

Creating Highways to Success

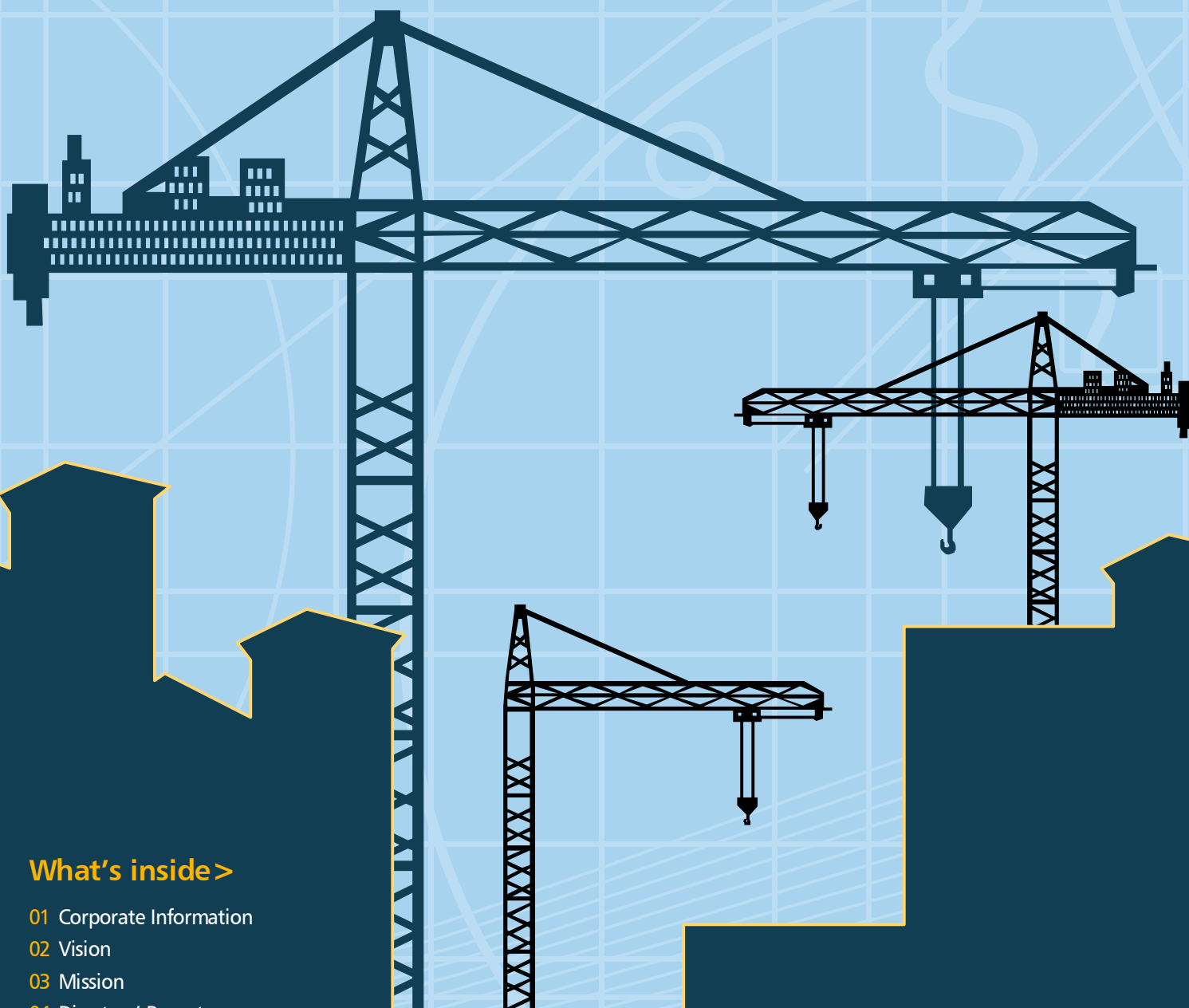
ANNUAL REPORT 2011-2012



MBL Infrastructures Limited

FORWARD LOOKING STATEMENTS

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 Market data and information gathered from various published and unpublished reports, their accuracy, reliability and completeness cannot be assured.



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CORPORATE INFORMATION

Directors

Mr. Ram Gopal Maheshwari
Chairman

Mr. Anjanee Kumar Lakhota
Whole-time Director & CEO

Mr. Maruti Maheshwari
Executive Director

Mr. Surinder Singh Kohli
Independent Director

Mr. Ashwini Kumar Singh
Independent Director

Mr. Kumar Singh Baghel
Independent Director

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

VP (Finance & Accounts)

Mr. R. N. Bansal

Company Secretary

Mr. Nitin Bagaria

Bankers

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

Auditors

M/s Agrawal S. Kumar
& Associates

Registered Office

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

Corporate Office

Delhi

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

Kolkata

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



VISION

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



MISSION

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

Directors' Report

Dear Members,

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

The financial highlights are as under:

(₹ in Lacs)

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

Board of Directors



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

Review of Operations

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

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

Dividend

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

Transfer to Reserves

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

Capital Expenditure

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

BOT Projects and Subsidiary Companies

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

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

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

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

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

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

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

Consolidated Financial Statements and Results

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

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

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

Management Discussion and Analysis Report

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

Corporate Governance

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

Finance

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

Directors

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

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

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

Directors' Responsibility Statement

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

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

Auditors

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

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

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

Public Deposits

The Company has not accepted any Public Deposit.

Human Resource Development

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

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

Corporate Social Responsibility

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

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

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

Particulars of employees

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

Appreciation

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

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

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

By Order of the Board

New Delhi

Dated: 30th May, 2012

Ram Gopal Maheshwari

Chairman