2011	99,152.88	51,665.48
Aggregate amount of contract costs incurred and Recognised profits (Less recognised losses) up to 31st March, 2011 for all the contracts in progress	81,767.53	91,466.90
The amount of customer advances outstanding for Contracts in progress as at 31st March, 2011	3,797.72	1,942.15
The amount of retention due from customers for contracts in progress as at 31st March, 2011	1,137.26	1,589.88
Gross amount due from customers for contracts in Progress	16,434.97	13,782.62

Schedules to the Accounts

as at 31st March, 2011

(Rs. in Lacs)

Schedule 21 SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS (Contd.)

s. Additional Information under Part II of Schedule VI to the Companies Act, 1956

A. Turnover, Purchases, Closing and Opening Stocks:

	2010-2011		2009-2010	
	Qty(MT)	Value	Qty(MT)	Value
Class of Goods:				
a) Iron & Steel				
Opening Stock	—	—	1101.470	386.13
Purchases	—	—	34378.240	10622.83
(Net of Wastage / Excess)				
Sales **	—	—	35479.710	11222.80
Closing Stock	—	—	—	—

** including used as Capex

b) Construction Material

The Company is mainly engaged in the business of infrastructure construction and maintenance. Keeping in view of the job difficulties in different sites and projects, no quantitative detail of stock, production, turnover and consumption of raw materials are furnished.

t. i) Expenditure in Foreign Exchange

	2010-2011	2009-2010
Capital Expenditure	68.94	21.10
Interest Charges/Bank Charges	512.45	71.14

ii) Earning in Foreign Exchange - Rs. Nil (Previous Year - Nil)

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

v. Sundry debtors, loans & advances and sundry creditors are subject to confirmation from concerned parties.

w. Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

In terms of our attached report of even date.

For Agrawal S. Kumar & Associates

Chartered Accountants

Firm Registration No. 322324E

(M. K. Jhavar)

Partner

Membership No. 061308

New Delhi

Dated : The 29th Day of May, 2011

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

(Nitin Bagaria)
Company Secretary

For and on behalf of the Board

(Ram Gopal Maheshwari)
Chairman

(Anjane Kumar Lakhota)
Wholtime Director & CEO

Balance Sheet Abstract and Company's General Business Profile

Information Pursuant to Part IV of Schedule VI to the Companies Act, 1956

I. Registration Details

Registration No.	L27109WB1995PLC07370	State Code	21
Balance Sheet Date	31 03 2011		

II. Capital Raised during the year (Amount in Rs. Lacs)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Lacs)

Total Liabilities	65381	Total Assets	65381
Sources of Funds			
Paid-up Capital	1751	Reserves & Surplus	25994
Deferred Tax (Net)	2079	Secured Loans	21601
Unsecured Loans	2658		
Application of Funds			
Net Fixed Assets	10655	Investments	1201
Net Current Assets	42226	Misc. Expenditure	NIL
Accumulated Losses	NIL		

IV. Performance of Company (Amount in Rs. Lacs)

Turnover	99206	Total Expenditure	90212
Profit Before Tax	8993	Profit After Tax	6032
Dividend Rate	25%	Earning per Share (Rs.)	34.44

V. Generic Names of Three Principal Products/Services of the Company (as per monetary terms)

- Item Code No. 847989.02
Product Description Construction & Project related Activity
- Item Code No. NIL
Product Description Miscellaneous Infrastructure Activity
- Item Code No. 720429.09
Product Description Iron & Steel Goods

In terms of our attached report of even date.

For Agrawal S. Kumar & Associates

Chartered Accountants

Firm Registration No. 322324E

(M. K. Jhavar)

Partner

Membership No. 061308

New Delhi

Dated : The 29th Day of May, 2011

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

(Nitin Bagaria)

Company Secretary

For and on behalf of the Board

(Ram Gopal Maheshwari)
Chairman

(Anjaneer Kumar Lakhotia)

Wholetime Director & CEO



Directors' Report

To

The Members of

AAP INFRASTRUCTURE LIMITED

The Directors have pleasure in presenting their Nineth Annual Report on the business and operations of the Company and the financial accounts for the year ended 31st March 2011 :-

1 FINANCIAL RESULTS

The financial results for the year ended March 31, 2011 are as under –

	(Rs. in '000)	
	2010-2011	2009-2010
Turnover (Net)	102,199	81,234
Gross Profit Before Interest and Depreciation	97,096	78,033
Less: Interest on loan	40,923	20,648
Profit Before Depreciation	56,173	57,385
Less: Depreciation	32,468	23,234
Profit Before Taxes	23,705	34,151
Less: Fringe Benefit Tax	—	—
Less: Current Tax	4,725	5,805
Less: Deferred Tax charge	4,914	—
Profit After Taxes	14,066	28,346

To conserve resources, your Directors do not recommend any dividend for the year under review.

2 HOLDING COMPANY

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

3 OPERATIONS

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

4 MANAGEMENT DISCUSSIONS AND FUTURE OUTLOOK

BOT projects have emerged as new business model in infrastructure development of the country. There is growing awareness in the government that the massive development requirement can only be met through joint development with the private sector on user fees charge basis. Various road projects have been completed successfully throughout the country on BOT basis.

The BOT projects in the country are executed through special purpose vehicle company route where both government and private sector contribute towards the capital and balance requirement of finance is funded through banks and financial institutions.

Substantial progress was witnessed in attracting private investment in infrastructure sector. Momentum has been set for massive private investment in infrastructure industry. The government has allowed 100% FDI in this sector. Tolling operations have been going on for the entire road. We expect the tolls to improve substantially due to growth of traffic arising out of economic development of the area and various others factors.

5 FINANCE

During the year, term loans of Rs. 5000 lakhs were raised by toll securitisation and the earlier term loan was repaid.

6 DIRECTORS

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

7 DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217(2AA) OF THE COMPANIES ACT, 1956

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

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

8 CORPORATE GOVERNANCE

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

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

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

9 AUDITORS

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

10 INDUSTRIAL RELATIONS

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

11 STATUTORY INFORMATION

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

Information in accordance with the provision of Section 217(1)(e) of the Companies Act, 1956 read with the

Companies (Disclosure of particulars in report of the Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo:

- Conservation of Energy : Not Applicable
- Technology Absorption Research & Development (R & D) : NIL
- Technology absorption, adaptation and innovation : None
- Foreign Exchange Earnings : NIL
- Foreign Exchange Expenditure : NIL

Deposits:

The Company has not accepted any Public Deposit.

Personnel:

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

12 APPRECIATION

Your 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.

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

By Order of the Board

New Delhi

Dated : The 29th day of May, 2011

Anjanee Kumar Lakhotia
Chairman

Auditors' Report

To
The Members of
AAP INFRASTRUCTURE LIMITED

1. We have audited the attached Balance Sheet of M/s AAP Infrastructure Ltd. as at March 31, 2011, and the related Profit and Loss Account annexed thereto and Cash Flow Statement for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An Audit also includes assessing the Accounting Principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a Statement on the matters specified in Paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that :
 - a) We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
 - b) In our opinion, proper books of accounts as required by Law, have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet and the Profit and Loss Account and the Cash Flow Statement dealt with by this report

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

- d) In our opinion, the Balance Sheet and the Profit and Loss Account and the Cash Flow Statement dealt with by this report have been drawn up in compliance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- e) On the basis of written representations received from the Directors as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India :
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011.
 - ii. in case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - iii. in case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

(M. K. Jhawar)
Partner

New Delhi
Dated : The 29th Day of May, 2011

Membership No. 061308

year from / to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

- 4 In our opinion and according to explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to fixed assets and collection of User fees (Toll). During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal control system.
- 5 According to the information and explanations given to us, we are of the opinion that the particulars of the contracts or arrangements, if any, that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- 6 According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of clause (vi) of Paragraph 4 of the Order are not applicable to the Company.
- 7 In our opinion, the Company has an internal audit system is commensurate with its size and the nature of its business.
- 8 According to the information and explanations provided by the management, the Company is not engaged in production, processing, manufacturing or mining activities. Hence the provisions of Section 209(1)(d) does not apply to the Company.
- 9 According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has generally been regular in depositing, during the year, the undisputed statutory dues including Income Tax, Cess and other statutory dues as applicable, with appropriate authorities.
- 10 The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
- 11 Based on our audit procedures and according to the information & explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to the banks.
- 12 According to the records of the Company, the Company has not granted any loans or advances on the basis of

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

- 13 In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of Paragraph 4 of the Order are not applicable to the Company.
- 14 The Company doesn't deals in shares, securities, debentures and other investments. Therefore, the provisions of clause (xiv) of Paragraph 4 of the Order are not applicable to the Company.
- 15 The Company has not given guarantees for loans taken by others from bank and financial institutions. Therefore, the provisions of clause (xv) of Paragraph 4 of the Order are not applicable to the Company.
- 16 The Company has raised new term loans during the year. The term loans outstanding at the end of the year and those raised during the year have been applied for the purposes for which they were raised.
- 17 According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short term basis that have been used for long-term investment.
- 18 According to the records of the Company, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- 19 According to the records of the Company, the Company has not issued any debentures.
- 20 The Company has not raised any monies by issue of equity shares during the year.
- 21 In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

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

(M. K. Jhawar)
Partner

New Delhi
Dated : The 29th Day of May, 2011

Membership No. 061308

Annexure to the Auditors' Report

Referred to in paragraph 3 of our report of even date

- 1 In respect of Fixed Assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
 - b) As explained to us, all the fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.
- c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
- 2 On the basis of available information, the Company doesn't have any inventories; hence any comment on this clause is not required.
- 3 The Company has not taken / given any loan during the

Balance Sheet

as at 31st March, 2011

Profit & Loss Account

For the year ended 31st March, 2011

(In Rs. '000)

	Schedule	31.03.2011	31.03.2010
Sources of Funds			
Shareholders' Funds			
Share Capital	1	120,000	120,000
Reserves & Surplus	2	32,794	18,728
Loan Funds			
Secured Loans	3	482,877	155,130
Unsecured Loans	4	45,217	160,465
Total		680,888	454,323
Application of Funds			
FIXED ASSETS			
Gross Block	5	729,786	729,786
Less: Depreciation		137,489	105,021
Net Block		592,297	624,765
Deferred Tax Asset		—	4,914
Current Assets, Loans & Advances			
Current Assets			
Cash & Bank Balances	6	77,315	5,496
Other Current assets	7	24,290	12,847
		101,605	18,343
Less : Current Liabilities & Provisions			
Current Liabilities	8	9,140	187,907
Provisions	9	3,874	5,792
		13,014	193,699
Net Current Assets		88,591	(175,356)
Total		680,888	454,323
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS	11		

Schedules and Notes to the accounts form part of this Balance Sheet.

In terms of our attached report of even date.

For Agrawal S. Kumar & Associates

Chartered Accountants

Firm Registration No.322324E

(M. K. Jhawar)

Partner

Membership No. 061308

New Delhi

Dated : The 29th day of May, 2011

Manisha Choudhary

Company Secretary

For and on behalf of the Board

Anjaneer Kumar Lakhota

Director

Maruti Maheshwari

Director

(In Rs. '000)

	Schedule	31.03.2011	31.03.2010
INCOME			
User fees (Toll) (Net)		100677	81121
Interest on Fixed deposits		1522	113
		102199	81234
EXPENDITURE			
Direct and Other Expenses	10	5103	3201
Interest on Fixed Term Loan		40923	20648
Depreciation		32468	23234
		78494	47083
Profit Before Tax		23705	34151
Tax Expenses			
Current Tax		4725	5805
Deferred Tax charge		4914	—
Profit After Tax		14066	28346
Balance Brought Forward		18728	(9,618)
Balance Carried to Balance Sheet		32794	18728
Earning per Share (Basic/Diluted) (Rs.) (Refer Note no. 3(b), Schedule 11)		1.17	2.36
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS	11		

Schedules and Notes to the accounts form part of this Profit and Loss Account

In terms of our attached report of even date.

For Agrawal S. Kumar & Associates

Chartered Accountants

Firm Registration No.322324E

(M. K. Jhawar)

Partner

Membership No. 061308

New Delhi

Dated : The 29th day of May, 2011

Manisha Choudhary

Company Secretary

For and on behalf of the Board

Anjaneer Kumar Lakhota

Director

Maruti Maheshwari

Director

Cash Flow Statement

For the year ended 31st March, 2011

Schedules to the Accounts

as at 31st March, 2011

(In Rs. '000)

	31.03.2011		31.03.2010	
A. Cash Flow from Operating Activities				
Net Profit before Tax & Extraordinary Items		23,705		34,151
Adjustments for :				
Depreciation	32,468		23,234	
Interest on Fixed Deposit	(1,522)		(113)	
Interest on Term Loan	40,923	71,869	20,648	43,769
Operating Profit before Working Capital Changes :		95,574		77,920
Adjustment for:				
(Increase) / Decrease in Trade and other receivables	(11,442)		(919)	
Increase / (Decrease) in Trade Payables and other Liabilities	1,650	(9,792)	(37)	(956)
Net Cash from Operating Activities		85,782		76,964
Less : Direct Tax Paid		(6,644)		(45)
		79138		76919
B. Cash Flow from Investing Activities:				
Increase / (Decrease) in Project Development Payables	(180,417)	(180,417)	(30,068)	(30,068)
C. Cash Flow from Financing Activities				
(Repayments) / Proceeds of Secured Loan	327,747		(21,465)	
(Repayments) / Proceeds of Unsecured Loan	(115,248)		—	
Interest paid on term loan	(39,401)		(20,535)	
Net cash from Financing Activities		173,098		(42,000)
Net Increase/Decrease in cash and cash equivalents (A+B+C)		71,819		4,851
Cash & Cash Equivalent (Opening Balance)		5,496		645
Cash & Cash Equivalent (Closing Balance)		77,315		5,496

Schedules and Notes to the accounts form part of this Cash Flow Statement.

es : (i) Figures in brackets Represent outflows.

i Previous Year figures have been recast/restated wherever necessary.

In terms of our attached report of even date.

For Agrawal S. Kumar & Associates

Chartered Accountants

Firm Registration No.322324E

(M. K. Jhawar)

Partner

Membership No. 061308

New Delhi

Dated : The 29th day of May, 2011

For and on behalf of the Board

Anjaneer Kumar Lakhotia

Director

Maruti Maheshwari

Director

Manisha Choudhary

Company Secretary

(In Rs. '000)

	31.03.2011	31.03.2010
Schedule 1 SHARE CAPITAL		
AUTHORISED		
1,20,00,000 Equity Shares of Rs. 10/- each	120,000	120,000
ISSUED, SUBSCRIBED & PAID UP		
1,20,00,000 Equity Shares of Rs. 10/- each fully paid up (100% Equity shares are held by MBL Infrastructures Ltd. the holding company and its nominees)	120,000	120,000
	120,000	120,000
Schedule 2 Reserves & Surplus		
General Reserve		
Surplus as per Profit and Loss Account	32,794	18,728
	32,794	18,728
Schedule 3 SECURED LOANS		
TERM LOAN		
From Bank	482,877	155,130
(Secured by Road on BOT basis, Personal Guarantee of directors, Corporate Guarantee of the Holding Company and pledge of Equity Shares of the Company held by the Holding Company)		
	482,877	155,130
Schedule 4 UNSECURED LOANS		
Short Term Loans		
- From Banks	—	—
Other Loans		
- From Holding Company (Interest Free)	45,217	160,465
	45,217	160,465

Schedule 5 FIXED ASSETS								
Fixed Assets	Gross Block			Depreciation			Net Block	
	As on 01.04.2010	Addition during the period	As on 31.03.2011	Up to 31.03.2010	For the year	Up to 31.03.2011	As on 31.03.2011	As on 31.03.2010
Intangibles Assets								
Carriage Ways *	729786	—	729786	105021	32468	137489	592297	624765
Total	729786	—	729786	105021	32468	137489	592297	624765
Previous Year	729786	—	729786	81787	23234	105021	624765	647999

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

Schedules to the Accounts

as at 31st March, 2011

Schedules to the Accounts

as at 31st March, 2011

(In Rs. '000)

	31.03.2011	31.03.2010
Schedule 6 CASH AND BANK BALANCES		
Cash in Hand	18	856
Balances with Scheduled Banks		
In Current Account	297	240
In Fixed Deposit Account	77,000	4,400
	77,315	5,496
Schedule 7 OTHER CURRENT ASSETS		
(Unsecured, considered good)		
Deposits	11,809	11,809
Prepaid Expenses	10,959	869
Accrued Interest	1,522	169
	24,290	12,847
Schedule 8 CURRENT LIABILITIES		
Sundry Creditors for Expenses		
Due to Micro, Small and Medium Enterprises (Note -3(a) on Schedule 11)	—	—
Others	9,140	7,490
Sundry Creditors for Development Charges	—	180,417
	9,140	187,907
Schedule 9 PROVISIONS		
Provision for current tax net of Advance Payments of Taxes (Advance Tax Rs. 6692 thousand; Previous year Rs. 49 thousand)	3,874	5,792
(Provision for Tax Rs. 10566 thousand; Previous year Rs. 5841 thousand)	3,874	5,792
Schedule 10 DIRECT & OTHER EXPENSES		
Payment to and Provision for Employees		
Salaries, Wages and Bonus	361	741
Operation and Other Expenses		
Electricity Charges	296	356
Insurance	137	169
Project Monitoring Fees	1,027	828
Project management fees	2,876	916
Auditor's Remuneration		
As Audit Fee	20	15
As Tax Audit Fee	10	10
Other Expenses	376	166
	5,103	3,201

Schedule 11 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

1. Description of Business:

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

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

2. Significant Accounting Policies :

a. Basis of Accounting

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

b. Use of Estimates

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

c. Revenue Recognition

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

d. Fixed Assets and Depreciation

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

Amortisation

Toll Collection Rights are amortised over the concession period. The rights are amortised based on the projected toll revenue which reflects the pattern in which the assets' economic benefits are consumed. The projected total toll revenue is based on the latest available base case traffic volume projections. If there is material change in the expected pattern of economic benefits, the amortisation is revised.

e. Retirement Benefits

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

f. Borrowing Cost

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

Schedules to the Accounts

as at 31st March, 2011

Schedules to the Accounts

as at 31st March, 2011

Schedule 11 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Contd.)

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

g. Taxes on Income

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

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

h. Provision, Contingent Liabilities and Contingent Assets

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

3. Notes to the Accounts:

a. There are no Micro, Small and Medium Enterprises, to whom the company owes dues, which are outstanding for more than 30 days as at 31st March, 2011. 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.

b. Earnings per Share

	2010-2011	2009-2010
i. Profit Computation for earning per share of Rs.10/- each		
Net Profit as per Profit & Loss Account before earlier years' tax (Rs. In thousand)	14066	28346
Net Profit as per Profit & Loss Account after earlier years' tax (Rs. In thousand)	14066	28346
ii. Weighted average number of equity shares for EPS Computation		
For Basic EPS	12000000	12000000
For Diluted EPS	12000000	12000000
iii. Basic EPS (weighted average)		
Basic EPS (before earlier years' tax) (Rs.)	1.17	2.36
Basic EPS (after earlier years' tax) (Rs.)	1.17	2.36
iv. Diluted EPS (Weighted average)		
Diluted EPS (before earlier years' tax) (Rs.)	1.17	2.36
Diluted EPS (after earlier years' tax) (Rs.)	1.17	2.36

c. Auditor's Remuneration (including service tax)

(Rs. in '000)

	2010-2011	2009-2010
Audit Fees	20	15
Tax Audit Fees	10	10

Schedule 11 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Contd.)

d. Deferred Tax Asset

(In Rs. '000)

	Deferred Tax Asset as at 01-04-2010	Current year Charge	Deferred Tax Asset as at 31-03-2011
Difference between book and tax depreciation	4914	4914	—

e. Segment Reporting - The Company is in the business of building, operating and maintaining a road. Hence, operations are under single business and geographical segment.

f. Disclosure of Related Parties / related party transactions:

A. List of related parties

Holding company: MBL Infrastructures Ltd.

B. Transactions with related parties

(Rs. in '000)

	2010-2011	2009-2010
1. Unsecured Loan (Interest Free)		
Opening Balance	160,465	160,465
Add : Loan Taken during the year	23,054	—
Less : Repayment during the year	138,301	—
Balance outstanding at the year end	45,217	160,465
2. Operation and Maintenance Charges	2,055	1,655
3. Development Charges Payable at the year end	—	180,417

There are no transactions (other than loan transactions with the holding Company as disclosed in Para 3.f.(B).(1) above) which are required to be disclosed under Clause 32 of the Listing Agreement between the holding Company and the Stock Exchanges where the equity shares of the holding Company are listed. The maximum amount outstanding during the year was Rs. 1604.65 Lakhs. The said loan is interest free and there is no repayment schedule.

g. Contingent liabilities

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

(Rs. in '000)

	2010-2011	2009-2010
(ii) Claims against the Company not Acknowledged as debt	500	500

h. Loans & advances and sundry creditors are subject to confirmation from concerned parties.

i. Previous year figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

In terms of our attached report of even date.

For Agrawal S. Kumar & Associates

Chartered Accountants

Firm Registration No.322324E

(M. K. Jhavar)

Partner

Membership No. 061308

New Delhi

Dated : The 29th day of May, 2011

For and on behalf of the Board

Anjaneer Kumar Lakhota

Director

Maruti Maheshwari

Director

Manisha Choudhary

Company Secretary

Balance Sheet Abstract and Company's General Business Profile

Consolidated Auditors' Report

Information Pursuant to Part IV of Schedule VI to the Companies Act, 1956

I. Registration Details

Registration No.	21.95575	State Code	
Balance Sheet Date	31.03.2011		

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue		NIL	Rights Issue		NIL
Bonus Issue		NIL	Private Placement		NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	693902	Total Assets	693902
Sources of Funds			
Paid-up Capital	120000	Reserves & Surplus	32794
Unsecured Loans	482877	Unsecured Loans	45217
Application of Funds			
Net Fixed Assets	592297	Investments	NIL
Net Current Assets	88591	Misc. Expenditure	NIL
Accumulated Losses			

IV. Performance of Company (Amount in Rs. Thousands)

Turnover	102199	Total Expenditure	78494
Profit Before Tax	23705	Profit After Tax	14066
Dividend Rate		Earning per Share (Rs.)	1.17

V. Generic Names of Three Principal Products/Services of the Company (as per monetary terms)

a) Item Code No.	N. A.
Product Description	Infrastructure Project (BOT)

In terms of our attached report of even date.

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

(M. K. Jhawar)
Partner
Membership No. 061308
New Delhi
Dated : The 29th day of May, 2011

Manisha Choudhary
Company Secretary

For and on behalf of the Board

Anjaneer Kumar Lakhotia
Director
Maruti Maheshwari
Director

To

**The Members of
MBL Infrastructures Limited.**

- We have audited the attached Consolidated Balance Sheet of M/s MBL Infrastructures Limited ("the Company") and its subsidiary; referred to as "the Group" as at 31st March, 2011, the related consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These Consolidated Financial Statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these Financial Statements based on our audit.
- We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- We report that the Consolidated Financial Statements have been prepared by the Company in accordance with

the requirements of Accounting Standard (AS) 21- Consolidated Financial Statements notified under sub-section (3C) of Section 211 of the Companies Act, 1956.

- We report that on the basis of information and according to the explanations given to us, in our opinion, the attached consolidated financial statements give, a true and fair view in conformity with the accounting principles generally accepted in India:
 - in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2011;
 - in the case of the consolidated Profit and Loss Account, of the consolidated profit of the Group for the year ended on that date; and
 - in the case of the consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the year ended on that date.

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

(M. K. Jhawar)
Partner

New Delhi Membership No. 061308
Dated : The 29th Day of May, 2011

Consolidated Balance Sheet

as at 31st March, 2011

Consolidated Profit & Loss Account

For the year ended 31st March, 2011

(Rs in lacs)

	Schedule	31.03.2011	31.03.2010
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	1,751.37	1,751.37
Reserves and Surplus	2	26,321.46	20,657.39
LOAN FUNDS			
Secured Loans	3	26,429.56	15,388.49
Unsecured Loans	4	2,657.54	5,296.56
Deferred Tax Liabilities (Net)		2,078.80	1,447.79
TOTAL		59,238.73	44,541.60
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	21,788.83	18,758.38
Less : Depreciation		5,210.68	4,263.05
Net Block		16,578.15	14,495.33
INVESTMENTS	6	0.50	—
CURRENT ASSETS, LOANS AND ADVANCES			
CURRENT ASSETS			
Inventories	7	19,165.63	9,765.58
Sundry Debtors	8	22,161.71	22,206.42
Cash and Bank Balances	9	2,990.31	3,356.64
Other Current Assets	10	2,478.28	2,761.77
Loans & Advances	11	7,293.20	5,925.10
		54,089.13	44,015.51
LESS : CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	12	9,533.37	13,370.32
Provisions	13	1,895.68	598.92
		11,429.05	13,969.24
NET CURRENT ASSETS		42,660.08	30,046.27
TOTAL		59,238.73	44,541.60
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS	21		

Schedules and Notes to the accounts form part of this Balance Sheet.

In terms of our attached report of even date.

For Agrawal S. Kumar & Associates

Chartered Accountants

Firm Registration No.322324E

For and on behalf of the Board

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

(Ram Gopal Maheshwari)
Chairman

(M. K. Jhawar)

Partner

Membership No. 061308

New Delhi

Dated: The 29th day of May, 2011

(Nitin Bagaria)
Company Secretary

(Anjaneer Kumar Lakhotia)
Wholtime Director & CEO

(Rs in lacs)

	Schedule	31.03.2011	31.03.2010
INCOME			
Income from Operations	14	100,159.65	63,699.49
Other Income	15	52.82	66.00
Increase/(Decrease) in Stock in Trade	16	—	(386.13)
		100,212.47	63,379.36
EXPENDITURE			
Operating Expenses	17	83,858.80	52,359.70
Employees Remuneration and Benefits	18	1,618.50	1,028.57
Administrative Expenses	19	972.08	789.94
Interest and Finance Charges	20	3,577.11	3,024.68
Depreciation		955.57	666.29
		90,982.06	57,869.18
Profit Before Tax		9,230.41	5,510.18
Provision for Taxation			
Current Tax		2,347.25	1,228.05
Deferred Tax		631.00	582.62
Profit before earlier years' tax		6,252.16	3,699.51
Provision for earlier years' tax		79.22	—
Profit After Tax		6,172.94	3,699.51
Balance Brought Forward		1,484.71	1,693.65
Balance Available For Appropriation		7,657.65	5,393.16
Appropriations			
Proposed Dividend		437.84	350.27
Corporate Tax on Dividend		71.03	58.18
Transfer to General Reserve		2,500.00	3,500.00
Balance Carried to Balance Sheet		4,648.78	1,484.71
		7,657.65	5,393.16
Earning per Share of Rs.10/- each (Refer Note no. 3(b),Schedule 21)			
Basic (Rs.)		35.25	28.12
Diluted (Rs.)		35.25	28.12
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS	21		

Schedules and Notes to the accounts form part of this Profit and Loss Account.

In terms of our attached report of even date.

For Agrawal S. Kumar & Associates

Chartered Accountants

Firm Registration No.322324E

For and on behalf of the Board

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

(Ram Gopal Maheshwari)
Chairman

(M. K. Jhawar)

Partner

Membership No. 061308

New Delhi

Dated: The 29th day of May, 2011

(Nitin Bagaria)
Company Secretary

(Anjaneer Kumar Lakhotia)
Wholtime Director & CEO

Consolidated Cash Flow Statement

For the year ended 31st March, 2011

Schedules to the Consolidated Accounts

as at 31st March, 2011

(Rs in lacs)

	31.03.2011	31.03.2010
A. Cash Flow from Operating Activities		
Net Profit / (Loss) before Tax & Extraordinary Items	9,230.41	5,510.18
Adjustments for :		
(Profit)/Loss on Sale of Fixed Assets	3.03	2.96
Depreciation	955.57	666.29
Interest and Finance Charges	3,577.11	3,024.68
Operating Profit before Working Capital Changes	13,766.12	9,204.11
(Increase) / Decrease in Inventories	(9,400.05)	(5,747.04)
(Increase) / Decrease in Trade and other receivable	(1,039.90)	(12,462.88)
Increase / (Decrease) in Trade Payables and other Liabilities	(3,836.95)	4,443.70
Cash Generated from Operations	(510.78)	(4,562.11)
Direct Taxes Paid	(1,230.13)	(1,136.39)
Net Cash from Operating Activities	(1,740.91)	(5,698.50)
B. Cash Flow from Investing Activities		
Additions in Fixed Assets	(3,059.65)	(2,719.78)
Sale of Fixed Assets	18.23	1.59
(Additions) / Disposals of Investments	(0.50)	—
Net cash used in Investing Activities	(3,041.92)	(2,718.19)
C. Cash Flow from Financing Activities		
Proceeds from Issue of Share Capital	—	9,296.67
(Net of Issue Expenses)		
(Repayments) / Proceeds of Secured Loan	11,041.08	2,705.79
(Repayments) / Proceeds of Unsecured Loan	(2,639.02)	(1,440.48)
Dividend & Dividend Tax Paid	(408.45)	(268.93)
Interest and Finance Charges	(3,577.11)	(3,024.68)
Net cash from Financing Activities	4,416.50	7,268.37
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	(366.33)	(1,148.32)
Cash & Cash Equivalent (Opening Balance)	3,356.64	4,504.96
Cash & Cash Equivalent (Closing Balance)	2,990.31	3,356.64

Schedules and Notes to the accounts form part of this Cash Flow Statement

Notes : (i) Figures in brackets represent outflows.

(ii) Previous Year figures have been recasted/restated wherever necessary.

(iii) Cash and Cash Equivalents include Rs.1282.86 (31-03-2009 : Rs.2228.40) in margin money Deposits pledged with banks against letters of guarantees and letters of credits issued.

In terms of our attached report of even date.

For Agrawal S. Kumar & Associates

Chartered Accountants

Firm Registration No.322324E

For and on behalf of the Board

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

(Ram Gopal Maheshwari)
Chairman

(M. K. Jhawar)
Partner
Membership No. 061308
New Delhi
Dated: The 29th day of May, 2011

(Nitin Bagaria)
Company Secretary

(Anjanee Kumar Lakhotia)
Wholtime Director & CEO

(Rs in lacs)

Schedule 1	SHARE CAPITAL	31.03.2011	31.03.2010
AUTHORISED			
2,52,50,000 Equity Shares of Rs. 10/- each		2,525.00	2,525.00
ISSUED, SUBSCRIBED AND PAID UP			
1,75,13,727 Equity Shares of Rs.10/- each fully paid up.		1,751.37	1,751.37
(Previous Year : 1,75,13,727 Equity Shares of Rs.10/- each fully paid up)			
(Out of above 2,65,610 Equity Shares have been allotted for consideration other than cash and 36,21,242 Equity Shares have been allotted as Bonus shares on Capitalisation of Share Premium and General Reserve.)			
		1,751.37	1,751.37

Schedule 2	RESERVES AND SURPLUS			
General Reserve				
As per last Balance Sheet	7,500.00			4,000.00
Add : Transfer from Profit and Loss Account	2,500.00	10,000.00		3,500.00
Capital Redemption Reserve		1,391.01		1,391.01
Surplus as per Profit and Loss Account Annexed		4,648.78		1,484.71
Securities Premium Account				
As per last Balance Sheet	10,281.67			1,555.00
Add : Received on account of Fresh Issue of Equity	—			9,690.00
Less: Share Issue expenses	—	10281.67		(963.33)
		26,321.46		20,657.39

Schedule 3	SECURED LOANS		
Working Capital facilities from Banks	13,440.40		11,602.09
Term Loan from Bank	4,828.77		1,551.30
External Commercial Borrowings/Equipment/Vehicle Finance			
From Banks	7,837.91		1,615.26
From Others	322.48		619.84
	26,429.56		15,388.49

Schedule 4	UNSECURED LOANS		
Short Term Loans			
- From Banks	1,500.00		1,500.00
Other Loans			
- From Contractees	1,157.54		3,796.56
	2,657.54		5,296.56

Schedule to the Consolidated Accounts

as at ended 31st March, 2011

(Rs in lacs)

Schedule 5 FIXED ASSETS										
Particulars	Gross Block			Depreciation			Net Block			
	As at 31.03.2010	Additions	Sale/ Adjustments	As at 31.03.2011	Upto 31.03.2010	For the Year	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010	
Land	14.39	—	3.77	10.62	0.13	—	0.13	—	10.62	14.26
Buildings	13.12	749.01	—	762.13	5.65	23.29	—	28.94	733.19	7.47
Carriage Ways *	7,297.87	—	—	7,297.87	1050.21	324.68	—	1,374.89	5,922.98	6,247.66
Plant and Machinery	10,812.27	2,222.38	2.04	13,032.61	3,025.68	554.00	0.07	3,579.61	9,453.00	7,786.59
Vehicles	505.64	27.86	23.39	510.11	148.35	45.89	7.74	186.50	323.60	357.29
Furniture and Fittings	115.10	60.40	—	175.50	33.03	7.71	—	40.74	134.76	82.07
Total	18,758.38	3,059.65	29.20	21,788.83	4,263.05	955.57	7.95	5,210.68	16,578.15	14,495.34
Previous Year	16,047.38	2,719.78	8.78	18,758.38	3,600.99	666.29	4.23	4,263.05	14,495.33	12,446.39

Note : (i) Gross Block includes Rs. 943.53 lacs on revaluation of Plant and Machinery on the basis of valuation carried out by an approved Valuer on replacement basis as at 31st March, 2000.

(ii) Land includes leasehold land Rs. Nil (Previous Year Rs. 3.77 Lacs)

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

	31.03.2011	31.03.2010
Schedule 6 INVESTMENTS		
Long Term, Unquoted, Trade		
Orissa Steel Expressway Pvt. Ltd.	0.50	—
(5000 equity shares of Rs.10/- each fully paid up acquired during the year)	0.50	—

Schedule 7 INVENTORIES		
(As valued and certified by management)		
(at cost or net realisable value whichever is lower)		
Construction Materials at sites	19,165.63	9,765.58
	19,165.63	9,765.58

Schedule 8 SUNDRY DEBTORS		
(Unsecured, considered good)		
Outstanding for a period exceeding six months	1,321.14	74.59
Other Debts	20,840.57	22,131.83
	22,161.71	22,206.42

Schedule 9 CASH AND BANK BALANCES		
Cash Balance on Hand	310.24	185.58
Bank Balances with Scheduled Banks		
In Current Accounts	304.53	586.10
In Fixed Deposit Accounts (FDRs pledged as Security with Banks)	2,375.54	2,584.96
	2,990.31	3,356.64

Schedules to the Consolidated Accounts

as at 31st March, 2011

(Rs in lacs)

	31.03.2011	31.03.2010
Schedule 10 OTHER CURRENT ASSETS		
(Unsecured, considered good)		
Security and Other Deposits	2,390.67	2,645.59
Accrued Interest	87.61	116.18
	2,478.28	2,761.77

Schedule 11 LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances (recoverable in cash or in kind or for value to be received)	7,293.20	5,925.10
	7,293.20	5,925.10

Schedule 12 CURRENT LIABILITIES		
Acceptances	246.38	704.56
Sundry Creditors for Goods and Expenses		
Due to Micro, Small and Medium Enterprises (Note -3(g) on Schedule 21)	—	—
Others	3,530.47	7,054.81
Investors' Education & Protection Fund (to be credited as and when due)		
Unclaimed Share Application and Interest Amount (if remained unclaimed)	0.47	0.73
Unclaimed Dividend (if remained unclaimed)	0.21	—
Other Liabilities	3,292.33	3,734.12
Advances from Contractees	2,463.51	1,876.10
	9,533.37	13,370.32

Schedule 13 PROVISIONS		
Provision net of Advance Payment of Taxes	1,346.41	168.40
(Advance Tax Rs. 3220.61 Lacs Previous year Rs. 2455.59 Lacs)		
(Provision for Tax Rs. 4567.02 Lacs Previous year Rs. 2623.99 Lacs)		
Provision for Employees' Benefits	40.40	22.07
Proposed Dividend	437.84	350.27
Provision for Corporate Dividend Tax	71.03	58.18
	1,895.68	598.92

Schedule 14 INCOME FROM OPERATIONS		
Construction and Project Related Activities	100,159.65	52,476.69
Waste Management and Trading Activities	—	11,222.80
	100,159.65	63,699.49

Schedules to the Consolidated Accounts

as at 31st March, 2011

Schedules to the Consolidated Accounts

as at 31st March, 2011

(Rs in lacs)

	31.03.2011	31.03.2010
Schedule 15 OTHER INCOME		
Claims	4.70	13.93
Miscellaneous Income and Receipts	48.12	52.07
	52.82	66.00
Schedule 16 INCREASE/(DECREASE) IN STOCK IN TRADE		
Closing Stock	—	—
Opening Stock	—	386.13
	—	(386.13)
Schedule 17 OPERATING EXPENSES		
Consumption of Raw Materials	52,188.10	15,331.01
Purchases	—	10,622.83
Stores and Spares Consumed	668.47	576.14
Direct Labour, Sub-Contract etc	25,790.40	21,911.28
Power, Fuel and Lubricants	2,671.97	2,295.52
Equipment Hire Charges	535.01	503.46
Rent (Sites)	116.64	65.85
Site Development Expenses	95.75	249.41
Repairs to Plant & Machinery	65.27	44.84
Insurance	73.88	39.50
Rates and Taxes	1,653.31	719.86
	83,858.80	52,359.70
Schedule 18 EMPLOYEES REMUNERATION AND BENEFITS		
Salaries, Wages and Bonus	1,535.92	985.26
Contribution to Provident and Other Funds	64.25	29.10
Provision for Employees benefits	18.33	14.21
	1,618.50	1,028.57
Schedule 19 ADMINISTRATIVE EXPENSES		
Repairs to other Assets	93.80	52.08
Rent (Office)	48.15	46.01
Auditor's Remuneration		
As Audit Fee	2.70	2.15
As Tax Audit Fee	0.35	0.35
Other Matters	0.15	0.20
Miscellaneous Expenses	773.30	646.44
(Profit)/Loss on Sale of Fixed Assets	3.03	2.96
Directors' Remuneration	50.60	39.75
	972.08	789.94
Schedule 20 INTEREST AND FINANCE CHARGES		
Interest : Fixed Term Loans	1,028.47	471.31
Others	2,015.04	2,073.03
Bank Commission and Charges	533.60	480.34
	3,577.11	3,024.68

Schedule 21 SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS

1 Significant Accounting Policies :

a. Principles of Consolidation

The Consolidated Financial Statements comprise MBL Infrastructures Ltd. ("the Company") and its subsidiary company, AAP Infrastructure Ltd. as at 31st March, 2011 and for the year ended on that date.

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

- The Financial Statements of the Company and its subsidiary are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-company balances in accordance with the Accounting Standard 21 on "Consolidated Financial Statements" of the Companies (Accounting Standards) Rules, 2006.
- The Financial Statements of the subsidiary are drawn-up upto the same reporting date as that of the Company, i.e. March 31, 2011.
- The Consolidated Financial Statements are prepared to the extent possible using uniform accounting policies for the like transactions and other events in similar circumstances and are presented in the manner as the Company's separate Financial Statements.

b. Basis of Preparation of Financial Statements

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

c. Use of Estimates

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

d. Revenue Recognition

- Sale is recognised on despatch of goods and net of Value Added Tax (VAT).
- In respect of construction/ project related activity, the company follows Percentage of Completion Method. Percentage of Completion is determined by survey of work performed / physical measurement of work actually completed at the Balance Sheet date taking into account Contractual Price/ Unit Rates and revision thereto.
- Revenue in respect of claims is recognised to the extent the Company and its subsidiary is reasonably certain of their realisation.
- Other operational income is recognized on rendering of related services, as per the terms of the contracts.
- Other items of income are accounted as and when the right to receive arises.
- Fee collections from users of facilities are accounted for as and when the amount is due and recovery of which is certain. The user fees are accounted for net off operation and maintenance charges.

e. Each Contract is recognised as a Profit Centre. Payments/ reimbursements under the same are grouped under Direct and Other Expenses.

f. Fixed Assets and Depreciation

- Fixed Assets are stated at their original cost (other than certain Fixed Assets which are stated at revalued amount). Cost includes acquisition price, attributable expenses and pre-operational expenses. Fixed Assets retired from active use are valued at net realisable value.
- 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.
- Assets acquired on Equipment Finance (hire purchase) are stated at their cash values.
- Carriage Ways, being right to operate and maintain highways on BOT basis is capitalized on commencement of commercial operation of homogeneous section as per concession agreement. Expenditure incurred during

Schedules to the Consolidated Accounts

as at 31st March, 2011

Schedules to the Consolidated Accounts

as at 31st March, 2011

Schedule 21 SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS (Contd.)

the construction period including borrowing cost attributable to the homogeneous section is proportionately allocated and is netted of proportionate capital subsidy.

- (v) Toll Collection Rights are amortised over the concession period. The rights are amortised based on the projected toll revenue which reflects the pattern in which the assets' economic benefits are consumed. The projected total toll revenue is based on the latest available base case traffic volume projections. If there is material change in the expected pattern of economic benefits the amortisation is revised.

g. Foreign Currency Transactions

- (i) The reporting currency of the company and its subsidiary 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 Profit and Loss account.

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 Profit and Loss Account. There is no restriction or contingent rent in the lease agreements. All leases are cancelable in nature.

i. Inventories

Stock of goods is 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. Employees' Benefits

- (i) All employees benefits payable wholly within twelve months of rendering the service such as salaries, wages, short term compensated absences, etc. and the expected cost of bonus, ex-gratia are recognized in the period in which the employees render the related services.
- (ii) Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year 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 compensated absences are provided for based on estimates. Other long term benefits being liability for leave encashment are provided for based on actuarial valuation at the year end.

Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

l. Accounting for Joint Venture Contracts

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

Schedule 21 SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS (Contd.)

- (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 turnover in these financial statements.

m. Impairment of Assets

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

n. Provision, Contingent Liabilities and Contingent Assets

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

2. Initial Public Offer

The actual utilisation of the IPO Proceeds as per the provisions of the Chapter 'Objects of the Issue' as stated in the Prospectus dated 23rd December, 2009 is as under :-

(Rs. in Lacs)

Purpose	Incurred out of Public Issue proceeds	
	2009-2010	2010-2011
Investment in capital equipments	3112.23	4083.61
Part Funding of working capital requirement	4716.44	4520.95
General Corporate Purposes	—	692.11
Issue Expenses	963.33	963.33
Total	8792.00	10260.00
Balance Lying in cash credit / Current Bank Accounts	1468.00	—
Total	10260.00	10260.00

Out of the total issue proceeds of Rs. 10260 lacs, amount collected under Employee Reservation Portion was Rs. 22.17 lacs.

3. Notes to the Accounts

a. Disclosure in respect of Joint Ventures :

List of Joint Ventures:	Proportion of Ownership Interests	Assets	Liabilities	Income	Expenses
MBL-Supreme (JV)	40%	—	—	1320.24	1254.35
MBL-Telecommunications Consultants India Ltd. (JV)	51%	—	—	5415.93	5122.93
MBL-Calcutta Industrial Supply Corporation (JV)	60%	—	—	912.28	859.00
MBL - Lakheshwari Builders Pvt.Ltd. (JV)	60%	—	—	107.38	100.22

b. Earnings per Share

	2010-2011	2009-2010
i. Profit Computation for earning per share of Rs.10/- each		
Net Profit as per Profit & Loss Account before earlier years' tax (Rs. In Lacs)	6252.16	3699.51
Net Profit as per Profit & Loss Account after earlier years' tax (Rs. In Lacs)	6172.94	3699.51
ii. Weighted average number of equity shares for EPS Computation		
For Basic EPS	17513727	13156741
For Diluted EPS	17513727	13156741

Schedule to the Consolidated Accounts

For the year ended 31st March, 2011

(Rs. in Lacs)

Schedule 21 SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS (Contd.)				
	2010-2011	2009-2010		
iii. Basic EPS (weighted average)				
Basic EPS (before earlier years' tax) (Rs.)	35.70	28.12		
Basic EPS (after earlier years' tax) (Rs.)	35.25	28.12		
iv. Diluted EPS (Weighted average)				
Diluted EPS (before earlier years' tax) (Rs.)	35.70	28.12		
Diluted EPS (after earlier years' tax) (Rs.)	35.25	28.12		
c. Employees' Benefits				
The Disclosure as per Accounting Standard (AS) 15 (revised 2005) of the Companies (Accounting Standards) Rules, 2006 is as under -				
(i) Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation:				
Obligation at the beginning of the financial year	22.07	7.85		
Service Cost	18.70	14.60		
Interest on Defined Benefit obligation	1.70	0.61		
Benefits Settled	(1.53)	(0.43)		
Actuarial (Gain)/ Loss	(0.55)	(0.57)		
Obligation at the end of the financial year	40.40	22.07		
(ii) Change in Plan assets				
Plan assets at the beginning of the financial year, at fair value	—	—		
Expected return on plan assets	—	—		
Actuarial gain/ (loss)	—	—		
Contributions	1.53	0.43		
Benefits settled	(1.53)	(0.43)		
Plan assets at the end of the financial year, at fair value	—	—		
(iii) Reconciliation of Present Value of the obligation and the fair value of the plan assets:				
Closing DBO	40.40	22.07	7.85	13.88
Closing fair value of plan assets	—	—	—	—
Closing Funded status	(40.40)	(22.07)	(7.85)	(13.88)
Net asset/ (liability) recognised in the Balance Sheet	(40.40)	(22.07)	(7.85)	(13.88)
(iv) Expenses recognised in the Profit & Loss Account				
Service Cost	18.70	14.61		
Interest Cost	1.70	0.61		
Expected return on plan assets	—	—		
Actuarial (gains)/ loss	(0.55)	(0.57)		
Net Gratuity Cost	19.86	14.65		
(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) Assumptions				
a. Interest Rate	8%	8%		
b. Discounting Factor	8%	8%		
c. Estimated Rate of Return on Plan Assets	0%	0%		
d. Salary Increase	6%	6%		
e. Attrition rate	5%	5%		
f. Retirement Age (Years)	58	58		

Schedule to the Consolidated Accounts

as at 31st March, 2011

(Rs. in Lacs)

Schedule 21		SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS (Contd.)			
(vii) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. (viii) The actuarial liability of Compensated Absences (Unfunded) of accumulated privileged leave of the employees of the Company as at 31-03-2011 is Rs. 18.17 Lacs (Previous year Rs. Nil)					
d. Segment Reporting During the year the Company and its subsidiary have operated only in infrastructure, construction & maintenance activity and accordingly this is the only reportable segment for the year. However, in the previous year the Company and its subsidiary had also operated in waste management & trading activities. In terms of Accounting Standard 17 of the Companies (Accounting Standard) Rules, 2006 information for the pervious year for the respective segments have been given as under:					
Particulars	Business Segments			Total	
	Infrastructure Activity	Others	Unallocable		
Segment Revenue	52476.69	11222.80	66.00	63765.49	
Segment Result before Interest & Taxes (PBIT)	7909.30	559.56	66.00	8534.86	
Interest & Finance Charges				3024.68	
Profit before Tax (PBT)				5510.18	
Taxes				1810.67	
Profit after Tax (PAT)				3699.51	
Segment Assets	58408.18	—	—	58408.18	
Segments Liabilities	34551.61	—	—	34551.61	
Segment Capital Expenditure	2719.78	—	—	2719.78	
Segment Depreciation	666.29	—	—	666.29	
Notes:					
i) The Company and its subsidiary have disclosed Business Segment as the primary segment, Segments have been indentified taking into account the business activity,organisational structure and internal reporting system. Operations of the Company and its subsidiary predominantly relate to Infrastructure, Construction and Maintenance. ii) Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts indentifiable to each of the segments as also amounts allocated on a resonable basis. iii) There are no reportable geographical segments.					
e. Disclosure of related parties / related party transactions: As per Accounting Standard (AS) - 18 of The Companies (Accounting Standards) Rules, 2006, the Company and its subsidiary related party disclosure is as under: A. List of Related Parties: i. Name of the parties where control exists: Orissa Steel Expressway Pvt. Ltd. (SPV Company of MBL-SREI (JV) for BOT Project) ii. Key Management Personnel: a) Mr. Ram Gopal Maheshwari b) Mr. Anjanee Kumar Lakhotia c) Mr. Maruti Maheshwari d) Mr. Aditya Maheshwari e) Mr. Anuj Maheshwari iii. Joint Ventures: a) MBL - Telecommunications Consultants India Ltd. (JV) b) MBL - Supreme (JV) c) MBL - Calcutta Industrial Supply Corporation (JV) d) MBL - Lakheshwari Builders Pvt.Ltd. (JV) iv. Director having significant influence: a) Prabhu International, Proprietary Concern of a Director b) Prabhu International Vyapaar Pvt. Ltd. c) MBL A Capital Limited. (Formerly SMH Capital Ltd.) d) MSP Infrastructures Ltd. e) Sahaj Promoters Pvt. Ltd.					

Schedule to the Consolidated Accounts

For the year ended 31st March, 2011

(Rs. in Lacs)

Schedule 21 SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS (Contd.)

B. Transactions with related parties

	Subsidiary Company/ Associates	Joint Ventures	Key Management Personnel	Enterprises owned/significantly influenced by Key Management Personnel
Payments:				
Salary				
Anjaneer Kumar Lakhotia	—	—	24.00	—
	—	—	22.50	—
Maruti Maheshwari	—	—	18.00	—
	—	—	17.25	—
Aditya Maheshwari	—	—	6.00	—
	—	—	6.00	—
Anuj Maheshwari	—	—	6.00	—
	—	—	6.00	—
Director Sitting Fee :				
Ram Gopal Maheshwari	—	—	1.60	—
	—	—	0.43	—
Dividend Paid:				
Ram Gopal Maheshwari	—	—	44.98	—
	—	—	44.98	—
Anjaneer Kumar Lakhotia	—	—	10.16	—
	—	—	10.16	—
Maruti Maheshwari	—	—	0.49	—
	—	—	0.49	—
Aditya Maheshwari	—	—	1.00	—
	—	—	1.00	—
Anuj Maheshwari	—	—	1.00	—
	—	—	1.00	—
Prabhu International Vyapaar Pvt. Ltd.	—	—	—	63.21
	—	—	—	59.68
MBL A Capital Limited.	—	—	—	78.36
	—	—	—	75.48
Loan :				
MSP Infrastructures Ltd.	220.13	—	—	—
	226.13	—	—	—
Receipts :				
MBL- Supreme (JV)	—	1,254.35	—	—
	—	775.14	—	—
MBL-Telecommunications Consultants India Ltd.(JV)	—	3,137.29	—	—
	—	1,068.90	—	—
MBL-Calcutta Industrial Supply Corporation (JV)	—	861.78	—	—
	—	2,090.45	—	—
MBL - Laksheshwari Builders Pvt.Ltd. (JV)	—	457.19	—	—
	—	93.59	—	—
Repayment Received				
MSP Infrastructures Ltd.	327.00	—	—	—
	130.00	—	—	—
Amount Receivable at year end:				
MSP Infrastructures Ltd.	650.26	—	—	—
	757.13	—	—	—
MBL- Supreme (JV)	—	310.99	—	—
	—	245.10	—	—
MBL-Telecommunications Consultants India Ltd. (JV)	—	5,002.02	—	—
	—	2,206.26	—	—
MBL-Calcutta Industrial Supply Corporation (JV)	—	77.61	—	—
	—	27.12	—	—
MBL - Laksheshwari Builders Pvt.Ltd. (JV)	—	166.14	—	—
	—	515.95	—	—
Investment outstanding at year end:				
Orissa Steel Expressway Pvt. Ltd.	—	0.50	—	—
	—	—	—	—

Previous years figures are in italic

Schedule to the Consolidated Accounts

as at 31st March, 2011

(Rs. in Lacs)

Schedule 21 SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS (Contd.)

f. Deferred Tax Liability (Net)

	Deferred Tax Liability / (Assets) as at 01.04.2010	Current year Charge/ (Credit)	Deferred Tax Liability/(Assets) as at 31.03.2011
Deferred Tax Liabilities			
i) Difference between book and Tax depreciation	749.60	224.54	974.14
ii) Deferred Tax Liability in respect of Retention Money not yet released and hence not offered for taxation : Rs. 3325.55 lacs	747.33	357.33	1104.66
(A)	1496.93	581.87	2078.80
Deferred Tax Assets			
Arising on account of Business Losses (B)	(49.14)	49.14	—
(A-B)	1447.79	631.01	2078.80

g. There are no Micro, Small and Medium Enterprises, to whom the Company and its subsidiary owes dues, which are outstanding for more than 30 days as at 31st March, 2011. 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 and its subsidiary.

h. Interest income on Fixed Deposits of Rs. 180.55 lacs (Tax Deducted at Source Rs. 12.91 lacs) (Previous Year Rs. 228.96 lacs (Tax Deducted at Source Rs.30.66 lacs) is adjusted against Interest and Finance Charges.

i. Contingent Liabilities

	As at 31.03.2011	As at 31.03.2010
i) Claims against the Company / disputed Liabilities not acknowledged as Debts (to the extent ascertained)	648.22	1013.93
ii) Corporate Guarantees given on behalf of Subsidiary Company	5000.00	2200.00
iii) Disputed Income Tax Income Tax Department has preferred appeal against the orders of Commissioner of Income Tax (Appeals) for the Assessment Year 2004-05 and 2005-06 which were settled in favour of the Company. The amount of the contingent liability is indeterminate.	—	—
iv) Claims against the subsidiary company not Acknowledged as debt	5.00	5.00

j. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs 90.00 lacs (Previous year Rs. 120.21 lacs)

k. As on March 31, 2011, Outstanding Bank Gurantees amount to Rs. 21021.03 lacs (Previous year Rs. 18959.82 lacs) and Outstanding Letter of Credit amount to Rs.99.43 lacs (Previous year 45.22 lacs)

l. External Commercial Borrowings / Equipment / Vehicle Finance availed from banks and others are secured by hypothecation of specific assets; comprising plant and machinery, construction equipment and vehicles acquired out of the said loans and personal guarantee of certain Directors.

m. Working Capital facilities : Cash Credit facilities and Working Capital Demand Loans from consortium of banks are secured by:

- Hypothecation against first charge on book debts and other current assets of the Company, both present and future, ranking pari passu with bankers.
- Hypothecation against first charge on all unencumbered fixed assets of the Company both present and future ranking pari passu with bankers
- Equitable Mortgage of certain properties (Land & Buildings).
- Personal guarantees of certain directors.

n. Term Loan from Bank availed by the subsidiary company is secured by:

- Road on BOT basis.
- Personal guarantees of certain Directors.
- Corporate Guarantee of the Holding Company and pledge of Equity Shares of the Subsidiary Company held by the Company.

Schedule to the Consolidated Accounts

For the year ended 31st March, 2011

(Rs. in Lacs)

Schedule 21

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS (Contd.)

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

	2010-2011	2009-2010
Contract revenue recognized for the year ended 31st March, 2011	100159.65	52476.69
Aggregate amount of contract costs incurred and Recognised profits (Less recognised losses) up to 31st March, 2011 for all the contracts in progress	81767.53	91466.90
The amount of customer advances outstanding for Contracts in progress as at 31st March, 2011	3797.72	1942.15
The amount of retention due from customers for contracts in progress as at 31st March, 2011	1137.26	1589.88
Gross amount due from customers for contracts in Progress	16434.97	13782.62

- p. Additional Information under Part II of Schedule VI to the Companies Act, 1956

A. Turnover, Purchases, Closing and Opening Stocks:

Class of Goods:	2010-2011		2009-2010	
	Qty(MT)	Value	Qty(MT)	Value
a) Iron & Steel				
Opening Stock	—	—	1101.470	386.13
Purchases (Net of Wastage / Excess)	—	—	34378.240	10622.83
Sales*	—	—	35479.710	11222.80
Closing Stock	—	—	—	—

* including used as capex

b) Construction Material

The Company is mainly engaged in the business of infrastructure construction. Keeping in view of the job difficulties in different sites and projects, no quantitative detail of stock, production, turnover and consumption of raw materials are furnished.

q. i)	Expenditure in Foreign Exchange	2010-2011	2009-2010
	Capital Expenditure	68.94	21.10
	Interest Charges/Bank Charges	512.45	71.14

ii) Earning in Foreign Exchange - Rs. Nil (Previous Year - Nil)

- r. All External Commercial Borrowings have been fully hedged.

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

- t. Sundry debtors, loans & advances and sundry creditors are subject to confirmation from concerned parties.

u.	Managerial remuneration :	2010-2011	2009-2010
	Wholetime Directors/Executive Directors		
	Salaries	42.00	39.75
	Contribution to Provident and Gratuity fund	—	—
	Other Benefits	—	—
	Other Directors		
	Sitting Fees	8.60	3.67

- v. Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

In terms of our attached report of even date.

For Agrawal S. Kumar & Associates

Chartered Accountants

Firm Registration No.322324E

For and on behalf of the Board

(M. K. Jhavar)

Partner

Membership No. 061308

New Delhi

Dated: The 29th day of May, 2011

(R.N.Bansal)

Vice President (Finance & Accounts)

(Ram Gopal Maheshwari)

Chairman

(Nitin Bagaria)

Company Secretary

(Anjaneer Kumar Lakhota)

Wholetime Director & CEO

MBL Infrastructures Ltd.

www.mblinfra.com