



**CREATING HIGHWAYS TO
SUCCESS**

ANNUAL REPORT 2009-10



MBL
MBL Infrastructures Ltd
www.mblinfra.com

FORWARD-LOOKING STATEMENT

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 Market data and information gathered from various published and unpublished reports and their accuracy, reliability and completeness cannot be assured.

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CORPORATE INFORMATION

Directors

Mr. Ram Gopal Maheshwari
Chairman

Mr. Anjaneer Kumar Lakhotia
Whole-time Director & CEO

Mr. Maruti Maheshwari
Executive Director

Mr. Surinder Singh Kohli
Independent Director
(Appointed as Additional Director
w.e.f. 25.06.2010)

Mr. Ashwini Kumar Singh
Independent Director

Mr. Kumar Singh Baghel
Independent Director

CFO

Mr. Anil Kumar Agarwal

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

Corporate Office

Delhi
Corporate One Tower
Suite # 303, 3rd Floor
Jasola, New Delhi - 110025

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



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



MPRDC



SAIL



HUDA



Reliance Infrastructure Ltd

and state PWDs, among others



DIRECTORS' REPORT

Dear Members

The Directors have pleasure in presenting the Fifteenth Annual Report on the business and operations of the Company and the financial accounts for the year ended 31st March 2010:

Financial Results

The Financial results of the Company are as under:

(Rs. in Lacs)

	Standalone		Consolidated	
	2009-10	2008-09	2009-10	2008-09
Gross Revenue	62954.27	50647.49	63765.49	51427.68
Earnings Before Interest, Taxes and Depreciation	8421.95	6697.25	9201.15	7454.10
Less : Interest & Finance Charges	2819.33	2538.47	3024.67	2802.20
Less : Depreciation	433.95	343.56	666.29	833.20
Profit Before Tax	5168.67	3815.22	5510.19	3818.70
Provision for Current Tax	1170.00	735.00	1228.05	735.36
Deferred Tax (Net)	582.62	335.46	582.62	336.64
Fringe Benefit Tax	--	6.36	--	6.38
Profit After Tax	3416.05	2738.40	3699.52	2740.32
Balance Brought Forward From Last Year	1789.83	1240.36	1693.66	1142.27
Amount Available for Appropriation	5205.88	3978.76	5393.18	3882.59
Appropriations :				
Proposed Dividend	350.27	229.86	350.27	229.86
Corporate Dividend Tax	58.18	39.07	58.18	39.07
Transfer to General Reserve	3500.00	1920.00	3500.00	1920.00
Balance Carried To Balance Sheet	1297.43	1789.83	1484.73	1693.66



Dividend

Your Directors are pleased to recommend dividend @ 20% i.e. Rs. 2 per equity share of face value of Rs. 10 each aggregating to Rs. 350.27 lacs.

Operations and Overview

During the year under review your Company has achieved gross turnover of Rs. 62954.27 Lacs as against Rs. 50647.49 Lacs for the previous year registering a growth of 24.30% over the previous year. The earnings before interest, tax and depreciation (EBIDTA) increased to Rs. 8421.95 Lacs from Rs. 6697.25 Lacs in the previous year, the Net Profit after tax (PAT) increased to Rs. 3416.05 lacs as against Rs. 2738.40 Lacs in the previous year.

Consolidated results were in line with the above. The consolidated gross turnover was Rs. 63765.49 Lacs for the financial year 2009-2010 as against Rs. 51427.68 Lacs

for the previous financial year 2008-2009 registering a growth of 24% over the previous year. The earnings before interest, tax and depreciation (EBIDTA) increased to Rs. 9201.15 Lacs from Rs. 7454.10 Lacs in the previous year, the Net Profit after tax (PAT) increased to Rs. 3699.52 lacs as against Rs. 2740.32 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 prestigious RECYCLING PROJECTS relating to various roads in Delhi.
- 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.

In view of the unprecedented opportunities available in its core competency area, the Company expects substantial increase in the Order Book position in near future which stood at Rs. 170250 lacs as on 31.03.2010.

NEW BOT PROJECT AWARDED

The Directors of your Company are pleased to inform that your 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. The project has been awarded to the consortium led by

the Company; the other partner being SREI Infrastructure Finance Limited.

Management Discussion and Analysis Report

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

Public Issue

During the year under review, your Company entered the Capital Market and made its Initial Public Offering (IPO) of 57,00,000 equity shares of Rs. 10 each at a premium of Rs. 170 per share through 100% Book Building Process. The IPO was over-subscribed. The equity shares of the Company were listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited on 11th January 2010.

On behalf of the Company, your Directors take this opportunity to thank all the

investors for their overwhelming response to the IPO and confidence reposed by them in the Company.

Finance

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

Directors

The information on the particulars of directors seeking appointment / reappointment forms part of the Notice calling the Annual General Meeting.

Directors' Responsibility Statement

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

- (i) in the preparation of the annual accounts, the applicable accounting

standards have been followed;

- (ii) the Directors have selected such accounting policies and applied them consistently and made 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.

Corporate Governance

The Company is committed to high standards of the corporate ethics, professionalism and transparency. A separate section titled "Report on Corporate Governance" including a certificate from the Auditors of the Company confirming compliance of the clauses of Corporate Governance as stipulated

under Clause 49 of the Listing Agreement is annexed hereto and forms a part of the Report.

Auditors

M/s. Agrawal S. Kumar & Associates, Chartered Accountants, Statutory Auditors of the Company, retire at 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(q) 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.

We believe that our team of more than 400 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.

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.

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

Place: Kolkata

Dated: The 30th Day of May 2010

ANNEXURE – A

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	31st March, 2010
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)	283.46
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)	187.28

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Economic Overview

India is the world's largest democracy by population size and one of the fastest growing economies in the world. The quick and decisive response by RBI and the government to tackle the adverse impact of the Global Liquidity Crisis has yielded results. With a stable government in the Centre, and its increased focus on the infrastructure sector, MBL expects opening up of unprecedented opportunities in the area of its core competency. MBL is poised to reap these opportunities.

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 with an output equivalent to about 5-6 percent of our Country's GDP. The industry is the second largest employer after agriculture in the country. 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, textiles 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. Consequently, the share of real estate construction investments in the total construction investments is expected to fall over the next five years (fiscal years 2007-2011) in comparison with the preceding five years (fiscal years 2002-2006).

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 70,548 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. In the Union Budget 2010-11, the allocation for road transport has been increased by over 13 percent from US\$ 3.8 billion to US\$4.3 billion.

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 Highways 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.

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). Government approved in April 2007 upgradation and 4 laning of 8074 km at an estimated cost of Rs. 54,339 Crores. Upto February'10, 1478 km have been completed and 3926 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 on DBFO basis. Upto February'10, 163 km have been completed and 1063 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.

Investment projected for the Eleventh Five Year Plan

Sustained GDP Growth @ 9% projected for 11th Plan is possible only with adequate investment in infrastructure. The Eleventh Five Year Plan places high priority to the expeditious completion of works approved under the different phases of the NHDP. Total estimated investment in infrastructure during 11th Plan is Rs. 2.06 Million Crores. These investments are planned through Government as well as private funding. Estimated Private Funding is expected to be around 30% and rest through Center and State allocations.

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 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. The private sector participation envisaged in Phase- II of NHDP has also been increased.

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.

As of December 2009, 412 PPP projects aggregating Rs. 3.8 trillion (\$84bn) were in the pipeline. Of these, 160 projects worth Rs. 1.8 trillion (\$41bn) were central sector projects and 252 worth 1.9 trillion (\$43bn) were state sector projects. The bulk of these projects were across roads, ports, power and urban infrastructure sectors.

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

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.

The project is in the prime iron ore mining belt. The project has been awarded to the consortium led by the Company; the other partner being SREI Infrastructure Finance Limited.

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 Crores.

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

Common Wealth Games, 2010 – City Plans

Government of National Capital Territory of Delhi (GNCTD) has allocated a sum of Rs. 11.89 billion to enhance, expand and upgrade city infrastructure. MBL has secured various projects for Commonwealth Games 2010.

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 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 maximize client satisfaction. We leverage technologies, designs and project management tools to increase productivity and maximize asset utilization in capital-intensive activities.

We continue to optimize operating and overhead costs to maximize our operating margins. Our ability to effectively manage projects will be crucial to our continued success as a recognized infrastructure company. We believe that we stand distinguished from our 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.

Capital Formation and Asset Ownership are allied to the industry and thus the adverse effects of economic slowdown are apparent in the industry too. Concerns include decrease in demand, increase in prices of construction material, lack of credit, etc.

Your Company minimises risks by micro-management of its elements and has developed management and organizational 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.

After successful operation of one BOT Project, the Company is in the process of entering into a concession agreement with NHAI for a larger BOT Project. 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 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:

- § 36.57 % growth in gross block
- § 24.30 % growth in revenues
- § 25.75 % growth in EBDITA
- § 24.75 % growth in post-tax profit

Revenue, Profit and Profitability

The Company's revenue grew from Rs. 50647.49 lacs in 2008-2009 to Rs. 62954.27 lacs in 2009-2010 while the EBIDTA grew from Rs. 6697.25 lacs in 2008-2009 to Rs. 8421.95 lacs in 2009-10. The EBIDTA margin is 13.38 per cent in 2009-10. MBL recorded a post-tax profit of Rs. 3416.05 lacs – up from Rs. 2738.40

lacs. The Directors have recommended a dividend of Rs. 2 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 22.52 percent, in quantum terms to Rs. 57399.48 lacs in 2009-10 from Rs. 46850.64 lacs in 2008-09, and as a proportion of total income, it has reduced marginally from 92.50 per cent to 91.18 per cent.

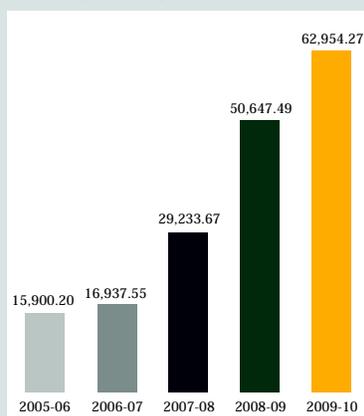
Capital employed

The total capital employed by the Company increased from Rs. 28485.29 lacs in 2008-09 to Rs. 42852.17 lacs in 2009-10. The Return on Capital Employed is 19.65 percent in 2009-2010.

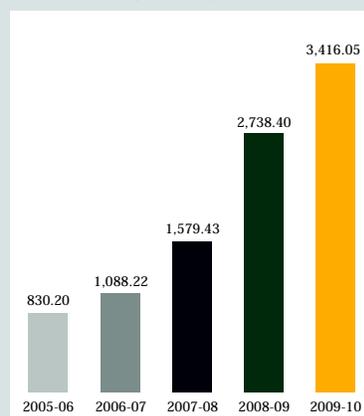
Own funds

The Company funds its business activities both through internal accruals and external borrowings. While the networth of the Company constituted 55.35 percent of the total capital employed, loan funds constituted the rest. The networth increased steadily on account of

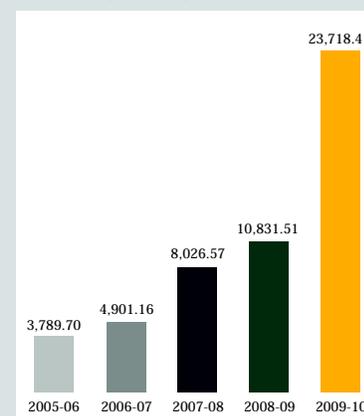
Turnover (Rs. in lacs)

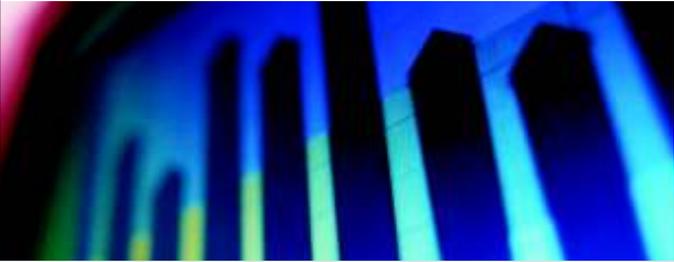


Profit After Tax (Rs. in lacs)



Net Worth (Rs. in lacs)





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 94 percent of the gross block comprised of plant

and machinery worth Rs. 10812.27 lacs as on 31st March 2010. The percentage of net block to gross block was 72 percent at the end of 2009-10, compared to 68 percent in 2007-08, indicating the newness of its assets.

Working capital management

The working capital of the Company constituted 58.09 per cent of the total assets employed in the business as on 31st March 2010. The

current ratio of 1.84 and quick ratio of 1.45 reflected the Company's comfortable liquidity position for the year.

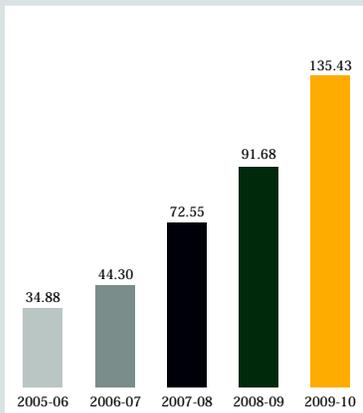
By Order of the Board

Ram Gopal Maheshwari
Chairman

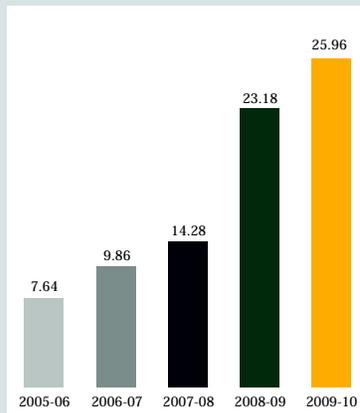
Place: Kolkata

Dated: The 30th Day of May 2010

Book Value / Share (Rs.)



EPS (Basic) (Rs.)



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 31st, 2010. The Report is updated as on the date of the report wherever applicable.

3. Board of Directors

As on March 31st, 2010 the Board of Directors of the Company comprises of five members (including two 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 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 Lakhota Mr. Maruti Maheshwari	25th Aug 1995 19th April 2006
3	Independent and Non-Executive	Mr. Ashwini Kumar Singh Mr. Kumar Singh Baghel	29th May 2006 09th Sep 2006

Attendance Records and other Directorships/Committee Memberships

Name of the Director	Category	No. of other [^] Directorships*	No. of other [^] Board Committee(s)** in which he is		Attendance at last AGM held on 29th Sep 2009	Attendance at Board Meetings
			Member	Chairman		
Mr. Ram Gopal Maheshwari	Promoter Non-Executive	2	NIL	NIL	YES	17
Mr. Anjaneer Kumar Lakhota	Promoter - Executive	3	1	--	YES	16
Mr. Maruti Maheshwari	Promoter - Executive	4	1	--	YES	17
Mr. Ashwini Kumar Singh	Independent - Non - Executive	NIL	NIL	NIL	YES	17
Mr. Kumar Singh Baghel	- do -	1	--	1	YES	17
Mr. Bhanu Prakash Agarwal	- do-	ceased w.e.f 30.01.2010			NO	8

[^] Excluding MBL Infrastructures Limited.

* 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 Lakhota 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



Meetings

During the Financial Year 2009-2010, the Board of Directors met seventeen times on the following dates:

April	15/04/2009	July	08/07/2009	October	15/10/2009	January	
to	15/05/2009	to	21/07/2009	to	18/11/2009	to	05/01/2010
June	01/06/2009	September	25/08/2009	December	26/11/2009	March	29/01/2010
2009	15/06/2009	2009	21/09/2009	2009	02/12/2009	2010	
	22/06/2009				23/12/2009		

Information about the Directors seeking appointment/re-appointment

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

4. Audit Committee

The role and power of the Audit Committee includes:

- 1 To investigate any activity within its terms of reference.
- 2 To seek information from any employee.
- 3 To obtain outside legal or other professional advice.
- 4 To secure attendance of outsiders with relevant expertise, if it considers necessary.
- 5 Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- 6 Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory and the fixation of audit fees.
- 7 Approval of payment to statutory auditors for any other services rendered by statutory auditors.
- 8 Reviewing with management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters to be included in the Directors Responsibility Statement to be included in the Board report in terms of Clause (2AA) of Section 217 of Companies Act, 1956.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions
 - g. Qualification in the draft audit report.
- 9 Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- 10 Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or right issue and making appropriate recommendations to the Board to take up steps in this matter.

REPORT ON CORPORATE GOVERNANCE *(Contd...)*

- 11 Reviewing with the management, performance of statutory and internal auditors, and adequacy of internal control systems.
- 12 Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- 13 Discussion with internal auditors any significant findings and follow up thereon.
- 14 Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- 15 Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- 16 To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- 17 To review the functioning of the Whistle Blower Mechanism.
- 18 Carry out any other functions as is mentioned in the terms of reference of the Audit Committee.
- 19 Approval of appointment of CFO.

Composition, Meetings & Attendance

Name of the Members	Category	No. of Meetings attended	Dates on which Meetings held
Mr. Kumar Singh Baghel (Chairman w.e.f 30.01.2010)	Independent - Non-Executive	4	15/05/2009
Mr. Ashwini Kumar Singh	- do -	4	03/08/2009
Mr. Bhanu Prakash Agarwal (ceased w.e.f. 30.01.2010)	- do -	2	14/10/2009 29/01/2010
Mr. Anjaneer Kumar Lakhotia	Promoter - Executive	4	

5. Remuneration Committee

The Company has a Remuneration Committee comprising of three non-executive directors as on 31st March, 2010. The broad terms of reference of the Remuneration Committee are to decide, consider, review and recommend the remuneration of all the executive / wholetime directors and other payments that are required to be paid by the Company to the Directors.

Composition, Meeting & Attendance

Name of the Members	Attendance	Date on which Meeting held
Mr. Ashwini Kumar Singh (Chairman)	P	15th Day of June, 2009
Mr. Bhanu Prakash Agarwal (ceased w.e.f. 30.01.2010)	P	
Mr. Kumar Singh Baghel	P	
Mr. Ram Gopal Maheshwari	Inducted w.e.f. 30.01.2010	

Remuneration Policy

The Non-Executive Directors are being remunerated by way of fees of Rs. 2500/- for attending each meeting of Board. No sitting fees are paid for attending any committee meeting. As per the terms of the respective appointments, the Executive Directors 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 2009-2010 and other disclosures :

Name of the Director	Salary (Rs.)	Benefits (Rs.)	Contribution to PF, Gratuity and other Funds	Meeting Fees (Rs.)	Service Contract/ Tenure	Notice Period	Number of Shares held
Mr. R. G. Maheshwari	----	----	----	42,500	NA	NA	2248,750
Mr. A. K. Lakhotia	22,50,000	----	----	----	01-07-2009 to 30-06-2014	3 Months	508,000
Mr. M. Maheshwari	17,25,000	----	----	----	01-07-2009 to 30-06-2014	3 Months	24,500
Mr. A. K. Singh	----	----	----	42,500	NA	NA	----
Mr. K. S. Baghel	----	----	----	42,500	NA	NA	----
Mr. B. P. Agarwal	----	----	----	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. The Company received 22 complaints during the financial year 2009-2010, which were resolved/replied to the satisfaction of the shareholders within due time. No complaint was pending as on 31st March, 2010.

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
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.
12th AGM 2006-2007	Saturday, 29th September, 2007	-do-	2:00 P.M.

No Special Resolution was proposed in the last three AGMs. No Special Resolution was put through Postal ballot in the last year.

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.

Market Price Data and Number of Shares traded at Bombay Stock Exchange Ltd during the Financial Year 2009-2010

	January	February	March
High	247.60	230.90	236.90
Low	182.20	189.00	202.00
Volume	15269940	2694034	3315057

Market Price Data and Number of Shares traded at National Stock Exchange of India Ltd during the Financial Year 2009-2010

	January	February	March
High	247.40	231.25	237.40
Low	180.20	189.00	202.00
Volume	22022998	4618732	5553862

Performance in comparison to broad based indices:

	31.03.2010	11.01.2010	Change (%)
Share prices of MBL INFRA (Rs.) (BSE)	225.65	205.75	9.672
V/s BSE Sensex	17,527.77	17,526.71	0.006
Share prices of MBL INFRA (Rs.) (NSE)	226.20	206.55	9.513
V/s NSE Nifty	5249.10	5249.40	0.006

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

Kolkata Office – 59C, Chowringhee Road,
3rd Floor, Kolkata – 700 020

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, 2010

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	2753	87.26	298065	1.70
2	501-1000	178	5.64	131694	0.75
3	1001-2000	64	2.03	99740	0.57
4	2001-3000	28	0.89	70933	0.40
5	3001-4000	13	0.41	46424	0.27
6	4001-5000	20	0.63	93462	0.53
7	5001-10000	28	0.89	213027	1.22
8	10001 & above	71	2.25	16560382	94.56
	Total	3155	100.00	17513727	100.00

REPORT ON CORPORATE GOVERNANCE *(Contd...)*

Shareholding Pattern as on 31st March, 2010

Category	Number of Shares held	Percentage (%)
Promoter and Promoter Group (including Persons Acting in Concert)	10038102	57.32
Foreign Institutional Investors	6,21,597	3.55
Non-Resident Indians	23,738	0.13
Mutual Funds	22,37,930	12.78
Corporate Bodies	32,32,252	18.45
Resident Indians	11,99,203	6.85
Employees	7,055	0.04
Others (Incl. Clearing Members)	1,53,850	0.88
Total	1,75,13,727	100.00

Dematerialisation & Liquidity of Shares : The ISIN allotted by NSDL and CDSL is INE912H01013. Almost 100.00% of the total equity shares are in dematerialised form upto 31st day of March, 2010. The shares are regularly traded at BSE & NSE.

Outstanding GDR/ADR/Warrants or any Convertible instruments

: Nil

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, Suite 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

Place : Kolkata

Dated : The 30th Day of May, 2010

Ram Gopal Maheshwari
Chairman

CERTIFICATE OF COMPLIANCE OF THE CODE OF CONDUCT OF THE COMPANY

To
The Members of
MBL Infrastructures Limited

Declaration regarding Code of Conduct

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

Place : Kolkata
Dated: The 30th Day of May, 2010

Anjaneer Kumar Lakhota
CEO & Wholetime Director

CERTIFICATION BY CEO AND CFO

Certification by Chief Executive Officer and Chief Financial Officer of the Company

We have reviewed the financial statements and the cash flow statement for the year ended 31.03.2010 and that to the best of our knowledge and belief we state that:

- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- (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 have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the Auditors and the Audit Committee :

- (i) significant changes in internal control over financial reporting during the year, if any;
- (ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (iii) instances of significant frauds, if any, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yours Sincerely,

Place : Kolkata

Anjaneer Kumar Lakhota

Anil Kumar Agarwal

Dated : The 30th Day of May 2010

CEO and Wholetime Director

CFO

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
MBL Infrastructures Limited

We have examined the compliance of conditions of Corporate Governance by MBL Infrastructures Limited ("the Company") for the year ended on 31st March, 2010, 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.

We have been explained that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company and its Registrar and Share Transfer Agent.

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
Place : Kolkata
Dated : The 30th Day of May 2010

FINANCIAL SECTION

AUDITORS' REPORT

To
The Members of
MBL Infrastructures Limited.

1. We have audited the attached Balance Sheet of MBL Infrastructures Limited, as at 31st March, 2010 and the related Profit and Loss Account 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 have conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Further to our comments in the annexure referred 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 account as required by law have been kept by the Company so far as it appears from our examination of the books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow

Statement dealt with by this report are in agreement with the books of account;

- d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
- e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read with the 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 31st March, 2010;
 - 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 31st March, 2010.

For Agrawal S. Kumar & Associates
Chartered Accountants

Firm Registration No. 322324E

(M. K. JHAWAR)

Place : Kolkata

Partner

Dated : The 30th day of May, 2010

Membership No.061308

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date

As required by the Companies (Auditor's Report) Order 2003 (as amended) ('the order'), issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks as were considered appropriate and according to the information and explanations given to us, we report that:

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) As explained to us, the assets have been physically verified by the management in accordance with a phased programme of verification, which, in our opinion, is reasonable, considering the size and nature of the business. The frequency of verification is reasonable and no material discrepancies were noticed on such physical verification.
(c) The Company has not disposed of substantial part of fixed assets during the year so as to affect the going concern status of the Company.
2. (a) The Company has given loans 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. 753.25 lacs. The terms and conditions of such loans are prima facie not prejudicial to the interest of the Company.
(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 Act.
3. In our Opinion and according to explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and sale of inventory. During the course of our audit, no major weakness has been noticed in the internal control.
4. According to the information and explanations provided by the Management, the transactions made in pursuance of contract or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs.5 lacs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
5. Based on our scrutiny of the Company's records and according to the information and explanation provided by the management, in our opinion, the Company has not accepted any public deposits so far up to 31st March 2010.
6. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
7. As the Company is in the service industry, no cost records have been prescribed under the provisions of Section 209(1)(d) of the Companies Act, 1956.
8. a) According to the records of the Company, the Company is regular in depositing with the appropriate authorities undisputed statutory dues including, Income Tax, Wealth-tax, Sales-tax, Cess and other statutory dues applicable to the Company.
b) According to the explanation and information 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, 2010 for a period of more than 6 months from the date they became payable.

- c) According to the information and explanation given to us, the amount which have not been deposited on account of any dispute is as below –

Particulars	Period to which amount relates	Forum where matter is pending	Amount (Rs. in lacs)
Income Tax	2003- 2004 & 2004 - 2005	Income Tax Appellate Tribunal	Rs. 343.33

9. The Company has no accumulated loss as at 31st March 2010 and it has not incurred any cash loss in the financial year ended on that date or in the immediately preceding financial year.
10. Based on our audit procedures and on the information & explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to the banks.
11. According to the records, the Company has not granted any Loans on the basis of security or pledge of shares, debentures or other securities.
12. In our opinion, proper records have been maintained of the transactions and the contracts for investments and timely entries have been made therein. The shares, securities, debentures and other investments, which are held by the Company and also pledged to banks, are in the Company's name.
13. 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.
14. 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.
15. 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.
16. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Act during the year.
17. According to the records the Company, the Company has not issued any debentures during the year.
18. The provisions of any specials statutory applicable to Chit Fund/ Nidhi/ Mutual Benefit Fund/ Societies are not applicable to the Company.
19. Based on the audit procedures applied by us and according to the information and explanation provided by the management, we report that no frauds on or by the Company has been noticed or reported during the course of our audit.
20. We have verified that the end use of money raised by public issue amounting to Rs. 102.60 crores is as disclosed in the notes to the financial Statements.
21. Other clauses of the Order are not related or applicable to the Company during the year under review.

For Agrawal S. Kumar & Associates
Chartered Accountants

(M. K. JHAWAR)

Partner

Place : Kolkata

Dated : The 30th day of May, 2010

Membership No.061308

BALANCE SHEET

as at 31st March, 2010

		(Rs. in lacs)	
	Schedule	31.03.2010	31.03.2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	1,751.37	1,181.37
Reserves and Surplus	2	20,470.11	8,735.84
Loan Funds			
Secured Loans	3	13,837.19	10,916.74
Unsecured Loans	4	5,296.56	6,737.04
Deferred Tax Liabilities (Net)		1,496.93	914.30
Total		42,852.16	28,485.29
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	11,460.52	8,749.52
Less : Depreciation		3,212.84	2,783.12
Net Block		8,247.68	5,966.40
Capital Work-in-Progress		488.67	-
		8,736.35	5,966.40
Investments			
Investments	6	1,200.00	1,200.00
Current Assets, Loans And Advances			
Current Assets			
Inventories	7	9,765.58	4,018.54
Sundry Debtors	8	24,010.59	14,104.42
Cash and Bank Balances	9	3,301.68	4,498.52
Other Current Assets	10	2,633.30	2,861.66
Loans & Advances	11	7,013.08	5,054.54
		46,724.23	30,537.68
Less : Current Liabilities And Provisions			
Current Liabilities			
Current Liabilities	12	13,267.42	8,851.35
Provisions	13	541.00	367.44
		13,808.42	9,218.79
Net Current Assets		32,915.81	21,318.89
Total		42,852.16	28,485.29
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. Jhavar

Partner

Membership No. 061308

Place : Kolkata.

Dated : The 30th day of May 2010

Anil Agarwal

CFO

Nitin Bagaria

Company Secretary

For and on behalf of the Board

Ram Gopal Maheshwari

Chairman

Anjaneer Kumar Lakhotia

Wholtime Director & CEO

PROFIT & LOSS ACCOUNT

For the year ended 31st March, 2010

(Rs. in lacs)

	Schedule	31.03.2010	31.03.2009
INCOME			
Income from Operations	14	62,888.28	50,584.15
Other Income	15	66.00	63.34
Increase/(Decrease) in Stock in Trade	16	(386.13)	18.37
		62,568.15	50,665.86
EXPENDITURE			
Operating Expenses	17	52,358.01	42,652.33
Employees Remuneration and Benefits	18	1,021.16	679.31
Administrative Expenses	19	767.03	636.98
Interest and Finance Charges	20	2,819.33	2,538.47
Depreciation		433.95	459.05
Transfer of Depreciation on Revalued Assets		-	(115.50)
		57,399.48	46,850.64
Profit Before Tax		5,168.67	3,815.22
Provision for Taxation			
Current Tax		1170.00	735.00
Deferred Tax		582.62	335.46
Fringe Benefit Tax		-	6.36
Profit After Tax		3,416.05	2,738.40
Balance Brought Forward		1,789.83	1,240.36
Balance Available For Appropriation		5,205.88	3,978.76
APPROPRIATIONS			
Proposed Dividend		350.27	229.86
Corporate Tax on Dividend		58.18	39.07
Transfer to General Reserve		3,500.00	1,920.00
Balance Carried to Balance Sheet		1,297.43	1,789.83
		5,205.88	3,978.76
Earning per Share of Rs.10/- each			
Basic (Rs.)		25.96	23.18
Diluted (Rs.)		25.96	23.18
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. Jhwar
Partner
Membership No. 061308
Place : Kolkata.
Dated : The 30th day of May 2010

Anil Agarwal
CFO
Nitin Bagaria
Company Secretary

For and on behalf of the Board

Ram Gopal Maheshwari
Chairman

Anjaneer Kumar Lakhota
Wholtime Director & CEO

CASH FLOW STATEMENT

For the year ended 31st March, 2010

(Rs. in lacs)

	31.03.2010		31.03.2009	
A. CASH FLOWS FROM OPERATING ACTIVITIES				
Net Profit / (Loss) before Tax & Extraordinary Items		5,168.67		3,815.22
<i>Adjustments for :</i>				
(Profit)/Loss on Sale of Fixed Assets	2.96		2.53	
Depreciation	433.95		343.55	
Interest and Finance Charges	2,819.33	3,256.24	2,538.47	2,884.55
Operating Profit before Working Capital Changes		8,424.91		6,699.77
(Increase) / Decrease in Inventories	(5,747.03)		(1,761.31)	
(Increase) / Decrease in Trade and other receivable	(11,636.35)		(6,083.41)	
Increase / (Decrease) in Trade Payables and other Liabilities	4,416.07	(12,967.31)	(1,029.18)	(8,873.90)
Cash Generated from Operations		(4,542.40)		(2,174.13)
Direct Taxes Paid		(1,135.97)		(527.12)
Net Cash from Operating Activities		(5,678.37)		(2,701.25)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Additions in Fixed Assets	(3,208.44)		(1,969.08)	
Sale of Fixed Assets	1.58		5.25	
(Additions) / Disposals of Investments	-		-	
Net cash used in Investing Activities		(3,206.86)		(1,963.83)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of Share Capital (Net of issue expenses)	9,296.67		1,500.00	
Share Application Money	-		(1,500.00)	
(Repayments) / Proceeds of Secured Loan	2,920.46		5,666.17	
(Repayments) / Proceeds of Unsecured Loan	(1,440.48)		3,537.70	
Dividend & Dividend Tax Paid	(268.93)		(212.96)	
Interest and Finance Charges	(2,819.33)		(2,538.47)	
Net cash from Financing Activities		7,688.39		6,452.44
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)		(1,196.84)		1,787.36
Cash & Cash Equivalent (Opening Balance)		4,498.52		2,711.16
Cash & Cash Equivalent (Closing Balance)		3,301.68		4,498.52

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. 2540.96 (31-03-2009 : Rs. 2669.05) 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

Place : Kolkata.

Dated : The 30th day of May 2010

Anil Agarwal

CFO

Nitin Bagaria

Company Secretary

For and on behalf of the Board

Ram Gopal Maheshwari

Chairman

Anjaneer Kumar Lakhotia

Wholtime Director & CEO

SCHEDULES TO THE ACCOUNTS

as at 31st March, 2010

(Rs. in lacs)

	31.03.2010	31.03.2009
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 : 1,18,13,727 Equity Shares of Rs.10/- each fully paid up)	1,751.37	1,181.37
(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	1,181.37

Schedule 2 RESERVES AND SURPLUS			
General Reserve			
As per last Balance Sheet	4,000.00		2,080.00
Add : Transfer from Profit and Loss Account	3,500.00	7,500.00	1,920.00
Capital Redemption Reserve		1,391.01	1,391.01
Surplus as per Profit and Loss Account Annexed		1,297.43	1,789.83
Securities Premium Account			
As per last Balance Sheet	1,555.00		130.00
Add : Received on account of Fresh Issue of Equity Shares (Refer note 2 of Schedule 21)	9,690.00		1,425.00
Less: Share Issue expenses (Refer note 2 of Schedule 21)	963.33	10,281.67	-
		20,470.11	8,735.84

Schedule 3 SECURED LOANS		
Working Capital facilities from Banks	11,602.09	9,135.17
External Commercial Borrowings from Bank	969.00	-
Equipment/Vehicle Finance		
From Banks	646.26	921.74
From Others	619.84	859.83
	13,837.19	10,916.74

Schedule 4 UNSECURED LOANS		
From Banks	1,500.00	3,000.00
From Contractees	3,796.56	3,716.03
From Others	-	21.01
	5,296.56	6,737.04

SCHEDULES TO THE ACCOUNTS as at 31st March, 2010

(Rs. in lacs)

Schedule 5 FIXED ASSETS											
Particulars	Gross Block				Depreciation				Net Block		
	As at 31.03.2009	Additions	Sale/ Adjustments	As at 31.03.2010	Upto 31.03.2009	For the Year	Adjustments	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009	
Land	14.39	-	-	14.39	0.09	0.04	-	0.13	14.26	14.30	
Buildings	13.12	-	-	13.12	5.21	0.44	-	5.65	7.47	7.91	
Plant and Machinery	8,249.43	2,562.84	-	10,812.27	2,638.94	386.74	-	3,025.68	7,786.59	5,610.49	
Vehicles	376.90	137.52	8.78	505.64	113.67	38.91	4.23	148.35	357.29	263.23	
Furniture and Fittings	95.68	19.42	-	115.10	25.21	7.82	-	33.03	82.07	70.47	
Total	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	
Previous Year	6,782.57	1,983.70	16.75	8,749.52	2,333.04	459.05	8.97	2,783.12	5,966.40	4,449.53	
Capital Work-in-Progress (including Capital advances)									488.67	-	

Note :

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.

(Rs. in lacs)

	31.03.2010	31.03.2009
Schedule 6 INVESTMENTS		
Long Term, Unquoted, Trade		
Subsidiary Company		
AAP Infrastructure Ltd.		
1,20,00,000 Equity Shares of Rs.10/- each fully paid up	1,200.00	1,200.00
	1,200.00	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	9,765.58	3,632.41
Stock in trade	-	386.13
	9,765.58	4,018.54

Schedule 8 SUNDRY DEBTORS		
(Unsecured, considered good)		
Outstanding for a period exceeding six months	74.59	131.30
Other Debts	23,936.00	13,973.12
	24,010.59	14,104.42

Schedule 9 CASH AND BANK BALANCES		
Cash Balance on Hand	177.02	420.60
Bank Balances with Scheduled Banks		
In Current Accounts	583.70	1,408.86
In Fixed Deposit Accounts	2,540.96	2,669.06
(FDRs pledged as Security with Banks)		
	3,301.68	4,498.52

SCHEDULES TO THE ACCOUNTS

as at 31st March, 2010

(Rs. in lacs)

	31.03.2010	31.03.2009
Schedule 10 OTHER CURRENT ASSETS		
Security and Other Deposits	2,518.81	2,777.36
Accrued Interest	114.49	84.30
	2,633.30	2,861.66

Schedule 11 LOANS AND ADVANCES		
Advances (recoverable in cash or in kind or for value to be received)	7,013.08	5,054.54
	7,013.08	5,054.54

Schedule 12 CURRENT LIABILITIES		
Acceptances	704.56	3,701.80
Sundry Creditors for Goods and Expenses	6,979.91	2,180.03
Other Liabilities	3,136.24	628.55
Advances from Contractees	2,446.71	2,340.97
	13,267.42	8,851.35

Schedule 13 PROVISIONS		
Provision net of Advance Payment of Taxes (Advance Tax Rs. 2455.09 Lacs Previous year Rs.1304.92 Lacs) (Provision for Tax Rs. 2565.57 Lacs Previous year Rs.1395.58 Lacs)	110.48	90.66
Provision for Employees' Benefits	22.07	7.85
Proposed Dividend	350.27	229.86
Provision for Corporate Dividend Tax	58.18	39.07
	541.00	367.44

Schedule 14 INCOME FROM OPERATIONS		
Construction and Project related Activities	51,665.48	35,694.08
Waste Management and Trading Activities	11,222.80	14,890.07
	62,888.28	50,584.15

Schedule 15 OTHER INCOME		
Claims	13.93	26.74
Miscellaneous Income and Receipts	52.07	36.60
	66.00	63.34

SCHEDULES TO THE ACCOUNTS as at 31st March, 2010

(Rs. in lacs)

31.03.2010 31.03.2009

Schedule 16 INCREASE/(DECREASE) IN STOCK IN TRADE		
Closing Stock	-	386.13
Opening Stock	386.13	367.76
	(386.13)	18.37

Schedule 17 OPERATING EXPENSES		
Consumption of Raw Materials	15,331.01	10,733.66
Purchases	10,622.83	14,693.59
Stores and Spares Consumed	576.14	548.37
Direct Labour, Sub-Contract etc.	21,911.28	14,837.08
Power, Fuel and Lubricants	2,295.52	1,017.00
Equipment Hire Charges	503.46	86.98
Rent(Sites)	65.85	53.30
Site Development Expenses	249.41	56.02
Repairs to Plant & Machinery	44.84	41.04
Insurance	37.81	45.70
Rates and Taxes	719.86	539.59
	52,358.01	42,652.33

Schedule 18 EMPLOYEES REMUNERATION AND BENEFITS		
Salaries, Wages and Bonus	977.85	666.00
Contribution to Provident and Other Funds	29.10	19.34
Provision for Employees benefits	14.21	(6.03)
	1,021.16	679.31

Schedule 19 ADMINISTRATIVE EXPENSES		
Repairs to other Assets	52.08	38.44
Rent (office)	46.01	20.00
Auditor's Remuneration		
As Audit Fee	2.00	1.75
As Tax Audit Fee	0.25	0.25
Other Matters	0.20	0.18
Miscellaneous Expenses	623.78	540.83
Loss on Sale of Fixed Assets	2.96	2.53
Directors' Remuneration	39.75	33.00
	767.03	636.98

Schedule 20 INTEREST AND FINANCE CHARGES		
Interest and Finance Charges	2,338.99	1,975.19
Bank Commission and Charges	480.34	563.28
	2,819.33	2,538.47

SCHEDULES TO THE ACCOUNTS

as at 31st March, 2010

Schedule 21 | SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS

1. Significant Accounting Policies :

a. Basis of Preparation of Financial Statements

- i) 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.
- (ii) The Company follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis.

b. Revenue Recognition

- (i) Sale is recognised on despatch of goods and net of Value Added Tax (VAT).
- (ii) 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.
- (iii) Revenue in respect of claims is recognised to the extent the Company is reasonably certain of their realisation.
- (iv) Other operational income is recognised on rendering of related services, as per the terms of the contracts.
- (v) Other items of income are accounted as and when the right to receive arises.

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

d. Fixed Assets and Depreciation

- (i) Fixed Assets are stated at their original cost. Cost includes acquisition price, attributable expenses and pre-operational expenses. Fixed Assets retired from active use are valued at net realisable value.
- (ii) Depreciation on fixed assets is provided on straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.
In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over their remaining useful life.
- (iii) Assets acquired on Equipment Finance (hire purchase) are stated at their cash values.
- (iv) The difference between depreciation provided based on revalued amount and that on historical cost is transferred from Revaluation Reserve to Profit and Loss Account.

e. Investments

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

f. Foreign Currency Transactions

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

g. Leases

The Company's significant leasing arrangements are in respect of operating leases for premises. The aggregate lease rents payable are charged as rent in the Profit and Loss Account.

h. Inventories

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

i. Taxes on Income

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

SCHEDULES TO THE ACCOUNTS as at 31st March, 2010

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

and carried forward only to the extent that there is reasonable certainty that the assets will be adjusted in future.

In case of unabsorbed depreciation and losses, deferred tax assets are recognised and carried forward only to the extent there is a virtual certainty that the asset will be adjusted in future.

j. 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. There are no obligations other than the contribution payable to the respective funds.

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. Long term compensated absences are provided for based on actuarial valuation.

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

k. 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.

(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.

l. 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.

m. 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

During the current year, the Company has completed an Initial Public Offer (IPO) of 57,00,000 Equity Shares of Rs.10/- each at a cash price of Rs. 180/- per Equity Share. The premium of Rs.170/- per Equity Share amounting to Rs. 9690 lacs has been credited to Securities Premium Account. The Share Issue expenses incurred by the Company amounting to Rs. 963.33 lacs have been debited against Securities Premium Account.

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, 2010 is as follows:

Funds raised: Rs. 10260 lacs, Utilisation as objects of the Issue- Rs. 8792 lacs, Balance Rs.1460 lacs is in cash credit / current bank accounts of the Company.

3. Notes to the Accounts

a. Disclosure in respect of Joint Ventures :

(Rs. in lacs)

List of Joint Ventures:	Proportion of Ownership Interests	Assets	Liabilities	Income	Expenses
MBL-Supreme (JV)	40%	-	-	849.47	775.15
MBL-Telecommunications Consultants India Ltd. (JV)	51%	-	-	3134.35	2964.78
MBL-Calcutta Industrial Supply Corporation (JV)	60%	-	-	2209.27	2080.24
MBL - Lakheshwari Builders Pvt.Ltd. (JV)	60%	-	-	311.37	287.37

SCHEDULES TO THE ACCOUNTS

as at 31st March, 2010

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

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

c. Earnings per Share

(Rs. In lacs)

	2009-2010	2008-2009
i. Profit Computation for earning per share of Rs.10/- each		
Net Profit as per Profit & Loss Account before earlier years' tax	3416.05	2738.40
Net Profit as per Profit & Loss Account after earlier years' tax	3416.05	2738.40
ii. Weighted average number of equity shares for EPS Computation		
For Basic EPS	13156741	11813727
For Diluted EPS	13156741	11813727
iii. Basic EPS (weighted average)		
Basic EPS (before earlier years' tax) (Rs.)	25.96	23.18
Basic EPS (after earlier years' tax) (Rs.)	25.96	23.18
iv. Diluted EPS (Weighted average)		
Diluted EPS (before earlier years' tax) (Rs.)	25.96	23.18
Diluted EPS (after earlier years' tax) (Rs.)	25.96	23.18

d. Employees' Benefits

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

	2009-2010	2008-2009	2007-2008
(i) Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation:			
Obligation at the beginning of the financial year	7.85	13.88	9.29
Service Cost	14.60	2.50	5.71
Interest on Defined Benefit obligation	0.61	0.96	0.74
Benefits Settled	(0.43)	(0.43)	-
Actuarial (Gain)/ Loss	(0.57)	(9.05)	(1.87)
Obligation at the end of the financial year	22.07	7.85	13.88
(ii) Change in Plan assets			
Plan assets at the beginning of the financial year, at fair value	-	-	-
Expected return on plan assets	-	-	-
Actuarial gain/ (loss)	-	-	-
Contributions	0.43	0.43	-
Benefits settled	(0.43)	(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 PBO	22.07	7.85	13.88
Closing Fair Value of plan assets	-	-	-
Closing Funded status	(22.07)	(7.85)	(13.88)
Unrecognised actuarial (gains)/ losses	-	-	-
(iv) Net asset/ (liability) recognised in the balance sheet	(22.07)	(7.85)	(13.88)
(v) Expenses recognised in the Profit & Loss Account			
Service Cost	14.61	2.50	5.71
Interest Cost	0.61	0.96	0.74
Expected return on plan assets	-	-	-
Actuarial (gains)/ loss	(0.57)	(9.05)	(1.87)
Net Gratuity Cost	14.65	(5.59)	4.58

SCHEDULES TO THE ACCOUNTS as at 31st March, 2010

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

(Rs. In lacs)

	2009-2010	2008-2009	2007-2008
(vi) The basis used to determine the overall expected rate of return on assets including major categories of plan assets is as follows: - NA			
(vii) Assumptions			
a. Interest Rate	8%	7%	8%
b. Discounting Factor	8%	7%	8%
c. Estimated Rate of Return on Plan Assets	0%	0%	8%
d. Salary Increase	6%	6%	6%
e. Attrition rate	5%	5%	5%
f. Retirement Age (Years)	58	58	58

(viii) 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.

e. Segment Reporting

In terms of Accounting Standard 17 of The Companies (Accounting Standards) Rules, 2006, information about Primary Business Segment is as under:

(Rs.in Lacs)

Particulars	Business Segments			Total
	Infrastructure Activity	Others	Unallocable	
Segment Revenue	51665.48	11222.80	66.00	62954.28
	<i>35694.08</i>	<i>14890.07</i>	<i>63.34</i>	<i>50647.49</i>
Segment Result before Interest & Taxes (PBIT)	7398.28	559.56	30.16	7988.00
	<i>6125.34</i>	<i>195.12</i>	<i>33.23</i>	<i>6353.69</i>
Interest & Finance Charges				2819.33
				<i>2538.47</i>
Profit before Tax (PBT)				5168.67
				<i>3815.22</i>
Taxes				1752.62
				<i>1076.82</i>
Profit after Tax (PAT)				3416.05
				<i>2738.40</i>
Segment Assets	56660.58	-	-	56660.58
	<i>34276.43</i>	<i>2083.93</i>	<i>1343.70</i>	<i>37704.05</i>
Segments Liabilities	32942.17	-	-	32942.17
	<i>22639.24</i>	<i>3839.46</i>	<i>393.87</i>	<i>26872.56</i>
Segment Capital Expenditure	2719.78	-	-	2719.78
	<i>1947.26</i>	-	<i>36.44</i>	<i>1983.70</i>
Segment Depreciation	433.95	-	-	433.95
	<i>296.84</i>	<i>16.60</i>	<i>30.11</i>	<i>343.55</i>

Previous years figures are in italic

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.

SCHEDULES TO THE ACCOUNTS

as at 31st March, 2010

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

- ii) 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.
- iii) There are no reportable geographical segments.
- f. 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:

- i. Name of the parties where control exists: AAP Infrastructure Ltd., a subsidiary of the Company
- 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) SMH Capital Limited.
 - d) MSP Infrastructures Ltd.
 - e) Sahaj Promoters Pvt. Ltd.

B. Names of the related parties with whom transactions were carried out during the year and description of relationship:

- a. Subsidiary Company: AAP Infrastructure Ltd.
- b. 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

c. Transactions with related parties

	Subsidiary Company/ proprietary concern	Joint Ventures	Key Management Personnel	Enterprises owned/ significantly influenced by Key Management Personnel
Payments:				
Salary				
Anjanee Kumar Lakhotia	-	-	22.50	-
	-	-	18.00	-
Maruti Maheshwari	-	-	17.25	-
	-	-	15.00	-
Aditya Maheshwari	-	-	6.00	-
	-	-	5.05	-
Anuj Maheshwari	-	-	6.00	-
	-	-	5.04	-

SCHEDULES TO THE ACCOUNTS as at 31st March, 2010

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

(Rs. In Lacs)

	Subsidiary Company/ proprietary concern	Joint Ventures	Key Management Personnel	Enterprises owned/ significantly influenced by Key Management Personnel
Purchase of Fixed Assets:				
Prabhu International	-	-	-	-
	<i>43.60</i>	-	-	-
Loan				
AAP Infrastructure Ltd.	1,604.65	-	-	-
	<i>1,604.65</i>	-	-	-
MSP Infrastructures Ltd.	753.25	-	-	-
	<i>658.25</i>	-	-	-
Receipts:				
Prabhu International Vyapaar Pvt. Ltd.	-	-	-	-
	<i>19.37</i>	-	-	-
MBL- Supreme (JV)	-	775.14	-	-
	-	<i>1,240.57</i>	-	-
MBL-Telecommunications Consultants India Ltd. JV.	-	1,068.90	-	-
	-	<i>1,967.03</i>	-	-
MBL-Calcutta Industrial Supply Corporation (JV)	-	2,090.45	-	-
	-	<i>2,735.79</i>	-	-
MBL - Lakheshwari Builders Pvt.Ltd. (JV)	-	93.59	-	-
	-	<i>1,056.86</i>	-	-
Toll Operation Receipts - AAP Infrastructures Ltd.	16.56	-	-	-
	<i>15.92</i>	-	-	-
Amount Receivable at year end:				
AAP Infrastructure Ltd.	1,804.17	-	-	-
	<i>2,104.85</i>	-	-	-
MSP Infrastructures Ltd.	3.89	-	-	-
	<i>2.76</i>	-	-	-
MBL- Supreme (JV) - NHAI Work	-	245.10	-	-
	-	<i>170.77</i>	-	-
MBL-Telecommunications Consultants India Ltd. JV.	-	2,206.26	-	-
	-	<i>140.81</i>	-	-
MBL-Calcutta Industrial Supply Corporation (JV)	-	27.12	-	-
	-	-	-	-
MBL - Lakheshwari Builders Pvt.Ltd. (JV)	-	515.95	-	-
	-	<i>332.95</i>	-	-

Previous years figures are in italic

SCHEDULES TO THE ACCOUNTS

as at 31st March, 2010

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

g. Deferred Tax Liability (Net) (Rs. In Lacs)

	Deferred Tax Liability / (Assets) as at 01.04.2009	Current year Charge/ (Credit)	Deferred Tax Liability/(Assets) as at 31.03.2010
Deferred Tax Liabilities			
i) Difference between book and Tax depreciation	541.60	208.00	749.60
ii) Others	372.70	374.63	747.33
	914.30	582.63	1496.93

h. 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, 2010. 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.

i. Interest income on Fixed Deposits of Rs. 228.96 lacs (Tax Deducted at Source Rs. 30.66 lacs) (previous year Rs.180.11 lacs (Tax Deducted at Source Rs.55.51 lacs) is adjusted against Interest and Finance Charges.

j. Contingent Liabilities (Rs. In Lacs)

	31.03.2010	31.03.2009
i) Claims against the Company / disputed Liabilities not acknowledged as Debts (to the extent ascertained)	1013.93	863.93
ii) Corporate Guarantees given on behalf of Subsidiary Companies	2200.00	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.	-	343.33

k. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs.120.21 lacs (Previous year Rs. 25.76 lacs)

l. Outstanding Bank Gurantees as on 31st March 2010 amounts to Rs. 18959.82 lacs (Previous year Rs. 13570.89 lacs).

m. Equipment/ Vehicle Finance and External Commercial Borrowings 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.

n. Working Captal 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.

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

	2009-2010	2008-2009
Contract revenue recognised for the year ended 31st March, 2010	51,665.48	35,694.08
Aggregate amount of contract costs incurred and Recognised profits (Less recognised losses) up to 31st March, 2010 for all the contracts in progress	91,466.90	57,470.80
The amount of customer advances outstanding for Contracts in progress as at 31st March, 2010	1,942.15	5,697.32
The amount of retention due from customers for contracts in progress as at 31st March, 2010	1,589.88	956.81
Gross amount due from customers for contracts in Progress	13,782.62	12,475.82

SCHEDULES TO THE ACCOUNTS as at 31st March, 2010

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

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

A. Turnover, Purchases, Closing and Opening Stocks:

a) Iron & Steel

(Rs. In Lacs)

Class of Goods:	2009-2010		2008-2009	
	Qty(MT)	Value	Qty(MT)	Value
Opening Stock	1101.470	386.13	1168.014	367.76
Purchases (Net of Wastage / Excess)	32996.160	11017.56	63245.675	14693.59
Sales **	34097.630	11403.69	63312.215	14890.07
Closing Stock	-	-	1101.474	386.13

** 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 - Rs. 21.10 Lacs. (Previous Year -72.30 Lacs)

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

r. 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. Jhawar

Partner

Membership No. 061308

Place : Kolkata.

Dated : The 30th day of May 2010

Anil Agarwal

CFO

Nitin Bagaria

Company Secretary

For and on behalf of the Board

Ram Gopal Maheshwari

Chairman

Anjaneer Kumar Lakhotia

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. State Code
 Balance Sheet Date

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

Public Issue Rights Issue
 (Incl. Securities Premium)
 Bonus Issue Private Placement

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

Total Liabilities Total Assets
 Sources of Funds
 Paid-up Capital Reserves & Surplus
 Deferred Tax (Net) Secured Loans
 Unsecured Loans
 Application of Funds
 Net Fixed Assets
 Net Current Assets Investments
 Accumulated Losses Misc. Expenditure

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

Turnover Total Expenditure
 Profit Before Tax Profit After Tax
 Dividend Rate Earning per Share (Rs.)

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

- a) Item Code No.
 Product Description Construction & Project related Activity
- b) Item Code No.
 Product Description Miscellaneous Infrastructure Activity
- c) Item Code No.
 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
 Place : Kolkata.
 Dated : The 30th day of May 2010

Anil Agarwal
 CFO

Nitin Bagaria
 Company Secretary

For and on behalf of the Board

Ram Gopal Maheshwari
 Chairman

Anjaneer Kumar Lakhota
 Wholtime Director & CEO

DIRECTORS' REPORT

To
The Members of
AAP Infrastructure Limited

The Directors have pleasure in presenting their Eighth Annual Report on the business and operations of the Company and the financial accounts for the year ended 31st March 2010:-

1 Financial Results

The financial results for the year ended March 31, 2010 are as under -

	Rs. in '000	
	2009-2010	2008-2009
Turnover (Net)	81,234	78,053
Gross Profit Before Interest and Depreciation	78,033	75,718
Less: Interest on loan	20,648	26,407
Profit Before Depreciation	57,385	49,311
Less: Depreciation	23,234	48,965
Profit Before Taxes	34,151	346
Less: Fringe Benefit Tax	-	2
Less: Current Tax	5,805	36
Less: Deferred Tax Liability/ (Asset)	-	118
Profit After Taxes	28,346	190

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

2 Holding Company

The Company is 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 made through joint development with the private sector on user fees charge basis. Various road projects have been completed successfully through out the country on BOT basis.

The BOT projects in the country are executed through special purpose vehicle company route where both govt. 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.

On receipts of Completion certificate from MPRDC tolling operation have been started 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

The BOT project of the Company has been part financed by Term Loan of Rs. 2200 lakhs from Punjab National Bank and subsidy of Rs. 3480 lakhs from MPRDC. Balance requirement of funds for the project has been provided by the Holding Company.

6 Directors

During the year, Shri Bhanu Prakash Agarwal resigned from the Board w.e.f. 30th January, 2010. The Board places on record their appreciation for the services rendered by Shri Bhanu Prakash Agarwal during the tenure of his Directorship of the Company. Shri Maruti Maheshwari, 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. Shri Kumar Singh Baghel was appointed as an additional Director of the Company w.e.f. 30th January, 2010 to hold office upto the end of the ensuing Annual General Meeting. A notice under Sec-257 has been received proposing the candidature of Mr. Baghel as director liable to retire by rotation.

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;

- (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.

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 has been re-constituted with Mr. Kumar Singh Baghel as Chairman and Mr. Anjaneer Kumar Lakhota and Mr. Maruti Maheshwari as member. The role of the Audit Committee includes the following:-

- a) to have discussions with the auditors periodically about internal control systems,
- b) to review the financial statements before submission to the Board,
- c) 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:

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

Place : Kolkata
Dated : The 30th day of May, 2010

Anjaneer Kumar Lakhota
Chairman

AUDITORS' REPORT

To
The Members of
AAP INFRASTRUCTURE LIMITED

1. We have audited the attached Balance Sheet of M/s AAP Infrastructure Ltd. as at March 31, 2010 and the related Profit and Loss Account annexed thereto and Cash Flow Statement for the year ended on that date. 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. Further to our comments in the Annexure referred to in paragraph(1) above :
 - 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 account 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 in compliance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- e) In our opinion and to the best of our information and according to the explanations given to us, the said statement of account read with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - i. In the Case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010.
 - ii. In case of the Profit and Loss, 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

Place: Kolkata

Dated : The 30th day of May, 2010

Membership No. 061308

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date

As required by the Companies (Auditor's Report) Order 2003, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks as were considered appropriate and according to the information and explanation given to us, we report that:

- 1 a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of

fixed assets.

- b) The Management at reasonable intervals has physically verified all Assets. No material discrepancies were noticed on such verification and if so, whether the same has been properly dealt with in the books of accounts.
- c) No fixed assets have been disposed of during the year, which affect the going concern.

- 2 The Company has taken loan from one company covered in the register maintained under Section 301 of the Companies Act, 1956. The year end balance of the said loan is Rs. 1604.65 lacs.
- 3 In our Opinion and according to explanation given to us , there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and sale of inventory. During the course of our audit no major weakness has been noticed in the internal control.
- 4 Based on the audit procedures applied by us and according to the information and explanation provided by the management, we are of the opinion that there were transactions that need to be entered into the register maintained under section 301 of the Companies Act,1956 has been so entered.
- 5 Based on our scrutiny of the Company's records and according to the information and explanation provided by the management, in our opinion, the Company has not accepted any public deposits so far upto 31st March 2010.
- 6 The Company internal audit system is commensurate with its size and nature of its business.
- 7 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.
- 8 According to the record of the Company, the Company is regular in depositing with the appropriate authorities undisputed statutory dues including, Income Tax, Wealth-tax, Sales-tax, cess and other statutory dues applicable to the Company.
- 9 The Company has no accumulated loss as at 31st March, 2010 and it has not incurred any cash loss in the financial year ended on that date or in the immediately preceding financial year.
- 10 Based on our audit procedures and on the basis of information & explanation given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to the bank.
- 11 According to the records of the Company, the Company has not granted any loans on the basis of security or pledge of shares, debentures or other securities.
- 12 In our opinion proper records have been maintained of the transactions and the contracts for investments and timely entries have been made therein. The shares, securities , debentures, and other investments which are held by the Company and also pledged to the banks, are in the Company's name.
- 13 According to the information and explanations provided by the management, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- 14 On the basis of review of utilization 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.
- 15 The Company has not raised during the year any amount by issue of equity shares.
- 16 On the basis of review of utilization of funds on overall basis, related information as made available to us by the management, the funds raised on short term basis have not been applied during the year for long term purposes.
- 17 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 act.
- 18 According to the records of the Company, the Company has not issued any debentures.
- 19 Based on the audit procedures applied by us and according to the information and explanation provided by the management, we report that no frauds on or by the Company has been noticed or reported during the course of audit.

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

(M. K. JHAWAR)

Partner

Membership No. 061308

Place : Kolkata

Dated : The 30th day of May, 2010

BALANCE SHEET

as at 31st March, 2010

(In Rs. '000)

	Schedule	31.03.2010	31.03.2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	120,000	120,000
Reserve & Surplus	2	18,728	-
Loan Funds			
Secured Loans	3	155,130	176,595
Unsecured Loans	4	160,465	160,465
Total		454,323	457,060
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	729,786	729,786
Less :Depreciation		105,021	81,787
Net Block		624,765	647,999
Deferred Tax		4,914	4,914
Current Assets, Loans & Advances			
Current Assets			
Cash & Bank Balances	6	5,496	645
Other Current assets	7	12,896	11,934
		18,392	12,579
Less : Current Liabilities & Provisions			
Current Liabilities	8	187,907	218,012
Provisions	9	5,841	38
		193,748	218,050
Net Current Assets		(175,356)	(205,471)
Miscellaneous Expenditure			
(To the extent not written off or adjusted)			
Profit & Loss Account (Dr. Balance)		-	9,618
Total		454,323	457,060
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. Jhavar

Partner

Membership No. 061308

Place : Kolkata.

Dated : The 30th day of May, 2010

For and on behalf of the Board

Anjaneer Kumar Lakhotia

Director

Manisha Choudhary

Company Secretary

Maruti Maheshwari

Director

PROFIT & LOSS ACCOUNT

For the year ended 31st March, 2010

(In Rs. '000)

	Schedule	31.03.2010	31.03.2009
INCOME			
User fees (Toll) (Net)		81,121	78,019
Interest on Fixed deposits		113	34
		81,234	78,053
EXPENDITURE			
Direct and Other Expenses	10	3201	2,335
Interest on Loan		20648	26,407
Depreciation		23234	48,965
		47,083	77,707
Profit Before Tax		34,151	346
Provision for Taxation			
Current Tax		5,805	36
Deferred Tax		-	118
Fringe Benefit Tax		-	2
Profit After Tax		28,346	190
Loss Brought Forward from previous year		(9,618)	(9,808)
Balance carried to Balance Sheet		18,728	(9,618)
Earning per Share (Basic/Diluted) (Rs.)		2.36	0.02
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. Jhwar
Partner
Membership No. 061308

Place : Kolkata.

Dated : The 30th day of May, 2010

For and on behalf of the Board

Anjaneer Kumar Lakhotia
Director

Manisha Choudhary
Company Secretary

Maruti Maheshwari
Director

CASH FLOW STATEMENT

For the year ended 31st March, 2010

(In Rs. '000)

	31.03.2010		31.03.2009	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax & Extraordinary Items		34,151		346
Adjustments for :				
Depreciation	23,234		48,965	
Interest on Fixed Deposit	(113)		(34)	
Interest on Term Loan	20,648	43,769	26,407	75,338
Operating Profit before Working Capital Changes :		77,920		75,684
Adjustment for:				
(Increase) / Decrease in Trade and other receivables	(919)		39	
Increase / (Decrease) in Trade Payables and other Liabilities	(37)	(956)	(3,810)	(3,771)
Net Cash from Operating Activities		76,964		71,913
Less : FBT/Advance tax Paid		(45)		(8)
		76,919		71,905
B CASH FLOW FROM INVESTING ACTIVITIES:				
Increase / (Decrease) in Project Development Payables	(30,068)	(30,068)	22,599	22,599
C. CASH FLOW FROM FINANCING ACTIVITIES				
(Repayments) / Proceeds of Secured Loan	(21,465)		(24,608)	
(Repayments) / Proceeds of Unsecured Loan	-		(44,034)	
Interest paid on term loan	(20,535)		(26,407)	
Net cash from Financing Activities		(42,000)		(95,049)
Net Increase/Decrease in cash and cash equivalents (A+B+C)		4,851		(545)
Cash & Cash Equivalent (Opening Balance)		645		1,190
Cash & Cash Equivalent (Closing Balance)		5,496		645

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

Notes : (i) Figures in brackets Represent outflows.

(ii) 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

Place : Kolkata.

Dated : The 30th day of May, 2010

For and on behalf of the Board

Anjaneer Kumar Lakhotia
Director

Manisha Choudhary
Company Secretary

Maruti Maheshwari
Director

SCHEDULES TO THE ACCOUNTS

as at 31st March, 2010

(In Rs. '000)

	31.03.2010	31.03.2009
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	120,000	120,000
(100% Equity shares are held by MBL Infrastructures Ltd. the holding Company and its nominees)		
	120,000	120,000

Schedule 2	RESERVE & SURPLUS	
General Reserve		
Surplus as per Profit and Loss Account	18,728	-
	18,728	-

Schedule 3	SECURED LOANS	
Term Loan		
From Punjab National Bank	155,130	176,595
(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)		
	155,130	176,595

Schedule 4	UNSECURED LOANS	
From Holding Company (Interest Free)	160,465	160,465
	160,465	160,465

Particulars	Gross Block			Depreciation			Net Block	
	As on 01.04.2009	Addition during the year	As on 31.03.2010	Up to 31.03.2009	For the year	Up to 31.03.2010	As on 31.03.2010	As on 31.03.2009
Intangibles Assets								
Carriage Ways *	729,786	-	729,786	81,787	23,234	105,021	624,765	647,999
Total	729,786	-	729,786	81,787	23,234	105,021	624,765	647,999
Previous Year	729,786	-	729,786	32,822	48,965	81,787	647,999	696,965

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

Schedule 6	CASH AND BANK BALANCES	
Cash in Hand	855	186
Balances with Scheduled Banks		
In Current Account	241	59
In Fixed Deposit Account	4,400	400
	5,496	645

SCHEDULES TO THE ACCOUNTS as at 31st March, 2010

(In Rs. '000)

	31.03.2010	31.03.2009
Schedule 7	OTHER CURRENT ASSETS	
Deposits	11,809	11,809
Advance Income Tax	35	-
Tax deducted at source	14	6
Prepaid Expenses	869	55
Accrued Interest	169	64
	12,896	11,934

Schedule 8	CURRENT LIABILITIES	
Sundry Creditors for Expenses	7,490	7,527
Sundry Creditors for Project Development	180,417	210,485
	187,907	218,012

Schedule 9	PROVISIONS	
Provision for Income Tax	5,841	36
Provision For Fringe Benefit Tax	-	2
	5,841	38

Schedule 10	DIRECT & OTHER EXPENSES	
Payment to and Provision for Employees		
Salaries, Wages and Bonus	741	280
Operation and Other Expenses		
Electricity Charges	356	377
Insurance	169	240
Project monitoring Expenses	828	796
Project management fees	916	-
Auditor's Remuneration		
As Audit Fee	15	15
As Tax Audit Fee	10	10
Other Expenses	166	617
	3,201	2,335

SCHEDULES TO THE ACCOUNTS

as at 31st March, 2010

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) which conferred the rights to the concession for construction 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.

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include useful lives of fixed assets and intangible assets, provision for doubtful debts/advances, future obligations in respect of retirement benefit plans etc. Actual results could differ from these estimates.

b. Revenue Recognition

Fee collections from users of facilities are accounted for as and when the amount is due and recovery of which is certain. Such collections are taken on revenue account on commencement of commercial operation of the Build-Operate-Transfer Road as per the concession agreement. The user fees are accounted for net off operation and maintenance charges.

c. Fixed Assets and Depreciation

Intangible Assets: Carriage Ways, being right to operate and maintain highways on BOT basis is capitalized 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.

d. Retirement Benefits

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

e. Borrowing Cost

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use for sale. All other borrowing costs are recognized as an expense in the period in which they are incurred.

SCHEDULES TO THE ACCOUNTS as at 31st March, 2010

Schedule 11 Significant Accounting Policies and Notes to the Accounts (Contd...)

f. 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 is measured based on the tax rates and tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

g. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized 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, 2010. 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. Auditor's Remuneration (including service tax)

	2009-2010	2008-2009
Audit Fees	15	15
Tax Audit Fees	10	10

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

d. Disclosure of Related Parties / related party transactions:

A. List of related parties

Holding Company: MBL Infrastructures Ltd.

B. Transactions with related parties

	2009-2010	2008-2009
Unsecured Loan (Interest Free)	160,465	160,465
Amounts Payable at the year end	180,417	210,485

e. 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.

SCHEDULES TO THE ACCOUNTS

as at 31st March, 2010

Schedule 11 Significant Accounting Policies and Notes to the Accounts (Contd...)

(Rs in '000)

(ii)	2009-2010	2008-2009
Claims against the Company not Acknowledged as debt	500	200

- f. During the year, the Company has changed the method of amortisation of Toll collection rights from the previous method of amortisation over the period of concessionaire agreement. Due to the above change in method, profit for the current year and Fixed Assets are overstated by Rs. 25,731 thousands.
- g. 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

Place : Kolkata.

Dated : The 30th day of May, 2010

For and on behalf of the Board

Anjaneer Kumar Lakhota
Director

Manisha Choudhary
Company Secretary

Maruti Maheshwari
Director

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. - State Code

Balance Sheet Date

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

Public Issue N I L Rights Issue N I L

Bonus Issue N I L Private Placement N I L

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

Total Liabilities 6 4 8 0 7 1 Total Assets 6 4 8 0 7 1

Sources of Funds

Paid-up Capital 1 2 0 0 0 0 Reserves & Surplus 1 8 7 2 8

Unsecured Loans 1 5 5 1 3 0 Unsecured Loans 1 6 0 4 6 5

Application of Funds

Net Fixed Assets 6 2 4 7 6 5 Investments N I L

Net Current Assets (1 7 5 3 5 6) Misc. Expenditure N I L

Accumulated Losses N I L

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

Turnover 8 1 2 3 4 Total Expenditure 4 7 0 8 3

Profit Before Tax 3 4 1 5 1 Profit After Tax 2 8 3 4 6

Dividend Rate N I L Earning per Share (Rs.) 2 . 3 6

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. Jhavar
Partner
Membership No. 061308

Place : Kolkata.

Dated : The 30th day of May, 2010

For and on behalf of the Board

Anjaneer Kumar Lakhotia
Director

Manisha Choudhary
Company Secretary

Maruti Maheshwari
Director

CONSOLIDATED AUDITORS' REPORT

To
The Members of
MBL Infrastructures Limited

1. We have audited the attached Consolidated Balance Sheet of MBL Infrastructures Limited ('the Company') and its subsidiary (collectively referred to as 'the Group') as at March 31, 2010, and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date, annexed thereto. These Consolidated Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21, "Consolidated Financial Statements" as referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956 and on the basis of the separate audited financial statements of the Company and its subsidiary included in the Consolidated Financial Statements.
4. In our opinion and to the best of our information and according to the explanations given to us and on consideration of the separate audit reports on individual audited financial statements of the Company and its subsidiary, the Consolidated Financial

Statements give a true and fair view in conformity with the accounting principles generally accepted in India;

- i) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at March 31, 2010;
- ii) in the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the Group for the year ended on that date; and
- iii) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the year ended on that date.

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

(M. K. JHAWAR)
Partner

Place: Kolkata

Dated: The 30th Day of May, 2010

Membership No.061308

CONSOLIDATED BALANCE SHEET

as at 31st March, 2010

(Rs in lacs)

	Schedule	31.03.2010	31.03.2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	1,751.37	1,181.37
Reserves and Surplus	2	20,657.41	8,639.67
Loan Funds			
Secured Loans	3	15,388.49	12,682.70
Unsecured Loans	4	5,296.56	6,737.04
Deferred Tax Liabilities (Net)		1,447.79	865.16
Total		44,541.62	30,105.94
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	18,758.39	16,047.39
Less : Depreciation		4,263.05	3,600.99
Net Block		14,495.34	12,446.40
Capital Work-in-Progress		488.67	-
		14,984.01	12,446.40
Current Assets, Loans And Advances			
Current Assets			
Inventories	6	9,765.58	4,018.54
Sundry Debtors	7	22,131.74	11,999.57
Cash and Bank Balances	8	3,356.64	4,504.96
Other Current Assets	9	2,761.78	2,980.39
Loans & Advances	10	5,408.43	3,450.45
		43,424.17	26,953.91
Less : Current Liabilities And Provisions			
Current Liabilities			
Provisions	11	13,267.64	8,926.62
	12	598.92	367.75
		13,866.56	9,294.37
Net Current Assets		29,557.61	17,659.54
Total		44,541.62	30,105.94
Significant Accounting Policies & Notes To The Accounts	20		

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. Jhavar

Partner

Membership No. 061308

Place : Kolkata.

Dated : The 30th day of May, 2010

For and on behalf of the Board

Anil Agarwal

CFO

Nitin Bagaria

Company Secretary

Ram Gopal Maheshwari

Chairman

Anjaneer Kumar Lakhotia

Wholtime Director & CEO

CONSOLIDATED PROFIT & LOSS ACCOUNT For the year ended 31st March, 2010

(Rs in lacs)

	Schedule	31.03.2010	31.03.2009
INCOME			
Income from Operations	13	63,699.49	51,364.34
Other Income	14	66.00	63.34
Increase/(Decrease) in Stock in Trade	15	(386.13)	18.37
		63,379.36	51,446.05
EXPENDITURE			
Operating Expenses	16	52,359.70	42,654.73
Employees Remuneration and Benefits	17	1,028.57	682.11
Administrative Expenses	18	789.94	655.11
Interest and Finance Charges	19	3,024.67	2,802.20
Depreciation		666.29	948.71
Transfer of Depreciation on Revalued Assets		-	(115.51)
		57,869.17	47,627.35
Profit Before Tax		5,510.19	3,818.70
Provision for Taxation			
Current Tax		1,228.05	735.36
Deferred Tax		582.62	336.64
Fringe Benefit Tax		-	6.38
Profit After Tax		3,699.52	2,740.32
Balance Brought Forward		1,693.66	1,142.27
Balance Available For Appropriation		5,393.18	3,882.59
APPROPRIATIONS			
Proposed Dividend		350.27	229.86
Corporate Tax on Dividend		58.18	39.07
Transfer to General Reserve		3,500.00	1,920.00
Balance Carried to Balance Sheet		1,484.73	1,693.66
		5,393.18	3,882.59
Earning per Share of Rs.10/- each			
Basic (Rs.)		28.12	23.20
Diluted (Rs.)		28.12	23.20
Significant Accounting Policies & Notes to the Accounts	20		

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. Jhwar

Partner

Membership No. 061308

Place : Kolkata.

Dated : The 30th day of May, 2010

Anil Agarwal

CFO

Nitin Bagaria

Company Secretary

For and on behalf of the Board

Ram Gopal Maheshwari

Chairman

Anjaneer Kumar Lakhotia

Wholesale Director & CEO

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st March, 2010

(Rs in lacs)

	31.03.2010		31.03.2009	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit / (Loss) before Tax & Extraordinary Items		5,510.19		3,818.68
Adjustments for :				
(Profit)/Loss on Sale of Fixed Assets	2.96		2.53	
Depreciation	666.29		833.20	
Interest and Finance Charges	3,024.67	3,693.92	2,802.20	3,637.93
Operating Profit before Working Capital Changes		9,204.11		7,456.61
(Increase) / Decrease in Inventories	(5,747.04)		(1,761.31)	
(Increase) / Decrease in Trade and other receivable	(11,871.53)		(6,083.02)	
Increase / (Decrease) in Trade Payables and other Liabilities	4,355.24	(13,263.33)	(841.29)	(8,685.62)
Cash Generated from Operations		(4,059.22)		(1,229.01)
Direct Taxes Paid		(1,150.62)		(527.21)
Net Cash from Operating Activities		(5,209.84)		(1,756.22)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Additions in Fixed Assets	(3,208.44)		(1,969.08)	
Sale of Fixed Assets	1.58		5.25	
(Additions) / Disposals of Investments	-		-	
Net cash used in Investing Activities		(3,206.86)		(1,963.83)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Issue of Share Capital (Net of Issue Expenses)	9,296.67		1,500.00	
Share Application Money	-		(1,500.00)	
(Repayments) / Proceeds of Secured Loan	2,705.79		5,420.09	
(Repayments) / Proceeds of Unsecured Loan	(1,440.48)		3,097.36	
Dividend & Dividend Tax Paid	(268.93)		(212.96)	
Interest and Finance Charges	(3,024.67)		(2,802.54)	
Net cash from Financing Activities		7,268.38		5,501.95
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)		(1,148.32)		1,781.90
Cash & Cash Equivalent (Opening Balance)		4,504.96		2,723.06
Cash & Cash Equivalent (Closing Balance)		3,356.64		4,504.96

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. 2540.96 (31-03-2009 : Rs.2669.05) 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. Jhawar
Partner
Membership No. 061308
Place : Kolkata.
Dated : The 30th day of May, 2010

Anil Agarwal
CFO

Nitin Bagaria
Company Secretary

For and on behalf of the Board

Ram Gopal Maheshwari
Chairman

Anjaneer Kumar Lakhotia
Wholtime Director & CEO

SCHEDULES TO THE CONSOLIDATED ACCOUNTS as at 31st March, 2010

(Rs in lacs)

	31.03.2010	31.03.2009
Schedule 1	SHARE CAPITAL	
Authorised		
2,52,50,000 Equity Shares of Rs. 10/- each	1,751.37	2,525.00
Issued, Subscribed and Paid Up		
1,75,13,727 Equity Shares of Rs.10/- each fully paid up. (Previous Year : 1,18,13,727 Equity Shares of Rs.10/- each fully paid up)	1,751.37	1,181.37
(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	1,181.37

Schedule 2	RESERVES AND SURPLUS	
General Reserve		
As per last Balance Sheet	4,000.00	2,080.00
Add : Transfer from Profit and Loss Account	3,500.00	7,500.00
Capital Redemption Reserve		1,391.01
Surplus as per Profit and Loss Account Annexed		1,484.73
Securities Premium Account		
As per last Balance Sheet	1,555.00	130.00
Add : Received on account of Fresh Issue of Equity Shares (Refer note 2 of schedule 20)	9,690.00	1,425.00
Less : Share Issue expenses (Refer note 2 of schedule 20)	963.33	10281.67
		-
	20,657.41	8,639.67

Schedule 3	SECURED LOANS	
Working Capital facilities from Banks	11,602.09	9,135.17
Term Loans	1,551.30	1,765.96
External Commercial Borrowings from Bank	969.00	-
Equipment/Vehicle Finance		
From Banks	646.26	921.74
From Others	619.84	859.83
	15,388.49	12,682.70

Schedule 4	UNSECURED LOANS	
From Banks	1,500.00	3,000.00
From Contractees	3,796.56	3,716.03
From Others	-	21.01
	5,296.56	6,737.04

SCHEDULES TO THE CONSOLIDATED ACCOUNTS as at 31st March, 2010

(Rs in lacs)

Schedule 5 FIXED ASSETS											
Particulars	Gross Block				Depreciation				Net Block		
	As at 31.03.2009	Additions	Sale/ Adjustments	As at 31.03.2010	Upto 31.03.2009	For the Year	Adjustments	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009	
Land	14.39	-	-	14.39	0.09	0.04	-	0.13	14.26	14.30	
Buildings	13.12	-	-	13.12	5.21	0.44	-	5.65	7.47	7.91	
Carriage Ways	7,297.87	-	-	7,297.87	817.87	232.34	-	1,050.21	6,247.66	6,480.00	
Plant and Machinery	8,249.43	2,562.84	-	10,812.27	2,638.94	386.74	-	3,025.68	7,786.59	5,610.49	
Vehicles	376.90	137.52	8.78	505.64	113.67	38.91	4.23	148.35	357.29	263.23	
Furniture and Fittings	95.68	19.42	-	115.10	25.21	7.82	-	33.03	82.07	70.47	
Total	16,047.39	2,719.78	8.78	18,758.39	3,600.99	666.29	4.23	4,263.05	14,495.34	12,446.40	
Previous Year	14,080.44	1,983.70	16.75	16,047.39	2,333.04	459.05	8.97	2,783.12	5,966.40	11,747.40	
Capital Work-in-Progress (including Capital advances)									488.67	-	

Note : 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.

(Rs in lacs)

	31.03.2010	31.03.2009
Schedule 6 INVENTORIES		
(As valued and certified by management)		
(at cost or net realisable value whichever is lower)		
Construction Materials at site	9,765.58	3,632.41
Stock in trade	-	386.13
	9,765.58	4,018.54

Schedule 7 SUNDRY DEBTORS		
(Unsecured, considered good)		
Outstanding for a period exceeding six months	74.59	41.36
Other Debts	22,057.15	11,958.21
	22,131.74	11,999.57

Schedule 8 CASH AND BANK BALANCES		
Cash Balance on Hand	185.57	422.46
Bank Balances with Scheduled Banks		
In Current Accounts	586.11	1,409.45
In Fixed Deposit Accounts	2,584.96	2,673.05
(FDRs pledged as Security with Banks)		
	3,356.64	4,504.96

SCHEDULES TO THE CONSOLIDATED ACCOUNTS as at 31st March, 2010

(Rs in lacs)

	31.03.2010	31.03.2009
Schedule 9 OTHER CURRENT ASSETS		
Security and Other Deposits	2,645.60	2,895.45
Accrued Interest	116.18	84.94
	2,761.78	2,980.39

Schedule 10 LOANS AND ADVANCES		
Advances (recoverable in cash or in kind or for value to be received)	5,408.43	3,450.45
	5,408.43	3,450.45

Schedule 11 CURRENT LIABILITIES		
Acceptances	704.56	3,701.80
Sundry Creditors for Goods and Expenses	7,054.81	2,255.30
Other Liabilities	3,061.56	628.55
Advances from Contractees	2,446.71	2,340.97
	13,267.64	8,926.62

Schedule 12 PROVISIONS		
Provision net of Advance Payment of Taxes (Advance Tax Rs. 2455.09 Lacs Previous year Rs.1304.92 Lacs) (Provision for Tax Rs. 2565.57 Lacs Previous year Rs.1395.58 Lacs)	168.40	90.97
Provision for Employees' Benefits	22.07	7.85
Proposed Dividend	350.27	229.86
Provision for Corporate Dividend Tax	58.18	39.07
	598.92	367.75

Schedule 13 INCOME FROM OPERATIONS		
Construction and Project related Activities	52,476.69	36,474.27
Waste Management and Trading Activities	11,222.80	14,890.07
	63,699.49	51,364.34

Schedule 14 OTHER INCOME		
Claims	13.93	26.74
Miscellaneous Income and Receipts	52.07	36.60
	66.00	63.34

SCHEDULES TO THE CONSOLIDATED ACCOUNTS as at 31st March, 2010

(Rs in lacs)

	31.03.2010	31.03.2009
Schedule 15	INCREASE/(DECREASE) IN STOCK IN TRADE	
Closing Stock	-	386.13
Opening Stock	386.13	367.76
	(386.13)	18.37
Schedule 16	OPERATING EXPENSES	
Consumption of Raw Materials	15,331.01	10,733.67
Purchases	10,622.83	14,693.59
Stores and Spares Consumed	576.14	548.37
Direct Labour, Sub-Contract etc	21,911.28	14,837.06
Power, Fuel and Lubricants	2,295.52	1,017.00
Equipment Hire Charges	503.46	86.98
Rent(Sites)	65.85	53.31
Site Development Expenses	249.41	56.02
Repairs to Plant & Machinery	44.84	41.04
Insurance	39.50	48.10
Rates and Taxes	719.86	539.59
	52,359.70	42,654.73
Schedule 17	EMPLOYEES REMUNERATION AND BENEFITS	
Salaries, Wages and Bonus	985.26	669.02
Contribution to Provident and Other Funds	29.10	19.12
Provision for Employees benefits	14.21	(6.03)
	1,028.57	682.11
Schedule 18	ADMINISTRATIVE EXPENSES	
Repairs to other Assets	52.08	38.44
Rent(office)	46.01	19.99
Auditor's Remuneration		
As Audit Fee	2.15	1.90
As Tax Audit Fee	0.35	0.35
Other Matters	0.20	0.18
Miscellaneous Expenses	646.44	558.72
Loss on Sale of Fixed Assets	2.96	2.53
Directors' Remuneration	39.75	33.00
	789.94	655.11
Schedule 19	INTEREST AND FINANCE CHARGES	
Interest and Finance Charges	2,544.33	2,238.92
Bank Commission and Charges	480.34	563.28
	3,024.67	2,802.20

SCHEDULES TO THE CONSOLIDATED ACCOUNTS as at 31st March, 2010

Schedule 20 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

1 Significant Accounting Policies :

a. Principles of Consolidation

The Consolidated Financial Statements comprise the MBL Infrastructures Ltd. ("the Company") and its subsidiary company, AAP Infrastructure Ltd. as at 31st March 2010 and for the year ended on that date.

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

- i 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 Statement" of the Companies (Accounting Standards) Rules, 2006.
- ii The Financial Statements of the subsidiary are drawn up upto the same reporting date as that of the Company, i.e. March 31, 2010.
- iii 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

- (i) 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.
- (ii) The Company follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis.

c. Revenue Recognition

- (i) Sale is recognised on despatch of goods and net of Value Added Tax (VAT).
- (ii) 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.
- (iii) Revenue in respect of claims is recognised to the extent the Company is reasonably certain of their realisation.
- (iv) Other operational income is recognized on rendering of related services, as per the terms of the contracts.
- (v) Other items of income are accounted as and when the right to receive arises.
- (vi) Fee collections from users of facilities are accounted for as and when the amount is due and recovery of which is certain. Such collections are taken on revenue account on commencement of commercial operations of the Built-operate-Transfer Road as per the concession agreement.

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

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

SCHEDULES TO THE CONSOLIDATED ACCOUNTS as at 31st March, 2010

Schedule 20 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS *(Contd..)*

f. Foreign Currency Transactions

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

g. Leases

The Company's significant leasing arrangements are in respect of operating leases for premises. The aggregate lease rents payable are charged as rent in the Profit and Loss Account.

h. Inventories

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

i. Taxes on Income

- i) Provision for current tax is made after taking into consideration benefits admissible under the 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.
- In case of unabsorbed depreciation and losses, deferred tax assets are recognised and carried forward only to the extent there is a virtual certainty that the asset will be adjusted in future.

j. 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. There are no obligations other than the contribution payable to the respective funds.
- 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. Long term compensated absences are provided for based on actuarial valuation.
- Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

k. 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.
- (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.

l. Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

m. Provision, Contingent Liabilities and Contingent Assets

The carrying amount of assets is reviewed at each balance sheet date to determine if there is any indication of impairment thereof based

SCHEDULES TO THE CONSOLIDATED ACCOUNTS as at 31st March, 2010

Schedule 20 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Contd...)

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.

2. Initial Public Offer

During the current year, the Company has completed an Initial Public Offer (IPO) of 57,00,000 Equity Shares of Rs.10/- each at a cash price of Rs.180/- per Equity Share. The premium of Rs.170/- per Equity Share amounting to Rs. 9690 lacs has been credited to Securities Premium Account. The Share Issue expenses incurred by the Company amounting to Rs. 963.33 lacs have been debited against Securities Premium Account.

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, 2010 is as follows:

Funds raised: Rs.10260 lacs, Utilisation as objects of the Issue- Rs. 8792 lacs, Balance- Rs.1460 lacs is in cash credit/current bank accounts of the Company.

3. Notes to the Accounts

a. Disclosure in respect of Joint Ventures :

Name of Joint Ventures	Proportion of Ownership Interests
Joint Ventures:	
MBL-Supreme (JV)	40%
MBL-Telecommunications Consultants India Ltd. (JV)	51%
MBL-Calcutta Industrial Supply Corporation (JV)	60%
MBL - Lakshewari Builders Pvt.Ltd. (JV)	60%

b. Disclosure in respect of Joint Ventures :

(Rs. In lacs)

List of Joint Ventures:	Proportion of Ownership Interests	Assets	Liabilities	Income	Expenses
MBL-Supreme (JV)	40%	-	-	849.47	775.15
MBL-Telecommunications Consultants India Ltd. (JV)	51%	-	-	3134.35	2964.78
MBL-Calcutta Industrial Supply Corporation (JV)	60%	-	-	2209.27	2080.24
MBL - Lakshewari Builders Pvt.Ltd. (JV)	60%	-	-	311.37	287.37

c. Earnings per Share

(Rs. In lacs)

	2009-2010	2008-2009
i. Profit Computation for earning per share of Rs.10/- each		
Net Profit as per Profit & Loss Account before earlier years' tax	3699.52	2740.32
Net Profit as per Profit & Loss Account after earlier years' tax	3699.52	2740.32
ii. Weighted average number of equity shares for EPS Computation		
For Basic EPS	13156741	11813727
For Diluted EPS	13156741	11813727
iii. Basic EPS (weighted average)		
Basic EPS (before earlier years' tax) (Rs.)	28.12	23.20
Basic EPS (after earlier years' tax) (Rs.)	28.12	23.20
iv. Diluted EPS (Weighted average)		
Diluted EPS (before earlier years' tax) (Rs.)	28.12	23.20
Diluted EPS (after earlier years' tax) (Rs.)	28.12	23.20

SCHEDULES TO THE CONSOLIDATED ACCOUNTS as at 31st March, 2010

Schedule 20 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Contd..)

d. Employees' Benefits

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

	2009-2010	2008-2009	2007-2008
(i) Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation:			
Obligation at the beginning of the financial year	7.85	13.88	9.29
Service Cost	14.60	2.50	5.71
Interest on Defined Benefit obligation	0.61	0.96	0.74
Benefits Settled	(0.43)	(0.43)	-
Actuarial (Gain)/ Loss	(0.57)	(9.05)	(1.87)
Obligation at the end of the financial year	22.07	7.85	13.88
(ii) Change in Plan assets			
Plan assets at the beginning of the financial year, at fair value	-	-	-
Expected return on plan assets	-	-	-
Actuarial gain/ (loss)	-	-	-
Contributions	0.43	0.43	-
Benefits settled	(0.43)	(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 PBO	22.07	7.85	13.88
Closing Fair Value of plan assets	-	-	-
Closing Funded status	(22.07)	(7.85)	(13.88)
Unrecognised actuarial (gains)/ losses	-	-	-
(iv) Net asset/ (liability) recognised in the balance sheet	(22.07)	(7.85)	(13.88)
(v) Expenses recognised in the Profit & Loss Account			
Service Cost	14.61	2.50	5.71
Interest Cost	0.61	0.96	0.74
Expected return on plan assets	-	-	-
Actuarial (gains)/ loss	(0.57)	(9.05)	(1.87)
Net Gratuity Cost	14.65	(5.59)	4.58
(vi) The basis used to determine the overall expected rate of return on assets including major categories of plan assets is as follows: - NA			
(vii) Assumptions			
a. Interest Rate	8%	7%	8%
b. Discounting Factor	8%	7%	8%
c. Estimated Rate of Return on Plan Assets	0%	0%	8%
d. Salary Increase	6%	6%	6%
e. Attrition rate	5%	5%	5%
f. Retirement Age (Years)	58	58	58
(viii) 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.			

SCHEDULES TO THE CONSOLIDATED ACCOUNTS as at 31st March, 2010

Schedule 20 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Contd...)

e. Segment Reporting

In terms of Accounting Standard 17 of The Companies (Accounting Standards) Rules, 2006, information about Primary Business Segment is as under: (Rs. in Lacs)

Particulars	Business Segments			Total
	Infrastructure Activity	Others	Unallocable	
Segment Revenue	52476.69	11222.80	66.00	63765.49
	<i>36474.27</i>	<i>14890.07</i>	<i>63.34</i>	<i>51427.68</i>
Segment Result before Interest & Taxes (PBIT)	7909.30	559.56	66.00	8534.86
	<i>6392.52</i>	<i>195.12</i>	<i>33.26</i>	<i>6620.90</i>
Interest & Finance Charges				3024.67
				<i>2802.20</i>
Profit before Tax (PBT)				5510.19
				<i>3818.70</i>
Taxes				1810.67
				<i>1078.38</i>
Profit after Tax (PAT)				3699.52
				<i>2740.32</i>
Segment Assets	58408.18	-	-	58408.18
	<i>35972.65</i>	<i>2083.93</i>	<i>1343.73</i>	<i>39400.31</i>
Segments Liabilities	34551.61	-	-	34551.61
	<i>24480.77</i>	<i>3839.46</i>	<i>393.87</i>	<i>28714.10</i>
Segment Capital Expenditure	2719.78	-	-	2719.78
	<i>1947.26</i>	-	<i>36.44</i>	<i>1983.70</i>
Segment Depreciation	666.29	-	-	666.29
	<i>786.49</i>	<i>16.60</i>	<i>30.11</i>	<i>833.20</i>

Previous years figures are in italic

Notes:

- i) 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.
 - ii) 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.
 - iii) There are no reportable geographical segments.
- f. 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:

- i. Key Management Personnel:
 - a) Mr. Ram Gopal Maheshwari
 - b) Mr. Anjaneer Kumar Lakhota
 - c) Mr. Maruti Maheshwari
 - d) Mr. Aditya Maheshwari
 - e) Mr. Anuj Maheshwari
- ii. 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)

SCHEDULES TO THE CONSOLIDATED ACCOUNTS as at 31st March, 2010

Schedule 20 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Contd..)

- iii. Director having significant influence:
- Prabhu International, Proprietary Concern of a Director
 - Prabhu International Vyapaar Pvt. Ltd.
 - SMH Capital Limited.
 - MSP Infrastructures Ltd.
 - Sahaj Promoters Pvt. Ltd.

B. Names of the related parties with whom transactions were carried out during the year and description of relationship:

- a. Key Management Personnel:
- Mr. Ram Gopal Maheshwari
 - Mr. Anjaneer Kumar Lakhotia
 - Mr. Maruti Maheshwari
 - Mr. Aditya Maheshwari
 - Mr. Anuj Maheshwari

b. Transactions with related parties

(Rs. In Lacs)

	Subsidiary Company/ proprietary concern	Joint Ventures	Key Management Personnel	Enterprises owned/significantly influenced by Key Management Personnel
Payments :				
Salary				
Anjaneer Kumar Lakhotia	-	-	22.50	-
	-	-	18.00	-
Maruti Maheshwari	-	-	17.25	-
	-	-	15.00	-
Aditya Maheshwari	-	-	5.00	-
	-	-	5.05	-
Anuj Maheshwari	-	-	6.00	-
	-	-	5.04	-
Purchase of Fixed Assets:				
Prabhu International	-	-	-	-
	43.60	-	-	-
Loan				
MSP Infrastructures Ltd.	753.25	-	-	-
	658.25	-	-	-
Receipts:				
Prabhu International Vyapaar Pvt. Ltd.	-	-	-	-
	19.37	-	-	-
MBL- Supreme (JV)	-	775.14	-	-
	-	1,240.57	-	-
MBL-Telecommunications Consultants India Ltd. JV.	-	1,068.90	-	-
	-	1,967.03	-	-
MBL-Calcutta Industrial Supply Corporation (JV)	-	2,090.45	-	-
	-	2,735.79	-	-
MBL - Lakheshwari Builders Pvt.Ltd. (JV)	-	93.59	-	-
	-	1,056.86	-	-

SCHEDULES TO THE CONSOLIDATED ACCOUNTS as at 31st March, 2010

Schedule 20 | SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Contd...)

b. Transactions with related parties (Contd...) (Rs. In Lacs)

	Subsidiary Company/proprietary concern	Joint Ventures	Key Management Personnel	Enterprises owned/significantly influenced by Key Management Personnel
Amount Receivable at year end:				
MSP Infrastructures Ltd.	3.89 <i>2.76</i>	- -	- -	- -
MBL- Supreme (JV)	- -	245.10 <i>170.77</i>	- -	- -
MBL-Telecommunications Consultants India Ltd. JV.	- -	2,206.26 <i>140.81</i>	- -	- -
MBL-Calcutta Industrial Supply Corporation (JV)	- -	27.12 -	- -	- -
MBL - Lakheshwari Builders Pvt.Ltd. (JV)	- -	515.95 <i>332.95</i>	- -	- -

Previous years figures are in italic

g. Deferred Tax Liability (Net) (Rs. In Lacs)

	Deferred Tax Liability / (Assets) as at 01.04.2009	Current year Charge/ (Credit)	Deferred Tax Liability/(Assets) as at 31.03.2010
Deferred Tax Liabilities			
i) Difference between book and Tax depreciation	541.60	208.00	749.60
ii) Others	372.70	374.63	747.33
(A)	914.30	582.63	1496.93
Deferred Tax Assets			
Arising on account of Business Losses	49.14	-	49.14
(A-B)	865.16	582.63	1447.79

h. 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, 2010. 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.

i. Interest income on Fixed Deposits of Rs. 230.09 lacs (Tax Deducted at Source Rs. 30.74 lacs) (previous year Rs.180.11lacs (Tax Deducted at Source Rs. 55.51 lacs) is adjusted against Interest and Finance Charges.

j. Contingent Liabilities (Rs. In Lacs)

	31.03.2010	31.03.2009
i) Claims against the Company / disputed Liabilities not acknowledged as Debts (to the extent ascertained)	1018.93	863.93
ii) 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	-	343.33
iii) Stamp Duty demand under BOT Agreement 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.	120.00	120.00

SCHEDULES TO THE CONSOLIDATED ACCOUNTS as at 31st March, 2010

Schedule 20 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Contd..)

- k. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 120.21 lacs (Previous year Rs. 25.76 lacs)
- l. Outstanding Bank Guarantees as on 31st March 2010 amounts to Rs.18959.82 lacs (Previous year Rs.13570.89 lacs).
- m. Equipment/ Vehicle Finance and External Commercial Borrowings 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.
- n. 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 consortium banks.
 - Hypothecation against first charge on all unencumbered fixed assets of the Company both present and future ranking pari passu with consortium banks.
 - Equitable Mortgage of certain properties (Land & Buildings).
 - Personal guarantees of certain Directors.
- o. Term Loan from Bank 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 Holding Company.
- p. During the year, the Company has changed the method of amortisation of Toll collection rights from the previous method of amortisation over the period of concessionaire agreement. Due to the above change in method, profit for the current year and Fixed Assets are overstated by Rs. 257.31 lacs.
- q. Information in accordance with the requirements of the Accounting Standard (AS-7) as per Companies (Accounting Standards) Rules, 2006 :

	2009-2010	2008-2009
Contract revenue recognised for the year ended 31st March, 2010	52476.69	36474.27
Aggregate amount of contract costs incurred and Recognized profits		
(Less recognized losses) up to 31st March, 2010 for all the contracts in progress	91466.9	57470.80
The amount of customer advances outstanding for Contracts in progress as at 31st March 2010	1,942.15	5,697.32
The amount of retention due from customers for contracts in progress as at 31st March 2010	1589.88	956.81
Gross amount due from customers for contracts in Progress	13,782.62	12,475.82

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

A. Turnover, Purchases, Closing and Opening Stocks:

a) Iron & Steel

(Rs. In Lacs)

Class of Goods:	2009-2010		2008-2009	
	Qty(MT)	Value	Qty(MT)	Value
Opening Stock	1101.47	386.13	1168.014	367.76
Purchases	32996.16	11017.56	63245.675	14693.59
(Net of Wastage / Excess)				
Sales*	34097.63	11403.69	63312.215	14890.07
Closing Stock	-	-	1101.474	386.13

* including used as capex

SCHEDULES TO THE CONSOLIDATED ACCOUNTS as at 31st March, 2010

Schedule 20 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Contd...)

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.

- s. i) Expenditure in Foreign Exchange - Rs. 21.10 Lacs.(Previous Year - 72.30 Lacs)
 ii) Earning in Foreign Exchange - Rs. Nil (Previous Year - Nil)
- t. 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
 Place : Kolkata.
 Dated : The 30th day of May, 2010

Anil Agarwal
CFO

 Nitin Bagaria
Company Secretary

For and on behalf of the Board

Ram Gopal Maheshwari
Chairman

 Anjaneer Kumar Lakhota
Wholetime Director & CEO

