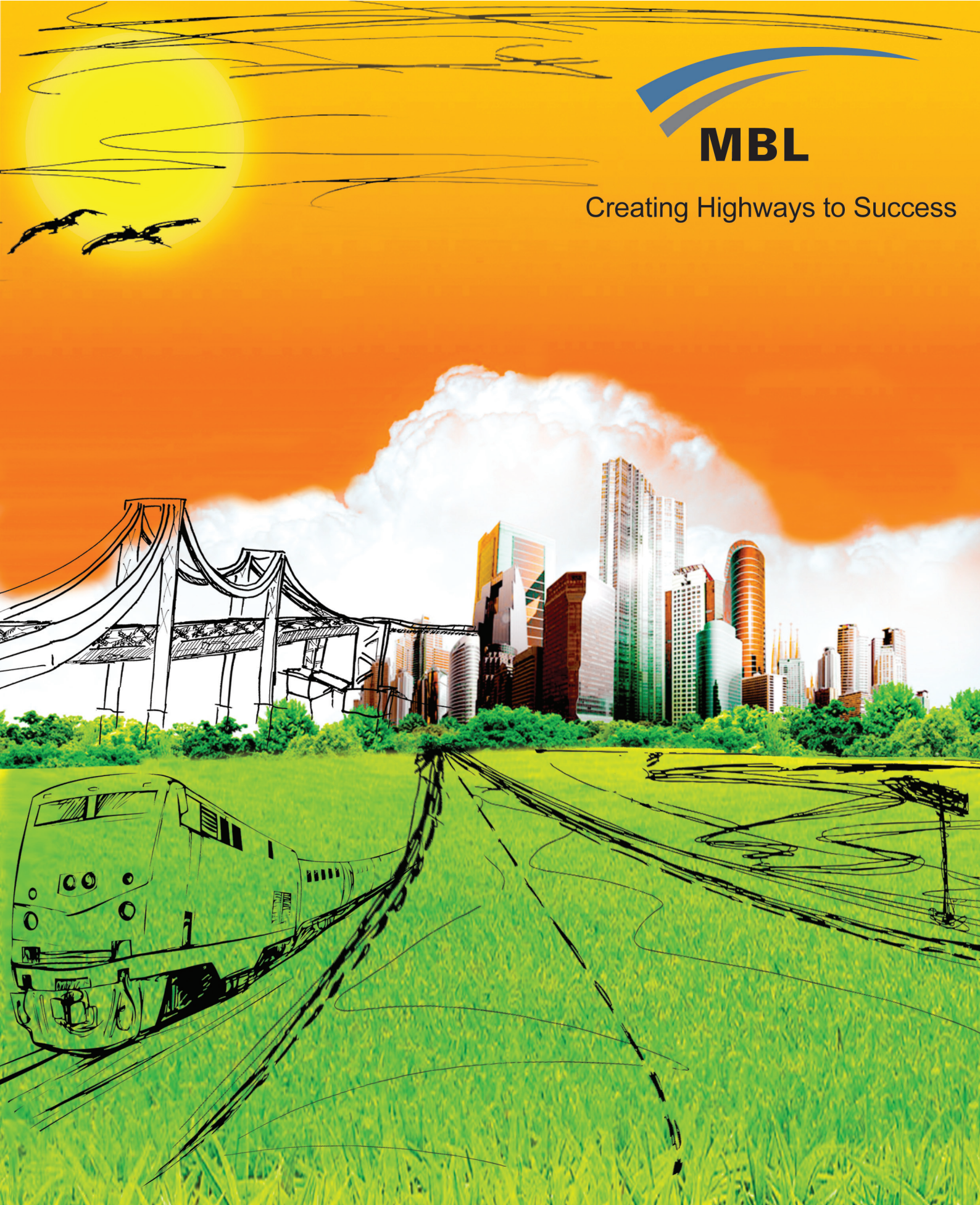




MBL

Creating Highways to Success



MBL Infrastructures Ltd.

Annual Report 2013-2014

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Forward Looking Statement

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 Market data and information gathered from various published and unpublished reports, their accuracy, reliability and completeness cannot be assured.

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Directors

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

Company Secretary

Mr. Vivek Jain

Auditors

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

Registrar & Share Transfer Agent

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

Registered Office

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

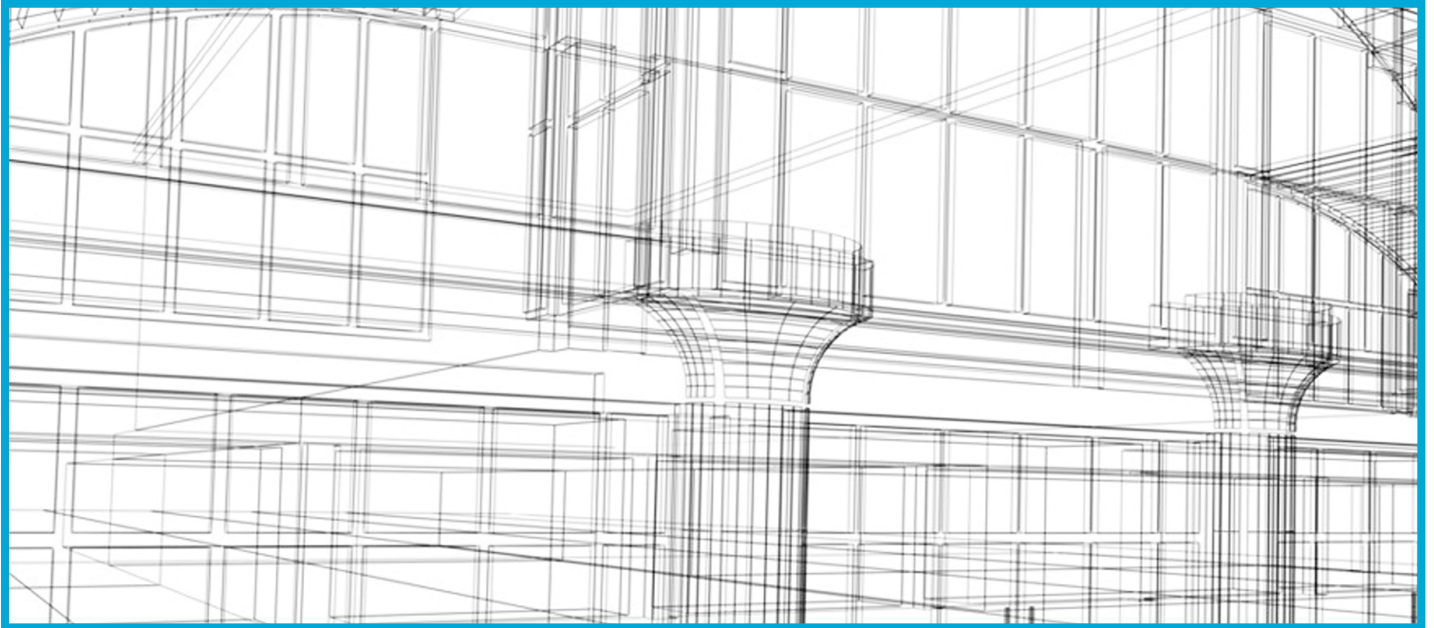
Corporate Office

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

Bankers & Financial Institutions

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

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



Mission

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

Dear Members,

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



Financial Highlights

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

Review of Operations

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

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

Dividend

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

Capital Expenditure

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

BOT Projects & Subsidiary Companies

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

BOT Projects

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

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

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

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

A statement pursuant to Section 212(1)(e) and 212(8) of the Companies Act, 1956, is annexed herewith as Annexure A.

Consolidated Financial Statements and Results

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

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

Management Discussion and Analysis Report

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

Corporate Governance

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

Finance

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

Directors

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

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

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

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

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

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

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

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

Directors' Responsibility Statement

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

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures are made from the same;
- (b) we have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the period under review;
- (c) we have taken proper and sufficient care to the best of our knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) we have prepared the annual accounts on a going concern basis.

Auditors and Auditors' Report

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

Cost Auditors

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

Disclosure of Particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo.

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

Public Deposits

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

Corporate Social Responsibility (CSR)

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

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

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