



Annual Report  
2008-2009





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#### Board of Directors

Ravi Parthasarathy  
Ved Jain  
Anil Kumar Agarwal  
Hari Sankaran  
Arun Saha  
Karunakaran Ramchand

#### Company Secretary

G. Venkateswar Reddy

#### Auditors

S R Batliboi & Associates  
Chartered Accountants  
205, 2nd Floor  
Ashoka Bhoopal Chambers  
Sardar Patel Road  
Secunderabad – 500 003.

#### Bankers

Allahabad Bank  
Axis Bank Limited  
Bank of India  
Bank of Maharashtra  
BNP Paribas  
HDFC Bank  
HSBC Limited  
ICICI Bank  
IDBI Bank  
Indian Overseas Bank  
Indusind Bank Limited  
ING Vysya Bank Limited  
Kotak Mahindra Bank  
Punjab National Bank  
Standard Chartered Bank  
State Bank of Hyderabad  
State Bank of India  
Vijaya Bank  
Yes Bank Limited

#### Registrar & Share Transfer Agent

Karvy Computershare Private Limited  
No. 17-24, Vittalrao Nagar, Madhapur,  
Hyderabad - 500 081  
Telephone No. 040 - 23420819 to 24  
Fax No. 040 - 23420814, Email ID: einward.ris@karvy.com

#### Registered Office

6-3-1186/5/A, IIIrd Floor,  
Amogh Plaza, Begumpet, Hyderabad – 500 016  
Tel: +91-40-40409333; 23408100  
Fax: 040-23401107  
www.maytasinfra.com

## Notice

Notice is hereby given that the **Twenty First Annual General Meeting of the Members of Maytas Infra Limited will be held on Monday, the 9<sup>th</sup> day of November, 2009 at 10.30 a.m. at Sri Sathya Sai Nigamagmam, 8-3-987/2, Srinagar Colony, Hyderabad 500 073 to transact the following business :**

### ORDINARY BUSINESS :

- 1 To receive, consider and adopt the Audited Balance Sheet as at March 31, 2009, the Profit & Loss Account for the year ended on that date together with the Reports of the Directors and the Auditors thereon
- 2 To consider, and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution :  
"RESOLVED THAT M/s SR Batliboi & Associates, Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting at a remuneration as may be determined by the Board of Directors of the Company"

### SPECIAL BUSINESS :

- 3 To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:  
"RESOLVED THAT Mr Ravi Parthasarathy, who was appointed as an Additional Director at the Meeting of the Board of Directors of the Company held on September 29, 2009 and who holds office upto the date of ensuing Annual General Meeting under Section 260 of the Companies Act, 1956 (the Act) and is eligible for re-appointment and in respect to whom the Company has received a notice in writing under Section 257 of the Act, from a Member proposing Mr Ravi Parthasarathy's candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation"
- 4 To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:  
"RESOLVED THAT Mr Hari Sankaran, who was appointed as an Additional Director at the Meeting of the Board of Directors of the Company held on September 29, 2009 and who holds office upto the date of ensuing Annual General Meeting under Section 260 of the Companies Act, 1956 (the Act) and is eligible for re-appointment and in respect to whom the Company has received a notice in writing under Section 257 of the Act from a Member proposing Mr Hari Sankaran's candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation"
- 5 To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:  
"RESOLVED THAT Mr Arun Saha, who was appointed as an Additional Director at the Meeting of the Board of Directors of the Company held on September 29, 2009 and who holds office upto the date of ensuing Annual General Meeting under Section 260 of the Companies Act, 1956 (the Act) and is eligible for re-appointment and in respect to whom the Company has received a notice in writing under Section 257 of the Act from a Member proposing Mr Arun Saha's candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation"
- 6 To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr Karunakaran Ramchand, who was appointed as an Additional Director at the Meeting of the Board of Directors of the Company held on September 29, 2009 and who holds office upto the date of ensuing Annual General Meeting under Section 260 of the Companies Act, 1956 (the Act) and is eligible for re-appointment and in respect to whom the Company has received a notice in writing under Section 257 of the Act from a Member proposing Mr Karunakaran Ramchand's candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation"

- 7 To consider and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule XIII to the Companies Act, 1956, the consent of Members of the Company be and is hereby accorded for the appointment of Mr B Narasimha Rao as Whole-time Director of the Company during the period from January 30, 2009 to September 29, 2009 (both days inclusive) and for the payment of remuneration of Rs 45,00,000/- (Rupees Forty-five lakhs only) per annum"

- 8 To consider and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification(s) or re-enactment thereof (the Act), relevant provisions of the Articles of Association of the Company, subject to approval of the Central Government, the consent of Members of the Company be and is hereby accorded for the appointment of Mr G Venkateswar Reddy as Manager of the Company for a period of one year with effect from September 29, 2009, on following terms & conditions, with authority delegated to the Board of Directors or Remuneration Committee thereof (hereinafter referred to as "the Board") to alter and vary the terms and conditions of the said appointment and/or the remuneration, subject to the relevant provisions of the Act.

- (a) Basic Salary - In the scale of Rs 45,000/- to Rs 75,000/- pm
- (b) Other Allowances- In the scale of Rs 55,000/- to Rs 85,000/- pm
- (c) Special Bonus - One time payment of Rs 50,000/- if employed with the Company for a minimum period of one year
- (d) Perquisites and Other facilities - Provident Fund, Gratuity, Leave Encashment, Group Mediclaim Insurance Coverage, Personal Accident Insurance Coverage, Performance Pay, Leave Travel Allowance, Provision for Car as per rules of the Company. In addition to this, Reimbursement of mobile phone charges for use of the Company business.

**“RESOLVED FURTHER THAT**

- (a) Notwithstanding anything to the contrary herein contained where in any financial year during the currency of tenure of Manager, the Company has no profits or its profits are inadequate, remuneration by way of salary, performance based rewards/ incentive and perquisites shall not exceed the aggregate of the annual remuneration as provided above or the maximum remuneration payable as per the limits set out in Section II of Part II of Schedule XIII of the Act, whichever is lower, unless otherwise determined by the Board, subject to approval of the Central Government, if required

Explanation : For the purpose of calculating the limit under the Act, perquisites, allowances shall be evaluated as per Income Tax Rules wherever applicable. In the absence of any such rules, the perquisites, allowances shall be evaluated at the actual cost. Retirement benefits such as contribution to Provident Fund, Superannuation, Gratuity and Leave Encashment will not be included in the computation of the ceiling on perquisites

- (b) General Conditions :

- (i) The total remuneration payable to the Manager along with other Whole-time Directors of the Company, if any, shall not exceed 10% of the net profits during any Financial Year. In case there is no other Whole-time Director, the total remuneration payable to the Manager shall not exceed 5% of the net profits during any Financial Year or such other limit as may be prescribed by the Central Government
- (ii) The Manager shall be entitled to other privileges, allowance, facilities and amenities in accordance with rules and regulations as may be applicable to other employees of the Company and / or as may be decided by the Board, within the overall limits prescribed under the Act
- (iii) Mr G Venkateswar Reddy will cease to be Manager on cessation of his employment with the Company”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution”

- (9) To consider and if thought fit, to pass, the following resolution as a Special Resolution with or without modification(s):

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 302, and 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the Act as amended from time to time (including any statutory modifications or re-enactment thereof for the time being in force) and subject to the approval of Central Government, the consent of the Company be and is hereby accorded to ratify and/or approve the payment of Rs 94,11,013/- made to Mr PK Madhav in excess of the remuneration payable to him in accordance with the provisions of Schedule XIII of the Act for the Financial Year 2008-09”

“RESOLVED FURTHER THAT subject to the approval of Central Government, the recovery by the Company of the excess amount of Rs 94,11,013/- paid to Mr PK Madhav for the Financial Year 2008-09, being the amount exceeding the statutory limits laid down under the Act, arising as a consequence of inadequacy and/or absence of profits, be and is hereby waived”

“RESOLVED FURTHER THAT any one of the Directors of the Company or Mr G Venkateswar Reddy, Company Secretary of the Company, be and are hereby, severally, authorized to make such application, provide such further information and explanation and to sign, execute and submit

the necessary applications, declarations, statements, affidavits, documents and writings as may be required in respect of the aforesaid application to be made to the Central Government pursuant to the provisions of Section 309 of the Act to give effect to this resolution as required from time to time”

- (10) To consider and if thought fit, to pass, the following resolution as a Special Resolution with or without modification(s):

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 302, and 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the Act as amended from time to time (including any statutory modifications or re-enactment thereof for the time being in force) and subject to the approval of Central Government, the consent of the Company be and is hereby accorded to ratify and/or approve the payment of Rs 92,95,758/- made to Mr CS Bansal in excess of the remuneration payable to him in accordance with the provisions of Schedule XIII of the Act for the Financial Year 2008-09”

“RESOLVED FURTHER THAT subject to the approval of Central Government, the recovery by the Company of the excess amount of Rs 92,95,758/- paid to Mr CS Bansal for the Financial Year 2008-09, being the amount exceeding the statutory limits laid down under the Act, arising as a consequence of inadequacy and/or absence of profits, be and is hereby waived”

“RESOLVED FURTHER THAT any one of the Directors of the Company or Mr G Venkateswar Reddy, Company Secretary of the Company, be and are hereby, severally, authorized to make such application, provide such further information and explanation and to sign, execute and submit the necessary applications, declarations, statements, affidavits, documents and writings as may be required in respect of the aforesaid application to be made to the Central Government pursuant to the provisions of Section 309 of the Act to give effect to this resolution as required from time to time”

- (11) To consider and if thought fit, to pass, the following resolution as a Special Resolution with or without modification(s):

“RESOLVED THAT pursuant to the provisions of sections 198, 269, 302, and 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the Act, as amended from time to time (including any statutory modifications or re-enactment thereof for the time being in force) and subject to the approval of Central Government, the consent of the Company be and is hereby accorded to ratify and/or approve the payment of Rs 80,876/- for the Financial Year 2008-09 and the payment of Rs 3,92,628/- for the period April 1, 2009 to September 29, 2009 made to Mr B Narasimha Rao in excess of the remuneration payable to him in accordance with the provisions of Schedule XIII of the Act”

“RESOLVED FURTHER THAT subject to the approval of Central Government, the recovery by the Company of the excess amount of Rs 80,876/- for the Financial Year 2008-09 and the payment of Rs 3,92,628/- for the period April 1, 2009 to September 29, 2009 paid to Mr B Narasimha Rao, being the amount exceeding the statutory limits laid down under the Act, arising as a consequence of inadequacy and/or absence of profits, be and is hereby waived”

“RESOLVED FURTHER THAT any one of the Directors of the Company or Mr G Venkateswar Reddy, Company Secretary of the Company, be and are hereby, severally, authorized to make such application, provide such further information and explanation and to sign, execute and submit

the necessary applications, declarations, statements, affidavits, documents and writings as may be required in respect of the aforesaid application to be made to the Central Government pursuant to the provisions of Section 309 of the Act to give effect to this resolution as required from time to time"

(12) To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (the Act), relevant circulars, notifications issued by the Reserve Bank of India (RBI), the relevant provisions of Securities and Exchange Board of India (Employees Stock Option Scheme & Employees Stock Purchase Scheme) Guidelines 1999, as amended, the provisions of the Income Tax Act 1961, and guidelines issued thereunder, the relevant provisions of Memorandum and Articles of Association of the Company and subject to such other rules, regulations and guidelines that may be issued by SEBI and/or such other authorities, from time to time and subject to the approvals, consents, permissions and/or sanctions as may be required from appropriate regulatory authorities/ institutions or bodies and subject to such terms and conditions as may be prescribed / imposed, approval be and is hereby granted to the Company to set up Employee Stock Option Scheme – 2009 (ESOS 2009) and to thereunder issue and allot 58,85,000 (Fifty-Eight Lakhs Eighty-Five Thousand only) Stock Options (or such adjusted numbers for any bonus, stock splits or consolidation or other re-organisation of the capital structure of the Company as may be applicable, from time to time) to its employees, which include permanent employees, Directors of the Company, whether Whole-time or not, including Alternate Directors, entitling the holders of such Stock Options to apply for Equity Shares of the Company and on conversion /exercise of such Stock Options, to issue and allot 58,85,000 (Fifty-Eight Lakhs Eighty-Five Thousand only) equity shares of the Company (or such adjusted numbers for any bonus, stock splits or consolidation or other re-organisation of the capital structure of the Company as may be applicable, from time to time) ranking pari passu with existing equity shares of the Company, on such terms and conditions and to such Employees as the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include the Remuneration Committee of the Board) may decide from time to time which inter alia include broad terms and conditions of the ESOS 2009 as provided in the Explanatory Statement to this Notice and which may be deemed to be part of this resolution for which approval be and is hereby granted"

"RESOLVED FURTHER THAT in case of any corporate action (s) such as rights issues, bonus issues, stock split, merger and sale of division and others, if any additional stock options are issued by the Board to the option grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the above ceiling of 58,85,000 stock options shall be deemed to be increased/adjusted to the extent of such additional options issued"

"RESOLVED FURTHER THAT the Board be and is hereby authorized to :

- (a) re-price the Stock Options as per the provisions of the Securities and Exchange Board of India (Employees

Stock Option Scheme & Employees Stock Purchase Scheme) Guidelines 1999

- (b) issue and allot such number of equity shares, on conversion /exercise of the Stock Options, all such equity shares shall rank pari-passu with the existing equity shares of the Company in all respects
- (c) settle all questions, difficulties or doubts that may arise in relation to the formulation and implementation of the ESOS 2009 (including any amendment or modifications thereto) without being required to seek any further consents or approvals of the Members
- (d) vary, amend, modify or alter the terms of the ESOS 2009 in accordance with and subject to any guidelines, rules or regulations that may be issued by any appropriate regulatory/ statutory authority
- (e) delegate all or any of the powers herein conferred to any Director(s) and/or Officer(s) of the Company
- (f) do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary in relation thereto; to give effect to the foregoing resolutions"
- (13) To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (the Act), relevant circulars, notifications issued by the Reserve Bank of India (RBI), the relevant provisions of Securities and Exchange Board of India (Employees Stock Option Scheme & Employees Stock Purchase Scheme) Guidelines 1999, as amended, the provisions of the Income Tax Act 1961, and guidelines issued thereunder, the relevant provisions of Memorandum and Articles of Association of the Company and subject to such other rules, regulations and guidelines that may be issued by SEBI and/or such other authorities, from time to time and subject to the approvals, consents, permissions and/or sanctions as may be required from appropriate regulatory authorities/ institutions or bodies and subject to such terms and conditions as may be prescribed / imposed, approval be and is hereby granted to the Company to issue and allot Stock Options out of ESOS 2009 to employees of the holding company of the Company and to employees of the present and future subsidiary companies of the Company which include permanent employees, Directors (whether Whole-time or not, including Alternate Directors) and entitling the holders of such Stock Options to apply for equity shares of the Company and on conversion/ Exercise of such Stock Options, to issue and allot Equity Shares of the Company ranking pari passu with existing equity shares of the Company, on such terms and conditions and to such employees as the Board may decide from time to time where broad terms and conditions of ESOS 2009 are detailed in the Explanatory Statement to this Notice and which may be deemed to be part of this resolution to which approval is hereby granted"

"RESOLVED FURTHER THAT in case of any corporate action (s) such as rights issues, bonus issues, stock split, merger and sale of division and others, if any additional stock options are issued by the Board to the option grantees

for the purpose of making a fair and reasonable adjustment to the options granted earlier, the ceiling of 58,85,000 stock options in terms of ESOS 2009 shall be deemed to be increased/adjusted to the extent of such additional options issued"

"RESOLVED FURTHER THAT the Board be and is hereby authorized to

- (a) re-price the Stock Options as per the provisions of the Securities and Exchange Board of India (Employees Stock Option Scheme & Employees Stock Purchase Scheme) Guidelines 1999
- (b) issue and allot such number of equity shares, on conversion /exercise of the Stock Options, all such equity shares shall rank pari-passu with the existing equity shares of the Company in all respects
- (c) vary, amend, modify or alter the terms of the ESOS 2009 in accordance with and subject to any guidelines, rules or regulations that may be issued by any appropriate regulatory/ statutory authority

(d) delegate all or any of the powers herein conferred to any Director(s) and/or Officer(s) of the Company

(e) do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary in relation thereto; to give effect to the foregoing resolutions"

(14) To consider and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 61 and other applicable provisions of the Companies Act, 1956, the consent of the Members be and is hereby accorded to the Company by ratifying the variation in the utilization of the Initial Public Offer (IPO) proceeds, as shown in the table given below, to the extent of Rs 105.40 Crores, by revising/ re-scheduling between the investments in associate companies and other project related investments and commitments in view of the competitive and dynamic nature of the business:

(Rs in Crore)

Sl. No	Particulars	Utilisation as proposed in the Prospectus	Actual status on utilization as at 31st March, 2009
A	Investment in Associate Companies :		
	(a) Bangalore Elevated Tollway for the construction of the elevated highway project of the Bangalore-Hosur section of NH7;	27.71	16.98
	(b) KVK Nilachal Power for developing, constructing and commissioning a 300 MW coal-based power plant in Orissa; and	127.44	41.24
	(c) SV Power for setting up a 56 MW coal washery reject based power plant and a 2.5 million metric tonne per annum coal washery at Korba District, Chhattisgarh	34.25	25.78
B	Purchase of Construction Equipment	33.29	33.29
C	Other Project related investments and commitments	-	105.40
D	General corporate purposes	74.76	76.05
E	Issue Expenses	30.00	28.71
	<b>Total</b>	<b>327.45</b>	<b>327.45</b>

By order of the Board  
for **Maytas Infra Limited**

Date : September 29, 2009  
Place: Mumbai

**G Venkateswar Reddy**  
Company Secretary

## NOTES:

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. BLANK FORM IS ATTACHED
- (2) The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business set out above is annexed hereto and forms part of the Notice
- (3) Details required under Clause 49 of the Listing Agreement with Stock Exchanges in respect of Directors seeking appointment / re-appointment at the Annual General Meeting are incorporated in the Report on Corporate Governance forming part of this Annual Report
- (4) Members / Proxies are requested to hand over the enclosed Attendance Slip duly filled in, at the entrance for attending the meeting
- (5) Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of Board Resolution authorizing their representatives to attend and vote on their behalf in the meeting
- (6) Documents referred to in the accompanying Notice and Explanatory Statement are available for inspection at the Registered Office of the Company during office hours between 9.30 a.m. and 6.00 p.m. on all working days prior to the date of the Annual General Meeting
- (7) The Register of Members and Share Transfer Books of the Company will remain closed from November 2, 2009 to November 9, 2009 (both days inclusive) for the Annual General Meeting
- (8) Members are requested to notify immediately any change of address to their Depository Participants (DPs) in respect of their holdings in electronic form and to the Registrars of the company i.e. Karvy Computershare Private Limited, Plot No. 17-24 Vittal Rao Nagar, Madhapur, Hyderabad – 500 081 in respect of their physical share folios, if any
- (9) Shareholders are requested to bring their copies of Annual Report to the Annual General Meeting
- (10) Members who hold shares in dematerialised form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting
- (11) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote

## EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173 (2) OF THE COMPANIES ACT, 1956

### Item Nos 3, 4, 5 & 6 :

Pursuant to the order of Company Law Board (CLB) dated August 31, 2009, M/s Infrastructure Leasing and Financial Services Limited (IL&FS) became the new Promoter of the Company and have assumed the Management Control of the Company. In terms of the Order, IL&FS has appointed the following Directors

as its nominees on the Board of the Company with effect from September 29, 2009 :

- Mr Ravi Parthasarathy, Chairman, IL&FS
- Mr Hari Sankaran, Managing Director & CEO, IL&FS
- Mr Arun K Saha, Joint Managing Director, IL&FS; and
- Mr Karunakaran Ramchand, Head of Operations - Infrastructure, IL&FS

The four nominees of IL&FS have been appointed as Additional Directors in terms of Section 260 of the Companies Act, 1956 (the Act), and hold their office upto the date of this Annual General Meeting (AGM). The Company has received notices in writing under Section 257 of the Act from its shareholders along with requisite deposit, proposing the candidatures of Mr Ravi Parthasarathy, Mr Hari Sankaran, Mr Arun Saha and Mr Karunakaran Ramchand for Office of the Director of the Company

Mr Ravi Parthasarathy, Mr Hari Sankaran, Mr Arun Saha and Mr Karunakaran Ramchand are not disqualified from being appointed as Directors under Section 274(1)(g) of the Act and have complied with the requirement of obtaining the Director Identification Number in terms of Section 266A of the Act. The Company has received the requisite Form 'DD-A' from these Directors, in terms of Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act 1956) Rules 2003, confirming their eligibility for such appointment

A brief resume of Mr Ravi Parthasarathy, Mr Hari Sankaran, Mr Arun Saha and Mr Karunakaran Ramchand, nature of their expertise in specific functional areas and names of companies in which they hold Directorships and Memberships/ Chairmanships of Board/Committees, as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges are provided in Report on Corporate Governance separately which forms part of the Annual Report

The Board recommends the resolution for the approval of the Members

Except Mr Ravi Parthasarathy, Mr Hari Sankaran, Mr Arun Saha and Mr Karunakaran Ramchand, none of the Directors of the Company may be deemed to be concerned or interested in the resolutions relating to their respective appointments

Mr Ravi Parthasarathy, Mr Hari Sankaran, Mr Arun K Saha and Mr Karunakaran Ramchand do not hold any shares in the Company

Mr Ravi Parthasarathy, Mr Hari Sankaran, Mr Arun Saha and Mr Karunakaran Ramchand are not related to any Director of the Company and they are Nominees of IL&FS on the Board of the Company

### Item No. 7 :

At the Meeting of the Board of Directors of the Company held on January 30, 2009, the Board had approved the appointment of Mr B Narasimha Rao as Whole-time Director (WTD) of the Company for a period of five years effective January 30, 2009 with a remuneration of Rs 45,00,000/- per annum.

The terms of appointment were not approved by the Remuneration Committee of the Board of Directors or Shareholders of the Company to complete the formalities as stipulated under the provisions of the Companies Act, 1956 (the Act). The Company has incurred losses during the Financial Year 2008-09 and as a result the Managerial Remuneration paid to the Whole-time Director was in excess of norms prescribed under Schedule XIII of the Act

In terms of the Order of Company Law Board dated August 31, 2009, Mr B Narasimha Rao remained on the Board of the Company till September 29, 2009 and submitted his resignation from the Board of the Company on that date



The brief profile of Mr.B.Narasimha Rao and the requisite details as required to be provided to Shareholders of the Company in terms of the provisions of Schedule XIII of the Act are provided under item no.9, 10 & 11 of explanatory statement and are not being provided under this item to avoid repetition. The shareholders may refer to item no.9, 10 & 11 of explanatory statement for the same.

The terms and conditions as set out in Resolution No.7 and above should also be treated as an abstract and memorandum of interest under Section 302 of the Companies Act, 1956

The Company now requests the approval of the Shareholders of the Company for the appointment of Mr B Narasimha Rao as Whole-time Director of the Company from January 30, 2009 to September 29, 2009

The Board recommends the resolution for the approval of the Members

None of the Directors of the Company may be deemed to be concerned or interested in the resolutions

#### **Item No. 8 :**

At the Meeting of the Board of Directors of the Company held on September 29, 2009, the Board has approved appointment of Mr Gogireddy Venkateswar Reddy, Company Secretary of the Company, as Manager of the Company in terms of Section 269 of the Companies Act, 1956 (the Act) for a period of one year effective September 29, 2009

Since the Company has incurred losses for Financial Year 2008-09, in terms of provisions of Clause B of Section II of Part II of Schedule XIII of the Act, ceilings are prescribed in terms of effective capital of the Company for payment of Managerial Remuneration. However, as per Schedule XIII provisions the concerned Company would be required to fulfill the following pre-conditions :

- (a) the Remuneration is approved by the Remuneration Committee;
- (b) the Company has not defaulted in repayment of any of its debts for a continuous period of 30 days in the preceding Financial Year before the date of such appointment; and
- (c) the appointment is approved by the Shareholders of the Company through a special resolution

Since the Company has defaulted repayment of loans to Banks/ Financial Institutions, the appointment of Manager requires the approval of Central Government. Thus, to comply with the provisions of the Act, the Company would approach the Central Government seeking its approval for the foregoing appointment and payment of managerial remuneration to the Manager of the Company

#### **Brief Profile of Mr.G.Venkateswar Reddy**

Mr.G.Venkateswar Reddy is a qualified Company Secretary with a post qualification experience of more than a decade in various capacities. He is also a post-graduate in Linguistics and Law Graduate from Osmania University. Mr.Venkateswar Reddy possesses vast experience in Company Law and other legal areas and dealt with several related issues in the past. Presently, he is an Assistant General Manager and Company Secretary of the Company. The Board is confident that his experience and expertise will be of immense use to the Company.

#### **Information as required in terms of Schedule XIII of the Companies Act, 1956**

The requisite details as required to be provided to Shareholders of the Company in terms of the provisions of Schedule XIII of the Act are provided under item no.9, 10 & 11 of explanatory statement and are not being provided under this item to avoid

repetition. The shareholders may refer to item no.9, 10 & 11 of explanatory statement for the same.

The Board recommends the resolution for the approval of the Members

None of the Directors of the Company may be deemed to be concerned or interested in the resolutions

The terms and conditions as set out in Resolution No 8 and above should also be treated as an Abstract of Memorandum of Interest under Section 302 of the Companies Act, 1956

#### **Item Nos. 9, 10 and 11 :**

##### **Mr PK Madhav:**

The Members of the Company in the Extra-Ordinary General Meeting of the Company held on December 30, 2006 had approved the appointment of Mr PK Madhav as a Whole-time Director of the Company for a period of 5 years with effect from November 1, 2006 with terms and conditions as stipulated therein. Mr PK Madhav had resigned as Whole-time Director with effect from January 30, 2009

Due to losses incurred during the Financial Year 2008-09, the managerial remuneration paid to Mr PK Madhav was in excess of the maximum permissible limit as prescribed under Schedule XIII of the Companies Act, 1956. The excess remuneration paid to Mr PK Madhav was Rs 94,11,013/- for the Financial Year 2008-09

As per the provisions of Section 309 of the Companies Act, 1956, any remuneration paid to a Director in excess of the maximum remuneration payable to him in accordance with the provisions of Schedule XIII of the Companies Act, 1956 is required to be refunded by the Director to the Company, unless such requirement is waived by the Company pursuant to receipt of permission from the Central Government

The Board of Directors at its Meeting held on September 29, 2009, have noted the foregoing and opined that Mr PK Madhav had requisite experience and expertise and contributed towards growth of the Company. The remuneration paid to him was in line with his long experience and expertise and have accordingly ratified, confirmed and approved, subject to the approval of the Shareholders and of the Central Government, the payment of aforesaid remuneration, in excess of the limits prescribed under Schedule XIII of the Act and have decided to waive the recovery of the excess remuneration paid to him, subject to approval of the Central Government in this regard. An application in this regard, will be made to Central Government for seeking its approval for waiver of the requirement for recovery of excess remuneration paid to Mr PK Madhav

The Board of Directors of your Company recommends the passing of this resolution.

None of your directors is in any way interested or concerned in this resolution.

##### **Mr CS Bansal :**

The Members in the 20<sup>th</sup> Annual General Meeting of the Company held on September 30, 2008 had approved the appointment of Mr CS Bansal as a Whole-time Director of the Company for a period of 5 years with effect from February 1, 2008 with terms and conditions stipulated therein. Mr CS Bansal, though resigned as Whole-time Director with effect from January 30, 2009, is still continuing as President of the Company and contributing towards the growth of the Company

Due to losses incurred during the Financial Year 2008-09, the managerial remuneration paid to Mr CS Bansal was in excess of

the maximum permissible limit as prescribed under Schedule XIII of the Companies Act, 1956

The excess remuneration paid to Mr CS Bansal was Rs 92,95,758/- for the Financial Year 2008-09

As per the provisions of Section 309 of the Companies Act, 1956, any remuneration paid to a Director in excess of the maximum remuneration payable to him in accordance with the provisions of Schedule XIII of the Companies Act, 1956 is required to be refunded by the Director to the Company, unless such requirement is waived by the Company pursuant to receipt of permission from the Central Government

The Board of Directors at its Meeting held on September 29, 2009, have noted the foregoing and opined that the remuneration paid to Mr Bansal was in line with his long experience and expertise and have accordingly ratified, confirmed and approved, subject to the approval of the Shareholders and of the Central Government, the payment of aforesaid remuneration, in excess of the limits prescribed under Schedule XIII of the Act and have decided to waive the recovery of the excess remuneration paid to Mr CS Bansal subject to approval of the Central Government in this regard. An application in this regard, will be made to Central Government for seeking its approval for waiver of the requirement for recovery of excess remuneration paid to Mr CS Bansal

The Board recommends the resolution for the approval of the Members

None of the Directors of the Company may be deemed to be concerned or interested in the resolution

#### Mr B Narasimha Rao:

The Board of Directors in their Meeting held on January 30, 2009 had appointed Mr B Narasimha Rao as a Whole-time Director of the Company for a period of five (5) years with immediate effect. However, pursuant to the order passed by the Company Law Board dated August 31, 2009, Mr Narasimha Rao has stepped down as Director of the Company with effect from September 29, 2009

Due to inadequacy of profit /losses incurred during the Financial Year 2008-09 and the trend is continuing in the Financial Year 2009-10, the managerial remuneration paid to Mr Narasimha Rao during Financial Year 2008-09 as well as during the period April 1, 2009 to September 29, 2009 is in excess of the maximum permissible limit as prescribed under Schedule XIII of the Companies Act, 1956. The excess remuneration paid to Mr B Narasimha Rao was Rs 80,876/- for the Financial Year 2008-09 and was Rs 3,92,628/- for the Financial Year 2009-10 (up to the date of approval of his resignation i.e. September 29, 2009)

As per the provisions of Section 309 of the Companies Act, 1956, any remuneration paid to a Director in excess of the maximum remuneration payable to him in accordance with the provisions of Schedule XIII of the Companies Act, 1956 is required to be refunded by the Director to the Company, unless such requirement is waived by the Company pursuant to receipt of permission from the Central Government

At the Meeting of the Board of Directors of the Company held on September 29, 2009, the Board accepted the resignation of Mr B Narasimha Rao as Whole-time Director of the Company, in terms of the order of the Company Law Board. The Board noted that Mr Rao provided valuable advice and put in efforts to stabilize the operations of the Company during difficult times. He also extended all possible help to the Board. The Board noted that the remuneration paid to Mr Rao as Whole-time Director was in line with the experience and expertise in infrastructure segment

The Board also noted that the aggregate remuneration paid to Mr Narasimha Rao is in excess of the limits prescribed under Schedule XIII of the Act. However, considering his contribution,

the Board recommends the resolution for the approval of the Members of the Company and to waive the recovery of excess remuneration paid, subject to requisite approvals from the Central Government. The Company would approach the Central Government to seek its approval for the excess remuneration paid to Mr B Narasimha Rao and to waive recovery thereof

The Board recommends the resolution for the approval of the Members

None of the Directors of the Company may be deemed to be concerned or interested in the resolutions

The requisite details in respect of the foregoing Directors/ Managerial persons as required to be provided to Shareholders of the Company in terms of the provisions of Schedule XIII of the Act are stated below:

#### Information as required in terms of Schedule XIII of the Companies Act, 1956

##### (a) General Information :

- (i) Nature of Industry : Construction & Infrastructure Development
- (ii) Date or expected date of commencement of commercial production:  
Not applicable - the Company is an existing Company
- (iii) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus :  
Not applicable
- (iv) Financial performance of the Company:

(Rs. in Lacs)

Particulars	FY 2008-09	FY2007-08	FY2006-07
Total Income	139246.35	167015.27	61252.29
Total Expenditure	185430.92	153559.34	53368.29
Profit/(Loss) After Tax	(48978.77)	9964.05	5311.99

Other Financial Data	FY 2008-09	FY2007-08	FY2006-07
Dividend (%)	-	15%	10%
Earning Per Share (Rs.)	(83.23)	18.44	10.62
Return on Networth	-	15.26	20.02

- (v) Foreign Investments or collaborators, if any : NIL

##### (b) Information about the Directors :

##### (i) Background Details.

Mr PK Madhav was the Whole-time Director & CEO of the Company. He joined the Board in October 2006. He holds a Bachelor's Degree in Commerce from University of Delhi and a Master's Degree in Business Management from the Faculty of Management Studies. He is also a member of the Institute of Company Secretaries of India, New Delhi. He has over 31 years of experience in finance, corporate planning and operations management. Prior to joining the Company, he worked with IDL Chemicals, Hyderabad as Deputy Manager - Finance from 1975 to 1978. From 1978 to 1982, he worked with Radiant Cables Limited as Financial Controller. From 1982 to 2001, he worked with Nagarjuna Fertilizers and Chemicals Limited (NFCL) and went on to become its Director - Finance. From 2001 to 2002, he was the President of Bharat Aluminium

Company (BALCO). From 2002 to 2006, he worked with the Byrraju Foundation as Director and Lead Partner

Mr CS Bansal was the Whole-time Director of the Company. He joined the Board in January 2008. He is a Mechanical Engineer from Delhi College of Engineering and a PGDBA from MDI, Gurgaon. Mr CS Bansal has 28 yrs of experience to his credit in the Automotive, Metals, Telecom, Heavy Engineering and Trading sectors, both in India and overseas. Prior to joining Maytas, Mr Bansal was associated with organizations such as Tata Motors, INDAL, Usha Beltron/ Martin, Alstom Projects and Easa Saleh Al Gurg Group-Dubai. Mr Bansal has attended "Managers for Leadership Course" at University of Leeds under the British Chevening Scholarship awarded by the Foreign and Commonwealth Office. He has also completed "The Advanced Management Program" at Harvard Business School

Mr B Narasimha Rao was the Whole-time Director of the Company. He is a Civil Engineer from Osmania

University, Hyderabad and has been with the Company nearly two decades. He has handled several critical assignments for Maytas and specializes in project execution.

(ii) Past Remuneration : *Given below.*

(iii) Details of Remuneration paid.

During the Financial Year 2008-09, the following managerial remuneration was paid:

Mr PK Madhav Rs 1,14,11,013

Mr CS Bansal Rs 1,12,95,758

Mr B.Narasimha Rao Rs 4,99,473 (from 30th Jan 2008 onwards only)

During the period April 1, 2009 to September 29, 2009, an amount of Rs 13,52,190/- was paid to Mr B Narasimha Rao

(iv) Job Profile and his suitability and comparative remuneration profile with respect to industry, size of the company, profile of the position & person

Name of the Director	Position Description	Person Description & suitability	Market benchmark in compensation* ( based on secondary market research data - including reports from leading Compensation Surveys)
PK Madhav	CEO of Maytas Infra - During 2008-09, was responsible for three important Business divisions - Irrigation & Water, Power and Buildings & Structures. Was responsible for all strategic support functions namely - Finance, Human Resources, Supply Chain Mgmt, Plant & Equipment and other allied services. The incumbent is also responsible for external relationships and business development.	Mr. Madhav is Mgmt graduate from a premier institute and had successfully overseen many portfolios of responsibilities over a career span of 31 years. Prior to joining Maytas - he help important positions in industry - Director(finance) for NFCL and President - BALCO and Head - Byrraju Foundation. His skills in steering organizations and proven capability in corporate finance are important for the role of the CEO	For Organizations with Rs 1600 - 2500 Cr range, the salaries for CEO role are in the range of Rs 90 Lacs - Rs 1.5 Crs
CS Bansal	President - Maytas Infra. The incumbent is responsible for the key business segments - Roads, Railways and Oil & Gas. The incumbent is also responsible for the BOT Business. The role involves strategizing on growth, capability building, business development, execution and responsibility for profit. The role also involves overseeing the foray of organization into newer business segments and related investments	Mr CS Bansal is a Mechanical Engineer from Delhi College of Engineering and a PGDBA from MDI, Gurgaon. Mr CS Bansal has 28 yrs of experience to his credit in the Automotive, Metals, Telecom, Heavy Engineering and Trading sectors, both in India and overseas. Prior to joining Maytas, Mr CS Bansal was associated with organizations such as Tata Motors, INDAL, Usha Beltron/Martin, Alstom Projects and Easa Saleh Al Gurg Group-Dubai. Mr CS Bansal has attended "Managers for Leadership Course" at University of Leeds under the British Chevening Scholarship awarded by the Foreign and Commonwealth Office. He has also completed "The Advanced Management Program" at Harvard University. He has been instrumental in setting up many businesses and also turning around organizations. His experience of handling global operations is of great importance considering our strategic initiative to expand globally.	For Organization with Rs 1600 - Rs 2500 Crs, The person-in-charge for Rs 900 Cr business target will be drawing a salary in the range of Rs 75 Lacs - Rs 1.4 Crs

Name of the Director	Position Description	Person Description & suitability	Market benchmark in compensation* ( based on secondary market research data - including reports from leading Compensation Surveys)
B Narasimha Rao	Head - Corporate Affairs & Business Development. The incumbent is responsible for all the external relationships and corporate image building with key external stake holders. The incumbent is also responsible for provide the direction & pave the way for the organization winning more business in the market place. The person is also responsible for ensuring the appropriate environment is provided for project execution by way of removing any obstacles posed by external entities.	Mr B Narasimha Rao is a Civil Engineer from Osmania University, Hyderabad and has been with Maytas since nearly last two decades. He has handled several critical assignments for Maytas and successfully delivered many large projects for Maytas. He has also been instrumental in forging many partnerships in the market place - enabling Maytas to qualify for many opportunities and win new business. He has also successfully handled the key role of building relationships with external agencies.	For Organization with Rs 1600 - Rs 2500 Crs, The person-in-charge for Business Development & Corp Affairs - will be drawing a salary in the range of Rs 35 Lacs - Rs 55 Lacs

(c) Other Information :

(i) Reason of loss or inadequate profit :

The Company has reported a turnover of Rs 1335 Crores for the year ended March 31, 2009 as against Rs 1637 Crores for the Previous Year, a reduction of 18.47%. The Company has reported a net loss of Rs 489.79 Crores as against net profit of Rs 99.64 Crores of the Previous Year

The losses for the year are broadly on account of un-absorbed fixed expenses like personnel cost, interest, depreciation and administrative costs. This is on account of reporting lower level of operations as against planned for the year. During the year, the Company has also provided a notional loss on account of restatement of foreign currency loans and various provisions created and write offs against advances. The Company has recorded the share of loss from joint venture contracts as against profits accrued in the previous year. There are losses on account of variations in the work done and client not certifying the work done by Maytas Infra and Liquidated Damages and Performance Bonds enforced imposed by clients in certain cases

(ii) Steps taken or proposed to be taken for improvement; and

(iii) Expected increase in productivity and profits in measurable terms

The Company, at present, has an order book of approx Rs 7500 Crores in the Irrigation, Power, Roads, Buildings and Railways sectors with bulk of them approx Rs 6000 Crores in the Irrigation Sector and Rs 1500 Crores distributed among all the other sectors. Whereas Irrigation projects have construction life cycles ranging from 3 to 4 years and Roads and Highways projects span over 2 to 3 years, Power, Building & Railways Project construction cycles vary from 1 to 2 years. With a four years equivalent order book in hand, MIL is confident of rebuilding itself, with its qualifications intact, once the bank facilities are restored

As part of the rebuilding exercise, the Company would work closely with its new Promoters, who have significant presence across all major verticals in Infrastructure Sector. The immediate objective would be to restore credibility with all Stakeholders, namely, Customers, Bankers, Government and its Agencies, Joint Venture Partners and Others. As a corollary, steps are taken to build on the competencies for timely execution of all projects with commitment to cost and quality. With large amount of spending envisaged by the Government on infrastructure sector, the Company is geared to accept these challenges and is making every effort to bring back the operations of the Company at a profitable level in the medium term

(d) Disclosures :

The remuneration paid to Mr PK Madhav, Mr CS Bansal and Mr B Narasimha Rao was as stated above

Item Nos. 12 and 13 :

With the object to reward meritorious employees as well as to provide long term benefit to the employees and also to attract, retain the best talent, the Company proposes to grant stock options to permanent employees of the Company, its holding company, its present and future subsidiary companies and directors (whether whole time or not, including alternate directors) of the Company, its holding company, its present and future subsidiary companies or such other person as per the Securities Exchange Board of India (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred to as "SEBI ESOS Guidelines"), subject to the Employees meeting the eligibility criteria and on such other terms as may be determined by the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include the Remuneration Committee under Employee Stock Option Scheme 2009 (ESOS-2009)

In accordance with the terms of the resolution and the ESOS-2009, the option would be granted in one or more tranches as may be decided by the Board from time to time

The following would, inter alia, be the broad terms and conditions of ESOS-2009

- (a) The Remuneration Committee of Directors of the Company has been authorized to, inter alia, formulate, administer and supervise ESOS-2009 including framing of its terms and conditions in terms of the SEBI ESOS Guidelines
- (b) The total number of option to be granted under ESOS-2009 shall not exceed 58,85,000 options representing 58,85,000 equity shares of Rs 10/- each of the Company (i.e. 10% of existing subscribed and paid-up capital of the Company) or such adjusted number for any bonus, stock splits or consolidation or other re-organisation of the capital structure of the Company as may be applicable from time to time. This corpus of equity shares is for providing stock option to employees which include permanent employees of the Company, its present and future subsidiary companies and Directors (whether Whole-time or not including Alternate Directors) of the Company, its holding Company, its present and future subsidiary companies or such other persons in terms of SEBI ESOS Guidelines
- (c) All the employees, whether in India or abroad, are eligible to participate in ESOS-2009, subject to such eligibility criteria as may be decided by the Board from time to time
- (d) Subject to the applicable laws, regulations issued by any statutory authorities in this regard and SEBI ESOS Guidelines, the options would be granted and vested by the Board to the employees within such period and upon such terms as stipulated under ESOS-2009, subject however that the gap between the date of grant and date of vesting shall not be more than 3 (three) years and not less than 1 (one) year
- (e) The Exercise Price for the Options shall be based on the Market Price as defined in SEBI ESOS Guidelines, subject to any re-pricing by the Board after complying with the provisions of the SEBI ESOS Guidelines
- (f) The eligible employees shall be entitled to exercise the options within such period as may be determined by the Board, subject to a maximum of three years from the date of respective vesting
- The option shall be deemed to be exercised when the Company receives the written notice of exercise of options in the prescribed format, from the person entitled to exercise the option along with full payment for the shares with respect to which the options are exercised
- (g) The Board shall formulate ESOS-2009 detailing the eligibility criteria for the employees, the terms and conditions subject to which shares would be issued, the modus of grant, exercise and vesting of the options and such other terms relating to the ESOS-2009. Whilst granting the options to the employees under the ESOS-2009, the Board would inter alia consider grade, performance, merit, future potential contribution, conduct of the employee and such other factors as deemed appropriate
- The Board would have the absolute discretion to determine the employees eligibility to grant options under ESOS-2009
- (h) The maximum number of options to be issued to any eligible employee during any one year will be decided by the Board, subject however that the same shall be less than 1% of the issued equity capital of the Company as on the date of

grant. The aggregate of all such options granted shall not exceed 58,85,000 options representing 58,85,000 equity shares of Rs 10/- each (i.e. 10% of existing subscribed and paid-up capital of the Company) or such adjusted numbers for any bonus, stock splits or consolidation or other re-organisation of the capital structure of the Company, as applicable from time to time

- (i) The Company shall comply with the accounting policies as specified by SEBI and other applicable provisions of the SEBI ESOS Guidelines, as amended from time to time
- (j) The Company shall follow the intrinsic value method as defined in SEBI ESOS Guidelines to value its stock option
- (k) The Board may re-price the stock options by modifying the exercise price at which unexercised options may be exercised in accordance with and after complying with the provisions of law including SEBI ESOS Guidelines
- (l) The Company shall also make disclosures and file such statements and documents as may be required by law with the prescribed authorities from time to time
- (m) On approval of ESOS 2009, the Company shall not grant any stock options under ESOP 2007 and ESOP 2008

#### Declaration :

The Company will disclose the difference between the employee compensation cost computed using the intrinsic value method and the employee compensation cost that should have been recognized if it had used the fair value of the options and the impact of this difference on the profits and on the earning per share of the Company in the Directors' Report as applicable from time to time

#### Listing

The shares allotted pursuant to the exercise of the stock options, shall be listed on all the recognized Stock Exchanges where the shares of the Company are listed and necessary applications shall be made to the said stock exchange(s) in this regard

Pursuant to Section 81(1A) of the Companies Act, 1956, further equity shares may be issued to persons other than the existing Members of the Company as specified in Section 81(1) of the Companies Act, 1956, provided the Members of the Company approve the issue of such shares by way of special resolution

Consent of the Members in general meeting would therefore be necessary pursuant to the provisions of Section 81(1A) of the Companies Act, 1956, the relevant provisions of SEBI ESOS Guidelines, and the listing agreement with the stock exchanges. The resolution and the terms stated therein as also the terms stated in this explanatory statement hereinabove shall be subject to the guidelines/ regulations issued or to be issued by the statutory authorities in this behalf and the Board shall have the absolute authority to modify the terms herein which do not conform with the provisions of the said guidelines / regulations

The Board of Directors recommend the resolution for approval of the Members

Since the option under the ESOS-2009 could be also offered and issued to the Directors of the Company, all the Directors are deemed to be concerned and interested in this resolution

Item No. 14 :

The Company has utilized the proceeds of IPO as follows as on March 31, 2009:

Rs. In Crores

Sl. No	Particulars	Utilisation as proposed in the offer document	Status on utilization as at 31st March, 2009
A	Investment in Associate companies:		
	i) Bangalore Elevated Tollway for the construction of the elevated highway project of the Bangalore-Hosur section of NH7;	27.71	16.98
	ii) KVK Nilachal Power for developing, constructing and commissioning a 300 MW coal-based power plant in Orissa; and	127.44	41.24
	iii) SV Power for setting up a 56 MW coal washery reject based power plant and a 2.5 million metric tonne per annum coal washery at Korba District, Chhattisgarh.	34.25	25.78
B	Purchase of construction Equipment	33.29	33.29
C	General corporate purposes	74.76	76.05
D	Issue expenses	30.0	28.71
	<b>Total</b>	<b>327.45</b>	<b>222.05</b>

The differential amount of Rs.105.40 Crores were placed in Inter-Corporate Deposits. Meanwhile, the company has also made other project related investments, subsequent to the public issue, into the following companies out of its funds which are special purpose vehicles for the projects undertaken by them.

Name of the Company	Amount (Rs.in Cr)
Gulbarga Airport Developers Pvt Ltd	0.83
Shimoga Airport Developers Pvt Ltd	0.82
Maytas Metro Limited	11.53
Cyberabad Expressways Pvt Ltd	16.87
Hyderabad Expressways Pvt Ltd	17.15
Machilipatnam Port Limited	17.74
Gautami Power Limited	18.21
<b>Subsidiaries:</b>	
Pondicherry Tindivanam Tollway Limited	17.07
Maytas Infra Assets Limited	4.00
Maytas Vasishtha Varadhi Limited	2.36
<b>Total</b>	<b>106.58</b>

The Offer Document/ Prospectus for the Initial Public Offer (IPO) of shares of the Company clearly states that "the fund requirements and the intended use of the net proceeds as described herein are based on management estimates and our current business plan. The fund requirements and intended use of Net Proceeds have not been appraised by any bank or financial institution. In view of the competitive and dynamic nature of the construction industry, we may have to revise our expenditure and fund requirements as a result of variations in the cost structure, changes in estimates and external factors, which may not be within the control of our management. This may entail rescheduling, revising or canceling the planned expenditure and fund requirements and increasing or decreasing the expenditure for a particular purpose from its planned expenditure at the discretion of our management. In addition, the estimated dates of completion of various projects as described herein are based on management's current expectations and are subject to change due to various factors, some of which may not be in our control." (Page No.30)

Thus, in terms of IPO Offer Document/ Prospectus (Page 30), the investments into these SPVs could be construed as within the scope of the Prospectus, which duly recognized dynamic nature of business and growth compulsions for the company to pursue new business opportunities, as a going concern

On the other hand, pending shareholders approval for appropriation of these funds to other investments, it was reported in the results published quarterly/annually (including March'09) till now that amounts unutilized towards investment into SPVs specified as per 'objects clause' were placed in ICDs and current a/c with Bank. Further, it is reported in the Notes to Balance sheet that as at March 31, 2009, the Company has utilized the IPO funds as per the 'Objects of the Issue' in the Prospectus, except for the balance investment to be made into the specified Associates amounting to Rs 105.40 Crs as at March 31, 2009 and that the unutilized amounts have been placed in ICDs and Current Account with Bank

In view of the foregoing, the Shareholders may approve variance in usage of IPO funds and consequently treat that IPO funds are utilized in full as per the objects of the issue, as per the details and explanation provided

The Board recommends the resolution for the approval of the Members

None of the Directors of the Company may be deemed to be concerned or interested in the resolution

By order of the Board  
for **Maytas Infra Limited**

Date : September 29, 2009  
Place : Mumbai

**G Venkateswar Reddy**  
Company Secretary

# Directors' Report

Dear Members,

Your Directors take pleasure in presenting the Twenty-First Annual Report along with the Audited Accounts for the year ended March 31, 2009

## FINANCIAL RESULTS

For the financial year ended March 31, 2009

(Rs. Crores)

Particulars	2008-09	2007-08
<b>Gross Income</b>	<b>1392.46</b>	<b>1670.15</b>
(Loss) / Profit before Interest, Depreciation and Tax	(205.67)	240.31
Interest and Finance Charges	188.59	66.67
Depreciation	67.59	39.09
<b>(Loss) / Profit before Tax</b>	<b>(461.85)</b>	<b>134.55</b>
Provision for Taxes	2.60	34.91
Prior Period Expenses ( net)	25.34	-
<b>(Loss) / Profit after Tax</b>	<b>(489.79)</b>	<b>99.64</b>
Transfer ( from)/ to General Reserves	(11.05)	5.00
Proposed Dividend	-	8.83
Dividend Tax	-	1.50
Paid up Capital	58.85	58.85
Reserves and Surplus (Net of Profit & Loss A/c debit balance)	104.23	593.99
Net worth	163.19	652.84
Earnings per share (In Rupees)		
- Basic	(83.23)	18.44
- Diluted	(83.23)	18.44

## OVERVIEW

The business operations of the Company were encouraging till the Satyam events broke during the December 2008. The Company could achieve a peak order book position of around Rs 12,000 Crores during the year in the construction business. The Company as a Co-Sponsor was awarded the prestigious Hyderabad Metro Project during August 2008. The fallout of Satyam episode has been disastrous to the Company. The aftermath of Satyam episode was marked by adverse reactions from various agencies including some of the clients, financial institutions / Banks, vendors, employees, resulting in cancellation of projects of worth Rs 3,800 Crores, bank guarantee invocations of Rs 495 Crores, stoppage of supplies by vendors etc. As a cumulative effect of all these developments, business operations of the Company were paralysed for some time. These events have affected the business operations of the Company during the Financial Year ended March 31, 2009. The Company incurred an overall net loss of Rs 489.79 Crores and recorded a turnover of Rs 1,335 Crores, a reduction by 18.47% over last year

## REVIVAL OF OPERATIONS

### (1) Appointment of Government Directors

The Ministry of Corporate Affairs, Government of India, has played a commendable role in improving the confidence of various stakeholders in the Company and accordingly, appointed four independent Directors on the Board

In the wake of the ordeal your Company has gone through, the team members of Maytas Infra braving their plummeting morale, under the valuable guidance and critical support of Independent Government-nominated Directors, have put in significant efforts to take on the challenge towards revival of operations. This achievement is a tribute to Maytas Infra's indomitable spirit and a sign of resurgence

### (2) Corporate Debt Restructuring (CDR)

The Company has approached Corporate Debt Restructuring (CDR) cell for restructuring of its outstanding liabilities. The Empowered Group (EG) of the CDR cell has sanctioned the CDR Scheme vide letter dated July 2, 2009 with the critical persuasion and efforts of the Independent Directors. The package provides for restructuring of repayment of debt over a period of 7 years commencing from December 2011, and at reduced interest rates. The Company was also sanctioned a priority debt of Rs 100 Crores and Bank Guarantee Limit facilities of Rs 200 Crores to tide over operational difficulties while the request for additional support of equal amounts will be examined for consideration by the EG in the near future

However, in view of the development of change of Promoters, the Company shall be renegotiating some of the terms of the CDR with the lenders

### (3) Retention Bonus Plan

The Board has approved the Retention Bonus Plan and Employees Stock Option Plan (ESOP). These plans aim to retain key Associates, and reward them for superior performance

## FUTURE OUTLOOK

The operations of the Company have been brought to revival path on a quick note with proactive steps taken by the Government Directors. The Board views that the execution of the projects on hand within the cost and time as well as bidding and securing new orders are very crucial for the Company to achieve operational stability and to be on a steady growth path. The Board is happy to note that the Company is slowly but surely emerging out of the turbulent times and inching towards its goal. The Board has been working closely with the management teams towards streamlining the processes in the Company for improving the financial health

With the available resources in the form of Plant & Machinery, Man Power, support from the Lenders, Clients, Governmental Agencies, Vendors, Investors and others, your Company is well positioned to be on a growth path in the future. The Company has a healthy order book in excess of Rs 7,500 crores, providing a greater visibility of revenues for next few years. The Company has been making unrelenting efforts to explore and acquire new business, while continuing with those on hand for timely completion as per quality standards committed to the Clients

## DIVIDEND

Due to losses incurred by the Company, your Directors express their inability to recommend any dividend to the Shareholders for the year

## FIXED DEPOSITS

Your Company did not invite or accept deposits from the public during the year under review

## IPO FUNDS UTILIZATION

The details of utilization of funds raised through IPO as at March 31, 2009, are as follows :

(Rs. in crores)

Sl. No	Particulars	Utilisation as proposed in the offer document	Actual status on utilization as at 31st March, 2009
A	Investment in Associate Companies :		
	(a) Bangalore Elevated Tollway for the construction of the elevated highway project of the Bangalore-Hosur section of NH7;	27.71	16.98
	(b) KVK Nilachal Power for developing, constructing and commissioning a 300 MW coal-based power plant in Orissa; and	127.44	41.24
	(c) SV Power for setting up a 56 MW coal washery reject based power plant and a 2.5 million metric tonne per annum coal washery at Korba District, Chhattisgarh	34.25	25.78
B	Purchase of Construction Equipments	33.29	33.29
C	Other Project related investments and commitments	--	105.40
D	General corporate purposes	74.76	76.05
E	Issue Expenses	30.00	28.71
	<b>Total</b>	<b>327.45</b>	<b>327.45</b>

The Company has made other project related investments, subsequent to the public issue, into the following Companies which are Special Purpose Vehicles for the projects undertaken by them. This was done in pursuance of the clause "Objects of the Issue" (Page No 30 of Prospectus)

Name of the Company	Amount (Rs.in Cr)
Gulbarga Airport Developers Pvt Ltd	0.83
Shimoga Airport Developers Pvt Ltd	0.82
Maytas Metro Limited	11.53
Cyberabad Expressways Pvt Ltd	16.87
Hyderabad Expressways Pvt Ltd	17.15
Machilipatnam Port Limited	17.74
Gautami Power Limited	18.21
Subsidiaries:	
Pondichery Tindivanam Tollway Limited	17.07
Maytas Infra Assets Limited	4.00
Maytas Vasishta Varadhi Limited	2.36
<b>Total</b>	<b>106.58</b>

As per the "Objects of the issue" mentioned in the Prospectus, the investment into the Associates, among others was based on estimates and subject to variation in size and timing thereof, and to be done over a period of years as per deployment schedule. Based on the concept of the fungibility of money, it would be observed that the utilization of IPO funds towards the stated "Objects of the Issue" was full taking into consideration the investments made into other project SPVs mentioned above. The investments into these SPVs could be treated as not being out of scope of the Prospectus, duly recognizing dynamic nature of business and growth compulsions for the Company to pursue new business opportunities on an ongoing basis.

The ratification/ approval from the Shareholders' for the above is being sought at the forthcoming Annual General Meeting to ratify the investments as a part of IPO fund utilisation



## SUBSIDIARIES

A statement pursuant to Section 212 of the Companies Act, 1956 containing the details of the Subsidiaries together with financials thereof, forms part of the Annual Report. The following are the Subsidiaries of the Company :

### (1) Maytas Infra Assets Limited (MIAL)

MIAL was incorporated in February 2008, as a wholly owned subsidiary, to carry on the business of infrastructure projects and for consolidating all investments made by your Company till now in BOT projects. The Company has invested an amount of Rs 0.05 Crores towards Equity and Rs 15.36 Crores towards Share Application Money in MIAL till March 31, 2009. No projects were secured during the year. The investment and the amount advanced aggregating to Rs 10.55 Crores have been impaired as they are not represented by any realizable assets

### (2) Maytas Mineral Resources Limited (MMRL)

MMRL was incorporated in February 2008, as a wholly owned subsidiary, for exploring business in mining. MMRL is in the process of identifying domestic and overseas mining opportunities for various commodities like coal, iron ore and base metals. The Company has invested an amount of Rs 0.05 Crores towards equity and Rs 4.93 Crores towards share application money in MMRL till March 31, 2009. No projects secured during the year. The investment and the amount advanced aggregating to Rs 4.98 Crores have been impaired as they are not represented by any realizable assets

### (3) Pondicherry Tindivanam Tollway Limited (PTTL)

PTTL, a subsidiary of your Company, has been formed in March 2007 for executing the Pondicherry - Tindivanam Section of the National Highway, awarded by National Highways Authority of India. Your Company has invested an amount of Rs 17.27 Crores towards the equity till March 31, 2009

### (4) Maytas Metro Limited (MML)

The Maytas/Navabharat/IL&FS/ITD lead consortium has technically qualified in the bids and won the financial bid by offering highest premium to the GoAP in July 2008. Subsequently, the consortium has formed the "MML" as SPV in September 2008 to develop this Hyderabad Metro Rail Project on BOT basis and signed Concession Agreement with GoAP on September 19, 2008 for a period of 35 years of concession including the five years of construction period. After the significant progress on pre-financial closure activities of this project, the project slowed down since January 2009 due to the Satyam episode. Under these grounds, the GoAP has cancelled the Concession Agreement on July 7, 2009 without giving any prior notice to the Company as per the terms and conditions of the Concession Agreement and invoked the security deposit of Rs 60.00 Crores. MML has filed the writ petition seeking for natural Justice in High Court of Andhra Pradesh on July 24, 2008 and the case is pending before the High Court

MML has been considered as a subsidiary of your Company by virtue of current equity shareholding. Your Company has invested an amount of Rs 0.05 Crores towards the equity and incurred pre-operative expenses of Rs 11 Crores till March 31, 2009

### (5) Maytas Vasishta Varadhi Limited (MVVL)

MVVL, a subsidiary of your Company, was incorporated in April 2008 for executing the construction of bridge across Godavari river at Narasapur on BOT (Annuity) Basis, awarded

by Andhra Pradesh Road Development Corporation (APRDC). Your Company has invested an amount of Rs 0.05 Crores towards the equity and Rs 2.31 Crores towards share application money till March 31, 2009

### (6) Special Purpose Vehicles (SPVs) for BOT Projects

In the case of SPV Companies promoted for development of various Build Own Transfer (BOT) projects, the Company could not meet certain equity calls from BOT SPVs due to the severe liquidity crunch. In the interest of the Projects, the Company has divested / in the process of divesting a part of its equity holdings by inducting Strategic Investors/Partners in the following projects :

- (a) Cyberabad Expressways Limited
- (b) Hyderabad Expressways Limited
- (c) Pondicherry Tindivanam Tollway Limited
- (d) Western UP Tollway Limited

## CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of Maytas Infra Limited, together with its Subsidiaries, Associates and Joint Venture Entities for the Financial Year ended March 31, 2009, prepared in accordance with the Accounting Standard 21, 23 and 27 notified by Companies (Accounting Standards) Rules, 2006, are attached herewith and form part of this Annual Report

## CERTAIN KEY DEVELOPMENTS AND COMPOSITION OF BOARD OF DIRECTORS

During the year under review, the following important and key developments took place in your Company:

- \* In December 2008, Satyam Computer Services Limited (SCSL) had announced the acquisition of 51% stake in your Company which was subsequently aborted by SCSL
- \* The result of Satyam episode has been disastrous to the Company. This episode had adversely affected the image of your Company
- \* As a result, your Company had faced several problems such as termination of agreements, customer invoking bank guarantees, squeezing of credit facilities etc. Apart from this, Ministry of Corporate Affairs, Government of India, moved an application before Company Law Board (CLB), New Delhi praying that the Hon'ble CLB may declare that none of the then Directors of your Company shall be eligible for appointment as Director in any other Company and the Hon'ble CLB may empower the Central Government to appoint ten Nominee Directors on the Board of your Company under Section 408 of the Companies Act, 1956
- \* The Hon'ble CLB passed an Order on March 5, 2009 stating, inter alia, that there shall be four nominees of the CLB as Directors on the Board of the Company and authorized the Central Government to appoint, in the name and on behalf of the CLB, four persons of eminence as Nominee Directors on the Board of the Company. One of them shall be the Chairman of the Board/Company. The quorum for Board Meeting shall be a minimum of four Directors with the presence of at least two of the Nominee Directors and one of the existing Directors. For any decision of the Board, the affirmative votes of at least two Nominee Directors were made mandatory
- \* Pursuant to the above Order dated March 5, 2009 issued by CLB, the Government of India vide its Order of even date appointed Mr OP Vaish and Mr Ved Jain as Directors of the Company. Further, the Government of India, vide its Order dated April 2, 2009 appointed Dr K Ramalingam and Mr Anil

K Agarwal as Directors of your Company. It was also ordered that Dr K Ramalingam shall be the Chairman of the Board/ Company until further orders

- \* The Government-appointed Directors, with their relentless effort, helped a lot to the Company to sustain the operations, coordination with clients, banks for ongoing operations, work orders, non-invocation of Bank Guarantees and streamlined the management of affairs of the Company. They have dealt with all the lenders and explained the inherent strengths of the Company and ensured that a Corporate Debt Restructuring package was sanctioned by the lenders
- \* Further, the Government-appointed Directors, in consultation with all the lenders and with the existing promoters, identified Infrastructure Leasing & Financial Services Limited (IL&FS) as a prospective promoter to run the Company, who had already held 14.5% of equity capital of the Company and further possessed pledge rights on 22.6% of equity capital of the Company. IL&FS, vide its Offer Letter dated August 27, 2009, agreed to be the new promoter of your Company which was subsequently approved by the Company Law Board (CLB) vide its Order dated August 31, 2009
- \* As per CLB's order dated August 31, 2009 :
  - IL&FS shall be the new promoter of the Company with immediate effect
  - IL&FS which holds 14.5% shares, shall foreclose its rights on the pledged shares of 22.6% shares and thus will hold 37.1% shares in the Company in the aggregate
  - It shall make an Open Offer in terms of SEBI Take Over Regulations within the period as stipulated in the said Regulations
  - It shall appoint four of its nominees including the Chairman on the Board of Directors of the Company and will be in control of the management of the affairs of the Company
  - On appointment of these four Directors, Mr B Teja Raju and Mr B Narsimha Rao shall submit their resignation as Directors and shall thereafter cease to be Directors of the Company
  - At the choice of the Central Government, two of the four CLB Nominees appointed by the Central Government in terms of Order dated March 5, 2009 shall continue as Directors for a period of two years with the same immunity granted as per the Order dated March 5, 2009
  - IL&FS shall, for a period of not less than two years, hold a minimum of 26% shares in the Company and shall keep management control of the Company during that period
  - The IL&FS nominees shall not be liable for any acts of commission and omission in respect of past acts of the erstwhile promoters/directors in the affairs of the Company
  - With the view to enable the stabilization of the Company, the time for holding the AGM for 2008-09 is extended upto December 31, 2009
- \* In view of the foregoing CLB Order dated August 31, 2009, IL&FS has appointed Mr Ravi Parthasarathy, Mr Hari Sankaran, Mr Arun Saha and Mr Karunakaran Ramchand as its Nominee Directors on the Board of the Company and they have been inducted as Additional Directors under section 260 of the Companies Act, 1956 liable to retirement by rotation.

Further, Mr Ravi Parthasarathy has been appointed as Chairman of the Company. Mr Teja Raju and Mr Narasimha Rao have resigned as Directors of the Company. The Government of India vide its notification dated September 23, 2009 recalled Dr Ramalingam and Mr OP Vaish as Directors of the Company. The Board acknowledged the valuable services and guidance provided by the outgoing Directors during the critical period

- \* Further, the Board of Directors had appointed Mr G Venkateswar Reddy as Manager of your Company under section 269 of the Companies Act, 1956
- \* Further, in terms of CLB Order dated August 31, 2009, IL&FS had invoked its pledge rights on 22.6% of the Share Capital of the Company and consequently held 37.1% of capital and has made Public Announcement on September 2, 2009 to acquire upto 20% of shares under the Open Offer in terms of SEBI Takeover Code Regulations

Over and above the changes that took place in the composition of the Board of Directors of your Company as explained above, the following cessations/resignations also took place during the year under review :

- (1) Mr CS Mohan, Independent Director on the Board of your Company and Chairman of the Audit Committee, passed away on November 12, 2008. The Board acknowledged and took on record the valuable services and guidance provided by him during this tenure as Director of the Company
- (2) During the year, Mr RC Sinha, Chairman and Independent Director on the Board, resigned from the Board on January 6, 2009. The Board while accepting the resignation of Mr RC Sinha from the Directorship as well as Chairmanship of the Company, acknowledged and took note of the valuable services and guidance provided by him during his tenure as Director with the Company
- (3) Mr PK Madhav, Whole-time Director & CEO of the Company, resigned from the Board on January 14, 2009. The Board took note and accepted the resignation of Mr PK Madhav from the Directorship as well as CEO of the Company. The Board acknowledged the valuable services and guidance provided by him during his tenure as Director & CEO with the Company
- (4) Mr CS Bansal, Whole-time Director of the Company, resigned from the Board on January 27, 2009. The Board took note and accepted the resignation of Mr CS Bansal from the Directorship of the Company. The Board acknowledged the valuable services and guidance provided by him during his tenure as Director with the Company. Mr CS Bansal continues with the Company as President
- (5) Dr RP Raju, Independent Director and Chairman of the Shareholders'/Investors' Grievance Committee, resigned from the Board on March 20, 2009. The Board took note and accepted the resignation of Dr RP Raju from the Directorship of the Company. The Board acknowledged the valuable services and guidance provided by him during his tenure as Director with the Company

#### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that :

- (1) in the preparation of the accounts for the financial year ended March 31, 2009, the applicable accounting standards have been followed and that there are no material departures in the preparation of annual accounts;

- (2) 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 as at March 31, 2009 and of the profit of the Company for the year ended on that date;
- (3) the Directors have taken proper and sufficient care 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;
- (4) the Directors have prepared the accounts on a going concern basis

#### MANAGEMENT DISCUSSION AND ANALYSIS (MDA)

A separate section titled "Management Discussion and Analysis" confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed hereto and forms part of this Annual Report

#### CORPORATE GOVERNANCE

A separate section titled "Report on Corporate Governance" including a certificate from practising Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed hereto and forms part of this Annual Report

#### AUDITORS & AUDITORS' REPORT

The Statutory Auditors of the Company M/s. SR Batliboi & Associates, Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting

M/s SR Batliboi & Associates, Chartered Accountants, being eligible, offer themselves for re-appointment and are proposed to be appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting

The Company has received letters from them to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1 B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of Section 226 of the said Act

#### Replies to the Audit Observations / Qualifications

##### With regard to Report of Auditors' and Annexure to the Auditors' Report on Standalone Financial Statements

- (1) Clause No 6(a): Cancelled Projects - Fixed & Current Assets Recovery :

This pertains to certain projects which were cancelled prior to and after the Financial Year under review either by the Client or by the Company, in buildings & structures, roads, railways and power sectors. The Company has taken recourse to conciliate the matters through arbitration / mediation / legal cases. The Company has preferred claims against the Clients. As for other current assets, the Company has been negotiating with vendors and subcontractors to realize value for the exposure. As for the Fixed Assets deployed at the sites, some of them have been demobilized and put to alternative use. In other cases, steps have been taken to monitor the situation to avoid losses to the Company. Based on internal assessment and legal opinions obtained, the Company is confident of recovering the claims and realizing the carrying values of the assets. Thus, no provision / impairment has been made for the same. Reference is drawn to Note No. 6 of Schedule 25 to the Financial Statements

- (2) Clause No.6(b): Certain Cancelled Projects not visited due to disturbances- Scope limitation :

This refers to seven projects namely, VAL Jharsiguda, HIRCO, Eternity Mall Lucknow, IIT C2 type, SWI Bellari, Lanjigarh and Gupta Engg Works which were cancelled by the Clients by the time project site visits were planned. There were serious threats from subcontractors and suppliers who were pressing for payments, preventing entry to the sites. In few cases, Clients did not allow entry

However, photo copies of RA Bills, Subcontractor bills, material consumption details, Inventory Statements and other necessary information as required by the Auditors were arranged for their audit. The balances relating to Income, Expenditure, Assets and Liabilities of the projects were reported based on the Accounting and other records/ documentation maintained at the respective sites

- (3) Clause No.7: Inter Corporate Deposits – Recovery :

The Inter Corporate Deposits (ICDs) outstanding including interest accrued as at March 31, 2009 referred to in the qualification, were given to 13 Companies on commercial terms. Based on the correspondence with the Companies and legal opinions obtained on the possibility of recovery, the Management is confident of recovering the ICDs. Accordingly, no adjustments have been made to the carrying value of the same in the Financial Statements

The Management is in the process of taking appropriate steps including legal action, to recover the dues

- (4) Clause No.8 : Managerial Remuneration :

As the operations for the year have resulted in a loss, provisions of Part II of Schedule XIII of the Companies Act, 1956 are attracted. This has rendered the remuneration paid being in excess to an extent of Rs 1.87 crores requiring approval of the Central Government. The Company is in the process of obtaining necessary approvals in this regard

- (5) Clause No. 10 (iv & v): True and fair view :

Based on the explanations / clarifications provided in the replies to the Clause Nos. 6(a) and 7, the Management is confident of the position explained about the fixed assets, and current assets relating to the cancelled projects, the recoverability of the ICDs. The Management will apply and obtain approval from the Central Government for the excess remuneration paid to the Directors as explained in the reply to Clause No. 8. Thus, the Management is of the view that the Accounts which have been prepared in compliance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, reflect true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2009; of the loss, and of the cash flow for the year ended on that date, as reported respectively in the Balance sheet, Profit & Loss Account and Cash flow Statement for the year ended on that date

- (6) Clause No. (ii) (a) & (c) – Physical verification of Inventory :

As explained in the reply to Clause No.6 (b) to the Auditors' Report above, the Company maintained proper books of account and records including those for Inventories at the cancelled project sites. Inventories were physically verified at the Sites at reasonable intervals and at the year end and no material discrepancies were noticed on such verification

- (7) Clause No iii( b): Loans Granted to 301 parties :

The aggregate maximum balance of Rs 33.44 Crores pertains to the advances given in the earlier years prior to

2006-07 in pursuance of business plans of the Company. These amounts have been realized / recovered during the year under review

The balance outstanding of Rs 47.87 Crores was towards Inter Corporate Deposit given to a Company covered in the Register maintained under Section 301 of the Companies Act, 1956 on commercial terms and is recoverable at the carrying value

- (8) Clause No .iv: Internal control -process lapse in one instance

This refers to accounting of material consumption in one of the project sites, which by hindsight was missed out due to oversight and mismatch between manual & EDP systems. The same was duly given effect to as prior period item. Steps have also been taken to strengthen the process in this regard

- (9) Clause No.vii: Scope & coverage of internal audit system :

The Internal Audit function was strengthened by appointing 14 member team under the supervision of Head – Internal Audit during the second quarter of the year under review. The team, as suggested by then Audit Committee, focused on the revenue leakages and process improvements at project level. The Team issued 26 audit reports during the Financial Year 2008-09 covering processes and transactions. Due to recent developments in the Q4 of Financial Year 2008-09, nine internal auditors left/were laid off

For Financial Year 2009-10, the in-house Internal Audit team has since been strengthened again by appointing two more technical auditors and two more finance auditors. Apart from this, the Board has appointed an external audit firm for conducting internal audits of the Company for the year 2009-10

As a continuous process, the Management reviews and addresses the need for extending the scope and coverage to focus on critical areas proactively on an ongoing basis

- (10) Clause No. ix (a) certain delays in remittance of statutory dues in the last quarter of the year :

The Company in general has been regular in remitting the statutory dues in time. The delays were mainly due to severe liquidity crunch that the Company has been undergoing in the last quarter of the year, due to the impact of extraordinary / unprecedented events and general impact of recession. The statutory dues have been subsequently remitted. As a matter of internal control system, statutory dues are being duly monitored for accurate and timely remittances on an ongoing basis

- (11) Clause No. x :Accumulated loss more than 50% of net worth & Cash loss :

Due to the effects of unprecedented events coupled with recession, the operational fabric of the Company was severely impacted to the point of incurring accumulated loss beyond 50% of its net worth. Cash loss was attributable to lower level of operations, stoppage of credit by vendors, delayed client realizations, loss of projects, among others. The Company has been making conscious and sustained efforts to revive its operations and is confident of the business performance and growth based on the following :

- \* Order book in excess of Rs 7,500 crores
- \* Critical support and guidance of the Government appointed independent Directors on the Board
- \* Restructuring of Debt under CDR package
- \* Construction equipment (including CWIP) base at Rs 389 Crores

- \* Unstinted support and cooperation of the Associates, Vendors, Clients and all Agencies - Government and Others, who have stood by the Company in this hour of crisis

- \* Bid capacities established over a period of years to keep the Company in good stead to secure new projects

- (12) Clause No.xi Defaults in repayment of dues to Banks & Financial Institutions :

Defaults occurred because of severe liquidity crunch faced by the Company in the wake of recession and the unprecedented events that followed. This has necessitated the Company to take recourse to Corporate Debt Restructuring (CDR) with its Bankers who have since approved the CDR package. The CDR package sanctioned for the Company provides restructuring of debt repayment, interest at reduced rates, among others

- (13) Clause No.xvi : Utilization of Loan from IDBI :

The loan was taken for the purpose of VAL Jharsiguda project. The project works were stopped due to premature termination of the project by the Client. The loan proceeds unutilized for the project were deployed for other operational requirements of the Company

- (14) Clause No.xx :IPO fund utilisation :

The Auditors' qualification refers to the balance investment into Associates for Rs 105.40 Crores, and interim placement of the amount in Inter Corporate Deposits (ICDs) and in current account with Bank, reported by the Company earlier

As for the amounts placed in the ICDs, the same were given in the normal course of the operations on commercial terms. The Companies, to whom the ICDs were given, have subsequently sought for extension of time for repayment thereof, due to reasons of liquidity crunch faced by them. The Management would continue to focus on the matter and would take all appropriate steps including legal action, to recover all the amount of ICDs. While the process is expected to take some time, the Management is confident of realizing the same

However, as mentioned in the Directors' Report, it is proposed to obtain due ratification of the Shareholders in the forthcoming Annual General Meeting of the Company for inclusion of the other project investments as a part of the 'Objects of the Issue' and thus, making the utilisation of the IPO funds full and completed towards 'Objects of the Issue as per the Prospectus

- (15) Clause No xxi : Malpractices of an employee detected and settled :

In respect of malpractices detected in case of one of the employees, the Company after due enquiries and assessment of the impact which was not found to be material has settled the issue out of court amicably by recovering dues from him towards notice pay, advance recoverable and legal expenses

**With regard to Auditors' Report on Consolidated Financial Statements :**

- (16) Clause No 3 - Representations from Auditors of Subsidiaries/ Joint Venture entities:

The Auditors have qualified their Report for the year ended March 31, 2009 stating that they were unable to obtain clarifications / representations from the Auditors of some of the Subsidiaries/ Joint Venture entities. The Management arranged for audited financial statements in respect of these entities

(17) Clause No.5 - Unaudited Management certified Financial Statements :

The Auditors have qualified their Report for the year ended March 31, 2009 stating that some of the entities have been consolidated based on unaudited management certified financial statements. The qualification relates to new Companies which have been incorporated during the year as project Special Purpose Vehicles and had no revenues. Maytas Metro Limited one of the Companies referred to, was incorporated in September 2008 for implementing the Hyderabad Metro Rail Project

(18) Clause No.6(b) Matter of emphasis :

The Auditors have invited attention stating that certain Joint Venture entities which were previously consolidated as per AS -23 "Accounting for Investment in Associates in Consolidated Financial Statements" as against proportionate consolidation in accordance with AS -27 "Financial Reporting of Interests in Joint Ventures" as notified by the Companies Accounting Standard Rules, 2006 (as amended). The Management based on re-evaluation of the contractual arrangements with the Co-venturers of the Joint Venture entities have decided to account for such investments under the proportionate consolidation method.

## PARTICULARS OF EMPLOYEES

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975 as amended forms part of this Report. However, in pursuance of Section 219(1)(b)(iv) of the Companies Act, 1956, this Report is being sent to all the Shareholders of the Company excluding the aforesaid information and the said particulars are made available at the Registered Office of the Company. The Members interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company

## EMPLOYEE RELATIONS

The relations with the employees have been cordial throughout the year under review. Your Directors place on record their sincere appreciation in respect of the services rendered by the employees of the Company at all levels

## ESOP 2007 AND 2008

Pursuant to the provisions of Guideline 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme), Guidelines, 1999, as amended, the details of stock options as on March 31, 2009 under the Employee Stock Option Scheme of the Company are as under :

(1) Summary of Status of ESOPs Granted

The position of the existing schemes is summarized as under :

Sl. No	Particulars	ESOP 2007	ESOP 2008
1.	Details of the Meeting	Authorised by Shareholder of the Company on March 30, 2007	Authorised by Shareholder of the Company on September 30, 2008
2	Approved	Upto 2% of Equity Share Capital of the Company	Upto 3% of Equity Share Capital of the Company
3	The Pricing Formula	Exercise Price equal to IPO Price	Exercise Price equal to Market Price / 10% Discount to Market Price/ 20% Discount to Market Price
4	Options Granted	644,967	148,000
5	Options Vested	63,099	0
6	Options Exercised	856	0
7	Options Forfeited / Surrendered	328,627	53,000
8	Options Lapsed	0	0
9	Total Number of Options in force	315,484	95,000
10	Variation in terms of ESOP	Not Applicable	
11	Total number of shares arising as a result of exercise of options	856	0
12	Money realised by exercise of options (Rs. In Lakhs)	3.32	0

(2) Employee-wise details of options granted during the Financial Year 2008-09 to :

(a) Senior Managerial Personnel – ESOP 2008

S.I	Name of the KMP	Designation	No. of options granted
1	Mr Srinivas Reddy V	Head – HR	20,000
2	Mr C.S.Bansal	President	45,000
3	Mr K.M.Sreenivas*	Sr Vice President	25,000
4	Mr Shishir Khetan*	Vice President	10,000
5	Mr Kannan Narayanan	CFO (MIAL)	10,000
6	Mr N.Kannan*	Vice President	20,000
7	Mr Satya Prakash Rath*	Vice President	8,000
8	Mr Ajay P Chitnis*	Vice President	10,000
	<b>Total</b>		<b>1,48,000</b>

\* Stock options were lapsed due to the resignation of the said employees.

(b) Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year:

Senior Managerial Personnel - ESOP 2007  
(Net of Lapsed options as on 31st March 2009)

S.I	Name of KMP	Designation	No. of options granted
1	Dr. Srinivas Reddy	Head (Corporate Strategy)	45,000
2	Sri. Srinivas Sagi	Vice President	35,000
3	Sri. V.V. Rama Raju	Vice President	35,000
4	Sri. B. Narasimha Rao	Vice President	35,000
5	Sri. I.K. Pantulu	Sr.Vice President	12,956
6	Sri.C.S. Raju	Vice President	11,086

Senior Managerial Personnel - ESOP 2008

S.I	Name of KMP	Designation	No. of options granted
1	Mr Srinivas Reddy V	Head – HR	20,000
2	Mr C.S.Bansal	President	45,000
3	Mr K.M.Sreenivas*	Sr Vice President	25,000
4	Mr Shishir Khetan*	Vice President	10,000
5	Mr Kannan Narayanan	CFO (MIAL)	10,000
6	Mr N.Kannan*	Vice President	20,000
7	Mr Satya Prakash Rath*	Vice President	8,000
8	Mr Ajay P Chitnis*	Vice President	10,000
	<b>Total</b>		<b>1,48,000</b>

\* Stock options were lapsed due to the resignation of the said employees.

(c) Identified employees who were granted option, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant. - NIL

(3) Weighted average exercise price of Options granted during the year whose

(a) Exercise price equals market price	431.00
(b) Exercise price is greater than market price	NA
(c) Exercise price is less than market price	358.23

Weighted average fair value of options granted during the year whose

(a) Exercise price equals market price	225.49
(b) Exercise price is greater than market price	NA
(c) Exercise price is less than market price	239.10

- (4) The stock-based compensation cost calculated as per the intrinsic value method for the Financial Year 2008-09 is Rs 0.11 Crores. If the stock-based compensation cost was calculated as per the fair value method prescribed by SEBI, the total cost to be recognised in the Financial Statements for the year 2008-09 would be Rs 0.32 Crores. The effect of adopting the fair value method on the net income and earnings per share is presented below:

(Rs in crores)

**Pro Forma Adjusted Net Income and Earnings Per Share**

Particulars	2008-09	2007-08
Net (Loss)/Profit as reported	(489.79)	99.64
Add: Intrinsic Value Compensation Cost	0.11	-
Less: Fair Value Compensation Cost	0.32	2.52
<b>Adjusted Pro Forma Net (Loss)/Profit</b>	<b>(490.00)</b>	<b>97.12</b>
<b>Earning Per Share: Basic</b>		
As Reported (Rs)	(83.23)	18.44
Adjusted Pro Forma (Rs)	(83.26)	17.97
<b>Earning Per Share: Diluted</b>		
As Reported (Rs)	(83.23)	18.44
Adjusted Pro Forma (Rs)	(83.26)	17.97

- (5) Method and Assumptions used to estimate the fair value of options granted during the year:

The fair value has been calculated using the Black Scholes Option Pricing model

The Assumptions used in the model are as follows:

Variables	31-Oct-08
1. Risk Free Interest Rate	7.06% - 7.51%
2. Expected Life	2.50 Years- 5.50 Years
3. Expected Volatility	61.74%
4. Dividend Yield	0.19%
5. Price of the underlying share in market at the time of the option grant.(Rs.)	430.95

**ENVIRONMENTAL POLICY**

Maytas Infra is committed to carrying out all its activities without detriment to the environment, so that their environmental impacts are reduced to a practical minimum

Maytas Infra is committed by policy to not only abide by the prevailing legal requirements but also to have a futuristic approach

in carrying out continuous improvement in 'Environmental' management performance

**HEALTH, SAFETY & ENVIRONMENT**

Maytas is committed to a strong Safety, Health and Environment program

**Occupational Safety and Health**

Maytas Infra is committed to providing a safe working environment and protection against Safety and Health risks to all its employees and others involved in its activities. This shall be achieved by minimizing the hazards through adoption of proper management of risks

Maytas Infra gives equal importance to 'Occupational Safety and Health' policy like any other business policy of the Company. Maytas Infra is committed to and shall carry out continuous improvement in 'Occupational Safety & Health' management

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO**

Particulars as per Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 are as under :

**Conservation of Energy**

The conservation of energy in all the possible areas is undertaken as an important means of achieving cost reduction. Savings in electricity, fuel and power consumption receive due attention of the management on a continuous basis

**Technology Absorption**

Timely completion of the projects as well as meeting the budgetary requirements are the two critical areas where different techniques help to a great extent. Many innovative techniques have been developed and put to effective use in the past and the efforts to develop new techniques continue unabated

**Foreign Exchange Earnings & Outgo**

	(Rs. Crores)
Earned	Nil
Outgo	29.22

**ACKNOWLEDGMENTS**

Your Directors place on record their gratitude to the Bankers, Financial Institutions, various Agencies of the State and the Central Government Authorities, Clients, Consultants, Suppliers, Sub-Contractors, Members and the Employees for their valuable support and co-operation and look forward to continued enriched relationships in the years to come

By Order of the Board  
for **Maytas Infra Limited**

Place: Mumbai  
Date: September 29, 2009

**Ravi Parthasarathy**  
Chairman

# Management Discussion and Analysis

## (A) Economic Overview :

### (1) Indian Economy and Industrial Growth :

Resonating to the global economic and financial crisis, the Indian economy too is reeling under the pressures and the growth in 2009 - 10 is estimated to be hovering around 7% as against the expectations of above 8%. The direct impact of funding constraints on the investment plans of Indian corporates and hence on growth and job creation, coupled with the compression in export markets, are the principal channels through which the impact of the global financial and economic crisis are being felt in India. The GDP growth rate stands at 6.7% as against the reduced estimates of 7.1% for the FY 2008-09

The Index of Industrial Production (IIP), for the first time from the year 1994, ran into negative during October 2008. However, the cumulative growth for FY 2008-09 stands at 2.4% over the corresponding period of the previous year

### (2) Overview of Infrastructure Industry :

Infrastructure Industry too has been the victim of the recession. During April-December 2008-09, six core-infrastructure industries registered a growth of 3.5% (provisional) as against 5.9% during the corresponding period of the previous year

The Government of India has accorded highest priority to infrastructure after the agriculture by recently forming a high level Committee on Infrastructure (CoI) under the stewardship of the Honorable Prime Minister of India. This Committee having studied the situation under the global economic meltdown and realizing the impetus required for the Infrastructure Industry, announced a revival package by way of providing about Rs. 60,000 crore special dedicated fund to provide affordable loans to the infrastructure projects such as roads, airports, power plants and ports. This coupled with the mammoth infrastructure opportunities portrayed in the Eleventh Five Year Plan (2007-2012) provides immense space for all the players in this Industry. Also the Reserve Bank opened up further opportunities by permitting 100% FDI in Infrastructure Investments into India in various sectors. The Government has also taken various policy initiatives to strengthen the Indian infrastructure sector. This includes Provision of Viability Gap Funding (VGF), setting up of an Infrastructure SPV such as IIFCL etc

### (3) Impact of Global Economic Slowdown :

The global economic slowdown which started showing its enormous impact during the second quarter of the fiscal and the downfall of some of the major business houses in US had a silhouette effect on the Indian economy. The Indian infrastructure industry too registered a lower growth rate due to a nonchalant real estate business

### (B) Opportunities

With the Government committed to increase its spending on the infrastructure and with construction industry expected to contribute approximately 10.5% of GDP by 2011, MIL is expecting construction opportunities in almost all sectors of economies.

The Eleventh Five Year Plan (2007-12) offers immense opportunities in the areas of business -

### (1) Irrigation & Water:

- (a) The recommended outlays for irrigation in State Plans total to Rs 1,82,050 crore
- (b) The state sector Schemes, i.e. AIBP & others contribute to another Rs 47,015 crore
- (c) The total projected GBS for the Eleventh Plan for MoWR is Rs 3,246 crore (current price)
- (d) Eleventh plan aims to cover 100% of the urban population for drinking water, sanitation and waste management.
- (e) The planning commission estimates total investments of Rs 23,430 crore in water supply and sanitation sector over five years

### (2) Roads:

- (a) 46,000 kms of road is proposed to be developed by 2012, apart from widening of another 21,000 kms through PPP
- (b) Upgrade of 12,109 km under NHDP Phase- III at an estimated cost of Rs.80,626 Crore
- (c) Six-laning of 6500 km of NHs comprising 5700 km of GQ and balance 800 km of the sections of NH under NHDP phase - V at a cost of Rs.41,210 crore
- (d) Construction of expressways of 1000 km at a cost of Rs.16,680 crore

### (3) Power :

- (a) Target for additional power generation capacity of 78,577 MW
- (b) Ultra Mega Power Projects at Chattisgarh, Karnataka, Maharashtra, Orissa and Tamilnadu are in pipeline
- (c) Rajiv Gandhi Rural Electrification Plan to be continued during the total period of Eleventh Five Year Plan with a capital subsidy of Rs.28,000 crore
- (d) Transmission capacity to grow from 16,550 MW to 37,150 MW by 2012
- (e) Government is promoting investment through JV with PGCIL using competitive bidding route
- (f) Capacity expansion is required to evacuate power from surplus regions to the deficit regions

### (4) Railways :

- (a) Major initiatives taken to improve the railways network, namely doubling of lines, gauge conversion/upgradation, upgradation of signaling - involving an expenditure of Rs 70,000 Crore
- (b) Dedicated freight Corridors of 2700 kms with an investment of more than Rs. 28000 crore in Eastern and Western Corridor.

### (5) Buildings & Structures:

- (a) The steps taken by Government of India to boost the real estate market through lower interest rates and planned incentives for low cost housing is expected to drive demand for this sector in the medium term.



- (b) With impending economic recovery, the corporate India is expected to go ahead with the planned capex which in turn will drive the demand for creation of commercial & industrial structures

**(6) Oil & Gas:**

- (a) GAIL and Gujarat State Petroleum Corporation (GSPC) plan to build another 1,400-1,500 km pipeline connecting the KG basin to Central India. The project cost is estimated at Rs. 40 billion to Rs. 50 billion.
- (b) GAIL plans to invest Rs. 55.58 billion during 2009-10. Of this, Rs. 40.2 billion will be invested in pipeline projects, and the rest in E&P, petrochemicals, CGD and telecom. For the Eleventh Plan as a whole it plans to invest Rs. 111.21 billion to set up new pipelines and increase its capacity to around 300 mmscmd
- (c) RGTIL plans to lay 1,140 km more of pipelines – the 470 km Vijayawada-Nellore-Chennai and 670 km Chennai-Tuticorin pipelines – during the Eleventh Plan period
- (d) Bharat Oman Refineries Limited plans to set up a single-point mooring system, and a crude oil storage terminal at Vadinar in Gujarat and a 935 km long crude pipeline from Vadinar to Bina
- (e) As for pipelines, the 2009-10 budget proposes a 100 per cent deduction of capital expenditure (excluding expenditure incurred on acquiring land) on laying and operation of cross-country natural gas, crude oil and petroleum product pipelines, including storage facilities with retrospective effect for pipelines built after April 1, 2007. It proposes to withdraw the 10-year tax holiday that was provided earlier

Your company is prepared to capitalize on the opportunity in the market place and set to improve its market share on a continuous basis.

Your company has 20 long years of consistent performance executing projects across sectors, states and of varying complexity

This was possible only through

- Predictable & repeatable processes
- Well qualified & experienced engineers
- Proven Project Mgmt & Partner Mgmt capability
- Customer engagement processes
- State of the art Plant & Equipment

Your company is also well diversified and qualifies on its own in many sectors and for most of the opportunities. The diversity also helps in executing projects which involve all components of Infrastructure engineering – civil, mechanical and electrical. In last three years, your company has expanded its foot print from Roads & Irrigation into other core sectors like – Oil & Gas, Power – both T&D and Generation, Water – T&D and Treatment and Railways ; and successfully executed many projects to the satisfaction of the client. Building on this foundation, your company has prepared itself to build these business units into key differentiators & vehicles for future growth and emerge as one of the leading players in each of these sectors.

Your company believes in leveraging Technology to better its competitive edge. Your company has made significant investments into automation and has one of the largest fleet of Plant & Equipment. Your company relies on automation as the key for a predictable & reliable execution.

Your company has built strong partnerships with many leading players globally and has brought latest methodologies & capabilities to its execution processes. These partnerships not only provide foundation for moving up the value chain, but also allow your company to build new capabilities, which in turn will help in capturing the opportunity in the market place.

**(C) Threats :**

While the opportunities presented to the company are immense, there are many challenges that will have to be addressed in order to derive the full benefits. These challenges are:

- (a) Indian economy shall have to deal with and address the anticipated supply constraints of skill, manpower, equipments, material and funds due to the mismatch of supply and demand.
- (b) Absence of long term project funding and easy access to long term debt financing needs to be addressed with most of the large infrastructure projects being done in public private partnership (PPP).
- (c) Risk associated with project delays and cost overruns mainly caused by the delays in land acquisition, multiplicity and lack of coordination between different government agencies etc. need to be addressed urgently.
- (d) Suitable regulatory mechanism with fair and transparent policies and guidelines is required to be put in place to attract private investments.
- (e) Built in mechanism to address suitable compensation for escalations to provide fair play to the construction contractors.
- (f) Financial viability of the projects to attract lenders.
- (g) Contract designs: mechanism to ensure projects are optimally designed to reduce the project cost.
- (h) Speedier dispute resolution mechanisms

**(D) Sector-wise Performance :**

Your Company has diversified its business in Irrigation & Water, Transportation (Roads, Railways & Ports), Oil & Gas, Power and Buildings & Structures. Your Company also has a healthy mix of Construction contracts and BOT assets, which makes it well poised to reap the benefits of growth in the economy.

During the last 20 years, we have executed various construction projects all over the country and the client list of the Company includes reputed institutions in both public and private sectors. The Company has developed excellent engineering, planning and project execution skills during this period. Your Company is recognized for quality consciousness and unstinted commitment to deliver on the promise. The proven track record of the Company and its highly skilled workforce will be the foundation on which we expect to better our performance in years to come.

Even though during the year under review, your Company had to incur significant losses, predominantly due to unforeseen conditions triggering panic reactions from our external stake holders, namely customers, bankers and vendors – we have prepared the organization to embrace the situation by making it lean & optimal to the business mix on hand.

Details of Projects bagged during the FY 2008-09

(Rs. In Crore)

S.No	Description of the Project	Value
1	Udaysamudram Lift irrigation project works near Brahmanvellemula village, Narkatpally Mandal, Nalgonda Dist	330.62
2	Pranahita-Chevella Pkg-7 works in Karimnagar District	1460.91
3	Annampalli Aqueduct project works across Vrudha Gowthami River in E G Dist	23.81
4	Pogonda Reservoir works across Byeneru River in W G Dist	16.84
5	Jambira left main canal works from RD 63755 m to 82646 m	111.84
6	Subernarekha Main canal - cement concrete lining works	73.02
7	Pranahita Pkg 2 works in Adilabad Dist	107.74
8	HNSS works in Madanapalli in Chittoor District	186.75
9	Yerram China Polireddy Korisapadu lift irrigation scheme works in Korisapadu and N.G. Padu mandals of Prakasam District	96.75
10	Dummugudem Pkg 1- construction of Pump House-1 and Erection of Electro Mechanical Equipment near Maddulagudem under Dummugudem Pkg 1	359.44
11	Dummugudem Pkg 4 Construction of Pump House 2 and erection of Electro Mechanical Equipment near Kalyanapuram under Dummugudem Pkg 4	441.92
12	Pranahita Pkg 5 Pranahita - Chevella lift Irrigation Scheme near Tummidu Hetti (V) Kouthala (M) Adilabad District (package V)	543.92
13	Pranahita Pkg 8 works near Kakatiya Canal, Choppadandi (M) in Karimnagar District	654.32
14	Pranahita Pkg 4 works near Tummidu Hetti (v) Kouthala (M) Adilabad District	83.76
15	Pranahita Pkg 14 works in Wargal Mandal, Medak District	32.97
16	Dummugudem Pkg 5 Dummugudem Nagarjuna Sagar Project Tail pond link canal works from Kinnarasani Right Bank to Bethampudi tank	579.38
17	Pranahita Pkg 17 B.R Ambedkar Pranahita-Chevella Sujala Sravanthi Scheme Package No 17 from Tipparam Reservoir to Gundureddipalli (v)	33.16
18	HMWSSB Package-III under GDWSS Phase-I on EPC system	125.49
19	GVMCWater supply distribution works in Visakhapatnam (AP)	44.88
20	AP Transco - Contract for the work of Construction, Supply, Erection, Testing and Commissioning of Lines and Sub-stations on Turn Key basis for APTRANSCO	101.27
21	Rural Electrification works – Jaipur Providing for Rural Electricity Infrastructure & House hold electrification in Jaipur District under RGGVY on turnkey basis	54.94
22	Rural Electrification works – Jaipur Supply of Equipment and materials for rural electrification works in Jaipur District of Orissa State under Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)	137.37
23	MTP, Chengalpattu Dugging of BG Railway Track between Chengalpattu and Villupuram from chainage 59080 to Chainage 161000	110.92

Details of Projects completed during the FY 2008-09

S.No	Description of the Project	Value
1	Gujarat State Petronet Ltd (GSPL)110 km high pressure gas pipeline project between Rajkot and Jamnagar in Gujarat	303.45
2	Indian Oil Corporation Ltd (IOCL)Civil infrastructure jobs for boundary wall, water and drainage system, sewerage treatment plant, etc for refinery township for Paradeep	37.14

**(E) Discussion on Financial Performance :**

Notwithstanding the economic slowdown and the above discussed exigency, your Company, during the early part of the year, has secured contracts for Roads & Bridges, Buildings, Power, Irrigation and Railway projects. Some of these contracts have been secured either on stand-alone basis or on Joint Venture basis with leading construction companies and the order book of the Company as on March 31, 2009 is as below:

Sector	Orders on hand*
Irrigation	6015.92
Roads & Bridges	679.07
Power	532.33
Buildings & Structures	176.42
Railways	139.77
Oil & Gas	19.17
<b>Total</b>	<b>7562.67</b>

\*including Rs 3,662.56 Crore towards Company's share of order book in joint venture as at March 31, 2009

### Overall Financial Performance :

During the first two quarters of the financial year 2008-09, the Company has achieved impressive financial performance and growth as compared to the previous year. However, due to the impact of the global economic slowdown and the exigencies as discussed earlier in this report, the performance of your Company during the second half of the fiscal is on decline in comparison to the last year. The overall performance during the year does not reflect the inherent strengths of the Company. The numbers mentioned below are on a stand alone basis.

- (a) Turnover: The Company has achieved a turnover of Rs.1334.87 crore for the financial year as against Rs.1637.36 crore of the previous year
- (b) Profit before interest, depreciation and tax: The Company has earned a P B I T of Rs.(205.67) crore as against Rs.240.31 Crore in the previous year
- (c) Profit after tax: Profit after tax is Rs. (489.79) crore against Rs.99.64 crore in 2007-08
- (d) Earnings per share: EPS has decreased from Rs.18.44 to Rs. (83.23) in 2008-09
- (e) Share Capital: There is no change in the Company's share capital.
- (f) Net worth: During the year the Company's networth decreased from Rs. 652.84 crore to Rs.163.19 crore in 2008-09
- (g) Debt: The Company's requirements has necessitated enhancement in debt component to Rs.1667.22 crore as against Rs.935.70 crore at the end of the previous year. The increase was due to the project specific term loans and machinery loans
- (h) Fixed Assets: The Company has enhanced its fixed asset base (Gross Block) from Rs. 431.66 crore to Rs.534.98 crore in 2008-09 to support its growing operations
- (i) Investments: The Company has increased its investments to Rs.335.96 crore from Rs.256.23 crore as at the end of the previous year which is mainly on account of equity contribution into SPVs for execution of various infrastructure projects.

### (F) Outlook :

In the second half of the FY 2008-09, your Company suffered huge setbacks due to global slow down, liquidity crisis and Satyam fallout. The Company suffered huge losses and our networth is eroded. However, your Company, supported by indomitable employees and expert Government-nominated Directors, will come out stronger and reach its past glory in the coming years

Your Company initiated the following steps to overcome the current crisis:

- (1) Appreciated the Company's stand to the Government and the Clients and assured them that the Company is capable to complete the projects awarded to it and this initiative has helped us sustain most of the projects. On our assurance, we got back the several projects
- (2) Convinced the lending institutions that the Company has good future and can be revived in short time with their support. The Financial Institutions appreciated our merits and agreed for the Corporate Debt Restructuring in July 2009 with an assurance for loan for Rs.300 Cr (Rs.100 Cr fund-based and

Rs.200 Cr for non-fund based) as an initial step and another Rs.300 Cr after reassessing the progress made based on the previous loan

- (3) Met the existing clients and requested their support in expediting the Accounts Receivables. Several Clients are responding very favourably
- (4) Contacted the Suppliers, appraised the Company's position and sought for their help in extending the credit period. They responded very positively. Your Company initiated several steps to retain and attract the best talent of human resources. The Policies of Retention Bonus, Performance Bonus, Employee Stock Option Plans have been rolled out and has resulted in restoring their confidence in your Company
- (5) In order to control costs and increase the revenue, Your Company took several austerity measures such as rationalization of manpower, wages and salaries, revision of travel entitlements, hiring out the idle Plant and machinery etc
- (6) The Company reviewed the status of running projects and their economic viability in the changed scenario. It has taken necessary steps, which include smart sourcing, restructuring equities in SPVs, bringing in new partners etc
- (7) Apart from the above, the Company also started taking the following steps:
  - (a) Consolidating its line of businesses based on the available opportunities, competency and profitability
  - (b) Bidding the new projects in the areas of its strong competency
  - (c) Closely monitoring the investments made into BOT assets and their valuations
  - (d) Internal operational systems are also strengthened by reorganizing the Organizational Structure and reinforcing the internal controls
  - (e) Initiating legal action against the clients who took the undue advantage of the Company's position

Backed by large order book, strong & loyal workforce and renewed support from financial institutions, and the lean organization we have prepared, we are confident your organization is poised to rebound and grow in line with the market

As you know, your organization is one of the few in Indian Infrastructure industry who are pre-qualified for most of the large contracts and we will leverage this advantage to bag new projects and rebuild Maytas

### (G) Challenges, Risks and Concerns :

The Indian infrastructure industry has tremendous scope for the future and just coming out of the recent economic downturn. In the current turbulent macro economic environment, the Company perceives following risks and concerns.

- (1) Liquidity Risk : The present stiff cash flow situation has forced the Company to adopt measured steps and implement strict cost control measures. The cash flows position is much dependent upon the inflows from the ongoing projects and further support from the lending institutions. The Company is taking effective measures to collect the old dues from clients. Further, the Company, in consultation with the lenders and taking consent from the Board of Directors, has approached the CDR Board for Corporate Debt Restructuring (CDR). The CDR process was approved in principle in July 2009 with an

initial recommendation of Rs.300 crore divided between Rs.100 Crore as fund based and Rs.200 as non-fund based support. This initial recommendation will be further reassessed to raise these limits to an additional Rs.300 crore

- (2) Changes in government policies including change in tax structure : While of late, Government policies are tending to be more stable than they were in the past, the Company does provide for such contingencies at the time of bidding if the attendant costs cannot be passed on to the customer through the contract itself
- (3) Inefficient fiscal control may threaten margins and profitability, especially during an industry downturn. The Company employs strict internal and budgetary controls adequately supported with an effective management information system (MIS) to keep costs under control
- (4) Separation of skilled manpower : The Company lays considerable emphasis on training and leadership development. A good retention scheme and a stock option scheme is in place to protect your Company against any talent flight. A good succession planning process is at the root of your Company people practices
- (5) Price Inflation Risk : Fluctuating raw material prices have been witnessed over the last one year. The Company has a centralized purchase department to meet the requirements of all its projects and is therefore able to source large volumes at best price and terms

- (6) Slowdown in Government Spending : Given the current size of the order book and the number of infrastructure projects that are in the pipeline, your Company is confident of maintaining the present levels of operations.

**(H) Internal control system and their adequacy :**

The Company has put in place adequate and effective internal control systems to ensure that all the assets and interests of the Company are safeguarded, transactions are authorised, recorded & reported properly, and reliability of accounting data and its accuracy are ensured with proper checks and balances

The Company has continued its efforts to align all its processes and controls with best practices

**(I) Human Resources & Industrial Relations :**

The Company has implemented several plans to attract and retain skilled manpower at all levels. The Company also implemented training programs for its employees to develop their both hard and soft skills required for their profession. The Company also downsized its manpower due to subdued business. As of March 31, 2009, the Company had 1566 permanent employees

**Cautionary Statement**

Statements in this Annual Report, describing the Company's outlook, projections, estimates, expectations or predictions may be "Forward Looking Statements" within the meaning of applicable laws or regulations. Actual results could differ materially from those expressed or implied

# Report of Corporate Governance

## 1. A brief statement on Company's philosophy on Code of Governance.

Maytas's philosophy on Corporate Governance envisages attainment of the highest levels of transparency, accountability and equity in all facets of its operations, and in all its interactions with its stakeholders, including shareholders, employees, lenders, Government and the society at large. Maytas is committed to achieve and maintain the highest standards of Corporate Governance.

Maytas is committed to the best governance practices that create long term sustainable shareholder value. Keeping in view the Company's size, complexity, operations and corporate traditions, the Maytas Governance framework is based on the following main principles:

- Constitution of a Board of Directors of appropriate composition, size, varied expertise and commitment to discharge its responsibilities and duties.
- Ensuring timely flow of information to the Board and its Committees to enable them to discharge their functions effectively.
- A sound system of risk management and internal control.
- Timely and balanced disclosure of all material information concerning the Company to all stakeholders.
- Transparency and accountability.
- Compliance with all the applicable laws and rules/regulations.
- Fair and equitable treatment of all its stakeholders.

## 2. Board of Directors:

Back ground of events regarding appointment of Nominee Directors on the Board by Ministry of Company Affairs (MCA):

After the Satyam episode, the MCA moved a petition in February 2009 before the Hon'ble Company Law Board (CLB) under Sections 388B/397/398/402/403 read with Sections 406/408 of the Companies Act, 1956 for supersession of the existing Directors, and for appointment of 10 Directors on the Board

Keeping the Interim relief pending, the Hon'ble Company

Law Board, vide its order dated March 5, 2009, directed Government for the appointment of four Directors, one of whom shall be the Chairman of the Board and subject to such conditions as may be imposed by the CLB

Brief terms of the order as follows :

- There shall be four nominees of CLB, one of whom shall be the Chairman
- No Governmental agency shall initiate any civil/criminal or punitive action against these four Directors without the prior approval of the CLB
- Quorum of the Board Meeting shall be a minimum of four Directors with the presence of at least two of the Nominee Directors and one of the existing Directors
- For any decision of the Board, the affirmative votes of any two nominee Directors is mandatory

The Company Law Board has authorised the MCA to appoint four Directors. In pursuance of the said Order, the MCA vide its Order dated March 5, 2009 has appointed Mr OP Vaish and Mr Ved Jain as Directors on the Board of the Company

In continuation to the above mentioned Order, the MCA vide its order dated April 2, 2009, appointed Dr K. Ramalingam and Mr Anil K Agarwal as Directors on the Board and also ordered that Dr K Ramalingam shall be the Chairman of the Board

Composition of the Board as on 31st March 2009:

The Board consists of six Directors with an optimum combination of Executive and Non-Executive Directors. The Chairman is Non Executive Chairman. Out of six Directors four are Independent Directors. All important strategic policy matters are deliberated at the Board Meetings where the role of Independent Directors is crucial. The composition of the Board satisfies the conditions that the Listing Agreements of the Stock Exchanges have laid down in this regard

The Composition of the Board, Number of Directorships held in other public limited Companies and number of Committee Chairmanships/memberships held in other public limited Companies as on March 31, 2009 is as follows:

Sl.No.	Name of The Director	Category	No of Other Directorships <sup>1</sup> held in other Public Limited Companies	Number of Committee Chairmanships/memberships <sup>2</sup> held in other Public Limited Companies		Attendance Particulars		
				Member	Chairman	Board Meetings		Attendance at Last AGM
						Held	Attended	
1.	R.C.Sinha <sup>3</sup>	Independent and Non Executive Chairman	5	NIL	NIL	4	3	Present
2.	B. Teja Raju	Executive Vice Chairman	12	NIL	NIL	7	7	Present
3.	C.S.Mohan <sup>4</sup>	Independent Director	NIL	NIL	NIL	4	3	Present
4.	Dr. R.P.Raju <sup>5</sup>	Independent Director	NIL	NIL	NIL	6	4	Absent
5.	PK.Madhav <sup>6</sup>	Executive Director	NIL	NIL	NIL	4	4	Present
6.	C.S.Bansal <sup>7</sup>	Executive Director	NIL	NIL	NIL	4	4	Present

Sl.No.	Name of The Director	Category	No of Other Directorships <sup>1</sup> held in other Public Limited Companies	Number of Committee Chairmanships/memberships <sup>2</sup> held in other Public Limited Companies		Attendance Particulars		
				Member	Chairman	Board Meetings		Attendance at Last AGM
						Held	Attended	
7.	O.P. Vaish <sup>8</sup>	Independent Director (Nominee of the Central Government)	5	3	1	2	2	NA
8.	Ved Kumar Jain <sup>8</sup>	Independent Director (Nominee of the Central Government)	NIL	NIL	NIL	2	2	NA
9.	B. Narasimha Rao	Executive Director	4	NIL	NIL	2	2	NA

<sup>1</sup>The Directorships held by Directors as mentioned above do not include alternate directorships and directorships of foreign companies, Section 25 companies and private limited companies.

<sup>2</sup>In accordance with Clause 49 of the Listing Agreement, Memberships/Chairmanships of only the Audit Committees and Shareholders'/Investors' Grievance Committees of all public limited companies have been considered.

<sup>3</sup>Resigned from the Board on January 6, 2009

<sup>4</sup>Ceased to be a Director due to demise on November 12, 2008

<sup>5</sup>Resigned from the Board on March 20, 2009

<sup>6</sup>Resigned from the Board on January 14, 2009

<sup>7</sup>Resigned from the Board on January 27, 2009

<sup>8</sup>Appointed w.e.f. March 5, 2009 pursuant to the CLB order of an even date

### (3) Board Meetings :

**During the Year under review Seven Board Meetings were held on April 30, 2008, June 30, 2008, July 30, 2008, October 31, 2008, January 30, 2009, March 19, 2009 and March 26, 2009**

#### (a) Directors' compensation and disclosures :

The Non-Executive Directors were paid sitting fee of Rs.20,000/- for attending each meeting of the Board of Directors and/or Committees thereof. The sitting fee so paid by the Company is within the limits prescribed under the provisions of the Companies Act, 1956, fixed by the Board of Directors under the Articles of Association of the Company and does not require approval of the shareholders in general meeting

After the Government Nominee Directors are appointed on the Board, the Board of Directors have resolved to pay only a nominal sitting fee at the rate of Re.1/- per meeting for each Non-Executive Director for attending Board Meeting or meeting of any Committee thereof. The Board further resolved that reimbursement of actual travel and out of pocket expenses incurred for attending such Meetings shall be made. Other than the above, there is no other component of remuneration paid to Non-Executive Directors

Remuneration paid to Executive Directors is disclosed in the notes on Accounts forming part of this Annual Report

#### (b) Brief Profile of the Directors :

Brief resume of all the Directors as on the date of approving this Report, nature of their expertise in specific functional areas are provided below:

##### (i) Mr Ravi Parthasarathy

Mr Ravi Parthasarathy, Chairman, Infrastructure Leasing &

Financial Services Limited (IL&FS) holds a Masters Degree in Business Administration from the Indian Institute of Management, Ahmedabad. Mr Ravi Parthasarathy joined IL&FS in 1987 as President & Chief Executive Officer and was appointed as Managing Director in 1989. He was elevated as Vice Chairman & Managing Director in 1994, and as Chairman & Managing Director in November 2004, and as Chairman of IL&FS in May 2006

#### Directorships of Mr Ravi Parthasarathy :

##### (I) Chairman of :

- (1) Infrastructure Leasing & Financial Services Limited
- (2) IL&FS Cluster Development Initiatives Limited
- (3) IL&FS Education & Technology Services Limited
- (4) IL&FS Energy Development Company Limited
- (5) IL&FS Financial Services Limited
- (6) IL&FS Infrastructure Development Corporation Limited
- (7) IL&FS Property Management & Services Limited
- (8) Maytas Infra Limited

##### (II) Director of :

- (9) IL & FS Investment Managers Limited
- (10) IL & FS Maritime Infrastructure Company Limited
- (11) IL & FS Transportation Networks Limited
- (12) Manipal Acunova Limited
- (13) New Tirupur Area Development Corporation Limited
- (14) ORIX Auto Infrastructure Services Limited

##### (III) Alternate Director of :

- (1) Tamil Nadu Water Investment Company Limited

##### (IV) Director of Foreign Company

- (1) Elsamex S.A.

**(ii) Mr Hari Sankaran :**

Mr Hari Sankaran, Managing Director & CEO, Infrastructure Leasing & Financial Services Limited (IL&FS), holds a Masters Degree in Economics. Mr Hari Sankaran joined IL&FS as Chief Economist and was subsequently appointed as Manager of the Delhi Branch in 1993. Mr Hari Sankaran was appointed as Executive Director (Infrastructure) of IL&FS in 1998. He was elevated as Joint Managing Director in July 2004 and subsequently as Managing Director in May 2006. Mr Hari Sankaran has been the Managing Director & Chief Executive Officer of IL&FS since May 2, 2007

**Directorships of Mr Hari Sankaran :**

**(I) Managing Director of Public Limited Company:**

- (1) Infrastructure Leasing & Financial Services Limited

**(II) Director In-charge (Managerial Person) of Public Limited Company**

- (2) IL & FS Energy Development Company Limited

**(III) Director of Public Limited Companies:**

- (3) IL & FS Financial Services Limited
- (4) IL & FS Infrastructure Development Corporation Limited
- (5) IL & FS Transportation Networks Limited
- (6) Gujarat International Finance Tec-City Company Limited
- (7) ORIX Auto Infrastructure Services Limited
- (8) PDCOR Limited
- (9) Road Infrastructure Development Company of Rajasthan Limited
- (10) Tamil Nadu Water Investment Company Limited
- (11) IL & FS Tamil Nadu Power Company Limited
- (12) Mangalore SEZ Limited
- (13) Maytas Infra Limited

**(IV) Director of Foreign Companies:**

- (1) UOB IL & FS India Opportunities Fund Limited
- (2) IL & FS Singapore Asset Management Company Pte Limited

**(V) Alternate Director of:**

- (1) New Tirupur Area Development Corporation Limited

**(iii) Mr Arun Saha :**

Mr Arun Saha, Joint Managing Director, Infrastructure Leasing & Financial Services Limited (IL &FS), joined IL&FS as Assistant Vice President (Finance) in 1988 and later was entrusted additional responsibility as Company Secretary. He holds a Masters Degree in Commerce and is an Associate Member of Institute of Chartered Accountants of India and Institute of Company Secretaries of India. He was appointed as Executive Director of the Company in February 1995 and was subsequently elevated as Deputy Managing Director in May 2006. Mr Saha has been designated as Joint Managing Director of IL&FS since May 2, 2007

**Directorships of Mr Arun Saha :**

**(I) Executive Chairman of:**

- 1 IL&FS Securities Services Limited

**(II) Joint Managing Director of:**

- (2) Infrastructure Leasing & Financial Services Limited

**(III) Director of Public Limited Companies:**

- (1) IL&FS Financial Services Limited
- (2) IL&FS Infrastructure Development Corporation Limited
- (3) IL&FS Investment Managers Limited
- (4) IL&FS Property Management & Services Limited
- (5) IL&FS Technologies Limited
- (6) IL&FS Transportation Networks Limited
- (7) IL&FS Trust Company Limited
- (8) IL&FS Urban Infrastructure Managers Limited
- (9) ORIX Auto Infrastructure Services Limited
- (10) Noida Toll Bridge Company Limited
- (11) Maytas Infra Limited

**(IV) Director of Private Limited Companies:**

- (1) For-she Travels & Logistics Private Limited

**(V) Director of Foreign Companies:**

- (1) IL&FS Maritime Offshore Pte Limited
- (2) UOB IL&FS India Opportunities Fund Limited
- (3) Elsamex S.A.
- (4) Elsamex International S.L.
- (5) Grusamar Ingenieria Y Consulting S.L.
- (6) Atenea Seguridad Y Medio Ambiente, S.A.
- (7) Instituto Técnico de la Vialidad Y del Transporte, S.A.
- (8) Proyectos de Gestión, Sistemas, Calculo Y Análisis, S.A.
- (9) Proyectos y Promociones Inmobiliarias Elpidio Sánchez Márcos, S.L.
- (10) Sanchez Marcos Senalizacion E Imagen, S.A.
- (11) ITNL International Pte Ltd

**(iv) Mr Ramchand Karunakaran :**

Mr Ramchand Karunakaran is the Managing Director of IL&FS Transportation Networks Limited (ITNL). He holds a Bachelor's degree in Civil Engineering from Madras University and a Post Graduate Degree in Development Planning from the School of Planning, Ahmedabad and has over 25 years of experience in urban and transport infrastructure development sector. Mr Ramchand has been involved in a large number of private infrastructure initiatives including the successful commissioning of various toll road projects in the country. He has been with the IL&FS Group for the past 14 years and is on the Board of Directors of various companies within the IL&FS Group

**Directorships of Mr Ramchand Karunakaran :**

**(I) Managing Director of :**

- (1) IL&FS Transportation Networks Limited
- (2) Road Infrastructure Development Company of Rajasthan Limited

**(II) Director of Public Limited Companies:**

- (3) Gujarat Road and Infrastructure Company Limited
- (4) Noida Toll Bridge Company Limited
- (5) Tamil Nadu Road Development Company Limited
- (6) IT Expressway Limited

- (7) Chhattisgarh Highways Development Company Limited
- (8) ITNL ENSO Rail Systems Limited
- (9) Jharkhand Accelerated Road Development Company Limited
- (10) IL&FS Energy Development Company Limited
- (11) IL&FS Property Management & Services Limited
- (12) Gujarat International Finance Tec-City Co. Ltd.
- (13) IL&FS Tamil Nadu Power Company Limited
- (14) Jharkhand Road Projects Implementation Company Limited
- (15) Maytas Infra Limited

**(III) Director of Private Limited Companies :**

- (1) Gujarat Integrated Maritime Complex Private Limited
- (2) Sealand Ports Private Limited
- (3) Avash Logistic Park Private Limited

**(IV) Director of Foreign Companies :**

- (1) IL&FS Maritime Offshore Pte. Ltd.,
- (2) Land Registration Systems Inc (LARES),
- (3) Elsamex S.A.
- (4) Elsamex Internacional S.L.
- (5) Grusamar Ingenieria Y Consulting S.L.
- (6) Control 7 S.A.
- (7) Centro De Investigacion Elpidio Sanchez Marcos S.A.
- (8) Sanchez Marcos Senalizacion E Imagen S.A.
- (9) Atena Seguridad Y Medio Ambiente, S.A.
- (10) Proyectos Y Promociones Inmobiliarias Sanchez Marcos, S.L.
- (11) Proyectos De Gestion Sistemas Calculo Y Analisis, S.A.
- (12) Instituto Tecnico De La Vialidad Y Del Transporte, S.A.

**(v) Mr Anil K Agarwal :**

Mr Anil K Agarwal was the president of ASSOCHAM. He heads the Cosmos group which has business interests in fields such as – Engineering & Electricals, Food & Agro technologies, Biotechnology, Power distribution equipments etc.

He is a council member of Indian Institute of Chartered Accountants of India. He has been a member of many committees of the Govt. of India, such as – Board of Trade, National Manufacturing Competitive Council, National Disaster Management Authority, Prime Minister's Council of Trade & Industry, SEBI Committee on Disclosures, Employers Federation of India, Scientific Advisory Committee of Cabinet, Agriculture Knowledge Initiative etc... He is also a member of the Audit Committee of the Company

Mr Agarwal has been appointed in the Board by the Company Law Board as a Government Nominee Director

**(vi) Mr Ved Jain :**

Mr Ved Jain, FCA, New Delhi, aged 55 is Triple Bachelors Degree Holder. He completed his Bachelor of Science from Punjab University in 1973. He is a rank holder in both CA

Inter and CA Final. After completing his Chartered Accountancy in 1976, he did his Bachelors of Arts in Economics in 1979. He also completed his Bachelors of Law in 1980. A prolific writer, having command in Hindi, English, French, Urdu and Punjabi, has authored many books on Direct Taxes and regularly contributes articles on tax matters in various journals, newspapers and frequently participates in various television programs on taxation and related subjects

He was appointed as a member of the Income Tax Appellate Tribunal in the rank of Additional Secretary by Ministry of Law, Justice and Company Affairs, Govt. of India in the year 1998 from where he resigned after a short stint

A Fellow Member of Institute of Chartered Accountants of India (ICAI) for more than three decades, He was elected to the Central Council of ICAI for the first time in 2004 and thereafter in 2007. On 5th February, 2007 he was elected by the Council as its Vice- President and was further elevated to the post of the President on February 5, 2008

He is a Board Member of International Federation of Accountants (IFAC) for 2009 to 2011. IFAC is a global organization for the accountancy profession with its 138 members and 20 associates in 123 countries all over the world

On corporate forum he is Member of Quality Review Board of the ICAI constituted by the Ministry of Corporate Affairs, Member, Developing Nation Committee (DNC) of the International Federation of Accountants (IFAC), Co-Chairman, Committee on Direct Taxes, ASSOCHAM. He is also a life member of Indian Council of Arbitration. He is member Board of Governors of Indian Institute of Corporate Affairs

**(c) Code of Conduct :**

As per the requirement of Clause 49 of the Listing Agreement with the Stock Exchanges, the Board has laid down a code of conduct for all board members, senior management personnel and designated employees of the company. The code of conduct is posted on the website of the Company. All Board members and senior management personnel affirm compliance with the code

**(4) Committees of the Board :**

Re-constitution of various Committees of the Board of Directors :

Due to the recent changes and developments which resulted in change in the composition of Board of Directors of the Company, the Audit Committee, Shareholders' and Investors' Grievance committee and the Remuneration Committee were re-constituted

**(a) Audit Committee :**

**(i) Composition :**

The composition and terms of reference of the Audit Committee of the Company are in accordance with Clause 49 of the Listing Agreement. The Audit Committee comprises of three Directors of whom two are Non-Executive Independent Directors. All members of the Committee are eminent persons with varied knowledge in their respective fields. The Chairman of the Committee is a Chartered Accountant with vast knowledge and expertise

The composition of the Audit Committee as on March 31, 2009 and the attendance at the Meetings held during the year are stated below :



SI No.	Name of the Member	No. of Meetings held	No of Meetings attended
1	Mr R P Raju	3	2
2	Mr B Teja Raju	3	3
3	Mr P K Madhav	3	3

(ii) Terms of reference of the Audit Committee :

The purpose of the Audit Committee is to ensure the objectivity, credibility and correctness of the Company's financial reporting and disclosure processes, internal controls, risk management policies and processes, tax policies, compliance of legal requirements and associated matters

The terms of reference of the audit committee are as follows:

- Regular review of accounts, accounting policies and disclosures
- Review the major accounting entries based on exercise of judgement by the management and review of significant adjustments arising out of audit
- Review any qualifications in the draft audit report
- Establish and review the scope of the independent audit including the observations of the auditors and review of the quarterly, half-yearly and annual financial statements, before submission to the Board
- Upon completion of the audit, discussions with the independent auditors to ascertain any area of concern
- Establish the scope and frequency of the internal audit, review the findings of the internal auditors and ensure the adequacy of internal control systems
- Examine reasons for substantial defaults in payment to depositors, debenture holders, shareholders and creditors
- Examine matters relating to the Director's Responsibility Statement for compliance with Accounting Standards and accounting policies
- Oversee compliance with Stock Exchange legal requirements, concerning financial statements, to the extent applicable.
- Examine any related party transactions, i.e., transactions of the Company that are of a material nature with the promoters or management, relatives, etc. that may have potential conflict with the interests of the Company
- Appointment and remuneration of statutory and internal auditors
- Such other matters as may from time to time be required under any statutory, contractual or other regulatory requirement

The Audit Committee was once again reconstituted on September 29, 2009 with the following as Members :

Mr Ved Jain	-	Chairman
Mr Anil K. Agarwal	-	Member
Mr Arun Saha	-	Member

**(b) Remuneration Committee :**

(i) Constitution and Attendance :

The Remuneration Committee of Directors of the Company has been constituted to recommend/review the remuneration package of the Executive Directors. The terms of reference (as detailed below), powers, quorum and other matters in relation to the Remuneration Committee will be as per Clause 49 of the Listing Agreements and in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended

During the year ended March 31, 2009 only one Meeting of the Remuneration Committee was held on October 31, 2008 which was attended by Mr RC Sinha the former Chairman of the Remuneration Committee, Dr RP Raju former member of the Committee

The Committee was reconstituted in the Board Meeting held on April 17, 2009 due to the resignation of Mr RC Sinha, and Dr RP Raju and the demise of Mr CS Mohan

The reconstituted Remuneration Committee is chaired by Dr K Ramalingam, and the other Members are Mr OP Vaish and Mr Anil K Agarwal, all being Non-Executive Independent Directors (Govt. nominees)

(ii) Terms of Reference :

The principal responsibilities and functions of the Remuneration Committee include the following:

- Determine the remuneration, review performance and decide on variable pay of Executive Directors
- Establish and administer employee compensation and benefit plans
- Determine the number of stock options to be granted under the Company's Employees Stock Option Schemes and administer any stock option plan
- Such other matters as may from time to time be required under any statutory, contractual or other regulatory requirement

The Remuneration Committee was once again reconstituted on September 29, 2009 with the following as Members:

Mr Anil Agarwal	-	Chairman
Mr Ved Jain	-	Member
Mr Ravi Parthasarathy	-	Member

**(c) Shareholders'/Investors' Grievance Committee :**

(i) Constitution and attendance :

The Shareholders'/Investors' Grievance Committee is constituted to supervise the investor relations and redressal of investors' grievances. The terms of reference (as detailed below), powers, quorum and other matters in relation to the Shareholders'/Investors' Grievance Committee will be as per Clause 49 of the Listing Agreements

During the year ended March 31, 2009 three Meetings of the Shareholders'/Investors' Grievance Committee was held on April 30, 2008, July 30, 2008 and October 31, 2008. The details of attendance for the above mentioned Meetings are as below:

SI No.	Name of the Member	No. of Meetings held	No. of Meetings attended
1	Mr R P Raju	3	2
2	Mr B Teja Raju	3	3
3	Mr P K Madhav	3	3

The Committee was reconstituted in the Board Meeting held on April 17, 2009 due to the resignation of Mr R.P. Raju, and Mr PK Madhav

The reconstituted Shareholders'/Investors' Grievance Committee is Chaired by Mr OP Vaish, and the other members are and Mr B Teja Raju and Mr B Narasimha Rao. The Company Secretary shall act as the Secretary to the Committee

(ii) Terms of Reference :

The terms of reference of the Investors Grievance Committee are as follows :

- Supervise investor relations and redressal of investors' grievance in general and relating to non-receipt of dividends, interest, non-receipt of balance sheet in particular
- Approve the transfer and transmission of shares from time to time
- Delegate the powers to the Registrar of the Company for transfer, transmission of shares from time to time in accordance with the regulatory requirement

The details of the complaints received during the financial year 2008-09 and the status of the same are as below:

**Investors' Complaints received during the year 2008-09**

SI No	Subject	Opening Balance	Received	Resolved	Pending
1	NON RECEIPT OF DIVIDEND WARRANTS	0	10	10	0
2	NON RECEIPT OF ELECTRONIC CREDITS	0	42	42	0
3	NON RECEIPT OF REFUND ORDER	0	95	95	0
4	NON RECEIPT OF ANNUAL REPORT	0	1	1	0
	<b>Total</b>		<b>148</b>	<b>148</b>	<b>0</b>

The Shareholders' Grievance Committee was once again reconstituted on September 29, 2009 with the following as Members:

Mr Anil Agarwal - Chairman  
 Mr Ved Jain - Member  
 Mr Arun Saha - Member

The Company Secretary acts as the Secretary to all the foregoing Committees

**5. General Body meetings:**

**a) Annual General Meetings (AGMs)**

Venue, date and time of the Annual General Meetings held during the preceding 3 financial years are as follows:

Financial Year	Date, Time and Venue	Special Resolutions
2007-08	September 30, 2008 11.00 A.M. Sri Satya Sai Nigamagmam, 8-3-987/2, Srinagar Colony, Hyderabad-500073  August 31, 2007, 11.00 A.M, Registered Office, 6-3-1186/5/A, III Floor Amogh Plaza, Begumpet, Hyderabad - 500 016  September 30, 2005 3.00 PM Registered Office, 6-3-1186/5/A, III Floor Amogh Plaza, Begumpet, Hyderabad - 500 016	i. To issue and allot employees who are in permanent employment of the Company, including any Director of the existing or future holding/subsidiary Companies, whether whole time or otherwise, options exercisable into not more than 3% of the paid up share capital of the company, i.e. 17,65,500 equity shares of the Company  ii. To issue and allot employees who are in permanent employment of the existing or future holding/ subsidiary Companies, including any Director of the existing or future holding/subsidiary Companies, whether whole time or otherwise, options exercisable into not more than 3% of the paid up share capital of the company, i.e. 17,65,500 equity shares of the Company  iii. Resolution pursuant to provisions of Section 163 of the Companies Act, 1956, for the consent of members of the Company for keeping the Register of members together with the Index of members, the copies of annual returns, the copies of certificates and documents required to be annexed with the annual return under Section 160/161 of the Companies Act, 1956 and/or any of the documents as required to be kept at the Registered office of the Company, at the office of Registrar and Transfer Agent of the Company, Karvy Computershare Private Limited, Plot No.17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081
2006-07	August 31, 2007, 11.00 A.M, Registered Office, 6-3-1186/5/A, III Floor Amogh Plaza, Begumpet, Hyderabad - 500 016	NIL
2005-06	September 30, 2006 3.00 P.M Registered Office, 6-3-1186/5/A, III Floor Amogh Plaza, Begumpet, Hyderabad - 500 016	NIL

There are no special or postal ballot resolutions passed during the preceding 3 Annual General Meetings.

**b) Extraordinary General Meetings (EGMs)**

Venue, date and time of the Extraordinary General Meetings held during the preceding 3 years and special resolutions passed are as follows:

Date & Time	Venue	Special Resolutions Passed
March 30, 2007 at 11.00 A.M.	Registered Office, 6-3-1186/5/A, III Floor Amogh Plaza, Begumpet, Hyderabad - 500 016	Issue of 88,50,000 Equity Shares Under Initial Public Offer(IPO) Issue of Shares to the employees of the Company under Employee Stock Option (ESOP) Guidelines. Make investment, give loans and provide guarantees/ securities.
January 24, 2007 at 10.00 A.M.	Registered Office, 6-3-1186/5/A, III Floor Amogh Plaza, Begumpet, Hyderabad - 500 016	Change in the Designation of Mr B Teja Raju from Managing Director to Vice Chairman
December 30, 2006 at 2.30 P.M.	Registered Office, 6-3-1186/5/A, III Floor Amogh Plaza, Begumpet, Hyderabad - 500 016	1. Conversion from Private Limited Company to Public Limited Company 2. Appointment of Mr P K Madhav as Whole Time Director of the Company for a period of 5 years w.e.f. November 1, 2006
June 18, 2005 at 11.00 A.M.	Registered Office, 6-3-1186/5/A, III Floor Amogh Plaza, Begumpet, Hyderabad - 500 016	1. Re-appointment of Mr B Teja Raju as Managing Director of the Company for a period of 5 years w.e.f. April 1, 2005 2. Re-appointment of Mr B Suryanarayana Raju as a Whole time Director of the Company for a period of 5 years w.e.f. April 1, 2005.

There are no postal ballot resolutions passed in Extraordinary General meetings held during the preceding 3 years.

**(6) Disclosures :**

- (a) During the year under review, certain transactions have been entered into with related parties. The details thereof have been given under the Notes on Accounts
- (b) There has not been any occasion of non-compliance by the Company except that
- (i) the composition of various Committees and Board of Directors was not in accordance with Clause 49 during the period from November 2008 to March 2009 and
- (ii) non-submission/ non-publishing of the financial results for financial year ended March 31, 2009, Quarter ended 31st December, 2008 and June 30, 2009 within the time-frame as prescribed, due to the recent developments. No penalties or strictures have been imposed on the Company by stock exchanges or SEBI or any other statutory authority on any matter related to capital markets over the last three years
- (c) Maytas has established a well-documented Risk Management framework. Under this framework, risks are identified across all business processes of the Company on a continuing basis. In this connection the Company had appointed M/s Ernst & Young (E&Y) to suggest and undertake the process of identification of risks and mitigation plans thereof. E&Y carried out detailed study for prioritization of risks. The same was discussed with the Steering Committee of the Company consisting of all the Executive Directors and CFO. To address the identified risks in a comprehensive manner, the Company identified Champions for each risk who would co-ordinate with

all the sectors and process owners to implement the mitigation plans. The Board has reviewed the risk assessment and minimization procedure adopted by the Company

- (d) The company applied equity method of accounting (as per the Accounting Standard 23) to the investments which involves reflecting the Company's share of results of the Associate companies operations. The same has been disclosed in the Directors' Report
- (e) The details of Subsidiary Companies and utilization of IPO proceeds are disclosed in the Directors' Report

**(7) Means of Communication :**

- (a) Quarterly/Half Yearly/Yearly Results are published in The Economic Times/ Business Standard/The Hindu/ Eenadu/Andhra Jyothi. The same are also placed on the Company's website [www.maytasinfra.com](http://www.maytasinfra.com)
- (b) Official news releases are displayed on the Company's website [www.maytasinfra.com](http://www.maytasinfra.com). Official Media Releases are sent to the Stock Exchanges
- (c) The Company's website [www.maytasinfra.com](http://www.maytasinfra.com) contains a separate section dedicated to 'Investor Relations' where shareholders' information is available. The Annual Report of the Company is also available on the website in a user-friendly and downloadable form
- (d) Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others

entitled thereto. The Management Discussion and Analysis (MD&A) Report forms part of the Annual Report

- (e) The Company has designated the cs@maytasinfra.com email-id exclusively for investor services

**(8) Management Discussion And Analysis (MDA) :**

MDA forms part of the Directors' Report and is presented in the Annual Report under a separate heading

**(9) Whistle Blower Policy :**

The Company may establish a mechanism for employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy. This mechanism could also provide for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit committee in exceptional cases. Once established, the existence of the mechanism may be appropriately communicated within the organization

**(10) General Information To Shareholders :**

**(a) Date, time and Venue of the 21st AGM :**

November 9, 2009 at 10.30 a.m  
Sathya Sai Nigamagmam,  
Srinagar Colony, Hyderabad-500 073

**(b) Book Closure Date :**

The Register of Members and Share Transfer Books of the Company will be closed from November 2, 2009 to November 9, 2009 (both days inclusive) for the purpose of 21st Annual General Meeting

**(c) Financial Calendar :**

Financial year of the Company is 1st April to 31st March. The tentative calendar for consideration of financial results for the Financial Year 2009-10 is given below:

Particulars	Tentative
Results for quarter ending Sept 30, 2009	October 2009
Results for quarter ending Dec 31, 2009	January 2010
Results for year ending March 31, 2010	June 2010

**(h) Distribution of shareholding as on March 31, 2009**

Distribution Schedule - as on 31/03/2009					
Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1 – 5000	48663	96.872635	2293825	22938250	3.897692%
5001 - 10000	772	1.536808	622470	6224700	1.057708%
10001 - 20000	360	0.716646	531166	5311660	0.902563%
20001 - 30000	135	0.268742	341074	3410740	0.579557%
30001 - 40000	64	0.127404	225893	2258930	0.383840%
40001 - 50000	57	0.113469	265806	2658060	0.451660%
50001 - 100000	97	0.193096	725616	7256160	1.232974%
100001 & Above	86	0.171199	53845006	538450060	91.494006%
<b>TOTAL</b>	<b>50234</b>	<b>100.00 %</b>	<b>58850856</b>	<b>588508560</b>	<b>100.00%</b>

**(d) Listing on Stock Exchanges :**

The Company's Shares are listed on the following Stock Exchanges with effect from October 25, 2007

Name of Stock Exchange	Scrip Code
The National Stock Exchange of India Limited (NSE) 5th Floor, "Exchange Plaza" Bandra Kurla Complex, Bandra (E) Mumbai – 400 051	MAYTASINFR
The Bombay Stock Exchange Limited (BSE) Department of Corporate Services P.J.Towers, Dalal Street Mumbai – 400 001	532907

The Company has paid the listing fees payable to the BSE and NSE for the financial year 2009-10. The Company has paid Annual Custodial Fees for the year 2009-10 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL)

**(e) Share Transfer Procedure :**

The share transfers which are received in physical form are processed and the share certificates are returned to the respective shareholders within the statutory time limit, subject to the documents being valid and complete in all respects. The Company obtains half yearly certificates from a Company Secretary in practice on compliance regarding share transfer formalities and submits a copy thereof to the Stock Exchanges in terms of Clause 47 (c) of the Listing Agreement

**(f) Prevention of Insider Trading :**

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, the company has instituted a comprehensive code of conduct for prohibition of Insider Trading in Company's shares.

**(g) Corporate Identity Number (CIN) :**

CIN of the Company, allotted by Ministry of Corporate Affairs, Government of India is L45201AP1988PLC008624

(i) **Dematerialisation of shares and liquidity :**

The Company's shares are available for dematerialization in both the Depositories i.e, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). 78.23% of shares have been dematerialized as on March 31, 2009. The distribution of shareholdings in category wise is as under:

Category	No. of Shareholders	No of Shares	% To total Equity
PHYSICAL	15	2812271	4.778641%
N S D L	34699	53691337	91.232890%
C D S L	15520	2347248	3.988469%
<b>Total</b>	<b>50234</b>	<b>58850856</b>	<b>100.00%</b>

ISIN: INE 369101014

(j) **Secretarial audit for reconciliation of capital :**

As stipulated by SEBI, a qualified practicing company secretary carries out the secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and paid up capital. This audit is carried out every quarter and the report thereon is submitted to the stock exchanges and is placed before the Board of Directors. The audit, inter alia confirms that the total listed and paid up capital of the company is in agreement with the aggregate of the total no. of shares in dematerialized form held with NSDL and CDSL and total no. of shares in physical form.

(k) **Investor Safeguards :**

Investors may note the following to avoid risks while dealing in securities:

(i) Electronic Clearing Services (ECS) mandate

ECS helps in quick remittances of dividend without possible loss / delivery in postal transit. Members may register their ECS details with their respective DPs.

(ii) Encash Dividends in time

Encash your dividends promptly to avoid hassles of revalidation.

(iii) Register Nominations

To enable successors to get the shares transmitted in their favour without hassle, the members may register their nominations directly with their respective DPs.

(iv) Confidentiality of Security Details

Do not hand over signed blank transfer deed / delivery instruction slips to any unknown person.

(v) Dealing of Securities with Registered Intermediaries

Members must ensure that they deal with only SEBI registered intermediaries and must obtain a valid contract note/ confirmation memo from the broker / sub-broker, within 24 hours of execution of trade and it should be ensured that the contract note / confirmation memo contains order no., trade time, quantity, price and brokerage.

(l) **Shareholding Pattern as on March 31, 2009**

Shareholding Pattern as on March 31, 2009			
Category	Cases	Holding	% To Equity
INDIAN FINANCIAL INSTITUTIONS	2	13352565	22.688822
PROMOTERS	3	11990000	20.373535
BODIES CORPORATES	835	11869380	20.168577
RESIDENT INDIVIDUALS	46785	8800054	14.953145
PROMOTER GROUP	4	8743200	14.856538
MUTUAL FUNDS	5	1568136	2.664593
FOREIGN INSTITUTIONAL INVESTORS	9	1499963	2.548753
H U F	2126	784105	1.33236
CLEARING MEMBERS	187	142123	0.241497
NON RESIDENT INDIANS	275	100078	0.170054
TRUSTS	3	1252	0.002127
<b>Total</b>	<b>50234</b>	<b>58850856</b>	<b>100.00 %</b>

**(m) Share Price Volume Data**

Month	BSE					NSE				
	High Price	Low Price	Volume	Sensex		High Price	Low Price	Volume	S&P CNX NIFTY	
				High	Low				High	Low
Apr-08	750.00	512.05	57003	17480.74	15297.96	740.00	611.00	409600	5230.75	4628.75
May-08	728.00	552.05	126683	17735.70	16196.02	727.00	550.00	252990	5298.85	4801.90
Jun-08	562.90	375.05	237515	16632.72	13405.54	574.80	391.25	365915	4908.80	4021.70
Jul-08	510.00	390.00	346482	15130.09	12514.02	504.00	390.00	758219	4539.45	3790.20
Aug-08	458.90	391.95	373528	15579.78	14002.43	455.00	390.00	766100	4649.85	4201.85
Sep-08	504.00	355.00	154952	15107.01	12153.55	524.00	402.55	619260	4558.00	3715.05
Oct-08	539.00	360.20	183643	13203.86	7697.39	504.00	366.05	408840	4000.50	2252.75
Nov-08	518.75	410.00	252542	10945.41	8316.39	524.00	411.55	367158	3240.55	2502.90
Dec-08	520.00	149.55	7513807	10188.54	8467.43	509.95	155.55	12292052	3110.45	2570.70
Jan-09	173.40	73.95	1546253	10469.72	8631.60	174.90	73.70	2681730	3147.20	2661.65
Feb-09	70.30	41.65	7034239	9724.87	8619.22	70.05	41.65	9663764	2969.75	2677.55
Mar-09	40.90	31.40	3254329	10127.09	8047.17	42.00	31.50	5527794	3123.35	2539.45

**n) Compliance Certificate**

Certificate from the practicing Company Secretary regarding compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed hereinafter.

**o) Registrar & Share Transfer Agents (RTA)**

Karvy Computershare Private Limited, Plot no. 17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081 Telephone No. 040 - 23420819 to 24 Fax No. 040 - 23420814 Email ID: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

**p) Investor Correspondence****Registered Office Address**

6-3-1186/5/A, III Floor Amogh Plaza, Begumpet, Hyderabad - 500 016

Tel Phone No. +91 40 40409333/23408100

Fax No. +91 40 23401107 / 23418501

Web site: [www.maytasinfra.com](http://www.maytasinfra.com)

**Company Secretary & Compliance Officer**

Mr. G Venkateswar Reddy

E-mail id: [cs@maytasinfra.com](mailto:cs@maytasinfra.com)

**DECLARATION**

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, it is hereby declared that all the board members and senior managerial personnel of the Company have affirmed the compliance of Code of Conduct for the year ended March 31, 2009.

**Certificate Regarding Compliance of Conditions of Corporate Governance**

To

The Members of Maytas Infra Limited

We have examined the compliance of conditions of Corporate Governance by Maytas Infra Limited, for the year ended on March 31, 2009, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange(s).

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement except the compliance with respect to the (i) composition of the audit committee in terms Clause 49 for the period November, 2008 to March, 2009 and (ii) consideration and publication of quarterly financial results for the quarters ended December 31, 2008 and March 31, 2009 in terms of Clause 41 of the Listing Agreement.

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 S S Reddy & Associates**  
Company Secretaries in Practice

Place: Hyderabad  
Date : September 29, 2009

**S Sarweswara Reddy**  
CP No. 7478

## Chief Executive Officer and Chief Financial Officer Certification

(Under clause 49 of the Listing Agreement with the Stock Exchanges)

To  
The Board of Directors,  
Maytas Infra Limited.

In relation to the Audited Financial Accounts of the Company as at March 31, 2009, we hereby certify that

- a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain any 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 the existing accounting standards, applicable laws and regulations.
- b) We further state that to the best of our knowledge and belief, 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.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the 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 internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
  - i) significant changes in internal control over financial reporting during the year;
  - ii) significant changes 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 fraud 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.

**(B Teja Raju)**  
Vice Chairman / Whole-time Director

**(V V Rama Raju)**  
Chief Financial Officer

Place : Hyderabad  
Date : August 29, 2009

### Auditors' Certificate as required under Clause 14 of the SEBI (Employees Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999

To The Board of Directors of Maytas Infra limited

1. We have examined the compliance of the conditions of Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 (as amended) ("SEBI Guidelines") for the year ended March 31, 2009, as stipulated in clause 14 of the SEBI Guidelines in respect of Maytas Infra Employees Stock Option Scheme, 2007 framed by Maytas Infra Limited ("the Company").
2. The compliance of conditions of SEBI Guidelines is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the SEBI Guidelines. It is neither an audit nor an expression of opinion on the financial statements of the Company. Also we have not updated our procedures for events beyond March 31, 2009 and accordingly do not comment upon changes if any, beyond that date.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has implemented the above Scheme in accordance with the SEBI Guidelines and the resolution passed by the Company in the general meeting held on March 30, 2007.

for S.R. Batliboi & Associates  
Chartered Accountants

Place: Hyderabad  
Date: October 7, 2009

Ali Nyaz  
Partner  
Membership No. 200427

To The Board of Directors of Maytas Infra limited

1. We have examined the compliance of the conditions of Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 (as amended) ("SEBI Guidelines") for the year ended March 31, 2009, as stipulated in clause 14 of the SEBI Guidelines in respect of Maytas Infra Employees Stock Option Scheme, 2008 framed by Maytas Infra Limited ("the Company").
2. The compliance of conditions of SEBI Guidelines is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the SEBI Guidelines. It is neither an audit nor an expression of opinion on the financial statements of the Company. Also we have not updated our procedures for events beyond March 31, 2009 and accordingly do not comment upon changes if any, beyond that date.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has implemented the above Scheme in accordance with the SEBI Guidelines and the resolution passed by the Company in the general meeting held on September 30, 2008.

for S.R. Batliboi & Associates  
Chartered Accountants

Place: Hyderabad  
Date: October 7, 2009

Ali Nyaz  
Partner  
Membership No. 200427

# Auditors' Report

To

The Members of Maytas Infra Limited

1. We have audited the attached Balance Sheet of Maytas Infra Limited ('the Company') as at March 31, 2009 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. *Except as discussed in paragraph 6(b) below*, 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. The accompanying financial statements include the Company's share of losses (net) aggregating to Rs. 18.29 Crore (Profits for the year ended March 31, 2008 – Rs.13.71 Crore) from Integrated Joint Ventures in which the Company is a co-venturer. The financial statements of these Joint Venture entities as at and for the year ended March 31, 2009 were audited by other auditors whose reports have been furnished to us. We have relied on the audit reports of other auditors.
5. Without qualifying our opinion we draw attention to note 5 of Schedule 25 to the financial statements. The accompanying financial statements have been prepared on a going concern basis after giving due considerations to all matters more fully explained in aforesaid note.
6. a. *As more fully discussed in note. 6 of Schedule 25 to the financial statements, Certain projects terminated during the year, are presently under litigation, arbitration or settlement proceedings. The Company has reported aggregate carrying value of current and fixed assets pertaining to these sites of Rs.202.94 Crores. Also, as discussed in note. 14 of schedule 25 to the financial statements, certain receivables aggregating to Rs.15.33 Crores are under arbitration. Management on the basis of legal opinions obtained and/or internal assessments believes that the aforesaid current assets are fully recoverable and fixed assets deployed on these projects are fully retrievable, thus no provision/impairment is considered necessary for the same. Pending final outcome of the litigation, arbitration or settlement proceedings, we are unable to comment on the recovery of the aforesaid amounts including any liability which would devolve upon the Company.*
  - b. *Of the above terminated projects, we were unable to visit certain project sites selected by us, with reported current assets aggregating to Rs. 108.81 Crores and current liabilities aggregating to Rs. 28.77 Crores at the year end. We therefore could not perform any onsite audit procedures in accordance with Generally Accepted Auditing Standards (GAAS) in India, in respect of these sites and are unable to comment on adjustments or disclosures, if any, that may arise or other*

*matters that we may have reported upon had we performed such onsite procedures.*

7. *As at March 31, 2009, the Company had Inter Corporate Deposits (ICDs) outstanding of Rs.440.16 Crores (including accrued interest amounting to Rs.48.52 Crores). Management has represented that they are in the process of initiating legal proceedings to recover the amounts and is of the opinion that all such deposits are fully recoverable. Accordingly no adjustments have been made to the accompanying financial statements in respect of the same. Pending final resolution of the matter, we are unable to comment on the extent of recoverability of the aforesaid amounts.*
8. *As more fully explained in note 19 of schedule 25 to the financial statements, the Company has paid remuneration of Rs.2.70 Crores to its directors for the year ended March 31, 2009 which is in excess of the limits specified under schedule XIII of the Companies Act, 1956 by Rs.1.87 Crores.*
9. On the basis of the written representations received from the directors, as on March 31, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
10. Further to *the limitation of scope referred in paragraph 6(b) above* and our comments in the Annexure referred to above, we report that:
  - i. we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - iii. the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - iv. In our opinion, *except as discussed in paragraphs 6(a) and 7 above*, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - v. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give information required by the Companies Act, 1956, in the manner so required, and *subject to adjustments if any that may arise on account of matters discussed in paragraphs 6, 7 and 8 above* the said accounts give a true and fair view in conformity with the accounting principles generally accepted in India:
    - a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009;
    - b. in the case of the Profit and Loss Account, of the Loss for the year ended on that date; and
    - c. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**for S R BATLIBOI & ASSOCIATES.**

Chartered Accountants

per **Ali Nyaz**

Partner

Membership No.: 200427

Place: New Delhi

Date : August 29, 2009



## Annexure to the Auditors' Report

### Annexure referred to in paragraph 3 of our report of even date

Re: Maytas Infra Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by Management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) Management has conducted physical verification of inventory at reasonable intervals during the year *except year end verification at certain project sites as discussed in note 6 of schedule 25 to financial statements.*
- (b) The procedures of physical verification of inventory followed by Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory in so far as such records were examined by us and no material discrepancies were noticed on physical verification. *As discussed in note 6 of schedule 25 to financial statements, we were unable to visit certain project sites and accordingly are unable to comment on the maintenance of such records and discrepancies, if any, at such sites.*
- (iii) (a) The Company has granted unsecured loans to eighteen companies covered in the register maintained under section 301 of the Companies Act, 1956 which are repayable on demand. The maximum amount involved during the year was Rs.103.42 Crores and the aggregate balance of loans as at March 31, 2009 was Rs.47.87 Crore.
- (b) *According to the information and explanations given to us, we are of the opinion that certain interest free loans given (included in iii (a) above) where the aggregate maximum balance during the year was Rs.33.44 Crores and balance as at March 31, 2009 was Rs. Nil, are prima facie prejudicial to the interest of the Company.*
- (c) As informed, to the extent repayment of loans demanded by Company during the year, the same have been repaid and thus there has been no default on the part of the parties to whom the money has been lent. The payment of interest has not been due in respect of loans which are carrying interest.
- (d) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (e) The Company had taken interest free loan from one company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 0.01 Crore and the year-end balance of such loan is Rs. Nil.
- (f) In our opinion and according to the information and explanations given to us, the terms and conditions for such loan are not prima facie prejudicial to the interest of the Company.
- (g) The loan taken is re-payable on demand. As informed, the loan was paid when demanded during the year, thus there has been no default on the part of the Company. The loan taken is interest free.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods and services *except for an instance of delayed accounting of purchases/consumption of material which, we understand, was a lapse due to mismatch between manual and EDP systems, which process needs to be improved.* We have not observed any other instance of such weakness that causes us to believe that there is a continuing weakness in internal control in respect of these items.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the Company has entered particulars of all contracts or arrangements referred to in section 301 that are required to be entered in the register maintained under section 301 of the Companies Act, 1956.
- (b) In respect of transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs entered into during the financial year, because of the unique and specialized nature of the contracts involved and absence of any comparable prices, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) The Company has an internal audit system, *the scope and coverage of which, in our opinion, requires to be strengthened to be commensurate with the size and nature of its business.*
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, or employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess have generally been regularly deposited with the appropriate authorities *except that no payments have been made for the last three months of the year in respect of provident fund, Employees' state insurance, withholding taxes and professional tax, which has been paid subsequently.*
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

## Annexure to the Auditors' Report

- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs Crore)	Period to which the amount relates	Forum where dispute is pending
AP Value Added Tax, 2005	Sales Tax and Penalty	0.65	2005-06, 2006-07 and 2007-08	Sales Tax Appellate Tribunal, Hyderabad
AP Value Added Tax, 2005	Penalty	1.44	2007-08	Appellate Deputy Commissioner, Hyderabad
Central Sales Tax Act, 1956	Penalty for Sales Tax	0.50	2002-03 2003-04	Sales Tax Appellate Tribunal, Hyderabad
AP Tax on entry of goods into local areas Act, 2001	Entry Tax	0.09	2007-08	Commercial Tax Authorities
Income-Tax Act, 1961	Income Tax and Interest	5.51	2002-03 To 2005-06	Appellate Tribunal and CIT(A)

- (x) *The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth. The Company has incurred cash loss during the year. In the immediately preceding financial year, the Company had not incurred cash loss.*
- (xi) *Based on our audit procedures and as per the information and explanations given by the management, there are no dues to debenture holders. The Company has defaulted in repayment of dues to the following financial institutions and banks:*

Name of the Bank	Nature of dues	Amount (Rs Crore)	Due Date	Date of Payment
ICICI Bank Limited *	Principal	6.37	11-Jan-09	Not paid
ICICI Bank Limited *	Interest	1.38	15-Oct-08	Not paid
Allahabad Bank *	Principal	40.00	31-Dec-08	Not paid
Allahabad Bank *	Interest	0.42	31-Dec-08	Not paid
Allahabad Bank *	Interest	0.40	31-Jan-09	Not paid
Allahabad Bank *	Interest	0.38	28-Feb-09	Not paid
Allahabad Bank *	Interest	0.40	31-Mar-09	Not paid
IDBI Bank Limited*	Principal	50.00	16-Dec-08	Not paid (Restructured on 23-Feb-2009)
IDBI Bank Limited *	Interest	0.02	31-Dec-08	Not paid
Kotak Mahindra Bank Limited	Interest	0.86	4-Dec-08	Not paid
Punjab National Bank *	Principal	50.00	14-Nov-08	Not paid
Punjab National Bank *	Interest	0.56	31-Dec-08	Not paid
Punjab National Bank *	Interest	0.56	31-Jan-09	Not paid
Punjab National Bank *	Interest	0.49	28-Feb-09	Not paid
Punjab National Bank *	Interest	0.51	31-Mar-09	Not paid
State Bank of Hyderabad *	Principal	10.00	31-Dec-08	Not paid
State Bank of Hyderabad *	Interest	0.18	31-Mar-09	Not paid
State Bank of Hyderabad *	Principal	5.00	22-Feb-09	Not paid
State Bank of Hyderabad *	Interest	0.05	31-Mar-09	Not paid
IndusInd Bank Limited *	Principal	2.00	31-Mar-09	Not paid
IndusInd Bank Limited *	Interest	1.23	31-Dec-08	Not paid
HDFC Bank Limited	EMI	0.13	15-Mar-09	Not paid
ICICI Bank Limited *	EMI	0.36	22-Feb-09	Not paid
Indian Overseas Bank *	Principal	5.45	30-Nov-08	Not paid
ING Vysya Bank Limited*	Principal	2.66	31-Oct-08	Not paid
(Restructured on 31-Mar-2009)				
ING Vysya Bank Limited *	Interest	0.25	31-Dec-08	Not paid
ING Vysya Bank Limited *	Interest	0.19	31-Jan-09	Not paid
ING Vysya Bank Limited *	Interest	0.17	28-Feb-09	Not paid
ING Vysya Bank Limited *	Interest	0.20	31-Mar-09	Not paid
Hong Kong & Shanghai Banking Corporation Limited	Principal	5.28	19-Mar-09	Not paid
Bank of India *	Principal	3.35	31-Dec-08	Not paid
Bank of India *	Interest	0.95	31-Dec-08	Not paid (Rs 0.62 Crore was restructured on 31-Mar-2009)

## Annexure to the Auditors' Report

Name of the Bank	Nature of dues	Amount (Rs Crore)	Due Date	Date of Payment
<i>Standard Chartered Bank *</i>	<i>Principal</i>	<i>4.14</i>	<i>15-Mar-09</i>	<i>Not paid</i>
<i>Standard Chartered Bank *</i>	<i>Interest</i>	<i>0.17</i>	<i>16-Dec-08</i>	<i>Not paid</i>
<i>ICICI Bank Limited *</i>	<i>Principal</i>	<i>3.75</i>	<i>26-Feb-09</i>	<i>Not paid</i>
<i>HDFC Bank Limited *</i>	<i>Interest</i>	<i>3.90</i>	<i>31-Dec-08</i>	<i>12-Feb-09</i> <i>(By way of Bank Guarantee Invocation)</i>
<i>Industrial Finance Corporation of India Limited*</i>	<i>Interest</i>	<i>3.11</i>	<i>15-Oct-08</i>	<i>03-Feb-09</i> <i>(By way of Bank Guarantee Invocation)</i>
<i>BNP Paribas</i>	<i>Principal</i>	<i>40.00</i>	<i>27-Dec-08</i>	<i>Not paid</i>
<i>BNP Paribas</i>	<i>Interest</i>	<i>0.42</i>	<i>31-Jan-09</i>	<i>Not paid</i>
<i>BNP Paribas</i>	<i>Interest</i>	<i>0.43</i>	<i>28-Feb-09</i>	<i>Not paid</i>
<i>BNP Paribas</i>	<i>Interest</i>	<i>0.51</i>	<i>31-Mar-09</i>	<i>Not paid</i>
<i>Yes Bank Limited *</i>	<i>Principal</i>	<i>30.00</i>	<i>15-Mar-09</i>	<i>Not paid</i>
<i>Yes Bank Limited *</i>	<i>Interest</i>	<i>0.46</i>	<i>31-Jan-09</i>	<i>Not paid</i>
<i>Yes Bank Limited *</i>	<i>Interest</i>	<i>0.41</i>	<i>28-Feb-09</i>	<i>Not paid</i>
<i>Yes Bank Limited*</i>	<i>Interest</i>	<i>0.19</i>	<i>31-Mar-09</i>	<i>Not paid</i>

\* Subsequently these have been rescheduled and restructured as part of the corporate debt restructuring scheme sanctioned.

- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof in our opinion are not prima-facie prejudicial to the interest of the Company.
- (xvi) Based on information and explanations given to us by Management, term loans were applied for the purpose for which the loans were obtained, *except that a Project specific loan obtained from IDBI Bank amounting to Rs 35 Crores was not applied for the stated purpose to the extent of Rs 10.95 Crores.*
- (xvii) According to the information and explanations given to us and on overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) We have verified that the end use of money raised by public issues is as disclosed in the notes to the financial statements. *In view of our observation vide paragraph 7 of our report, with respect to unutilized money invested in ICDs to the extent of Rs. 105.18 Crores, we are unable to conclude whether this could be considered as investment in interest bearing liquid instruments.*
- (xxi) *We have been informed about an allegation relating to personal benefit obtained by an employee, which is under investigation. In this regard Management has represented that the impact of such instance is not material from financial statement perspective and it is not possible to quantify the exact magnitude of fraud committed, on the Company by the employee. Subsequently, the Company has terminated the services of the concerned employee and the matter has been settled.* Having regard to above, based on the information and explanations given to us as well as the specific representation provided by the management, we report that no other instances of frauds on or by the Company has been noticed or reported during the course of our audit.

**for S R BATLIBOI & ASSOCIATES.**  
Chartered Accountants

per **Ali Nyaz**  
Partner  
Membership No.: 200427

Place: New Delhi  
Date : August 29, 2009

## Balance Sheet as at March 31, 2009

(All amounts in Rs. Crore except for share data or as otherwise stated)

	Schedules	As at March 31, 2009		As at March 31, 2008	
<b>SOURCES OF FUNDS</b>					
<b>Shareholders' Funds</b>					
Share capital	1	58.85		58.85	
Employee stock options outstanding	2	0.11		-	
Reserves and surplus	3	289.92		593.99	
			348.88		652.84
<b>Loan Funds</b>					
Secured loans	4	1,590.61		756.67	
Unsecured loans	5	76.61		179.03	
			1,667.22		935.70
			<b>2,016.10</b>		<b>1,588.54</b>
<b>APPLICATION OF FUNDS</b>					
<b>Fixed Assets</b>					
Gross block	6	534.98		431.66	
Less: Accumulated Depreciation		130.08		63.36	
Net block		404.90		368.30	
Capital work-in-progress including capital advances		26.34		56.20	
			431.24		424.50
<b>Intangible Assets</b>	7	0.20		0.23	
<b>Investments</b>	8		335.96		256.23
<b>Deferred Tax Asset (Net)</b>	9	-	-		0.64
<b>Current Assets, Loans and Advances</b>					
Inventories	10	300.31		226.88	
Sundry debtors	11	476.79		649.83	
Cash and bank balances	12	57.29		284.68	
Other current assets	13	81.38		13.48	
Loans and advances	14	780.27		397.72	
		<b>1,696.04</b>		<b>1,572.59</b>	
<b>Less: Current Liabilities and Provisions</b>					
Current Liabilities	15	592.08		651.33	
Provisions	16	40.95		14.31	
		<b>633.03</b>		<b>665.64</b>	
Net Current Assets			1,063.01		906.95
<b>Profit and loss account</b>			185.69		-
			<b>2,016.10</b>		<b>1,588.54</b>
Notes to Accounts	25				

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.  
This is the Balance Sheet referred to in our report of even date.

**for S R Batliboi & Associates**

Chartered Accountants

per **Ali Nyaz**

Partner

Membership No.: 200427

Place: New Delhi

Date: August 29, 2009

**for and on behalf of the Board of Directors of  
Maytas Infra Limited**

**B Teja Raju**  
Vice Chairman

**B Narasimha Rao**  
Director

**VVR Raju**  
Chief Financial Officer

**J Veeraj**  
Company Secretary

Place: New Delhi

Date: August 29, 2009

## Profit and Loss Account for the year ended March 31, 2009

(All amounts in Rs. Crore except for share data or as otherwise stated)

	Schedules	For the year ended March 31, 2009	For the year ended March 31, 2008
<b>Income</b>			
Contract revenues	17	1,334.87	1,637.36
Other income	18	75.88	19.08
Accretion in Work-in-progress	19	55.16	117.88
		<b>1,465.91</b>	<b>1,774.32</b>
<b>Expenditure</b>			
Material consumed	20	630.72	715.55
Personnel expenses	21	113.09	69.68
Contract expenses	22	759.36	701.82
Administrative and Selling expenses	23	150.12	60.67
Financial expenses	24	188.59	66.67
Depreciation/Amortisation	6 & 7	67.59	39.09
		<b>1,909.47</b>	<b>1,653.48</b>
Add : Company's share in (Loss)/ Profit in integrated Joint Ventures		<b>(18.29)</b>	<b>13.71</b>
<b>(Loss) / Profit before tax and prior period items</b>		<b>(461.85)</b>	<b>134.55</b>
Provision for taxation			
- Current tax		-	39.54
- Fringe benefit tax		1.30	1.06
- Deferred tax charge / (credit)		0.64	(6.04)
- Taxes for earlier years		0.66	0.35
		2.60	34.91
<b>(Loss) / Profit after tax and before prior period items</b>		<b>(464.45)</b>	<b>99.64</b>
Prior period expenses (net of tax Rs. Nil) (Refer Note 27 of Schedule 25)		25.34	-
<b>(Loss) / Profit after tax</b>		<b>(489.79)</b>	<b>99.64</b>
Add: Balance brought forward from previous years		293.05	208.74
<b>Appropriations</b>			
Transferred (from) / to general reserve		(11.05)	5.00
Proposed dividend		-	8.83
Dividend tax		-	1.50
<b>(Deficit) / Surplus carried to Balance Sheet</b>		<b>(185.69)</b>	<b>293.05</b>
<b>(Loss) / Earnings per share (in Rupees)</b> (Refer Note 33 of Schedule 25)			
Basic		(83.23)	18.44
Diluted		(83.23)	18.44
Nominal value of shares		10.00	10.00
<b>Notes to Accounts</b>	<b>25</b>		

The schedules referred to above and notes to accounts form an integral part of Profit and Loss Account  
This is the Profit and Loss Account referred to in our report of even date.

for S R Batliboi & Associates  
Chartered Accountants

per Ali Nyaz  
Partner  
Membership No.: 200427

Place: New Delhi  
Date: August 29, 2009

for and on behalf of the Board of Directors of  
Maytas Infra Limited

B Teja Raju                      B Narasimha Rao  
Vice Chairman                      Director

VVR Raju                              J Veerraju  
Chief Financial Officer              Company Secretary

Place: New Delhi  
Date: August 29, 2009

## Cash flow statement for the year ended March 31, 2009

(All amounts in Rs Crores except for share data or as otherwise stated)

	2008 - 09	2007 - 08
<b>A. Cash flow from operating activities</b>		
<b>Net (Loss) / profit before taxation</b>	(461.85)	134.55
Less : Prior period expenses (net of tax Rs. Nil)	25.34	-
Adjustments for:		
Company's share of loss / (profit) from integrated Joint Ventures	18.29	(13.71)
Depreciation / amortisation	67.59	39.09
Unrealised foreign exchange loss/(gain) - (net)	34.05	(7.52)
Unrealised foreign exchange loss / (gain) on derivatives	(8.37)	8.93
Liabilities no longer required written back	(2.23)	(0.09)
Provision for retirement benefits	1.09	2.69
Interest income	(55.54)	(9.99)
Income from Mutual Funds	-	(1.87)
Loss on sale of fixed assets (net)	0.62	0.06
Interest expense	168.43	56.48
Employee stock compensation expense	0.11	-
Long term investments written off	0.30	-
Advances written off	9.88	-
Provision for estimated losses	12.49	-
Provision for future loss on settlement of a contract	12.64	-
Provision for liquidated damages	10.55	-
Provision for diminution in value of Long term investments	0.04	-
Provision for doubtful debtors/advances	47.37	-
<b>Operating ( loss) / profit before working capital changes</b>	<b>(169.88)</b>	<b>208.62</b>
Movements in working capital :		
Decrease / (Increase) in sundry debtors	162.98	(421.45)
Increase in inventories	(73.43)	(139.54)
Increase in loans and advances	(361.09)	(88.87)
Increase in other current assets	(25.61)	(9.15)
Increase/(Decrease) in current liabilities and provisions	(78.97)	237.93
<b>Cash used in operations</b>	<b>(546.00)</b>	<b>(212.46)</b>
Direct taxes paid	(39.44)	(56.51)
<b>Net cash used in operating activities (A)</b>	<b>(585.44)</b>	<b>(268.97)</b>
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets	(81.93)	(295.72)
Proceeds from Sale of fixed assets	7.95	0.01
Purchase of Investments in associates	(72.92)	(54.17)
Purchase of investment in subsidiaries	(3.43)	(13.87)
Advance to subsidiaries	(16.10)	7.15
Invested as share application money	(16.08)	(62.30)
Invested as debenture application money	(1.03)	(14.91)
Investment in Short term deposits (net)	(14.56)	(10.29)
Interest received	10.63	7.84
Income from mutual funds received	-	1.87
<b>Net cash used in investing activities (B)</b>	<b>(187.47)</b>	<b>(434.39)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from issuance of share capital	0.03	327.45
Public issue expenses	-	(28.71)
Proceeds from long term borrowings	1,091.96	802.72
Short term borrowings (Net)	351.48	132.30
Repayment of long term borrowings	(762.67)	(251.30)
Interest paid	(139.51)	(53.67)
Dividends paid	(8.83)	(5.00)
Tax on Dividend paid	(1.50)	(0.85)
<b>Net cash from financing activities (C)</b>	<b>530.96</b>	<b>922.94</b>
<b>Net (Decrease) / Increase in cash and cash equivalents (A + B + C)</b>	<b>(241.95)</b>	<b>219.58</b>
Cash and cash equivalents as at April 01, 2008	257.13	37.55
Cash and cash equivalents as at March 31, 2009	15.18	257.13

## Cash flow statement for the year ended March 31, 2009

(All amounts in Rs Crores except for share data or as otherwise stated)

	2008 - 09	2007 - 08
Reconciliation of Cash and Cash equivalents :		
<b>Components of Cash and Cash equivalents</b>		
Cash and cheques on hand	0.24	0.36
Balance with banks :		
- on Current accounts	14.94	93.47
- on Deposit accounts	-	163.30
- on Unpaid dividend accounts*	0.00	-
<b>Total Cash and cash equivalents</b>	<b>15.18</b>	<b>257.13</b>
Add :		
Fixed Deposit Accounts not considered as cash equivalents	8.49	2.80
Margin money deposits not considered as cash equivalents	33.62	24.75
Cash and Bank balances as per Schedule 12	<b>57.29</b>	<b>284.68</b>

\* These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities.

This is the cashflow statement referred in our report of even date.

**for S R Batliboi & Associates**  
Chartered Accountants

per **Ali Nyaz**  
Partner  
Membership No.: 200427

Place: New Delhi  
Date: August 29, 2009

**for and on behalf of the Board of Directors of  
Maytas Infra Limited**

**B Teja Raju**                      **B Narasimha Rao**  
Vice Chairman                      Director

**VVR Raju**                              **J Veeraju**  
Chief Financial Officer              Company Secretary

Place: New Delhi  
Date: August 29, 2009

## Schedules to Balance Sheet

(All amounts in Rs. Crore except for share data or as otherwise stated)

	As at March 31, 2009		As at March 31, 2008	
<b>Schedule 1 : Share Capital</b>				
<b>Authorised</b>				
75,000,000 (March 31, 2008 : 75,000,000) equity shares of Rs.10 each		75.00		75.00
<b>Issued, subscribed and paid up</b>				
58,850,856 (March 31, 2008 : 58,850,000 ) equity shares of Rs.10 each fully paid		58.85		58.85
Notes :				
1. Of the above equity shares, 40,000,000 (March 31, 2008 : 40,000,000) equity shares of Rs.10 each were allotted as fully paid bonus shares by capitalisation of General Reserve .				
2. Refer Note 12 (a) and (b) of schedule 25 for option on unissued share capital and disclosure on Initial Public Offer.				
<b>Schedule 2 : Employee Stock options outstanding</b> (Refer Note 12 (b) of Schedule 25)				
Employee stock options outstanding	0.47		-	
Less : Deferred Employee compensation cost	0.36		-	
		<b>0.11</b>		<b>-</b>
<b>Schedule 3 : Reserves and surplus</b>				
<b>General Reserve</b>				
Balance as per last Balance Sheet	11.05		6.52	
Add:Transferred from/ (to) Profit and Loss Account	(11.05)		5.00	
	-		11.52	
Less: Adjustment for employee benefits provision (net of tax Rs.0.24)	-		0.47	
		-		11.05
<b>Securities Premium Account</b>				
Balance as per last Balance Sheet	289.89		-	
Add : Received during the year from public issue	-		318.60	
Add : Received during the year from ESOP allotment	0.03		-	
Less : Utilisation towards share issue expenses	-		28.71	
		289.92		289.89
Profit and Loss Account balance		-		293.05
		<b>289.92</b>		<b>593.99</b>
<b>Schedule 4 : Secured loans (Refer Note 8 of Schedule 25)</b>				
From Banks				
Foreign currency loans (Repayable within one year Rs. 69.38 (March 31, 2008 : Rs. 54.02 ) (Foreign currency loans amounting to Rs. 149.60 (March 31, 2008 : Rs. 147.10 ) are secured by exclusive charge on the equipment financed through such loans and Rs. 3.91 (March 31, 2008 : Rs. 16.03 ) is secured by first charge on current assets and second charge on movable fixed assets.)		153.51		163.13
Term loans (Repayable within one year Rs. 297.15 (March 31, 2008 : Rs.222.84)		440.12		352.85
(1.Term loans availed in respect of specific projects aggregating to Rs 134.94 (March 2008 : Rs.195.50 ) are secured by first charge on the present and future Current assets of the respective projects.				
2.Term loans availed towards purchase of machinery aggregating to Rs. 190.18 (March 31, 2008 : Rs.117.35 ) are secured by first charge on machinery & equipment purchased out of the respective loans.				



## Schedules to Balance Sheet

(All amounts in Rs. Crore except for share data or as otherwise stated)

	As at March 31, 2009	As at March 31, 2008
3. Term loan amounting to Rs. 40 (March 31, 2008 : Rs.40) is secured by a paripassu first charge on the present and future current assets of the Company and by a second charge on the fixed assets of the Company.		
4. Term loans amounting to Rs. 50 ( March 31, 2008 : Nil ) is secured by paripassu first charge on the current assets and unencumbered fixed assets of the Company.		
5. Term loan amounting to Rs. 25 (March 31, 2008 : Rs. Nil) is secured by a residual charge on the current assets and movable fixed assets of the Company.)		
Working Capital Loans (Working capital facilities are secured by pari passu first charge on the current assets of the Company.)	577.32	225.84
Bank Guarantees Devolved ( <i>Refer Note 7 of Schedule 25</i> ) (Bank guarantee devolved accounts are secured by pari passu first charge on the current assets of the Company.)	398.53	-
Interest accrued and due	13.90	-
From others		
Term loans (Repayable within one year Rs. 5.00 (March 31, 2008 : Rs.7.88 ) (Term loans availed towards purchase of machinery are secured by hypothecation of the machinery and equipment)	5.00	11.95
Vehicle loans (Repayable within one year Rs. 2.13 (March 31, 2008 : Rs.1.22 ) (Vehicle loans are secured by hypothecation of the vehicles.)	2.13	2.90
Interest accrued and due (Additionally Term loans aggregating to Rs. 439.05 (March 31, 2008 : Rs. 296.69 ); working capital loans Rs. 577.32 (March 31, 2008 : Rs. 225.84) , foreign currency loans Rs.115.30 (March 31, 2008 : Rs. 123.16 ) and Bank guarantees devolved Rs. 398.53 (Mar 31, 2008 : Rs. Nil) are secured by personal guarantees given by the Vice Chairman of the Company )	0.10	-
	<b>1,590.61</b>	<b>756.67</b>
<b>Schedule 5 : Unsecured loans</b>		
From Banks		
(Repayable within one year Rs. 70.00 (March 31, 2008 : Rs.175.00 ) (Personal guarantees given by the Vice chairman of the company Rs. 70 (March 31, 2008 - Rs. 80 )	70.00	175.00
Interest accrued and Due	2.73	-
From Others		
(Repayable within one year Rs. Nil (March 31, 2008 : Rs. 0.06)	-	0.06
Dues to Directors (Repayable within one year Rs. 0.03 (March 31, 2008 : Rs. Nil)	0.03	-
Finance lease obligation (Repayable within one year Rs. 0.18 (March 31, 2008 : Rs.0.12)	3.85	3.97
	<b>76.61</b>	<b>179.03</b>

## Schedules to Balance Sheet

(All amounts in Rs. Crore except for share data or as otherwise stated)

### Schedule 6 : Fixed Assets

Description	Gross Block			Depreciation			Net Block		
	As at April 1, 2008	Additions during the year	Deletions during the year	As at March 31, 2009	As at April 1, 2008	For the year	On deletions/ adjustments	As at March 31, 2009	As at March 31, 2008
Freehold Land	6.33	-	-	6.33	-	-	-	6.33	6.33
Buildings	0.17	-	-	0.17	0.00	0.00	-	0.17	0.17
Temporary erections - Site offices	17.29	5.44	-	22.73	7.67	9.77	-	5.29	9.62
Lease hold improvements *	4.09	-	-	4.09	0.48	0.41	-	3.20	3.61
Plant and machinery - Construction equipment ^ ^	378.77	93.57	12.25	460.09	46.42	49.62	0.33	364.38	332.35
Site infrastructure	-	8.42	-	8.42	-	1.62	-	6.80	-
Office equipment	3.48	1.39	0.08	4.79	0.67	0.31	0.01	3.82	2.81
Tools and implements	2.89	2.35	0.03	5.21	2.89	2.35	0.03	-	-
Data processing equipments	5.36	2.29	0.33	7.32	1.33	1.36	0.02	4.65	4.03
Furniture and fixtures	2.60	1.65	0.13	4.12	1.28	0.80	0.03	2.07	1.32
Vehicles	10.68	3.00	1.97	11.71	2.62	1.16	0.26	8.19	8.06
<b>Grand Total</b>	<b>431.66</b>	<b>118.11</b>	<b>14.79</b>	<b>534.98</b>	<b>63.36</b>	<b>67.40</b>	<b>0.68</b>	<b>404.90</b>	<b>368.30</b>
Previous Year	150.71	281.10	0.15	431.66	25.11	38.34	0.09	368.30	368.30
Capital work in progress including capital advances \$								<b>26.34</b>	<b>56.20</b>

\* Leasehold improvements represent fixtures taken on finance lease.

^ ^ Plant and machinery - Construction equipment

1. Deletions during the year include cenvat capitalised in earlier year, credit of which is taken in the current year Rs. 5.44 (March 31, 2008 : Rs.Nil)
2. Plant and Machinery - Construction equipment includes shuttering and scaffolding material Rs. 52.95 (March 31, 2008 : Rs. 30.21)
3. Plant and Machinery - Construction equipment includes Equipment given on operating lease

	March 31, 2009	March 31, 2008
Gross book value	82.42	44.23
Accumulated depreciation	8.67	3.16
Depreciation for the year	9.31	3.16
Net book value	64.44	37.91

\$ includes capital advances of Rs. 6.13 (March 31, 2008 : Rs. 45.90)

## Schedules to Balance Sheet

(All amounts in Rs. Crore except for share data or as otherwise stated)

### Schedule 7 : Intangible assets

Description	Gross Block			Amortisation				Net Block	
	As at April 1, 2008	Additions during the year	Deletions during the year	As at March 31, 2009	As at April 1, 2008	For the year	On deletions/ adjustments	As at March 31, 2009	As at March 31, 2008
Computer software	1.01	0.31	0.15	1.17	0.78	0.19	0.00	0.97	0.23
<b>Grand Total</b>	<b>1.01</b>	<b>0.31</b>	<b>0.15</b>	<b>1.17</b>	<b>0.78</b>	<b>0.19</b>	<b>0.00</b>	<b>0.97</b>	<b>0.23</b>
Previous Year	0.04	0.97	-	1.01	0.03	0.75	-	0.78	0.23

## Schedules to Balance Sheet

(All amounts in Rs. Crore except for share data or as otherwise stated)

	Face Value (Rs.)	As at March 31, 2009		As at March 31, 2008	
		Number	Amount	Number	Amount
<b>Schedule 8 : Investments (Unquoted)</b> <i>(Refer Note 17 of Schedule 25)</i>					
<b>Long term (At cost)</b>					
<b>A. Trade - Equity shares (fully paid up)</b>					
1. Gautami Power Limited <sup>1</sup>	10	96,801,733	96.80	74,487,217	74.49
2. SSJV Projects Private Limited	10	-	-	100	0.00
3. Paschal Form Work (India) Private Limited	10	1,624,725	1.62	-	-
4. Paschal Technology (India) Private Limited	10	27,472	0.03	-	-
<b>A</b>			<b>98.45</b>		<b>74.49</b>
<b>B. In subsidiaries - Equity shares (fully paid up)</b>					
1. Infratrade FZE UAE	AED 1,00,000	-	-	1	0.12
2. Maytas Infra Assets Limited	10	50,000	0.05	50,000	0.05
3. Maytas Mineral Resources Limited	10	50,000	0.05	50,000	0.05
4. Pondichery Tindivanam Tollway Limited <sup>2</sup>	10	1,817,160	17.27	1,466,963	13.77
5. Maytas Vasishta Varadhi Limited	10	50,000	0.05	-	-
6. Maytas Metro Limited	10	44,995	0.04	-	-
			<b>17.46</b>		<b>13.99</b>
Less : Diminution in value of investments			0.04		-
<b>B</b>			<b>17.42</b>		<b>13.99</b>
<b>C. In joint ventures</b>					
<b>Equity shares (fully paid up) <sup>§</sup></b>					
1. Brindavan Infrastructure Company Limited <sup>3</sup>	10	9,999,925	10.00	9,999,925	10.00
2. KVK Power and Infrastructure Private Limited	10	4,000,000	4.00	4,000,000	4.00
3. Bangalore Elevated Tollway Limited <sup>4</sup>	10	5,181,907	51.10	4,270,320	41.98
4. Western UP Tollway Limited <sup>5</sup>	10	2,458,500	22.56	2,458,500	22.56
5. KVK Nilachal Power Private Limited <sup>6</sup>	10	5,180,000	49.55	1,215,000	9.90
6. Himachal Sorang Power Private Limited <sup>7</sup>	10	90,990	0.88	90,990	0.88
7. S V Power Private Limited <sup>8</sup>	10	3,195,509	29.03	3,195,509	29.03
8. Cyberabad Expressways Limited <sup>9</sup>	10	990,000	0.99	990,000	0.99
9. Hyderabad Expressways Limited <sup>10</sup>	10	990,000	0.99	990,000	0.99
10. Gulbarga Airport Developers Private Limited	10	3,700	0.00	3,700	0.00
11. Shimoga Airport Developers Private Limited	10	3,700	0.00	3,700	0.00
12. Machilipatnam Port Limited	10	30,000	0.03	-	-
<b>Preference shares (fully paid up) <sup>§</sup></b>					
1. Brindavan Infrastructure Company Limited <sup>3</sup>	100	500,000	5.00	500,000	5.00
<b>in partnership firms/ AOP#</b>					
1. Maytas - NCC (JV) - AOP		35.43		35.23	
2. NCC - Maytas (JV) - AOP		1.82		1.82	
3. NEC - NCC - Maytas (JV) - AOP		2.15		1.05	
4. IJM - SCL JV (partnership firm) <sup>11</sup>		-		0.28	
5. NCC - Maytas (JV) - AOP		3.11		3.11	
6. Maytas - CTR JV - AOP		0.75		0.40	
7. Maytas - Rithwik JV - AOP		-		0.07	
8. NCC - Maytas - ZVS JV - AOP		2.70		0.28	
<b>C</b>			<b>220.09</b>		<b>167.57</b>
<b>D. in Associates (Equity shares fully paid up)</b>					
1. Dhabi Maytas Contracting LLC	AED 1000	-	-	147	0.18
<b>D</b>					<b>0.18</b>
<b>A+B+C+D</b>			<b>335.96</b>		<b>256.23</b>
<b>Current investments - Trade</b> (At lower of cost and market value)					
1. Maytas (Singapore ) Holding Pte Limited	S\$ 1	-	-	1	0.00
<b>A+B+C+D</b>			<b>335.96</b>		<b>256.23</b>

## Schedules to Balance Sheet

(All amounts in Rs. Crore except for share data or as otherwise stated)

# Includes Company's share of profit / loss in such entities reinvested.

\$ Considered as associates in the previous year.

1. The shares are subject to Non-disposal undertaking furnished in favour of the Power Finance Corporation. Further, shares to the extent of 49,504,565 have been pledged with the said corporation for the term loan availed by Gautami Power Limited.
2. Shares to the extent of 952,396 have been pledged in favour of Axis Bank and 399,774 shares have been pledged with the Western India Trustee and Executor Company Limited towards the term loan availed by Pondicherry Tindivanam Tollway Limited.
3. Total shares have been pledged in favour of Infrastructure Development Finance Company Limited and Corporation Bank for the term loan availed by Brindavan Infrastructure Company Limited.
4. Shares to the extent of 3,039,370 have been pledged in favour of Canara Bank towards Rupee loan availed by Bangalore Elevated Tollway Limited.
5. Total shares have been pledged in favour of Infrastructure Development Finance Company Limited towards loan availed by Western UP Tollway Limited.
6. Shares to the extent of 3,533,500 have been pledged in favour of Power Finance Corporation Limited for loan availed by KVK Nilachal Power Private Limited.
7. Shares to the extent of 26,387 have been pledged in favour of Axis Bank and 62,986 shares have been pledged with Industrial Development Bank of India for the term loan availed by Himachal Sorang Power Private Limited.
8. Shares to the extent of 1,629,710 have been pledged in favour of Industrial Development Bank of India Trusteeship Services Limited for Loan availed by S V Power Private Limited.
9. Total shares have been pledged in favour of Infrastructure Leasing & Financial Services Trustee Company Limited for loan facility availed by Cyberabad Expressways Limited.
10. Total shares have been pledged in favour of Infrastructure Leasing & Financial Services Trustee Company Limited for loan facility availed by Hyderabad Expressways Limited.
11. Joint venture formed with M/s. IJM Corporation, Bhd for execution of Mumbai - Pune express highway in Maharashtra on 50:50 basis. The initial capital of the firm was : Rs. 5.00 invested in earlier years.

## Schedules to Balance Sheet

(All amounts in Rs. Crore except for share data or as otherwise stated)

	As at March 31, 2009		As at March 31, 2008	
<b>Schedule 9 : Deferred tax liability / asset (Net) (Refer Note 10 of Schedule 25)</b>				
Deferred tax liability				
Differences in depreciation as per tax books and financial books		(11.51)		(9.67)
Deferred tax assets				
Effect of lease accounting		1.33		1.15
Effect of retirement benefit expenditure debited to profit and loss account in the current year but allowed for tax purposes in the following years		1.72		1.35
Effect of public issue expenses		5.86		7.81
Effect of provision made for doubtful debtors/advances and estimated future losses to the extent of deferred tax liabilities.		2.60		-
		-		<b>0.64</b>
<b>Schedule 10 : Inventories (Refer Note 2(g) and 6 of Schedule 25)</b>				
Materials		87.84		69.57
Work-in-progress		212.47		157.31
		<b>300.31</b>		<b>226.88</b>
<b>Schedule 11 - Sundry debtors - (Unsecured, considered good except as otherwise stated) (Refer Note 6, 14 and 15 of Schedule 25)</b>				
Debts outstanding for a period exceeding six months*				
Considered good	274.81		109.97	
Considered doubtful	6.08	280.89	-	109.97
Other debts #				
Considered good	201.98		539.86	
Considered doubtful	3.98	205.96	-	539.86
Less : Provision for doubtful debts		486.85		649.83
		10.06		-
* includes retention money : Rs.119.15 (March 31, 2008 : Rs.52.44) # includes retention money : Rs.27.32 (March 31, 2008 : Rs.72.56)				
		<b>476.79</b>		<b>649.83</b>
<b>Schedule 12 : Cash and bank balances</b> (Refer Note 12 (a) of Schedule 25 for details of unutilised monies out of the public issue)				
Cash on hand		0.24		0.29
Balances with scheduled banks				
- on current accounts		14.94		93.41
- on margin money deposits*		33.62		24.75
- on deposits #		8.49		166.10
- on unpaid dividend account		0.00		-
Balances with non scheduled banks				
- on current accounts with Manvi Pattana Souharda Sahakara bank Niyamitha (maximum amount outstanding during the year Rs. 0.00(March 31, 2008 : Rs0.06 ))		-		0.06
Cheques in transit		-		0.07
* lodged with authorities # Rs.8.49 is under lien (March 31, 2008 : Rs.1.30 )				
		<b>57.29</b>		<b>284.68</b>
<b>Schedule 13 : Other current assets</b>				
Unbilled revenue		-		9.15
Interest accrued on deposits		49.25		4.33
Claim for performance guarantee (Refer Note 7 of Schedule 25)		32.13		-
		<b>81.38</b>		<b>13.48</b>

## Schedules to Balance Sheet

(All amounts in Rs. Crore except for share data or as otherwise stated)

	As at March 31, 2009		As at March 31, 2008	
<b>Schedule 14 : Loans and advances</b> (Unsecured, considered good except as otherwise stated) (Refer Note 6, 14 and 16 of Schedule 25)				
Share Application Money to Subsidiaries			1.63	
Considered good	21.84		-	1.63
Considered doubtful	15.44	37.28		
Share / Debenture Application Money to Others		73.97		92.51
Advances to Subsidiaries		1.52		0.09
Dues from Joint Ventures		107.74		42.01
Advances recoverable in cash or kind or for value to be received				
Considered good	77.82		95.48	
Considered doubtful	21.87	99.69	-	95.48
Inter corporate deposits		391.64		102.04
Other receivables		2.16		-
Deposits - others		10.21		20.64
Unamortised exchange premium		0.13		-
Sales tax deducted at source(net of provision)		10.24		8.10
Service tax credit receivable		17.12		7.10
Advance tax (Net of provision)		65.88		28.12
		817.58		397.72
Less :Provision for Doubtful advances		37.31		-
		<b>780.27</b>		<b>397.72</b>
<b>Schedule 15 : Current Liabilities</b>				
Sundry creditors				
a) total outstanding dues to Micro and Small Enterprises (Refer Note 20 of Schedule 25)		7.39		-
b) total outstanding dues of Creditors other than Micro and Small Enterprises		133.97		132.44
Dues to Joint ventures		14.50		17.07
Advances from customers		135.88		17.23
Mobilisation Advance		124.42		217.29
Unclaimed dividend (Investor Education and Protection Fund shall be credited as and when due)		0.00		-
Book Overdraft		0.23		2.93
Dues to Sub-Contractors		90.27		202.17
Security deposits payable		40.94		44.34
Interest accrued but not due on loans		16.55		4.34
Other liabilities		27.93		13.52
		<b>592.08</b>		<b>651.33</b>
<b>Schedule 16 : Provisions</b>				
Estimated future loss on projects (Refer Note 11(a) of Schedule 25)		12.49		-
Estimated Future loss on settlement of a contract (Refer Note 11(b) of Schedule 25)		12.64		-
Liquidated Damages (Refer Note 24 of Schedule 25)		10.55		-
Fringe benefit tax (net of advance tax payments of Rs.1.10 )		0.20		-
Proposed dividend		-		8.83
Dividend tax		-		1.50
For Gratuity (Refer Note 13 (b) of Schedule 25)		2.18		1.63
For Compensated absences		2.89		2.35
		<b>40.95</b>		<b>14.31</b>

## Schedules to Profit and Loss Account

(All amounts in Rs. Crore except for share data or as otherwise stated)

	For the year ended March 31, 2009	For the year ended March 31, 2008
<b>Schedule 17 : Contract revenues</b>		
Revenue from contracts	1,314.68	1,624.42
Equipment hire charges	20.19	12.94
	<b>1,334.87</b>	<b>1,637.36</b>
<b>Schedule 18 : Other income</b>		
<b>Interest on</b>		
Bank Deposits	5.27	3.65
(Tax deducted at source : Rs. 1.65 (March 31, 2008 : Rs.0.51 )		
Inter corporate Deposits	46.25	4.93
(Tax deducted at source : Rs.0.02 (March 31, 2008 : Rs.0.70 )		
Loans to Joint Ventures	4.02	1.26
Income tax refunds	-	0.15
Gain on foreign currency fluctuation (Net)	-	5.98
Loss on Derivatives written back	9.83	-
Liabilities no longer required written back	2.23	0.09
Income from Mutual Funds (Non trade and current investment) (Refer Note 17 (b) of Schedule 25)	-	1.87
Miscellaneous receipts	8.28	1.15
	<b>75.88</b>	<b>19.08</b>
<b>Schedule 19 : Accretion in work-in-progress</b>		
Opening work-in-progress	157.31	39.43
Closing work-in-progress	212.47	157.31
	<b>55.16</b>	<b>117.88</b>
<b>Schedule 20 : Material consumed</b>		
Opening stock	69.57	47.91
Add: Purchases	648.99	737.21
	718.56	785.12
Less: Closing stock	87.84	69.57
	<b>630.72</b>	<b>715.55</b>
<b>Schedule 21 : Personnel expenses</b>		
Salaries, bonus and other allowances	99.92	60.95
Contribution to provident fund and others (Refer Note 13 (a) of Schedule 25)	5.62	2.45
Gratuity	0.76	0.87
Compensated absences	2.23	2.04
Staff welfare expenses	4.45	3.37
Employee stock compensation expenses	0.11	-
	<b>113.09</b>	<b>69.68</b>



## Schedules to Profit and Loss Account

(All amounts in Rs. Crore except for share data or as otherwise stated)

	For the year ended March 31, 2009	For the year ended March 31, 2008
<b>Schedule 22 : Contract expenses</b>		
Site expenses	16.96	11.35
Subcontractor expenses	586.29	612.25
Hire Charges	18.24	12.59
Freight and transportation	9.31	5.84
Wages and benefits to workers	24.28	10.88
Insurance -Projects	4.49	3.17
Insurance - others	0.84	1.29
Power and fuel	2.56	1.68
Repairs and maintenance		
Plant and machinery	3.15	2.33
Buildings	0.37	0.06
Others	1.93	1.33
Sales tax	37.20	30.44
Service tax	18.06	8.61
Provision for estimated future losses (Refer Note 11 (a) of Schedule 25)	12.49	-
Provision for estimated future loss on settlement of a contract (Refer Note 11 (b) of Schedule 25)	12.64	-
Provision for liquidated damages (Refer Note 24 of Schedule 25)	10.55	-
	<b>759.36</b>	<b>701.82</b>
<b>Schedule 23 : Administration and Selling expenses</b>		
Rent	11.78	6.08
Rates and taxes	1.98	1.70
Office maintenance	3.28	4.68
Communication expenses	3.36	2.33
Printing and stationary	1.83	1.52
Legal and professional charges	14.79	13.59
Tender expenses	0.69	1.61
Business promotion	1.24	1.13
Travelling and conveyance	12.23	9.95
Auditors' remuneration (Refer Note 32 of Schedule 25)	0.62	0.82
Directors sitting fees	0.04	0.04
Membership and subscription	0.13	0.25
Staff recruitment expenses	0.91	1.39
Donations	0.21	0.34
Loss on exchange fluctuation (Net)	37.76	-
Loss on derivatives	-	14.76
Loss on sale/discard of assets (Net)	0.62	0.06
Writeoff of long term investments	0.30	-
Advances written off	9.88	-
Provision for diminution in value of long term investments	0.04	-
Provision for doubtful debtors/advances	47.37	-
Miscellaneous expenses	1.06	0.42
	<b>150.12</b>	<b>60.67</b>
<b>Schedule 24 : Financial expenses</b>		
Interest on fixed period loans	116.23	38.20
Interest on others	52.20	18.28
Lease finance charges	0.45	0.46
Bank charges	19.71	9.73
	<b>188.59</b>	<b>66.67</b>

## Schedule 25:

Notes annexed to and forming part of the accounts as at and for the year ended March 31, 2009  
(All amounts in Rs. Crore except for share data or otherwise stated)

### 1. Nature of operations

Maytas Infra Limited (the 'Company') is a Company registered under the Companies Act, 1956 providing infrastructure facilities. The Company is primarily engaged in the business of erection / construction of roads, irrigation projects, buildings, industrial structures, oil & gas infrastructure, railway infrastructure, power plants and power transmission & distribution lines including rural electrification and development of airports and seaports.

### 2. Statement of significant accounting policies

#### a. Basis of preparation

The accompanying financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies Accounting Standards Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

#### b. Use of estimates

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

#### c. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and revenue can be reliably measured.

- i. Revenue from long term construction contracts is recognized on the percentage of completion method as mentioned in Accounting Standard (AS) 7 "Construction Contracts" notified by the Companies Accounting Standards Rules, 2006 (as amended). Percentage of completion is determined on the basis of surveys performed. Where the total cost of a contract, based on technical and other estimates is expected to exceed the corresponding contract value, such expected loss is provided for. The effect of any adjustment arising from revisions to estimates is included in the income statement of the period in which revisions are made. The revenue on account of claims is accounted for based on Management's estimate of the probability that such claims would be admitted either wholly or in part.
- ii. Revenue from hire charges is accounted for in accordance with the terms of agreements with the customers.
- iii. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

- iv. Dividend is recognized as and when the right to receive payment is established by the Balance Sheet date. Dividend from subsidiaries is recognized even if the same are declared after the balance sheet date but pertains to period on or before the date of balance sheet.

#### d. Fixed assets and depreciation

- i. Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, freight, duties, taxes and any attributable cost of bringing the asset to its working condition for its intended use. Finance costs relating to acquisition of fixed assets which take substantial period of time to get ready for use are included to the extent they relate to the period till such assets are ready for intended use.
- ii. Assets retired from active use and held for disposal are stated at their estimated net realisable values or net book values, whichever is lower.
- iii. Assets acquired under finance lease are depreciated on straight line basis over the lease term or useful life, whichever is lower.
- iv. Depreciation on fixed assets other than those mentioned in S No (v) below, is provided on straight line method, based on useful life of the assets as estimated by the Management which coincides with rates prescribed under Schedule XIV to the Companies Act, 1956.
- v. Depreciation on the following fixed assets is provided on a straight-line basis, at the rates that are higher than those specified in Schedule XIV to the Companies Act, 1956 and are based on useful lives as estimated by Management.
  1. Tools and implements are depreciated fully in the year of purchase.
  2. Plant and machinery – construction equipment at project sites consisting of shuttering /scaffolding material is depreciated over a period of six years.
  3. Temporary erections in the nature of site offices are depreciated over the period of the respective project.
  4. Site infrastructure is depreciated over a period of six years.
- vi. Assets costing five thousand rupees or less are fully depreciated in the year of purchase.

#### e. Intangible assets - Computer Software

Computer software license cost is expensed in the year of purchase as there is no expected future economic benefit, except for enterprise wide/project based software license cost which is amortized over its useful life of three years.

## Schedule 25:

Notes annexed to and forming part of the accounts as at and for the year ended March 31, 2009  
(All amounts in Rs. Crore except for share data or otherwise stated)

### f. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

### g. Inventories

i. Materials at site are valued at the lower of cost and estimated net realizable value. Cost is determined on a weighted average basis.

ii. Work-in-progress related to project and construction is valued at cost till such time the outcome of the related project is ascertained reliably and at contractual rates thereafter.

Net realisable value is the estimated selling price in the ordinary course of business, reduced by the estimated costs of completion and costs to affect the sale.

### h. Retirement and other employee benefits

i. Retirement benefits in the form of Provident Fund, a defined contribution scheme is charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no obligations other than the contribution payable to the respective authorities.

ii. Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

iii. Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.

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

### i. Income taxes

Tax expense consists of current, deferred and fringe benefit taxes. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the 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 realized. 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 realized against future taxable profits.

At each balance sheet date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

### j. Foreign currency transactions

#### *Initial recognition*

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### *Conversion*

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

#### *Exchange differences*

Exchange differences arising on a monetary item that, in substance, form part of the company's net investment in a non-integral foreign operation is accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognised as income or as expenses.

Exchange differences arising on the settlement of monetary items or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

## Schedule 25:

Notes annexed to and forming part of the accounts as at and for the year ended March 31, 2009  
(All amounts in Rs. Crore except for share data or otherwise stated)

### *Forward exchange contracts not intended for trading or speculation purposes*

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

### *Translation of Integral foreign operation*

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the company itself.

### *Accounting for Derivative Instruments*

As per the ICAI Announcement on accounting for derivative contracts, derivative contracts, other than those covered under AS-11, are marked to market on a transaction basis, and the net loss after considering the offsetting effect on the underlying hedge item is charged to the income statement. Net gains are ignored.

#### **k. Leases**

##### *Where the Company is a Lessee*

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

##### *Where the Company is a Lessor*

Assets under operating leases are included in fixed assets. Lease income is recognised in the Profit and Loss Account on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Profit and Loss Account.

#### **l. Accounting for joint ventures**

Accounting for joint ventures undertaken by the Company has been done in accordance with the requirements of AS-27 "Financial Reporting of Interests

in Joint Venture" notified by the Companies Accounting Standards Rules, 2006 (as amended) as follows:

### *Jointly Controlled Operations:*

In respect of joint venture contracts which are executed under work sharing arrangements, Company's share of revenues, expenses, assets and liabilities are included in the financials statements as revenues, expenses, assets and liabilities respectively.

### *Jointly Controlled Entities:*

Investments made in integrated joint ventures registered in the form of partnership firms or Association Of Persons (AOPs) are classified as Jointly Controlled Entities in terms of Accounting Standard (AS)-27 "Financial Reporting of Interest in Joint Ventures" notified by Companies Accounting Standards Rules, 2006 (as amended) and Company's share in profit/losses of the respective entities is recognized in the financial statements. The net investment in the Joint ventures is reflected as investment or loans and advances. Company's share in profits of the incorporated joint ventures is accounted when the dividends are declared by the respective joint venture companies.

#### **m. Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### **n. Impairment**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

#### **o. Provisions**

A provision is recognised when the Company has a present obligation as a result of past event i.e., it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

## Schedule 25:

Notes annexed to and forming part of the accounts as at and for the year ended March 31, 2009  
(All amounts in Rs. Crore except for share data or otherwise stated)

### p. Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

### q. Employee Stock Compensation cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense, if any, is amortized over the vesting period of the option on a straight line basis.

### 3. Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 2.13 (March 31, 2008: Rs. 33.01)

### 4. Contingent liabilities not provided for:

	As at March 31, 2009	As at March 31, 2008
a. Claims against the Company not acknowledged as debts	2.29	1.42
b. Outstanding bank guarantees (excluding performance obligations)	583.63	406.55
c. Guarantees issued by bankers, financial institutions on behalf of the Company toward performance obligations	682.50	287.46
d. Direct and Indirect taxes under dispute	11.87	12.04
e. Corporate guarantee given	10.00	10.00

### 5. Going Concern

The Company has recorded a net loss of Rs.489.79 for the year and has accumulated losses of Rs 185.69 as at March 31, 2009, resulting in substantial erosion of the net worth. There has been termination of projects as discussed in detail in note 6 below, which were in various stages of completion resulting in litigations, arbitrations and settlement proceedings. The Company has defaulted in payments of dues to banks/ financial institutions towards principal and interest. Further, there were lower cash inflows from existing projects. Management is confident that the Company will be able to generate profits in future years and meet its financial obligation as they arise. The accompanying financial statements have been prepared on a going concern basis based on cumulative impact of following mitigating factors:

- The Company has an order book of Rs.7,562.67 (including Rs.3,662.56 towards Company's share of order book in Joint Ventures) as at March 31, 2009. In addition, the Company has bid for certain projects which in the opinion of the Management are highly likely to be awarded to the Company.
- The Government has appointed independent directors on the Board who have taken steps for revival and restoration of business operations of the Company.
- The Company has approached Corporate Debt Restructuring (CDR) cell through ICICI Bank for restructuring of its outstanding liabilities. The Empowered Group (EG) of the CDR cell has sanctioned the CDR scheme vide letter dated July 02, 2009. The CDR package provides for the following , among others :
  - Repayment of debt is restructured over a period of seven years commencing from December 2011.
  - Interest rates have been reduced to 8% with effect from January 01, 2009, to be stepped up by 1% every year with a maximum cap of 13%.
  - Fresh sanction of Priority debt of Rs. 100 (Fund Based) repayable in 4 quarterly installments from June 2010 onwards, and Rs 200 (Non Fund based) for meeting immediate requirements. The Company's request for additional Rs 100 (Fund Based) and Rs.200 (Non Fund Based) will be examined for consideration by the EG.
  - Interest accrued to be transferred to funded interest term loan account and repayable after December 2011.
  - Commitment from Vice Chairman to infuse Rs.35.
- The Company has adequate resources (construction equipments and manpower) to execute the projects on hand and with the work experience to its credit is eligible to undertake new projects.

### 6. Termination of Projects

Certain projects have been terminated either by client or Company, in buildings & structures, roads, railways and power sectors. The Company has taken recourse to conciliate the matters through arbitration /legal cases.

The Gross Exposure towards these projects is as follows:

Particulars	Amount as at March 31, 2009
Sundry Debtors	23.32
Other Current Assets	32.13
Inventories	73.57
Fixed Assets and (including Capital work in progress of Rs. 15.70)	43.67
Advances to Sub Contractors and suppliers	7.92
Advance others including Tax	
Deducted as Source receivable and Value added Tax receivable	22.33
<b>Total</b>	<b>202.94</b>

## Schedule 25:

### Notes annexed to and forming part of the accounts as at and for the year ended March 31, 2009

(All amounts in Rs. Crore except for share data or otherwise stated)

The Company has preferred claims which are under arbitration and not accounted for in the books. Management is of the opinion that the aforesaid assets are fully recoverable and the fixed assets fully retrievable and has accordingly not provided for the same.

#### 7. Bank Guarantees Invoked

Bank Guarantees aggregating to Rs 247.28 provided as security against loans availed were invoked by the respective bankers. Bank Guarantees issued against Mobilization and Material Advances received from customers were invoked due to termination of projects to the extent of Rs. 116.88. Performance Bank Guarantees were invoked and Rs.33.57 credited to Bank Guarantee Devolved and Rs.1.94 credited to working capital accounts.

Bank guarantees given to certain suppliers were invoked and accordingly Rs 0.80 was credited to Bank Guarantee Devolved and Rs. 2.63 to working capital accounts.

#### 8. Secured loans

The Company has defaulted on various loan covenants like commitment for minimum promoters share holding, debt service coverage ratio, total debt to net worth etc., during the year. The non-compliance is an event of default under the loan agreement, though the Company has not received any notice for such default.

#### 9. Hyderabad Metro Rail Project

Subsequent to the Balance Sheet date, the Hyderabad Metro Rail Project has been cancelled on account of failure to achieve financial closure in terms of the concession agreement dated September 19<sup>th</sup>, 2008, entered into by Maytas Metro Limited, a subsidiary of the Company (by virtue of its current shareholding), with Government of Andhra Pradesh. The Government of Andhra Pradesh has invoked the bank guarantee given as bid security amounting to Rs. 60.00 and also forfeited Rs. 11.00 which was paid as part of the bid offer in the form of additional concession fee. The Company has approached the Honorable Court of Andhra Pradesh for redressal and the matter is subjudice. No provision has been made in respect of the above amounts in the Financial Statements.

#### 10. Deferred Tax Asset

The Company has Deferred Tax Liability as at March 31, 2009 of Rs.11.51. Deferred Tax Assets on timing differences on the basis of virtual certainty has been restricted to the extent of deferred tax liability and no net deferred tax asset has been recognized as at March 31, 2009.

#### 11. Provision for Future loss from projects

a) The projects in progress of the Company as at March 31, 2009 have been evaluated for future loss, if any, based on estimates relating to cost-to-complete the same. Based on such evaluation, the company has provided for estimated future losses to an extent of Rs 12.49 (March 31, 2008 Rs. Nil) in terms of the requirements of Accounting Standard 7 – Construction Contracts.

b) Provision for estimated future loss on hiving off of a project has been made to the extent of Rs. 12.64 (March 31, 2008: Rs. Nil)

#### 12. Share Capital

##### a. Initial Public Offer

The Company has issued 8,850,000 equity shares pursuant to its Initial Public Offer (IPO) in October 2007 and allotted shares on October 17, 2007 after filing prospectus dated October 11, 2007 with Registrar of companies. These shares were listed on BSE and NSE w.e.f October 25, 2007.

##### Details of utilization of proceeds raised through public issue:

The funds utilized by the Company as against the stated objectives in the prospectus are tabulated below:

Particulars	Projected utilization as per Prospectus dated October 11, 2007	Actual utilization up to March 31, 2009	Actual utilization up to March 31, 2008
Investment in Associates	189.40	84.00	39.86
Purchase of Construction Equipment	33.29	33.29	33.29
General Corporate Expenses	74.76	76.05	74.76
Issue Expenses	30.00	28.71	28.71
<b>Total</b>	<b>327.45</b>	<b>222.05</b>	<b>176.62</b>

The unutilized monies out of the issue being Rs. 105.40 (March 31, 2008: Rs.150.83) have been placed in temporary investments as follows:

Particulars	As at March 31, 2009	As at March 31, 2008
Current accounts	0.22	0.22
Fixed deposits	-	150.61
Inter corporate deposits	105.18	-
<b>Total Amount</b>	<b>105.40</b>	<b>150.83</b>

## Schedule 25:

Notes annexed to and forming part of the accounts as at and for the year ended March 31, 2009  
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### b. Employee stock option scheme (ESOP):

The Company has provided various share-based payment schemes to its employees. During the year ended March 31, 2009, the following two schemes were in operation:

Particulars	ESOP-2007	ESOP-2008
Date of grant	14-Apr-07	31-Oct-08
Date of Remuneration Committee approval	14-Apr-07	30-Jan-08
Date of Shareholder's approval	30-Mar-07	30-Sep-08
Number of options granted	644,967	148,000
Method of Settlement (Cash/Equity)	Equity	Equity
Vesting Period	Options vest on an annual basis at 20%, 20%,30% and 30% over a period of four years	<u>Grant 1,2 &amp; 3:</u> Options vest on an annual basis at 30%, 30% and 40% over a period of three years.  <u>Grant 4:</u> Options vest on an annual basis at 20%, 20%, 30% and 30% over a period of four years.
Exercise Period	3 years from the date of Vesting	3 years from the date of Vesting

### I. The details of activity under ESOP-2007 have been summarized below:

Particulars	2008-09		2007-08	
	Number of options	Weighted Average Exercise Price (Rs. per share)	Number of options	Weighted Average Exercise Price (Rs. per share)
Outstanding at the beginning of the year	558,049	370	Nil	Nil
Granted during the year	Nil	Nil	644,967	370
Forfeited during the year	241,709	370	86,918	370
Exercised during the year	856	370	Nil	Nil
Expired during the year	Nil	Nil	Nil	Nil
Outstanding at the end of the year	315,484	370	558,049	370
Exercisable at the end of the year	63,099	370	Nil	Nil
Weighted average remaining contractual life (in years)	5.04		6.04	
Weighted average fair value of options granted on the date of grant (Rs. per share)	98.77		98.77	

The weighted average share price at the date of exercise for stock options was Rs.658.15 per share.

### The details of exercise price for stock options outstanding at the end of the year for ESOP-2007 Scheme:

Year	Range of exercise prices (Rs. per share)	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted Average Exercise Price (Rs. per share)
2008 - 09	370	315,484	5.04	370
2007 - 08	370	558,049	6.04	370

## Schedule 25:

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II. The details of activity under ESOP-2008 have been summarized below:

	2008-09		2007-08	
	Number of Options	Weighted Average Exercise Price (Rs. per share)	Number of Options	Weighted Average Exercise Price (Rs. per share)
Outstanding at the beginning of the year	Nil	Nil	Nil	Nil
Granted during the year	148,000	399.04	Nil	Nil
Forfeited during the year	53,000	431.00	Nil	Nil
Exercised during the year	Nil	Nil	Nil	Nil
Expired during the year	Nil	Nil	Nil	Nil
Outstanding at the end of the year	95,000	381.21	Nil	Nil
Exercisable at the end of the year	Nil	Nil	Nil	Nil
Weighted average remaining contractual life (in years)	5.59	-	-	-
Weighted average fair value of options granted (Rs. per share)	231.47	-	-	-

The details of exercise price for stock options outstanding at the end of the year for ESOP-2008 scheme:

Year	Range of exercise prices (Rs. per share)	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted Average Exercise Price (Rs. per share)
2008 - 09	345 - 431	95,000	5.59	381.21

### Details of stock option granted:

The weighted average fair value of stock options granted during the year was Rs.231.47 per share (March 31, 2008 Rs.98.77 per share). The Black Scholes Option Pricing Model has been used for computing the weighted average fair value considering the following inputs:

Particulars	2008-09	2007-08
Exercise Price	Range of Rs.345 to Rs.431	370
Expected Volatility	61.74%	Nil
Life of the Options granted (Vesting and exercise period) in years	2.5 to 5.5 years	2.5 to 5.5 years
Dividend Yield	0.19%	Nil
Average risk-free interest rate	7.06% to 7.51%	7.74% to 7.76%
Expected dividend rate	0.19%	Nil

The expected volatility was determined based on historical volatility data; historical volatility includes early years of the Company's life; the Company expects the volatility of its share price to reduce as it matures.

Effect of the above ESOP plans on the Profit and Loss Account and on its financial position:

Particulars	2008-09 Amount Rs.	2007-08 Amount Rs.
Total Employee Compensation Cost pertaining to share based payment plans	0.47	-
Liability for employee stock options outstanding at the year end	0.11	-
Deferred Compensation Cost	0.36	-

Since the enterprise used the intrinsic value method, the impact on the reported net profit and earnings per share by applying the fair value based method.

In March 2005, the ICAI has issued a guidance note on "Accounting for Employees Share Based Payments" applicable to employee based share plan the grant date in respect of which falls on or after April 1, 2005. The said guidance note requires the Proforma disclosures of the impact of the fair value method of accounting of employee stock compensation accounting in the financial statements. Applying the fair value based method defined in the said guidance note, the impact on the reported net profit and earnings per share would be as follows:



## Schedule 25:

Notes annexed to and forming part of the accounts as at and for the year ended March 31, 2009  
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	2008-09 Amount Rs. Crore	2007-08 Amount Rs. Crore
(Loss) / Profit as reported	(489.79)	99.64
Add: Employee stock compensation under intrinsic value method	0.11	-
Less: Employee stock compensation under fair value method	0.32	2.52
Proforma profit	(490.00)	97.12
Earnings Per Share (Rs.)		
Basic - As reported	(83.23)	18.44
- Pro forma	(83.26)	17.97
Diluted - As reported	(83.23)	18.44
- Pro forma	(83.26)	17.97

### 13. Retirement benefits

#### a) Disclosures related to defined contribution plan

Provident fund contribution recognized as expense in the Profit and Loss Account Rs. 5.47 (March 31, 2008: Rs. 2.39)

#### b) Disclosures related to defined benefit plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days last drawn salary for each completed year of service. The scheme is unfunded.

The following tables summarize the components of net benefit expense recognised in the Profit and Loss account and amounts recognised in the Balance Sheet for the respective plans.

#### Profit and Loss account

##### Net employee benefit expense (recognised in Employee cost)

Particulars	2008-09	2007-08
Current service cost	1.03	0.84
Interest cost on benefit obligation	0.12	0.06
Net actuarial( gain) / loss recognized in the year	(0.39)	0.00
Past service cost	-	-
Net benefit expense	0.76	0.90

#### Balance sheet

##### Changes in the present value of the defined benefit obligation

Particulars	2008-09	2007-08
Opening defined benefit obligation	1.63	0.73
Interest cost	0.12	0.06
Current service cost	1.03	0.84
Benefits paid	(0.21)	-
Actuarial (gain)/loss on obligation *	(0.39)	0.00
Closing defined benefit obligation	2.18	1.63

\* Experience adjustments Rs. Nil (March 31, 2008: Rs. Nil)

##### The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

	2008-09		2007-08	
Discount rate	8.00%		8.00%	
Increase in Compensation cost	6.00%		6.00%	
Employee Turnover	Age (Years)	Rate	Age (Years)	Rate
	18 - 50	10%	18 - 50	10%
	51 - 57	5%	51 - 57	5%

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 in the employment market.

### 14. Receivables under arbitration

Sundry debtors as at March 31, 2009 include certain claims aggregating to Rs. 11.91 (March 31, 2008: Rs. 11.91), recognized in the earlier years based on the terms and conditions implicit in the respective contracts. Advances recoverable(net) as at March 31, 2009 include Rs. 3.42 (March 31, 2008: Rs. 3.42) towards one of these projects. Since these claims are technical in nature and are the subject matter of arbitration/dispute, the Company has obtained an opinion on the recoverability of such claims from its legal counsel. Accordingly, no provision is considered necessary in respect of such claims.

### 15. Sundry debtors as at March 31, 2009 include debt amounting to Rs. Nil (March 31, 2008: Rs 0.41) due from Maytas Hill County SEZ Private Limited in which Director of the Company is a Director.

## Schedule 25:

Notes annexed to and forming part of the accounts as at and for the year ended March 31, 2009  
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### 16. Loans and advances

a. Advances due from private companies in which a Director of the Company is a Director:

Name of the Company	March 31, 2009	March 31, 2008	Maximum amount outstanding during the year	
			2008-09	2007-08
Maytas Estates Private Limited (formerly known as Maytas Properties Private Limited)	0.08	0.09	0.09	0.10
Samrat Marine Products Private Limited	-	-	-	0.24
SSJV Projects Private Limited	-	9.49	9.49	9.49
Himachal Sorang Power Private Limited	15.96	15.14	15.96	15.91
Maytas Hill County SEZ Private Ltd	0.47	0.47	0.47	0.47
Gulbarga Airport Developers Private Ltd	0.82	0.35	0.82	0.35
Shimoga Airport Developers Private Limited	0.82	0.35	0.82	0.36
Maytas Holdings Private Limited	-	1.51	1.51	1.51
Machilipatnam Port Limited (formerly known as Vajra Sea Port Private Limited)	20.66	16.94	20.66	16.94

b. Dues from joint ventures include an amount of Rs.11.50 (March 31, 2008: Rs. 11.99) due from IJM- SCL JV, a partnership firm in which the Company is a partner.

c. Dues from directors of the Company

Name of the Director	Nature of transaction	March 31, 2009	March 31, 2008	Maximum amount outstanding during the year	
				2008-09	2007-08
B. Teja Raju	Travel advance	0.02	-	0.02	0.21
P. K. Madhav *	Travel advance	0.00	-	0.04	0.05

\* Resigned from services w.e.f January 19, 2009

### 17. a. Investments

	2008 – 09		2007 – 08	
	Number	Amount	Number	Amount
<b>Investments made during the year :</b>				
Gautami Power Limited	22,314,516	22.31	-	-
Paschal Form Work (India) Private Limited	1,624,725	1.62	-	-
Paschal Technology (India) Private Limited	27,472	0.03	-	-
Pondicherry Tindivanam Tollway Limited	350,197	3.50	1,466,963	13.77
Maytas Vasishta Varadhi Limited	50,000	0.05	-	-
Maytas Metro Limited	44,995	0.04	-	-
Bangalore Elevated Tollway Limited	911,587	9.12	1,287,800	12.88
KVK Nilachal Power Private Limited	3,965,000	39.65	965,000	9.65
Machilipatnam Port Limited	30,000	0.03	-	-
Maytas Infra Assets Limited	-	-	50,000	0.05
Maytas Mineral Resources Limited	-	-	50,000	0.05
Himachal Sorang Power Private Limited	-	-	87,690	0.88
S V Power Private Limited	-	-	2,945,509	28.78
Cyberabad Expressways Limited	-	-	9,90,000	0.99
Hyderabad Expressways Limited	-	-	9,90,000	0.99
Gulbarga Airport Developers Private Limited	-	-	3,700	0.00
Shimoga Airport Developers Private Limited	-	-	3,700	0.00

## Schedule 25:

Notes annexed to and forming part of the accounts as at and for the year ended March 31, 2009  
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	2008 – 09		2007 – 08	
	Number	Amount	Number	Amount
<b>Investments written off during the year :</b>				
SSJV Projects Private Limited	100	0.00	-	-
Dhabi Maytas Contracting LLC	147	0.18	-	-
Infratrade FZE UAE	1	0.12	-	-
Maytas (Singapore ) Holding Pte Limited	1	0.00	-	-
<b>Diminution in the value of investments :</b>				
Maytas Metro Limited		0.04		-

### b. The movement of Mutual fund transactions during the previous year:

Name of the Mutual Fund	Purchased		Sold	
	No. of Units	Amount Rs.	No. of units *	Amount Rs.
Grindlays Mutual Fund	24,988,755.06	25.00	25,092,358.00	25.11
HDFC Mutual Fund	20,934,057.71	21.00	21,206,945.39	21.27
Templeton Mutual Fund	24,167,665.59	25.00	24,289,311.62	25.12
ICICI Prudential Flexible Income Plan	23,647,965.61	25.00	23,973,663.49	25.35
Kotak Flexi Debt Fund	49,884,982.10	50.00	50,347,959.72	50.51
Reliance Liquid Plus Fund	249,727.67	25.00	251,915.34	25.22
ING Mutual Plus Fund	12,995,711.41	13.00	13,126,650.58	13.13
DSP Cash Plus Fund	149,985.00	15.00	150,952.55	15.10
Fidelity Mutual Fund	9,999,700.00	10.00	10,063,155.81	10.06
<b>Total</b>		<b>209.00</b>		<b>210.87</b>

\* The difference in the number of units purchased and sold represents accretions due to daily dividend reinvested.

### 18. In terms of the disclosures required to be made under the Accounting Standard (AS) 7 (revised 2002) notified by Company's Accounting Standards Rules, 2006 (as amended) for "Construction Contracts":

	2008-09	2007-08
Contract revenue recognized for the year	1314.68	1624.42
Contract cost incurred and recognized profits (less recognized losses) for contracts in progress up to the reporting date	2478.64	2227.78
Advances received for contracts in progress	123.89	153.29
Amount of retention for contracts in progress	134.62	106.67
Gross amount due from customers for contract work (excluding cancelled projects)	138.09	157.31
Gross amount due to customers for contract work	-	-

### 19. Remuneration to whole-time directors (included in Schedule 21)

	2008-09	2007-08
Salary	2.28	0.64
Contribution to provident fund	0.14	0.06
Other Benefits	0.28	-
<b>Total</b>	<b>2.70</b>	<b>0.70</b>

## Schedule 25:

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**Note:**

The above figures do not include provision for retirement benefits, as the same is actuarially determined for the Company as a whole.

In view of the losses incurred by the company during the year, remuneration of Rs. 1.87 was paid to the directors in excess of limits specified under the provisions of Companies Act, 1956. The company is in the process of obtaining necessary approvals pending which adjustments, if any, have not been made in the books of accounts.

**20. Disclosure as per the provisions of Micro, Small and Medium Enterprises Development Act, 2006:**

S No	Details of dues to Micro, Small and Medium Enterprises as per MSMED Parties	2008-09	2007-08
a)	The principal amount remaining unpaid as at the end of the year	7.00	-
b)	The amount of interest accrued and remaining unpaid at the end of the year.	0.39	-
c)	Amount of interest paid by the company in terms of Sec 16, of Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of payments made beyond the appointed date during the year.	-	-
d)	Amount of interest due and payable for the period of delay in making payment without the interest specified under the Micro Small and Medium Enterprise Development Act, 2006.	-	-
e)	The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-

**21. Related party transactions (not disclosed elsewhere in these financial statements)**

**a. Names of related parties and relationship with the company**

**Subsidiaries**

1. Infra Trade FZE UAE\*\*
2. Pondicherry Tindivanam Tollway Limited
3. Maytas Mineral Resources Limited
4. Maytas Infra Assets Limited
5. Maytas (Singapore) Holding Pte Limited \*\*
6. Maytas Vasishtha Varadhi Limited
7. Maytas Metro Limited

\*\* Closed during the year.

**Joint Ventures**

1. Maytas-SNC (JV)
2. NCC-Maytas (JV)
3. IJM-SCL (JV)
4. Himachal (JV)
5. NEC-NCC-Maytas (JV)
6. Maytas-Shankaranarayana (JV)
7. Maytas-NCC (JV)
8. NCC-Maytas (JV)
9. Maytas-CTR (JV)
10. Maytas-Rithwik (JV)
11. NCC-Maytas-ZVS (JV)
12. Maytas-NCC-SSJV Consortium \*
13. Bangalore Elevated Tollway Limited
14. Brindavan Infrastructure Company Limited

## Schedule 25:

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15. Himachal Sorang Power Private Limited
16. Western UP Tollway Limited
17. KVK Power & Infrastructure Private Limited
18. KVK Nilachal Power Private Limited
19. S V Power Private Limited
20. Cyberabad Expressways Limited
21. Hyderabad Expressways Limited
22. Gulbarga Airport Developers Private Limited
23. Shimoga Airport Developers Private Limited
24. Machilipatnam Port Limited

Note: S.No 13 to 23 have been considered as Associates in the previous year.

\* Maytas was one of the joint venture partner's up to February 28, 2009.

### Associate

1. Dhahi Maytas Contracting LLC

### Companies owned by or where significant influence exercised by Key Management Personnel or Relatives

- 1 Maytas Holdings Private Limited
- 2 Maytas Properties Limited (formerly known as Maytas Hill County Private Limited)
- 3 Maytas Hillcounty SEZ Private Limited
- 4 Maytas Hillcounty Developers Private Limited
- 5 Maytas Estates Private Limited (formerly known as Maytas Properties Private Limited)
- 6 SNR Investments Private Limited
- 7 Elem Investments Private Limited
- 8 Fincity Investments Private Limited
- 9 Higrace Investments Private Limited
- 10 Veeyes Investment Private Limited

### Key Management Personnel

- 1 B. Teja Raju (Vice Chairman)
  - 2 P.K.Madhav (C.E.O)\*
- \*Resigned from services w e f 19.01.2009

### Relatives of key management personnel

- 1 B Nandini Raju (Mother of Mr. B.Teja Raju)
- 2 B Ramalinga Raju (Father of Mr. B.Teja Raju)
- 3 B Rama Raju (Brother of Mr. B. Teja Raju)
- 4 Hema Madhav (Wife of Mr. P.K.Madhav)

## Schedule 25:

Notes annexed to and forming part of the accounts as at and for the year ended March 31, 2009  
(All amounts in Rs. Crore except for share data or otherwise stated)

### b. Transactions with related parties during the year

	2008-09	2007-08
<b>A. Subsidiaries</b>		
<b>1. Infra Trade FZE</b>		
Advance given	-	1.71
Expenses incurred on behalf of the party	(0.00)	-
Investment written off	(0.12)	-
<b>2. Pondicherry Tindivanam Tollway Limited</b>		
Equity contributions	3.50	13.77
Share application money	-	0.00
Expenses incurred on behalf of the party	-	(0.02)
<b>3. Maytas Mineral Resources Limited</b>		
Equity contribution	-	0.05
Share application money	4.51	0.43
Expenses incurred on behalf of the party	0.08	0.06
Purchase of Assets	0.00	-
<b>4. Maytas Infra Assets Limited</b>		
Equity contribution	-	0.05
Share application money	14.16	1.25
Expenses incurred on behalf of the party	1.08	0.02
<b>5. Maytas (Singapore) Holding Pte Limited</b>		
Advance given	0.03	14.18
Investments written off	0.00	-
Advance written off	(0.03)	-
<b>6. Maytas Vasishtha Varadhi Limited</b>		
Equity Contribution	0.05	-
Share application money	2.31	-
Expenses incurred on behalf of the party	0.30	-
<b>7. Maytas Metro Limited</b>		
Equity contribution	0.04	-
Share application money	11.54	-
Expenses incurred on behalf of the party	3.13	-
Diminution in value of investment provided for	(0.04)	-

## Schedule 25:

Notes annexed to and forming part of the accounts as at and for the year ended March 31, 2009  
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	2008-09	2007-08
<b>B. Joint ventures (JV)</b>		
<b>1. IJM-SCL (JV)</b>		
Share of profit/ (loss) from joint venture	(0.50)	(0.12)
Expenses incurred on behalf of the party	-	0.00
<b>2. Himachal (JV)</b>		
Share of profit / (loss) from joint venture	(10.51)	(1.59)
Advance given	5.57	-
<b>3. NEC – NCC – Maytas (JV)</b>		
Share of profit/ (loss) from joint venture	1.10	0.31
Expenses incurred on behalf of the party	2.44	0.70
<b>4. Maytas – Shankarnarayana (JV)</b>		
Share of profit/ (loss) from joint venture	(10.12)	(3.58)
Expenses incurred on behalf of the party	2.48	0.95
Advance given (net)	9.12	8.50
Income from equipment hire	5.03	2.87
<b>5. Maytas – NCC (JV)</b>		
Share of profit / (loss) from joint venture	0.20	17.41
Expenses incurred on behalf of the party	(7.22)	1.38
Advances given (net)	34.16	(21.98)
Contract revenue	98.64	150.02
Income from equipment hire	10.72	10.04
Interest Income	2.54	1.26
Asset purchase	0.18	-
Purchase of inventory	13.91	-
Mobilization advance received	-	7.56
<b>6. NCC – Maytas (JV)</b>		
Share of profit / (loss) from joint venture	0.00	(0.00)
Expenses incurred on behalf of the party	-	0.03
<b>7. NCC – Maytas (JV)</b>		
Share of profit / (loss) from joint venture	(0.00)	0.72
Expenses incurred on behalf of the party	0.00	0.03
Advance given (net)	0.15	0.20
<b>8. Maytas SNC JV</b>		
Share of Profit/ (Loss) from JV	(0.26)	(0.14)
<b>9. Maytas CTR JV</b>		
Share of profit / (loss) from joint venture	0.35	0.40
Expenses incurred on behalf of the party	0.00	(0.01)
Advance given (net)	4.37	(0.10)
Interest income	0.64	-

## Schedule 25:

Notes annexed to and forming part of the accounts as at and for the year ended March 31, 2009  
(All amounts in Rs. Crore except for share data or otherwise stated)

	2008-09	2007-08
<b>10. Maytas - Rithwik JV</b>		
Share of profit / (loss) from joint venture	(0.99)	0.07
Advance given (net)	5.28	11.92
Income from equipment hire	1.62	0.03
Interest income	0.10	-
Expenses incurred on behalf of the party	1.05	-
<b>11. NCC – Maytas – ZVS JV</b>		
Share of profit / (loss) from joint venture	2.41	0.28
<b>12. Maytas – NCC SSJV Consortium</b>		
Share of profit / (loss) from joint venture	0.04	(0.05)
Advance given (net)	1.53	(2.75)
<b>13. Bangalore Elevated Tollway Limited</b>		
Equity contribution	8.99	12.28
Contract revenues	54.48	58.44
Expenses incurred on behalf of the party	0.00	-
Material advance received	0.10	-
<b>14. Brindavan Infrastructure Company Limited</b>		
Inter corporate deposit given	1.00	2.80
Receipt against Inter corporate deposit given	(2.30)	-
Expenses incurred on behalf of the party	0.03	0.03
Interest Income	0.13	0.14
<b>15. Himachal Sorang Power Private Limited</b>		
Equity Contribution	-	0.88
Share application money	1.04	9.63
Expenses incurred on behalf of the party	-	0.67
<b>16. Western UP Tollway Limited</b>		
Contract revenues	44.38	22.79
Mobilisation advance received	0.33	0.65
<b>17. KVK Nilachal Power Private Limited</b>		
Equity contributions	35.40	9.65
Expenses incurred on behalf of the party	0.18	0.31
Contract Revenue	25.90	-
Mobilisation Advance received	49.10	-
<b>18. SV Power Private Limited</b>		
Equity contributions	-	28.78
Share application money	-	0.02
Expenses incurred on behalf of the party	0.08	0.09
Mobilization Advance received	-	14.00
Contract Revenue	6.16	-



## Schedule 25:

Notes annexed to and forming part of the accounts as at and for the year ended March 31, 2009  
(All amounts in Rs. Crore except for share data or otherwise stated)

	2008-09	2007-08
<b>19. Cyberabad Expressway Limited</b>		
Equity contributions	-	0.99
Share application money	-	15.88
Expenses incurred on behalf of the party	0.68	1.50
Contract revenue	86.65	88.27
Mobilisation /Material Advance received	4.77	-
<b>20. Hyderabad Expressway Limited</b>		
Equity contribution	-	0.99
Share application money	-	16.16
Expenses incurred on behalf of the party	0.17	0.60
Contract revenue	-	0.50
<b>21. Gulbarga Airport Developers Private Ltd</b>		
Equity contribution	-	0.00
Share application money	0.47	0.01
Expenses incurred on behalf of the party	-	0.35
<b>22. Shimoga Airport Developers Private Ltd</b>		
Equity contribution	-	0.00
Share application money	0.47	0.01
Expenses incurred on behalf of the party	-	0.35
<b>23. Machilipatnam Port Limited</b>		
Equity Contribution	0.03	-
Share application money	1.40	-
Expenses incurred on behalf of the party	2.54	-
<b>C. Associates</b>		
<b>1. Dhabi Maytas Contracting LLC</b>		
Share application money	-	0.37
Investments written off	(0.18)	-
Advances written off	(1.08)	-
Expenses incurred on behalf of the party	-	0.09

## Schedule 25:

Notes annexed to and forming part of the accounts as at and for the year ended March 31, 2009  
(All amounts in Rs. Crore except for share data or otherwise stated)

	2008-09	2007-08
<b>D. Enterprises over which shareholders, key management personnel or their relatives exercise significant influence</b>		
<b>1. Maytas Holdings Private Limited</b>		
Advance given	-	0.10
Advances written off	(1.51)	-
<b>2. Maytas Properties Limited</b>		
Inter corporate deposits given	69.06	(13.00)
Receipt against Inter corporate deposits*	(21.20)	-
Expenses incurred on behalf of the party	2.17	0.01
Contract Revenue	101.96	178.62
Mobilisation advance received	25.83	(15.88)
Interest Expense	-	0.81
Interest income	6.17	-
Sale of material	8.86	-
Advances transferred (net)	(2.06)	-
Sale of Assets	0.01	-
* includes Rs.16.20 adjusted by the banker towards loans against the fixed deposit of Maytas Properties Limited.		
<b>3. Maytas Hill county SEZ Private Limited</b>		
Sale proceeds of fixed asset	-	0.47
Contract revenues	9.90	0.47
Mobilisation advance received	6.39	0.38
Rent	-	0.49
Balance transferred	4.04	-
<b>4. Maytas Hill county Developers Private Limited</b>		
Contract revenues	2.66	23.91
<b>5. Maytas Estates Private Limited</b>		
Expenses incurred on behalf of the party	-	0.05
<b>6. Veeyes Investments Private Limited</b>		
Dividend	-	0.79
Repayment of advance	(0.01)	-
<b>7. Elem Investments Private Limited</b>		
Dividend	-	0.79
<b>8. SNR Investments Private Limited</b>		
Dividend	-	0.79
<b>9. Higrace Investments Private Limited</b>		
Dividend	-	0.79
<b>10. Fincity Investments Private Limited</b>		
Dividend	-	0.79

## Schedule 25:

Notes annexed to and forming part of the accounts as at and for the year ended March 31, 2009  
(All amounts in Rs. Crore except for share data or otherwise stated)

	2008-09	2007-08
<b>E. Key Management Personnel</b>		
1. <b>B Teja Raju</b>		
Managerial remuneration	0.17	0.18
Expenses incurred on behalf of the party	0.13	0.51
Dividend	-	0.22
Guarantees given on behalf of the company	1,600.20	725.69
2. <b>P K Madhav</b>		
Managerial remuneration	1.26	0.28
Expenses incurred on behalf of the party	0.11	0.21
<b>F. Relatives of key management personnel</b>		
1. <b>Hema Madhav</b>		
Rent	0.15	0.18
2. <b>B Nandini Raju</b>		
Dividend	-	0.39
3. <b>B Ramalinga Raju</b>		
Dividend	-	0.73
4. <b>B Rama Raju</b>		
Dividend	-	0.22

### c. Balances outstanding Debit / (Credit)

	March 31,2009	March 31,2008
<b>A. Subsidiaries</b>		
1. Infra Trade FZE	-	0.12
2. Pondicherry Tindivanam Tollway Limited	17.27	13.75
3. Maytas Mineral Resources Limited	5.14	0.54
4. Maytas Infra Assets Limited	16.51	1.27
5. Maytas (Singapore) Pte. Limited	-	-
6. Maytas Vasishta Varadhi Limited	2.66	-
7. Maytas Metro Limited	14.71	-
<b>B. Joint ventures</b>		
1. IJM – SCL (JV)	11.50	11.99
2. Himachal (JV)	(8.78)	(3.40)
3. NEC – NCC – Maytas (JV)	1.66	0.58
4. Maytas – Shankarnarayana (JV)	29.26	23.12
5. Maytas – NCC (JV)	70.06	62.76
6. NCC – Maytas (JV)	0.30	0.30
7. NCC – Maytas (JV)	0.96	0.81
8. Maytas SNC (JV)	(0.66)	(0.40)

## Schedule 25:

Notes annexed to and forming part of the accounts as at and for the year ended March 31, 2009  
(All amounts in Rs. Crore except for share data or otherwise stated)

	2008-09	2007-08
9. Maytas – CTR- (JV)	7.41	0.29
10. Maytas – Rithwik (JV)	0.19	(5.82)
11. NCC – Maytas – ZVS (JV)	1.83	0.10
12. Maytas –NCC SSJV Consortium	(1.23)	(2.80)
13. Bangalore Elevated Tollway Limited	64.39	30.98
14. Brindavan Infrastructure Company Limited	15.02	16.44
15. Himachal Sorang Power Private Limited	16.84	16.03
16. Western UP Tollway Limited	6.33	(0.06)
17. KVK Power and Infra Structure Private Limited	8.55	8.55
18. KVK Nilachal Power Private Limited	26.54	14.46
19. S V Power Private Limited	17.54	15.05
20. Cyberabad Expressways Limited	24.59	26.60
21. Hyderabad Expressways Limited	17.64	17.69
22. Gulbarga Airport Developers Private Limited	0.83	0.36
23. Shimoga Airport Developers Private Limited	0.82	0.36
24. Machilipatnam Port Limited	20.69	16.94
<b>C. Associates</b>		
1. Dhabi Maytas Contracting LLC	-	1.26
<b>D. Enterprises over which shareholders, key management personnel and their relatives exercise significant influence</b>		
1. Veeyes Investment Private Limited	-	(0.01)
2. Maytas Holdings Private Limited	-	1.51
3. Maytas Properties Limited	98.17	40.42
4. Maytas Hill county SEZ Private Limited	0.47	0.47
5. Maytas Estates Private Limited	0.08	0.09
6. Maytas Hill county Developers Private Limited	21.70	22.53
<b>E. Key Management Personnel</b>		
1. B Teja Raju	0.02	(0.10)
2. P.K.Madhav	0.00	(0.04)

## Schedule 25:

Notes annexed to and forming part of the accounts as at and for the year ended March 31, 2009  
(All amounts in Rs. Crore except for share data or otherwise stated)

### Disclosures required as per Clause 32 of listing agreement

Loans and advances in the nature of loans (including share application money) to subsidiaries, joint ventures, associates and companies in which directors are interested:

	Closing balance as at March 31,		Maximum outstanding amount during the year	
	2009	2008	2008-09	2007-08
<b>Names of subsidiaries</b>				
Infra trade FZE, UAE	-	0.00	0.00	1.71
Maytas Mineral Resources Limited	5.09	0.49	5.09	1.01
Maytas Infra Assets Limited	16.47	1.22	22.27	1.22
Maytas Vasishta Varadhi Limited	2.61	-	2.61	-
Pondicherry Tindivanam Tollway Limited	0.00	0.00	17.01	14.45
Maytas Metro Limited	14.67	-	32.86	-
<b>Names of Joint Ventures</b>				
Bangalore Elevated Tollway Limited	0.00	0.13	9.13	12.28
Brindavan Infrastructure Company Limited	0.02	1.44	2.44	2.82
Himachal Sorang Power Private Limited	15.96	15.15	15.96	15.91
Western UP Tollway Limited	0.56	0.56	0.56	0.56
KVK Power and Infra Structure Private Limited	4.55	4.55	4.55	4.55
KVK Nilachal Power Private Limited	0.18	4.56	32.65	8.77
S V Power Private Limited	0.10	0.02	0.10	16.02
Cyberabad Expressways Limited	16.78	17.31	17.61	17.76
Hyderabad Expressways Limited	16.65	16.70	16.70	17.80
Gulbarga Airport Developers Private Limited	0.83	0.36	0.83	0.36
Shimoga Airport Developers Private Limited	0.82	0.36	0.82	0.36
Machilipatnam Port Limited	20.66	16.94	20.66	16.94
<b>Names of Associates</b>				
Dhabi Maytas Contracting LLC	-	1.07	1.07	1.09
<b>Names of Companies in which director is interested</b>				
Gautami Power Limited	0.91	18.75	22.68	18.75
Maytas Hill county SEZ Private Limited	0.47	0.47	0.47	0.47
Maytas Holdings Private Limited	-	1.51	1.51	1.51
Maytas Properties Limited	47.86	40.42	69.05	30.00
Maytas Estates Private Limited	0.08	0.09	0.08	0.10
SSJV Projects Private Limited	-	9.49	9.49	9.49

## Schedule 25:

Notes annexed to and forming part of the accounts as at and for the year ended March 31, 2009  
(All amounts in Rs. Crore except for share data or otherwise stated)

### 22. Leases

#### In case of Assets taken on lease:

**Operating lease:** Operating leases are mainly in the nature of lease of office premises and machinery with no restrictions and are renewable at mutual consent. There are no restrictions imposed by lease arrangements. There are no subleases. Minimum lease payments under non-cancellable operating leases are:

Particulars	As at March 31, 2009	As at March 31, 2008
<b>Minimum lease payments</b>		
Not later than one year	4.37	4.91
Later than one year but not later than five years	6.89	12.25
Later than five years	3.61	7.72

Particulars	2008-09	2007-08
Lease payments recognized in the Profit and Loss account for the year	11.78	6.08

**Finance lease:** The present value of minimum lease rentals is capitalized as fixed assets with corresponding amount shown as lease liability. The principal component in the lease rentals is adjusted against the lease obligation and the finance charges are charged to profit and loss account as they arise. Finance lease is in the nature of office improvements and furniture for leasehold office premises. The lease agreement provides for escalation of lease rents over the period of lease term. Lease term is for a period of ten years renewable for a further period of ten years at mutual consent. There are no restrictions imposed by lease arrangements. There are no subleases.

Particulars	As at March 31, 2009	As at March 31, 2008
Total minimum lease payments at the year end	0.56	0.56
Less: amount representing finance charges	0.45	0.46
Present value of minimum lease payments (Rate of interest 12%)	0.11	0.10

<b>Minimum lease payments</b>		
Not later than one year [Present value Rs. 0.18 (March 31, 2008: Rs. 0.12)]	0.61	0.56
Later than one year but not later than five years [Present value Rs. 1.51 (March 31, 2008: Rs. 1.16)]	2.91	2.71
Later than five years [Present value Rs.2.16 (March 31, 2008: Rs. 2.69)]	2.54	3.35

#### In case of Assets given on lease:

The company has leased out certain construction equipment on operating lease. The lease term is for one year and renewable thereafter. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements.

Particulars	As at March 31, 2009	As at March 31, 2008
Future Minimum lease payments		
Not later than one year	11.44	-
Later than one year but not later than five years	-	-
Later than five years	-	-

Apart from the assets covered above, there are certain other assets which are leased out and have no fixed lease terms. Accordingly, no disclosure regarding future minimum lease payments has been made.

## Schedule 25:

Notes annexed to and forming part of the accounts as at and for the year ended March 31, 2009  
(All amounts in Rs. Crore except for share data or otherwise stated)

### 23. Derivative instruments and un-hedged foreign currency exposure

a. i) Particulars of derivative instruments outstanding as at balance sheet date:

Particulars	Purpose	Notional Amount in Crore	
		As at March 31, 2009	As at March 31, 2008
Currency and Interest rate swap	Hedge against exposure to principal and interest outflow on ECB loan.	USD 2.50	USD 3.00
Structured Cross Currency Swap	Hedge against exposure of buyers credit underlying.	USD 0.35	USD 0.69

ii) Forward contract outstanding as at Balance sheet date:

Particulars	Purpose	Notional Amount as on	
		31.03.2009 Crore	31.03.2008
Forward Contract - To Buy USD	Hedge against Foreign Currency Loan Repayments	USD 0.50	-

b. Particulars of un-hedged foreign currency exposure as at the March 31, 2009:

Particulars	Amount of Foreign currency Crore	Closing Exchange rate in Rs.	Amount in INR
Import Creditors	EURO 0.06	67.48	3.91
Import Creditors	USD 0.08	50.95	4.08
Branch balance	AED 0.26	13.85	2.97
Advances	AED 0.08	13.85	1.21

Particulars of un-hedged foreign currency exposure as at the March 31, 2008:

Particulars	Amount in Foreign currency Crore	Closing Exchange rate in Rs.	Amount in INR
Import Creditors	EURO 0.16	63.09	9.89
Import Creditors	USD 0.25	39.97	10.15
Branch balance	AED 0.36	10.92	3.88
Investments	AED 0.03	10.92	0.30
Advances	AED 0.09	10.92	1.08

### 24. Provisions for Liquidated Damages

	2008 - 09	2007 - 08
Opening Balance as at April 1, 2008	-	-
Additions during the year	10.55	-
Used during the year	-	-
Closing Balance as at March 31, 2009	10.55	-

Liquidated damages are levied as per the terms of the contract for delayed execution of works or delayed achievement of mile stones. However, this is subject to extension of time usually granted by the client. Pending sanction of extension of time by the clients, provision has been made for liquidated damages.

### 25. Segmental reporting

The company's operations fall into a single business segment "Construction and Infrastructure Development" and single geographical segment; hence the financial statements of the enterprise represent Segmental Reporting.

## Schedule 25:

Notes annexed to and forming part of the accounts as at and for the year ended March 31, 2009  
(All amounts in Rs. Crore except for share data or otherwise stated)

### 26. Interest in joint ventures:

#### a) Company's financial interest in Jointly Controlled Entities is as follows:

S.No	Name of joint venture	Share	Assets	Liabilities	Income	Expenditure	Tax	Profit/ (Loss) after tax
1	Maytas NCC JV-Irrigation	50%	117.36	68.77	172.38	172.04	0.13	0.21
2	Maytas-SNC JV	40%	106.85	86.06	239.67	212.94	9.32	17.41
3	NEC-NCC-Maytas JV	25%	17.81	3.68	43.14	41.47	0.01	(0.26)
4	Himachal JV	45%	108.82	123.33	18.02	33.95	(5.41)	(10.52)
5	IJM-SCL JV	50%	19.98	12.76	0.08	0.58	0.00	(1.59)
6	Maytas-Shankaranarayana	50%	20.02	12.30	0.14	0.26	0.00	(0.50)
7	NCC-Maytas JV	50%	10.69	1.02	15.91	26.01	0.02	(0.12)
8	NCC-Maytas JV	50%	0.79	0.79	6.75	10.32	0.02	(10.13)
9	Maytas-CTR JV	70%	9.85	4.58	19.34	18.81	0.18	(3.59)
10	Maytas-Rithwik JV	50%	7.44	14.55	22.47	23.54	0.07	(0.00)
11	NCC-Maytas-ZVS JV	39.69%	40.09	38.17	78.14	74.48	1.24	0.00
12	Maytas NCC SSJV Consortium	33.34%	19.78	19.79	6.24	6.17	0.03	0.72
13	Bangalore Elevated Tollway Limited	29.08%	18.35	18.40	1.06	1.11	-	0.35
14	Western UP Tollway Limited	30%	127.47	88.04	-	-	-	0.28
								0.04
								(0.05)
								-
								-



## Schedule 25:

Notes annexed to and forming part of the accounts as at and for the year ended March 31, 2009  
(All amounts in Rs. Crore except for share data or otherwise stated)

S.No	Name of joint venture	Share	Assets	Liabilities	Income	Expenditure	Tax	Profit/ (Loss) after tax
15	Brindavan Infrastructure Co Limited	33.33%	71.12	44.35	-	-	-	-
16	Himachal Sorang Power Private Limited	5.02%	8.95	6.38	-	-	-	-
17	KVK Power and Infrastructure Private Limited	49.94%	6.77	0.50	-	-	-	-
18	S V Power Private Limited	45.82%	57.77	28.74	-	-	-	-
19	KVK Nilachal Power Private Limited	48.89%	90.19	40.64	-	-	-	-
20	Cyberabad Expressways Limited	50%	114.64	80.89	-	-	-	-
21	Hyderabad Expressways Limited	50%	106.16	74.04	-	-	-	-
22	Machilipatnam Port Private Limited	50%	20.47	2.16	-	-	-	-
23	Gulbarga Airport Developers Private Limited	37%	0.53	0.33	-	-	-	-
24	Shimoga Airport Developers Private Limited	37%	0.55	0.33	-	-	-	-

- b) The above joint ventures have contingent liabilities amounting to Rs.49.28 (March 31, 2008: Rs Nil) and capital commitments outstanding as at March 31, 2009 amount to Rs. 340.06 (March 31, 2008: Rs Nil).
- c) Previous year figures have been disclosed in italics.
- d) Previous year figures for the joint ventures from S.No 13 to S.No 24 have not been given, since they were considered as Associates in the previous year.
- e) All the aforesaid entities are incorporated in India
- f) The Company has formed the following joint ventures, which are in the nature of jointly controlled operations:
- Maytas KBL Joint venture
  - Maytas KCCPL Flow more JV
  - Maytas MEIL KBL JV
  - Maytas MEIL ABB AAG JV
  - MEIL Maytas ABB AAG JV
  - MEIL Maytas KBL JV
  - MEIL Maytas WIPL JV

The Company's share in assets, liabilities, income and expenditure are duly accounted for in the accounts of the Company in accordance with such division of work as per the work sharing arrangements and therefore does not require separate disclosures. However, joint venture partners are jointly and severally liable to clients for any claims in these projects.

## Schedule 25:

Notes annexed to and forming part of the accounts as at and for the year ended March 31, 2009  
(All amounts in Rs. Crore except for share data or otherwise stated)

### 27. Prior period expenses

Particulars	2008-09	2007 -08
Service tax	3.77	-
Material consumed	20.62	-
Subcontractor expenses	1.80	-
Sales tax	(0.77)	-
Others	(0.08)	-
<b>Total</b>	<b>25.34</b>	<b>-</b>

Additional information pursuant to the provisions of paragraph 3,4c and 4d of part (ii) of schedule VI to the Companies act, 1956.

### 28. CIF value of imports

	2008-09	2007-08
Capital goods	14.69	51.80
Materials	0.57	-

### 29. Expenditure in foreign currency (cash basis)

	2008-09	2007-08
Legal and Professional charges	3.18	13.14
Membership and subscription	0.10	0.32
Traveling and conveyance	0.30	1.02
Interest	5.85	14.38
Others	3.81	-
	13.24	28.86

30. Since the materials meant for execution of the construction projects are of different nature and specifications, it is not practicable to disclose the quantitative information in respect thereof.

### 31. Imported and indigenous materials consumed (Excluding prior period consumption)

Particulars	2008-09		2007-08	
	%	Value	%	Value
Imported	0.2	0.72	2	13.00
Indigenous	99.8	630.00	98	702.55
<b>Total</b>	<b>100</b>	<b>630.72</b>	<b>100</b>	<b>715.55</b>

for S R Batliboi & Associates  
Chartered Accountants

per Ali Nyaz  
Partner  
Membership No.: 200427

Place: New Delhi  
Date: August 29, 2009

### 32. Auditors' remuneration

Particulars	2008-09	2007-08
a) Statutory audit	0.28	0.50
b) Limited review *	0.24	0.15
c) Tax audit #	-	0.03
d) Certification	0.03	0.04
e) Consolidation of financial statements	0.06	0.10
f) Out of pocket expenses	0.01	0.00
<b>Total</b>	<b>0.62</b>	<b>0.82</b>

# Amount payable to M/s. Krishna & Prasad, Chartered Accountants.

\* includes amount paid to M/s. Krishna and Prasad, Chartered Accountants, joint auditor up to 30.09.2008 towards Limited review fees Rs. 0.08 and Rs 0.00 towards certification.

### 33. Earnings per share

Earnings per share are computed based on the following:

Particulars	2008-09	2007-08
i) (Loss) / Profit after taxation considered for calculation of basic and diluted earnings per share	(489.79)	99.64
ii) Weighted average number of Equity Shares considered for calculation of basic earnings and diluted per share	58,850,788	54,038,115

34. Previous year's audit of financial statements was jointly conducted by M/s. S R Batliboi & Associates, Chartered Accountants and M/s. Krishna and Prasad, Chartered Accountants.

35. Previous year's figures have been regrouped / rearranged to conform to those of the current year.

36. All amounts less than Rs. 0.01 have been disclosed as Rs. 0.00.

In terms of our report of even date.

for and on behalf of the Board of Directors of  
Maytas Infra Limited

B Teja Raju                      B Narasimha Rao  
Vice Chairman                      Director

VVR Raju                      Veerraju  
Chief Financial Officer                      Company Secretary

Place: New Delhi  
Date: August 29, 2009

## Balance Sheet Abstract and Company's General Profile

### I. Registration Details

Registration No. : L45201AP1988PLC008624 State Code : 01  
Balance Sheet Date : 31 03 2009

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

Public Issue : NIL Right Issue : NIL  
Bonus Issue : NIL Private Placements : 09

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

Total Liabilities : 20160959 Total Assets : 20160959

#### Source of Funds:

Paid UP Capital : 588509 Reserves & Surplus : 2900232  
Secured Loans : 15906083 Unsecured Loans : 766135

#### Application of Funds:

Net Fixed Assets : 4314351 Investments : 3359571  
Net Current Assets : 10630136 Misc. Expenditure : NIL  
Accumulated Losses : 1856901 Deferred tax asset : NIL

### IV Performance of the Company (Amount Rs. in Thousands):

Turnover : 13924635 Total Expenditure : 18543092  
Profit/(Loss) Before Tax : (4618457) Profit/(Loss) after Tax : (4897877)  
Earnings per Share (Rs.) : (83.23) Dividend (%) : NIL

### V Generic Names of Three Principal Products/Services of the Company:

1. Item Code No. : NIL  
Product Description : CIVIL WORKS CONTRACTS

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

(All amounts in Rs. Crore except for share data or as otherwise stated)

Particulars	Infra Trade FZE	Maytas Mineral Resources Limited	Maytas Infra Assets Limited	Pondichery Tindivanam Tollway Limited	Maytas Vasishtha Vardhi Limited	Maytas Metro Limited
1. Financial Year of the Subsidiary ended on	18.09.2008	31.03.2009	31.03.2009	31.03.2009	31.03.2009	First year of Incorporation
2. Shares of subsidiary company held on the above date and extent of holding:						
(i) No. of Equity Shares	NIL	50,000	50,000	1,817,160	50,000	44,995 ( as on 31.03.2009)
(ii) Face value in Currency	NIL	Rs. 10/- each	Rs. 10/- each	Rs. 10/- each	Rs. 10/- each	Rs. 10/- each
(iii) Extent of holding	NIL	100%	100%	51%	100%	100%
3. Net aggregate amount of profits/ (losses) of the subsidiary for the above financial year so as they concern members of Maytas Infra Limited.	NIL	(4.31)	(10.44)	N A	N A	(4.02)
(i) Dealt with in accounts of Maytas Infra Limited	NIL	NIL	NIL	N A	N A	NIL
(ii) Not dealt with in accounts of Maytas Infra Limited	(0.11)	(0.58)	(0.43)	N A	N.A.	N.A
4. Net aggregate amount of profits/ (losses) of the subsidiaries for previous financial years so far as it concern members of Maytas Infra Limited.						
(i) Dealt with in a/cs of Maytas Infra Limited						
(ii) Not dealt with in a/cs of Maytas Infra Limited						

# Auditors' Report

## The Board of Directors

### Maytas Infra Limited

1. We have audited the attached Consolidated Balance Sheet of Maytas Infra Limited (the Company), comprising its subsidiaries, joint ventures and associates ("Maytas Group"), as at 31st March 2009, the Consolidated Profit and Loss account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared by Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
  2. *Except as discussed in paragraph 3 and 7 (b) below, we conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.*
  3. In respect of the subsidiaries and joint venture entities, audited by other auditors we had, based on our preliminary reading of the audited financial statements of those entities sought certain clarifications and had also requested for a discussion with the auditors of those entities as required under Statement on Auditing SA - 600 using the work of another auditor. *However, we were unable to discuss or obtain any clarifications/representation from the auditors of those entities and accordingly were unable to perform any further procedures in this regard.*
  4. Further to our observations in paragraph 3 above, we did not audit the financial statements of certain subsidiaries and joint ventures, whose financial statements reflect aggregate assets of Rs. 1,289.86 Crores as at 31st March 2009, aggregate revenues of Rs. 384.01 Crores and net cash flows amounting to Rs.37.07 crores for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion, insofar as it relates to the amounts included in respect of these subsidiaries and joint ventures, is based solely on the report of other auditors.
  5. The Consolidated Financial Statements as at and for the year ended March 31, 2009, include the unaudited financial statements of certain entities consolidated on the basis of management certification as detailed in note 1(b) of Schedule 25. These Consolidated Financial Statements reflect aggregate assets of Rs. 19.72 Crores as at March 31, 2009, aggregate revenues of Rs. Nil and total net cash inflows of Rs. 0.03 crores the year then ended in respect of these consolidated entities. *The accompanying Consolidated Financial Statements do not include adjustments if any, that may have been required had the financial statements of these entities been audited.*
  6. Without qualifying our opinion we draw attention to the following:
    - a. note 6 to Schedule 25 to the Consolidated Financial Statements. The accompanying financial statements have been prepared on a going concern basis after giving due considerations to all matters more fully explained in aforesaid note.
  - b. Our opinion on the Consolidated Financial Statements for the year ended March 31, 2008 was qualified in respect of certain investments in Joint Ventures that were accounted under the equity method as investment in associates as per AS-23 "Accounting for Investment in Associates in Consolidated Financial Statements" as against proportionate consolidation method in accordance with AS-27 "Financial Reporting of Interests in Joint Ventures", in Consolidated Financial Statements as notified by the Companies Accounting Standard Rules, 2006 (amended). During the current year, the Company has re-evaluated its arrangement with its co-ventures and has accordingly decided to account for such investments under the proportionate consolidation method. The accompanying Consolidated Financial Statements include the effects of aforesaid change only in the current year, and accordingly the balances of assets, liabilities, income and expenses are not comparable with the previous year insofar as it relates to the aforesaid change.
7. a. *As more fully discussed in note 7 of Schedule 25 to the Consolidated Financial Statements, Certain projects terminated during the year, are presently under litigation, arbitration or settlement proceedings. The Company has reported aggregate carrying value of current and fixed assets pertaining to these sites of Rs. 202.94 Crores. Also, as discussed in note. 8 of schedule 25 to the Consolidated Financial Statements, certain receivables aggregating to Rs.15.33 Crores are under arbitration. Management on the basis of legal opinions obtained and/or internal assessments believes that the aforesaid current assets are fully recoverable and fixed assets deployed on these projects are fully retrievable, thus no provision/impairment is considered necessary for the same. Pending final outcome of the litigation, arbitration or settlement proceedings, we are unable to comment on the recovery of the aforesaid amounts including any liability which would devolve upon the Company.*
  - b. *Of the above terminated projects, we were unable to visit certain project sites selected by us, with reported current assets aggregating to Rs.108.81 Crores and current liabilities aggregating to Rs. 28.77 Crores at the year end. We therefore could not perform any onsite audit procedures in accordance with Generally Accepted Auditing Standards (GAAS) in India, in respect of these sites and are unable to comment on adjustments or disclosures, if any, that may arise or other matters that we may have reported upon had we performed such onsite procedures.*
8. *As at March 31, 2009, the Company had Inter Corporate Deposits (ICDs) outstanding of Rs.440.16 Crores (including accrued interest amounting to Rs.48.52 Crores). Management has represented that they are in the process of initiating legal proceedings to recover the amounts and is of the opinion that all such deposits are fully recoverable. Accordingly no adjustments have been made to the accompanying financial statements in respect of the same. Pending final resolution of the matter, we are unable to comment on the extent of recoverability of the aforesaid amounts.*

## Auditors' Report

9. *As more fully explained in note 18 to schedule 25 to the Consolidated Financial Statements, the Company has paid remuneration of Rs.2.70 Crores to its directors for the year ended March 31, 2009 which is in excess of the limits specified under schedule XIII of the Companies Act, 1956 by Rs.1.87 Crores.*
10. We report that the accompanying Consolidated Financial Statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated Financial Statements, Accounting Standards (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard (AS) 27, Financial Reporting of Interests in Joint Ventures, notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended).
11. Based on our audit and on consideration of reports of other auditors on separate financial statements of subsidiaries and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that *subject to the adjustments if any that may arise on account of matters discussed in paragraphs 3, 5, 7, 8 and 9 above*, the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles

generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Maytas Group as at 31st March 2009;
- (b) in the case of the Consolidated Profit and Loss account, of the loss for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

### for S R BATLIBOI & ASSOCIATES

Chartered Accountants

per **Ali Nyaz**

Partner

Membership No.: 200427

Place: New Delhi

Date : August 29, 2009

# Consolidated Balance Sheet as at March 31, 2009

(All amounts in Rs.Crore except for share data or as otherwise stated)

	Schedules	As at March 31, 2009		As at March 31, 2008	
<b>SOURCES OF FUNDS</b>					
<b>Shareholders' Funds</b>					
Share capital	1	58.85		58.85	
Employee stock options outstanding	2	0.11		-	
Reserves and surplus	3	327.86		579.61	
			386.82		638.46
Minority interest			16.70		13.20
<b>Loan Funds</b>					
Secured loans	4	2,166.76		784.61	
Unsecured loans	5	82.82		188.96	
			2,249.58		973.57
Deferred tax liabilities (net)	6A		0.15		-
<b>Total</b>			<b>2,653.25</b>		<b>1,625.23</b>
<b>APPLICATION OF FUNDS</b>					
<b>Fixed Assets</b>					
Gross block	7	681.30		478.95	
Less: Accumulated depreciation		185.30		73.60	
<b>Net block</b>		496.00		405.35	
Capital work-in-progress including capital advances		83.04		82.01	
Incidental expenditure during construction period (Refer Note 19 of Schedule 25)		28.22	607.26	-	487.36
<b>Intangible assets (net)</b>	8		649.58		3.60
<b>Investments</b>	9		98.45		188.73
<b>Deferred tax asset (net)</b>	6B		7.26		0.54
<b>Current Assets, Loans and Advances</b>					
Inventories	10	357.38		278.01	
Sundry debtors	11	665.64		756.69	
Cash and bank balances	12	127.99		334.64	
Other current assets	13	81.76		13.49	
Loans and advances	14	764.22		451.53	
		1,996.99		1,834.36	
<b>Less: Current Liabilities and Provisions</b>					
Current Liabilities	15	847.64		875.04	
Provisions	16	42.47		14.33	
		890.11		889.37	
<b>Net Current Assets</b>			1,106.88		944.99
<b>Miscellaneous expenditure</b> (to the extent not written off )			-		0.01
<b>Profit and loss account</b>			183.82		-
<b>Total</b>			<b>2,653.25</b>		<b>1,625.23</b>
<b>Notes to Accounts</b>	25				

The schedules referred to above and notes to accounts form an integral part of the Consolidated Balance Sheet. This is the Consolidated Balance Sheet referred to in our report of even date.

**for S R Batliboi & Associates**  
Chartered Accountants

per **Ali Nyaz**  
Partner  
Membership No.: 200427

Place: New Delhi  
Date: August 29, 2009

**for and on behalf of the Board of Directors of  
Maytas Infra Limited**

**B Teja Raju**  
Vice Chairman

**B Narasimha Rao**  
Director

**VVR Raju**  
Chief Financial Officer

**J Veerajuu**  
Company Secretary

Place: New Delhi  
Date: August 29, 2009

## Consolidated Profit and Loss Account for the year ended March 31, 2009

(All amounts in Rs.Crore except for share data or as otherwise stated)

	Schedule	For the year ended March 31, 2009	For the year ended March 31, 2008
<b>Income</b>			
Contract revenues	17	1,644.66	1,873.94
Other income	18	74.62	18.58
Accretion in Work-in-progress	19	72.45	133.59
		<b>1,791.73</b>	<b>2,026.11</b>
<b>Expenditure</b>			
Material consumed	20	701.85	770.81
Personnel expenses	21	130.24	77.62
Contract expenses	22	988.18	852.60
Administrative and Selling expenses	23	149.35	65.47
Financial expenses	24	197.52	77.09
Depreciation/Amortisation	7 & 8	82.06	40.33
		<b>2,249.20</b>	<b>1,883.92</b>
Add : Income from Associates		-	(5.17)
<b>(Loss)/ Profit before tax and prior period items</b>		<b>(457.47)</b>	<b>137.02</b>
<b>Provision for taxation</b>			
- Current tax		2.58	49.70
- Fringe benefit tax		1.44	1.12
- Deferred tax		(6.55)	(5.84)
- Taxes for earlier years		0.66	0.35
		<b>(1.87)</b>	<b>45.33</b>
<b>(Loss) / Profit after tax before prior period items</b>		<b>(455.60)</b>	<b>91.69</b>
Prior period expenses (net of tax Rs.Nil) (Refer Note 26 of Schedule 25)		17.95	0.94
<b>(Loss) / Profit after tax</b>		<b>(473.55)</b>	<b>90.75</b>
Add: Balance brought forward from previous years		279.32	203.90
<b>Appropriations</b>			
Transfer (from) / to general reserve		(10.41)	5.00
Proposed dividend		-	8.83
Dividend tax		-	1.50
<b>(Deficit) / Surplus carried to Balance Sheet</b>		<b>(183.82)</b>	<b>279.32</b>
<b>Earning Per Share</b> (in Rupees) (Refer Note 27 of Schedule 25)			0.00
Basic		<b>(80.47)</b>	<b>16.79</b>
Diluted		<b>(80.47)</b>	<b>16.79</b>
Nominal Value of each shares		<b>10.00</b>	<b>10.00</b>
<b>Notes to Accounts</b>	<b>25</b>		

The schedules referred to above and notes to accounts form an integral part of the Consolidated Profit and Loss Account. This is the Consolidated Profit and Loss Account referred to in our report of even date.

**for S R Batliboi & Associates**  
Chartered Accountants

per **Ali Nyaz**  
Partner  
Membership No.: 200427

Place: New Delhi  
Date: August 29, 2009

**for and on behalf of the Board of Directors of  
Maytas Infra Limited**

**B Teja Raju**  
Vice Chairman

**B Narasimha Rao**  
Director

**VVR Raju**  
Chief Financial Officer

**J Veerraju**  
Company Secretary

Place: New Delhi  
Date: August 29, 2009



## Consolidated Cash Flow Statement for the year ended March 31, 2009

(All amount in Rs.Crores except for share data or as otherwise stated)

	2008 - 09	2007 - 08
<b>A. Cash flow from operating activities</b>		
<b>Net (Loss) / Profit before tax and before prior period items</b>	(457.47)	137.02
Less: Prior period expenses (net of tax Rs.Nil)	(17.95)	(0.94)
Adjustments for:		
Depreciation and amortisation	82.06	40.34
Unrealised foreign exchange loss/(gain) - (net)	34.50	(7.62)
Unrealised foreign exchange (gain)/ loss on derivatives (net)	(8.37)	8.93
Liabilities no longer required written back	(2.23)	(0.09)
Provision for retirement benefits	2.47	2.69
Interest income	(53.76)	(9.36)
Income from mutual funds	-	(1.87)
Income from dividend	-	(0.00)
Loss on sale / discard of fixed assets (net)	0.63	0.06
Interest expense	174.67	65.89
Miscellaneous expenditure written off	0.01	-
Employee stock compensation expenses	0.11	-
Long term investments written off	0.30	-
Provision for diminution in value of Long term investments	0.05	-
Advances written off	9.98	-
Provision for doubtful debtors/advances	31.89	-
Provision for estimated future losses	12.49	-
Provision for liquidated damages	10.55	-
Provision for future loss on settlement of a contract	12.64	-
Loss from associates	-	6.11
<b>Operating (loss)/profit before working capital changes</b>	<b>(167.43)</b>	<b>241.16</b>
Movements in working capital :		
Decrease / (Increase) in sundry debtors	96.46	(467.90)
(Increase) in inventories	(79.37)	(160.49)
(Increase) in loans and advances	(259.67)	(129.05)
(Increase) in other current assets	(22.98)	(9.15)
Increase/(Decrease) in current liabilities	(186.56)	313.60
	-	-
<b>Cash generated from operations</b>	<b>(619.55)</b>	<b>(211.83)</b>
Direct taxes paid (net of refunds)	(43.32)	(65.67)
<b>Net cash used in operating activities</b>	<b>(662.87)</b>	<b>(277.50)</b>
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets and intangibles	(433.52)	(325.39)
Proceeds from sale of fixed assets	9.70	0.15
Purchase of investments	(23.97)	(54.14)
Invested as share application money	-	(60.66)
Invested as debenture application money	-	(14.91)
Short term deposits (net)	(8.88)	(10.29)
Interest received	8.47	7.21
Income from mutual funds	-	1.87
Dividend income received	-	0.00
<b>Net cash used in investing activities</b>	<b>(448.20)</b>	<b>(456.15)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from issuance of share capital	0.03	327.45
Public issue expenses	-	(28.71)
Proceeds from long term borrowings	938.58	835.95
Short term borrowings (net)	750.01	132.23
Grants received from concession authorities	37.93	-
Repayment of long term borrowings	(762.67)	(251.30)
Proceeds from contribution to share capital by minority share holders	3.50	13.20
Interest paid	(158.34)	(45.54)
Dividend paid	(8.83)	(5.00)
Tax on Dividend paid	(1.50)	(0.85)
<b>Net cash from financing activities</b>	<b>798.71</b>	<b>977.43</b>
<b>(Decrease) / Increase in cash and cash equivalents (A + B + C)</b>	<b>(312.36)</b>	<b>243.78</b>
<b>Cash and cash equivalents as at April 01, 2008</b>	<b>307.02</b>	<b>63.23</b>
<b>Add: Cash and bank balance as at April 1, 2008 of entities which were considered as Associates in previous year (Refer Note 3 of Schedule 25)</b>	<b>64.10</b>	<b>-</b>
<b>Cash and cash equivalents as at March 31,2009</b>	<b>58.77</b>	<b>307.02</b>

## Consolidated Cash Flow Statement for the year ended March 31, 2009

(All amount in Rs.Crores except for share data or as otherwise stated)

	2008 - 09	2007 - 08
<b>Reconciliation of Cash and Cash equivalents :</b>		
<b>Components of Cash and Cash equivalents</b>		
Cash and cheques on hand	0.38	0.42
Balance with banks :		
- on Current accounts	58.39	141.37
- on Deposit accounts	-	165.23
- on Unpaid dividend accounts *	0.00	-
<b>Total Cash and cash equivalents</b>	<b>58.77</b>	<b>307.02</b>
Add:		
Fixed deposits not considered as cash equivalents	35.60	2.87
Margin money deposits not considered as cash equivalents	33.62	24.75
Cash and bank balances as per Schedule 12	127.99	334.64

\*These balances are not available for use by the company as they represent corresponding unpaid dividend liabilities.

The accounting for joint ventures which were considered as Associates in the previous year (refr Note 3 of Schedule 25) does not have an effect on the net cash flows for the year.

This is the Consolidated Cashflow statement referred in our report of even date.

**for S R Batliboi & Associates**  
Chartered Accountants

per **Ali Nyaz**  
Partner  
Membership No.: 200427

Place: New Delhi  
Date: August 29, 2009

**for and on behalf of the Board of Directors of  
Maytas Infra Limited**

**B Teja Raju**  
Vice Chairman

**B Narasimha Rao**  
Director

**VVR Raju**  
Chief Financial Officer

**J Veerraju**  
Company Secretary

Place: New Delhi  
Date: August 29, 2009

## Schedules to Consolidated Balance Sheet

(All amounts in Rs.Crore except for share data or as otherwise stated)

	As at March 31, 2009		As at March 31, 2008	
<b>Schedule 1 : Share Capital</b>				
<b>Authorised</b>				
75,000,000 (March 31, 2008: 75,000,000) equity shares of Rs.10 each		75.00		75.00
<b>Issued, subscribed and paid up</b>				
58,850,856 (March 31, 2008 : 58,850,000) equity shares of Rs.10 each fully paid (Refer Note 13 of schedule 25 for option on unissued share capital)		58.85		58.85
<b>Schedule 2 : Employee stock options outstanding</b> (Refer note 13 of schedule 25)				
Employee stock options outstanding	0.47			
Less : Deferred employee compensation cost	0.36			
		0.11		-
<b>Schedule 3 : Reserves and surplus</b>				
<b>General Reserve</b>				
Balance as per last Balance Sheet	10.41		5.88	
Add:Transferred (to) / from Profit and Loss Account	(10.41)		5.00	
Less: Adjustment for employee benefits provision (net of tax Rs.0.24)	-		0.47	
		-		10.41
<b>Securities Premium Account</b>				
Balance as per last Balance Sheet	289.89		-	
Received during the year from public issue	-		318.60	
Received during the year from ESOP allotment	0.03		-	
Less : Utilisation towards share issue expenses	-		28.71	
		289.92		289.89
<b>Foreign Currency Translation Reserve as per last Balance Sheet</b>	(0.01)		(0.01)	
Less: Current year translation adjustment	0.01		(0.00)	
		-		(0.01)
<b>Grants received from concession authorities</b>		37.94		-
<b>Profit and Loss Account balance</b>		-		279.32
		<b>327.86</b>		<b>579.61</b>
<b>Schedule 4 : Secured loans</b> (Refer Note 9 of Schedule 25)				
From Bank :				
Foreign currency loans (Repayable within one year Rs.69.38 (March 31, 2008 : Rs.54.02)) (Foreign currency loans are secured by exclusive charge on the equipment financed through such loans.)		153.51		163.13
Term Loan (Repayable within one year Rs. 300.77 (March 31, 2008: Rs.222.84))		888.73		380.80
1.Term loans availed in respect of specific projects aggregating to Rs 134.94 (March 2008 : Rs.195.50 ) are secured by first charge on the present and future Current assets of the respective projects.				
2.Term loans availed towards purchase of machinery aggregating to Rs. 190.18 (March 31, 2008 : Rs.117.35 ) are secured by first charge on machinery & equipment purchased out of the respective loans.				
3. Term loan amounting to Rs. 40 (March 31, 2008 : Rs.40 ) is secured by a paripassu first charge on the present and future current assets of the Company and by a second charge on the fixed assets of the Company.				
4.Term loans amounting to for Rs. 50 ( March 31, 2008 :Nil ) is secured by paripassu first charge on the current assets and unencumbered fixed assets of the Company.				

## Schedules to Consolidated Balance Sheet

(All amounts in Rs.Crore except for share data or as otherwise stated)

	As at March 31, 2009	As at March 31, 2008
5. Term loan amounting to Rs. 25 (March 31, 2008 : Rs. Nil) is secured by a residual charge on the current assets and movable fixed assets of the Company.		
6. Term loan availed from bank aggregating to Rs. 448.61 (March 31, 2008 Rs.27.54) are secured by pari passu first charge by way of hypothecation of all movable and immovable assets, both present and future, receivables of the company, and all assets of the project and its documents and secured by pledge of equity shares and cumulative preference shares issued or to be issued.		
7. In addition to the security details mentioned in note 6 above, term loans aggregating to Rs. 103.43 (March 31, 2008 Rs. 27.54) secured by first charge on the debt services reserve account and trust & retention account.		
8. In addition to the security details mentioned in note 6 above, term loans aggregating to Rs. 112.10 (March 31, 2008 Rs.Nil) secured by first charge on on the intangibles (toll collection rights).		
9. In addition to the security mentioned in point 6 above, term loans aggregating to Rs. 24.39 (March 31, 2008 Rs. Nil) secured by pari passu charge by way of equitable mortgage of all the leasehold rights in land together with all buildings and structures attached to earth.		
Working capital loans	577.32	225.84
(Working capital facilities are secured by pari passu first charge on the current assets of the Company)		
Bank guarantees devolved (Refer Note 8 of Schedule 25) (Bank guarantee devolved accounts are secured by pari passu first charge on the current assets of the Company.)	398.53	-
Interest accrued and due	17.47	-
From others		
Term loans	128.97	11.95
(Repayable within one year Rs. 27.46 (March 31, 2008 : Rs.7.88 ))		
(1. Term loans aggregating to Rs.5.00 (March 31, 2008 Rs. 11.95) availed towards purchase of machinery are secured by hypothecation of the machinery and equipment.		
2. Term loan aggregating to Rs. 123.97 (March 31, 2008 Rs. 15.76) is secured by pari passu first charge by way of hypothecation of all movable and immovable assets, receivables and all assets of the respective projects.		
3. In addition to the security mentioned in point no 2 above, term loan aggregating to Rs. Rs.38.15 (March 31, 2008 Rs. Nil) secured by hypothecation of movable and immovable property present and future including spare, tools, and stock of raw material which run pari passu. Additionally secured by fixed deposits amounting to Rs. 15.13.)		
Vehicle loans	2.13	2.89
(Repayable within one year Rs. 2.13 (March 31, 2008 : Rs.1.22 )) (Vehicle loans are secured by hypothecation of the vehicles.)		
Interest accrued and due	0.10	-
(Additionally Term loans aggregating to Rs. 439.05 (March 31, 2008 : Rs. 296.69 ); working capital loans Rs. 577.32 (March 31, 2008 : Rs. 225.84), foreign currency loans Rs.115.30 (March 31, 2008 : Rs. 123.16 ) and Bank guarantees devolved Rs. 398.53 (Mar 31, 2008 : Rs. Nil) are secured by personal guarantees given by the Vice Chairman of the Company)		
	<b>2,166.76</b>	<b>784.61</b>

## Schedules to Consolidated Balance Sheet

(All amounts in Rs.Crore except for share data or as otherwise stated)

	As at March 31, 2009		As at March 31, 2008	
<b>Schedule 5 : Unsecured loans</b>				
<b>From Banks</b>		70.00		175.00
(Repayable within one year Rs. 70.00 (March 31, 2008 : Rs.175.00 ))				
(Personal guarantees given by the Vice chairman of the company Rs. 70				
(March 31, 2008 - Rs. 80.00)				
Interest accrued and due		2.73		-
<b>From others</b>		6.21		9.99
(Repayable within one year Rs. Nil (March 31, 2008 : Rs. 0.06))				
<b>Dues to Directors</b>		0.03		-
(Repayable within one year Rs. 0.03 (March 31, 2008 : Rs. Nil))				
<b>Finance lease obligation</b>		3.85		3.97
(Repayable within one year Rs. 0.18 (March 31, 2008 : Rs.0.12))				
		<b>82.82</b>		<b>188.96</b>
<b>Schedule 6A : Deferred tax liability (net)</b>				
Differences in depreciation as per tax books and financial books		0.15		-
<b>Net deferred tax liability</b>		<b>0.15</b>		<b>-</b>
<b>Schedule 6B : Deferred tax asset (net)</b>				
<b>Deferred tax liability</b>				
Differences in depreciation as per tax books and financial books		(11.51)		(9.77)
<b>Deferred tax assets</b>				
Effect of lease accounting		1.33		1.15
Effect of retirement benefit expenditure debited to profit and loss account				
in the current year but allowed for tax purposes in the following years		1.72		1.35
Effect of public issue expenses		5.86		7.81
Effect of provision made for doubtful debtors/advances and estimated				
future losses to the extent of deferred tax liabilities.				
(Refer Note 11 (a) of Schedule 25)		2.60		-
On account of un absorbed business loss and depreciation				
(Refer Note 11 (b) of Schedule 25)		7.26		-
<b>Net deferred tax asset</b>		<b>7.26</b>		<b>0.54</b>

## Schedules to Consolidated Balance Sheet

(All amounts in Rs. Crore except share data or as otherwise stated)

### Schedule 7 : Fixed Assets

Description	Gross Block			Depreciation				Net Block			
	As at April 01, 2008	Adjustments ' @	Additions during the year	Deletions during the year **	As at March 31, 2009	As at April 1, 2008	Adjustments ' @	For the year #	Deletions **	As at March 31, 2009	As at March 31, 2008
Freehold Land	6.33	0.02	7.42	-	13.78	-	-	-	-	13.78	6.33
Buildings	0.17	-	-	-	0.17	0.00	-	0.00	-	0.16	0.16
Temporary erections - site offices	19.11	-	5.64	0.00	24.75	8.07	-	10.20	-	6.48	11.04
Lease hold improvements*	4.09	81.84	3.15	-	89.08	0.48	17.90	10.64	-	60.06	3.62
Plant and machinery - Construction equipment ^ ^	423.14	4.53	95.31	13.95	509.02	55.88	0.12	65.52	0.44	388.01	367.26
Office equipment	3.67	0.12	1.59	0.08	5.29	0.76	0.03	0.35	0.02	4.16	2.91
Tools and implements	3.13	0.03	2.50	0.05	5.61	2.97	0.00	2.46	0.03	0.21	0.16
Computers	5.43	0.08	2.51	0.36	7.67	1.36	0.02	1.44	0.03	4.86	4.08
Furniture and fixtures	2.99	0.16	1.77	0.14	4.77	1.41	0.03	0.86	0.04	2.52	1.58
Vehicles	10.89	0.56	3.41	2.14	12.74	2.68	0.09	1.27	0.28	8.96	8.21
Site infrastructure	-	-	8.42	-	8.42	-	-	1.62	-	6.80	-
<b>Grand Total</b>	<b>478.95</b>	<b>87.34</b>	<b>131.72</b>	<b>16.72</b>	<b>681.30</b>	<b>73.61</b>	<b>18.19</b>	<b>94.36</b>	<b>0.84</b>	<b>496.00</b>	<b>405.35</b>
<b>Previous Year</b>	<b>197.59</b>	<b>-</b>	<b>281.65</b>	<b>0.29</b>	<b>478.95</b>	<b>34.10</b>	<b>-</b>	<b>39.59</b>	<b>0.08</b>	<b>405.35</b>	<b>-</b>
Capital work in progress including capital advances ***										<b>83.04</b>	<b>82.01</b>

\*Leasehold improvements represent fixtures taken on finance lease.

^ ^ Plant and machinery - Construction equipment

- Deletions during the year include cenvat capitalised in earlier year, credit of which is taken in the current year Rs. 5.44 (March 31 2008: Rs.Nil)
- Plant and Machinery - Construction equipment includes shuttering and scaffolding material Rs. 52.95 (March 31, 2008: Rs.30.21)
- Plant and Machinery - Construction equipment includes Equipment given on operating lease

	March 31, 2009	March 31, 2008
Gross book value	82.42	44.23
Accumulated depreciation	8.67	3.16
Depreciation for the year	9.31	3.16
Net book value	64.44	37.91

\*\*\* includes capital advances of Rs.44.70 (March 31, 2008 Rs. 45.90)

@ Represents proportionate share of gross block and accumulated depreciation block as on March 31, 2008, of joint ventures which were considered as Associates in previous year (Refer Note 3 of Schedule 25)

# Depreciation for the year included Rs.0.07 and Rs. 0.25 taken to incidental expenditure pending capitalisation and Toll collection rights respectively (Refer Note 19 & 20 of Schedule 25)

\*\* Deletions during the year include Rs.1.70 on account of one of the Joint Venture entities hived off during the year.

## Schedules to Consolidated Balance Sheet

(All amounts in Rs. Crore except share data or as otherwise stated)

### Schedule 8 : Intangible assets

Description	Gross Block			Amortisation				Net Block			
	As at April 01, 2008	Adjustments @	Additions during the year	Deletions during the year	As at March 31, 2009	As at April 1, 2008	Adjustments @	For the year	Deletions	As at March 31, 2009	As at March 31, 2008
Computer software	1.01	-	0.31	0.15	1.17	0.78	-	0.19	0.00	0.97	0.23
Toll collection rights (Under development) (Refer Note 20 of Schedule 25)	3.37	331.81	314.21	-	649.38	-	-	-	-	-	3.37
<b>Grand Total</b>	4.38	331.81	314.52	0.15	650.55	0.78	-	0.19	0.00	0.97	3.60
Previous Year	0.04	-	0.97	-	1.01	0.03	-	0.75	-	0.78	0.23

' @ Represents amounts as on March 31, 2008, of entities which have been considered as Associates in previous year (Refer Note 3 of Schedule 25).

## Schedules to Consolidated Balance Sheet

(All amounts in Rs. Crore except for share data or as otherwise stated)

	Face Value (Rs.)	As at March 31, 2009		As at March 31, 2008	
		Number	Amount	Number	Amount
<b>Schedule 9 : Investments</b>					
<b>Trade - Long term (Unquoted) (At cost)</b>					
<b>A. Equity shares (fully paid up)</b>					
1. Gautami Power Limited <sup>1</sup>	10	96,801,733	96.80	74,487,217	74.49
2. SSJV Projects Private Limited	10	-	-	100	-
3. Paschal Form Work (India) Private Limited	10	1,624,725	1.62	-	-
4. Paschal Technology (India) Private Limited	10	27,472	0.03	-	-
<b>B. Investments in Joint Ventures **</b>					
<b>in Equity shares (fully paid up)</b>					
1. Brindavan Infrastructure Company Limited <sup>2</sup>	10	-	-	9,999,925	15.86
Add: Profit for the year					1.02
					<b>16.89</b>
2. KVK Power & Infrastructure Private Limited	10	-	-	4,000,000	3.93
Less: Loss for the year					(0.01)
					3.92
3. Bangalore Elevated Tollway Limited <sup>3</sup>	10	-	-	4,270,320	31.81
Less: Loss for the year					(5.79)
					26.01
4. Western UP Tollway Limited <sup>4</sup>	10	-	-	2,458,500	22.34
Less: Loss for the year					(0.33)
					22.01
5. KVK Nilachal Power Private Limited <sup>5</sup>	10	-	-	1,215,000	9.65
6. Himachal Sorang Power Private Limited <sup>6</sup>	10	-	-	90,990	0.88
7. S V Power Private Limited <sup>7</sup>	10	-	-	3,195,509	28.90
8. Cyberabad Expressways Limited <sup>8</sup>	10	-	-	990,000	0.99
Less: Loss for the year					(0.99)
					-
9. Hyderabad Expressways Limited <sup>9</sup>	10	-	-	990,000	0.99
Less: Loss for the year					(0.00)
					0.98
10. Gulbarga Airport Developers Private Limited	10	-	-	3,700	0.00
11. Shimoga Airport Developers Private Limited	10	-	-	3,700	0.00
<b>in Preference shares (fully paid up)</b>					
1. Brindavan Infrastructure Company Limited <sup>2</sup>	100	-	-	500,000	5.00
<b>Current investments (Un quoted)</b>					
1. Maytas (Singapore) Holding Pte Limited (Trade)	S\$ 1	-	-	1	0.00
2. Other investments (Non trade)			0.00	-	-
			98.45		188.73

\*\* These entities are considered as associates in the previous year. (Refer Note 3 of Schedule 25)

- The shares are subject to Non-disposal undertaking furnished in favour of the Power Finance Corporation. Further, shares to the extent of 49,504,565 have been pledged with the said corporation for the term loan availed by Gautami Power Limited.
- Total shares have been pledged in favour of Infrastructure Development Finance Company Limited and Corporation Bank for the term loan availed by Brindavan Infrastructure Company Limited.
- Shares to the extent of 3,039,370 have been pledged in favour of Canara Bank towards Rupee loan availed by Bangalore Elevated Tollway Limited.
- Total shares have been pledged in favour of Infrastructure Development Finance Company Limited towards loan availed by Western UP Tollway Limited.



## Schedules to Consolidated Balance Sheet

(All amounts in Rs. Crore except for share data or as otherwise stated)

5. Shares to the extent of 3,533,500 have been pledged in favour of Power Finance Corporation Limited for loan availed by KVK Nilachal Power Private Limited.
6. Shares to the extent of 26,387 have been pledged in favour of Axis Bank and 62,986 shares have been pledged with Industrial Development Bank of India for the term loan availed by Himachal Sorang Power Private Limited.
7. Shares to the extent of 1,629,710 have been pledged in favour of Industrial Development Bank of India Trusteeship Services Limited for Loan availed by S V Power Private Limited.
8. Total shares have been pledged in favour of Infrastructure Leasing & Financial Services Trustee Company Limited for loan facility availed by Cyberabad Expressways Limited.
9. Total shares have been pledged in favour of Infrastructure Leasing & Financial Services Trustee Company Limited for loan facility availed by Hyderabad Expressways Limited.

## Schedules to Consolidated Balance Sheet

(All amounts in Rs. Crore except for share data or as otherwise stated)

	As at March 31, 2009		As at March 31, 2008	
	Number	Amount	Number	Amount
<b>Schedule 10 : Inventories (Refer Note 1 (h) of Schedule 25)</b>				
Materials		89.29		82.37
Work-in-progress		268.09		195.64
		<b>357.38</b>		<b>278.01</b>
<b>Schedule 11 - Sundry debtors - (Unsecured and considered good except as otherwise stated) (Refer Note 7, 15 and 16 on schedule 25)</b>				
Debts outstanding for a period exceeding six months*				
Considered good	351.65		153.46	
Considered doubtful	6.08	357.73	-	153.46
Other debts #				
Considered good	313.99		603.23	
Considered doubtful	3.98	317.97	-	603.23
		675.70		756.69
Less: Provision for doubtful debts		10.06		-
* includes retention money : Rs.120.64 (March 31, 2008 : Rs.52.44) # includes retention money : Rs.43.55 (March 31, 2008 : Rs.72.56 )				
		<b>665.64</b>		<b>756.69</b>
<b>Schedule 12: Cash and bank balances</b>				
Cash on hand		0.38		0.42
Balances with scheduled banks				
- on current accounts		58.39		141.37
- on margin money deposits*		33.62		24.75
- on deposits#		35.60		167.97
- on unpaid dividend account		0.00		-
Balances with non scheduled banks				
- on current accounts with Manvi Pattana Souharda Bank Niyamitha (maximum amount outstanding during the year Rs. 0.06 (March 31, 2008 : Rs0.06 ))		-		0.06
Cheques in transit		-		0.07
* lodged with authorities # Rs.23.62 is under lien (March 31, 2008 Rs.1.30)				
		<b>127.99</b>		<b>334.64</b>
<b>Schedule 13 : Other current assets</b>				
Unbilled revenue		-		9.15
Interest accrued on deposits		49.63		4.34
Claim for performance guarantee (Refer Note 7 of Schedule 25)		32.13		-
		<b>81.76</b>		<b>13.49</b>

## Schedules to Consolidated Balance Sheet

(All amounts in Rs. Crore except for share data or as otherwise stated)

	As at March 31, 2009		As at March 31, 2008	
	Number	Amount	Number	Amount
<b>Schedule 14 : Loans and advances</b>				
<b>(Unsecured, considered good)</b>				
<i>(Refer Note 7, 15 and 16 of schedule 25)</i>				
Share / Debenture Application Money given		1.24		92.51
Dues from Joint Ventures		92.19		22.83
Advances recoverable in cash or kind or for value to be received				
Considered good	150.61		162.62	
Considered doubtful	21.87		-	
Inter corporate deposits		172.44		162.62
Other receivables		391.64		102.04
Deposits - others		2.16		-
Unamortised exchange premium		21.79		27.58
Sales tax deducted at source (net of provision)		0.13		-
Service tax credit receivable		11.31		8.86
Advance tax (net of provision)		17.18		7.12
		76.01		27.97
		<b>786.09</b>		<b>451.53</b>
Less: Provision for Doubtful advances		21.87		-
		<b>764.22</b>		<b>451.53</b>
<b>Schedule 15 : Current Liabilities</b>				
Sundry creditors		251.90		231.53
Dues to Joint Ventures		0.87		7.24
Advances from customers		135.88		28.82
Mobilisation advance		222.16		292.81
Unclaimed dividend (Investor Education and Protection Fund shall be credited as and when due)		0.00		-
Book Overdraft		0.23		2.93
Dues to Sub-Contractors		96.83		204.31
Security deposits payable		58.51		44.53
Interest accrued but not due		17.85		21.83
Other liabilities		63.40		41.05
		<b>847.64</b>		<b>875.04</b>
<b>Schedule 16 : Provisions</b>				
Estimated future loss on projects <i>(Refer Note 12 (a) of Schedule 25)</i>		12.49		-
Future loss on settlement of a contract <i>(Refer Note 12 (b) of Schedule 25)</i>		12.64		-
Liquidated Damages <i>(Refer Note 24 of schedule 25)</i>		10.55		-
Fringe benefit tax (net of advance payments of Rs.1.10) (March 31, 2008 Rs. Nil)		1.49		0.03
Proposed dividend		-		8.83
Dividend tax		-		1.50
For Gratuity <i>(Refer Note 14 (b) of Schedule 25)</i>		2.24		1.63
For Compensated absences		3.05		2.34
		<b>42.47</b>		<b>14.33</b>

## Schedules to Consolidated Profit and Loss Account

(All amounts in Rs.Crore except for share data or as otherwise stated)

	For the year ended March 31, 2009	For the year ended March 31, 2008
<b>Schedule 17 : Contract Revenues</b>		
Revenue from contracts	1,614.19	1,867.47
Equipment hire charges	10.67	6.47
Annuity income	19.80	-
	<b>1,644.66</b>	<b>1,873.94</b>
<b>Schedule 18 : Other income</b>		
Interest on		
Bank Deposits	5.50	8.09
(Tax deducted at source : Rs. 1.65 (March 31, 2008 : Rs.1.21))		
Intercorporate Deposits	46.25	0.49
Loans to Joint Ventures	2.01	0.63
Income tax refunds	-	0.15
Gain on foreign currency fluctuation (net)	-	6.07
Loss on derivatives written back	9.83	-
Liabilities no longer required written back	2.23	0.09
Income from Mutual Funds (Non trade and current investment)	-	1.88
Dividend Income	-	0.00
Miscellaneous receipts	8.80	1.18
	<b>74.62</b>	<b>18.58</b>
<b>Schedule 19 : Accretion in work-in-progress</b>		
Opening work-in-progress	195.64	62.03
Closing work-in-progress	268.09	195.64
	<b>72.45</b>	<b>133.59</b>
<b>Schedule 20 : Material consumed</b>		
Opening stock	82.37	55.47
Add: Purchases	708.77	797.71
	<b>791.14</b>	<b>853.18</b>
Less: Closing stock	89.29	82.37
	<b>701.85</b>	<b>770.81</b>
<b>Schedule 21 : Personnel expenses</b>		
Salaries, bonus and other allowances	115.66	68.48
Contribution to provident fund and others	6.30	2.56
Gratuity	0.82	0.87
Compensated absences	2.23	2.04
Staff welfare expenses	5.12	3.67
Employee stock compensation expenses	0.11	-
	<b>130.24</b>	<b>77.62</b>
<b>Schedule 22 : Contract Expenses</b>		
Site expenses	18.65	25.85
Subcontractor expenses	789.85	732.08
Hire Charges	21.84	16.48
Freight and transportation	10.32	6.45
Wages and benefits to workers	32.21	15.02
Insurance - Projects	4.70	3.73
Insurance - others	1.44	1.29
Power and fuel	2.86	1.68
Repairs and maintenance		
Plant & Machinery	6.73	3.53
Buildings	0.37	-
Others	2.17	2.28
Sales tax	43.28	34.61
Service tax	18.08	9.60
Provision for estimated future losses (Refer Note 12 (a) of Schedule 25)	12.49	-
Provision for liquidated damages (Refer Note 24 of Schedule 25)	10.55	-
Provision for future loss on settlement of a contract (Refer Note 12 (b) of Schedule 25)	12.64	-
	<b>988.18</b>	<b>852.60</b>

## Schedules to Consolidated Profit and Loss Account

(All amounts in Rs.Crore except for share data or as otherwise stated)

	For the year ended March 31, 2009	For the year ended March 31, 2008
<b>Schedule 23 : Administrative and Selling expenses</b>		
Rent	12.39	6.17
Rates and taxes	2.12	2.12
Office maintenance	4.19	5.38
Communication expenses	3.75	2.51
Printing and stationary	2.18	1.64
Legal and professional charges	20.01	15.80
Tender expenses	4.12	1.67
Business promotion	1.39	1.17
Travelling and conveyance	14.18	10.66
Auditors' remuneration ( <i>Refer Note 28 of Schedule 25</i> )	0.70	0.89
Membership and subscription	0.15	-
Staff recruitment expenses	1.18	-
Donations	0.21	0.42
Loss on exchange fluctuation (net)	38.23	-
Loss on derivatives	-	14.76
Loss on sale/discard of assets (net)	0.63	0.06
Write off long term investments	0.30	-
Advances written off	9.98	-
Provision for doubtful debtors / advances	31.89	-
Miscellaneous expenses	1.75	2.22
	<b>149.35</b>	<b>65.47</b>
<b>Schedule 24 : Financial expenses</b>		
Interest on fixed period loans	121.91	46.56
Interest on others	52.75	19.33
Lease finance charges	0.45	0.46
Bank charges	22.41	10.74
	<b>197.52</b>	<b>77.09</b>

## Schedule 25:

Notes annexed to and forming part of the consolidated accounts as at and for the year ended March 31, 2009

(All amounts are in Rs. Crores except for share data or otherwise stated)

### 1. Statement of significant accounting policies

#### a. Basis of preparation

The accompanying consolidated financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies Accounting Standards Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The consolidated financial statements have been prepared under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year.

#### b. Basis of consolidation

The Consolidated Financial Statements of Maytas Infra Limited ("Maytas" or "the Company") together with its subsidiaries, associate and joint venture entities (collectively termed as "the Group" or "the consolidated entities") have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Investments in consolidated entities, except where such investments are acquired with a view to their subsequent disposal in the immediate future, are accounted in accordance with accounting principles as defined under AS-21 "Consolidated Financial Statements", on a line by line basis, AS-23 "Accounting for Investment in Associates in Consolidated Financial Statements", under Equity method and AS-27 "Financial Reporting of Interests in Joint Ventures", using proportionate consolidation method notified by Companies Accounting Standards Rules, 2006 (as amended).

All material inter-company balances and inter-company transactions and resulting unrealized profits or losses are eliminated on consolidation.

The Consolidated Financial Statements for the year ended March 31, 2009 have been prepared on the basis of the financial statements of the following subsidiaries, associate and joint venture entities:

Name of the Consolidated Entities	Country of Incorporation	% of Interest as at March 31,	
		2009	2008
<b>Subsidiaries</b>			
1 Infra Trade FZE ^ ^	UAE	100%	100%
2 Pondicherry Tindivanam Tollway Limited#	India	51%	51%
3 Maytas Mineral Resources Limited (MMRL)	India	100%	100%
4 Maytas Infra Assets Limited (MAIL)	India	100%	100%
5 Maytas (Singapore) Pte. Limited ^ ^	Singapore	100%	100%
6 Maytas Metro Limited @	India	99.99%	-
7 Maytas Vashista Varadhi Limited	India	100%	-
<b>Step Down Subsidiaries of MIAL</b>			
1 Dardu Power Private Limited @	India	100%	-
2 Par Power (Arunachal Pradesh) Private Limited @	India	100%	-
<b>Step Down Subsidiaries of MMRL</b>			
1 Maytas Ferro Industries Private Limited **	India	100%	-
<b>Joint Ventures (AOPs/Partnership firm/ Incorporated Entities)</b>			
1 Maytas-SNC (JV)	India	40%	40%
2 NCC-Maytas (JV)	India	50%	50%
3 IJM-SCL (JV)	India	50%	50%
4 Himachal (JV)	India	45%	45%
5 NEC-NCC-Maytas(JV)	India	25%	25%
6 Maytas-Shankaranarayana (JV)	India	50%	50%
7 Maytas-NCC (JV)	India	50%	50%
8 NCC-Maytas (JV)	India	50%	50%
9 Maytas-CTR (JV)	India	70%	70%
10 Maytas-Rithwik (JV)	India	50%	50%
11 NCC-Maytas-ZVS (JV)	India	39.69%	40.75%
12 Maytas-NCC-SSJV Consortium ^ ^	India	33.34%	33.34%
13 Bangalore Elevated Tollway Limited *	India	29.08%	33%
14 Brindavan Infrastructure Company Limited *	India	33.33%	33.33%
15 Himachal Sorang Power Private Limited *	India	5.02%	33%
16 Western Up Tollway Limited *	India	30%	30%
17 KVK Power and Infrastructure Company Private Limited * , @	India	49.94%	50%
18 KVK Nilachal Power Private Limited *	India	48.89%	50%

## Schedule 25:

Notes annexed to and forming part of the consolidated accounts as at and for the year ended March 31, 2009

(All amounts are in Rs. Crores except for share data or otherwise stated)

Name of the Consolidated Entities		Country of Incorporation	% of Interest as at March 31,	
			2009	2008
19	S V Power Private Limited *	India	45.82%	50%
20	Cyberabad Expressways Limited *	India	50%	50%
21	Hyderabad Expressways Limited *	India	50%	50%
22	Gulbarga Airport Developers Private Limited *	India	37%	37%
23	Shimoga Airport Developers Private Limited *	India	37%	37%
24	Machilipatnam Port Limited *	India	50%	-
<b>Associate</b>				
1	Dhabi Maytas Contracting LLC ^ ^	UAE	49%	49%

^ ^ Considered for consolidation up to the respective date of closure.

@ Consolidated based on unaudited financial results.

# Minority interest in the subsidiary is reflected only to the extent of the Minority's share in the net assets of the subsidiary as the subsidiary has not commenced commercial operations.

\* These entities were considered as Associates in the previous year. (Refer Note 3 below)

\*\* Immaterial subsidiary not consolidated.

### c. Use of estimates

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

### d. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and revenue can be reliably measured.

- Revenue from long term construction contracts is recognized on the percentage of completion method as mentioned in Accounting Standard(AS) 7 "Construction Contracts" notified by the Companies Accounting Standards Rules, 2006 (as amended). Percentage of completion is determined on the basis of surveys performed. Where the total cost of a contract, based on technical and other estimates is expected to exceed the corresponding contract value, such expected loss is provided for. The effect of any adjustment arising from revisions to estimates is included in the income statement of the period in which revisions are made. The revenue on account of claims is accounted for based on Management's estimate of the probability that such claims would be admitted either wholly or in part.
- Revenue from hire charges is accounted for in accordance with the terms of agreements with the customers.
- Annuity income is accounted for on accrual basis in accordance with the provisions of the concession agreements.
- Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- Dividend is recognized as and when the right to receive payment is established by the Balance Sheet date.

### e. Fixed assets and depreciation

- Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, freight, duties, taxes and any attributable cost of bringing the asset to its working condition for its intended use. Finance costs relating to acquisition of fixed assets which take substantial period of time to get ready for use are included to the extent they relate to the period till such assets are ready for intended use.
- Assets retired from active use and held for disposal are stated at their estimated net realizable values or net book values, whichever is lower.
- Assets acquired under finance lease are depreciated on straight line basis over the lease term or useful life, whichever is lower.
- Depreciation on fixed assets, other than those mentioned in (v) below, is provided on straight line method, based on useful life of the assets as estimated by the Management which coincides with rates prescribed under Schedule XIV to the Companies Act, 1956.
- Depreciation on the following fixed assets is provided on a straight-line basis, at the rates that are higher than those specified in Schedule XIV to the Companies Act, 1956 and are based on useful lives as estimated by Management.
  - Tools and implements are depreciated fully in the year of purchase.
  - Plant and machinery – construction equipment at project sites consisting of shuttering /scaffolding material is depreciated over a period of six years.
  - Temporary erections in the nature of site offices are depreciated over the period of the respective project.
  - Site infrastructure is depreciated over a period of six years.
- Assets costing five thousand rupees or less are fully depreciated in the year of purchase.

## Schedule 25:

Notes annexed to and forming part of the consolidated accounts as at and for the year ended March 31, 2009

(All amounts are in Rs. Crores except for share data or otherwise stated)

### f. Intangible assets

#### *Computer software*

Computer software license costs are expensed in the year of purchase as there is no expected future economic benefit, except for enterprise wide/project based software license cost which is amortized over a period of three years.

#### *Toll collection rights*

Toll collection rights, or amortized over the concession period, beginning from the commercial operation date (COD).

### g. Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary, in the value of the investments.

### h. Inventories

- i. Materials at site are valued at the lower of cost and estimated net realizable value. Cost is determined on a weighted average basis.
- ii. Work-in-progress related to project works is valued at cost till such time the outcome of the related project is ascertained reliably and at contractual rates thereafter.

Net realizable value is the estimated selling price in the ordinary course of business, reduced by the estimated costs of completion and costs to effect the sale.

### i. Retirement and other employee benefits

- i. Retirement benefit in the form of Provident Fund, a defined contribution scheme is charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective authorities.
- ii. Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial valuation on projected unit credit method made at the end of each financial year.
- iii. Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.
- iv. Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

### j. Income taxes

Tax expense consists of current, deferred and fringe benefit taxes. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities across various entities of operation are not set off against each other as the Group does not have a legal right to do so. Deferred tax assets are recognized 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 realized. Where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date the Group re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Group writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

### k. Foreign currency transactions

#### *Initial recognition*

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### *Conversion*

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

#### *Exchange differences*

Exchange differences arising on a monetary item that, in substance, form part of the Group's net investment in a non-integral foreign operation is accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognised as income or as expenses.

Exchange differences arising on the settlement of monetary items or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

#### *Forward exchange contracts not intended for trading or speculation purposes*

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or



## Schedule 25:

### Notes annexed to and forming part of the consolidated accounts as at and for the year ended March 31, 2009

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income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

#### *Translation of Integral foreign operation*

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Group itself.

#### *Accounting for Derivative Instruments*

As per the ICAI Announcement on accounting for derivative contracts, derivative contracts other than those covered under AS-11, are marked to market on a transaction basis, and the net loss after considering the offsetting effect on the underlying hedge item is charged to the profit and loss account. Net gains are ignored.

#### **l. Grant Received from Concession Authorities**

Grants received from the concession granting authorities towards capital cost of the project would be amortized over the concession period after commercial operation date (COD). The grants paid to concession authorities is considered as capital cost of the project.

#### **m. Leases**

##### *Where the Group is a Lessee*

Finance leases, which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

If there is no reasonable certainty that the Group will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

##### *Where the Group is a Lessor*

Assets under operating leases are included in fixed assets. Lease income is recognized in the Profit and Loss Account on a straight-line basis over the lease term. Costs, including depreciation are recognized as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Profit and Loss Account.

#### **n. Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average of number of equity shares outstanding during the period is adjusted for event of bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### **o. Impairment**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

#### **p. Provisions**

A provision is recognized when the Group has a present obligation as a result of past event i.e., it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

#### **q. Cash and cash equivalents**

Cash and cash equivalents in the cash flow statements comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

#### **r. Employee Stock Compensation cost**

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Group measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense if any is amortized over the vesting period of the option on a straight line basis.

### **2. Uniform accounting policies**

As per the requirements of AS-21, AS-23 and AS-27, in the preparation of consolidated financial statements, the accounting policies of the consolidated entities are required to be aligned with those of the Company to the extent practicable. The following accounting policies followed by various consolidated entities are not aligned with those of the Company.

- a. Depreciation in certain consolidated joint venture entities is provided on written down value method as per Schedule XIV of the Companies Act 1956, and/or at WDV rates as per the Income Tax Act, 1961 as compared to straight line method as per Schedule XIV of the Companies Act, 1956 followed in the books of the Company.
- b. In the absence of information regarding the gross block and accumulated depreciation of the following joint ventures, only the net block as at March 31, 2009 has been considered for consolidation:

## Schedule 25:

### Notes annexed to and forming part of the consolidated accounts as at and for the year ended March 31, 2009

(All amounts are in Rs. Crores except for share data or otherwise stated)

March 31, 2009	March 31, 2008
Maytas-Shankaranarayana (JV)	Maytas-Shankaranarayana (JV)
Himachal (JV)	Himachal (JV)
IJM-SCL (JV)	IJM-SCL (JV)
Maytas –SNC (JV)	Maytas –SNC (JV)
Maytas NCC SSJV Consortium (JV)	
Machilipatnam Port Limited	
Pondicherry Tindivanam Tollway Limited	
Himachal Sorang Power Private Limited	

The proportion of the aggregate net block of the above joint ventures as compared to the Company's consolidated net block is 4.8% as at March 31, 09 and 9% as at March 31, 08.

The Group has estimated the impact of such differential accounting policy on the consolidated results for the year and financial position of the Group as at March 31, 2009 and based on such estimates, has determined that the difference is not material. Management is of the opinion that, such alignment of accounting policies is not practicable and that the cumulative impact of such alignment, if made, would not be significant to the consolidated financial statements.

#### 3. Investments in incorporated jointly controlled entities

During the year, Management has consolidated certain investments as Jointly Controlled Entities ('JCE') under Proportionate Consolidation method as per AS -27 "Financial Reporting of Interests in Joint Ventures", in Consolidated Financial Statements" as notified by the Companies Accounting Standard Rules, 2006 (amended). Hitherto, based on interpretation of the related contractual arrangements, these were consolidated as associates as per AS-23 "Accounting for Investment in Associates in Consolidated Financial Statements".

Accordingly, the Company's share, in the assets, liabilities, income and expenses in such entities is reflected only in the current year and is therefore, not comparable with the previous year.

#### 4. Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 504.15 (March 31, 2008 Rs.537.84)

#### 5. Contingent liabilities not provided for

Particulars	As at March 31, 2009	As at March 31, 2008
i. Claims against the Group not acknowledged as debts	6.15	2.51
ii. Outstanding bank guarantees (excluding performance obligations)	583.63	406.55
iii. Guarantees issued by bankers, financial institutions on behalf of the Group toward performance obligations	703.77	292.44
iv. Direct and Indirect taxes under dispute	11.87	12.04
v. Corporate guarantee given	10.00	10.00

#### 6. Going Concern

The Group has recorded a net loss of Rs. 475.27 for the year and has accumulated losses of Rs 183.82 as at March 31, 2009, resulting in substantial erosion of the net worth. There has been termination of projects as discussed in detail in note 7 below, which were at various stages of completion resulting in litigations, arbitrations and settlement proceedings. The Company has defaulted in payments of dues to banks/ financial institutions towards principal and interest. Further, there were lower cash inflows from existing projects. Management is confident that the Group will be able to generate profits in future years and meet its financial obligation as they arise. The accompanying consolidated financial statements have been prepared on a going concern basis based on cumulative impact of following mitigating factors:

- The Company has an order book of Rs.7,562.67 as at March 31, 2009. In addition, the Company has bid for certain projects which, in the opinion of the management, are highly likely to be awarded to the Company.
- The Government has appointed independent directors on the Board who have taken steps for revival and restoration of business operations of the Company.
- The Company has approached Corporate Debt Restructuring (CDR) cell through ICICI Bank for restructuring of its outstanding liabilities. The Empowered Group (EG) of the CDR cell has sanctioned the CDR scheme vide letter dated July 02, 2009. The CDR package provides for the following, among others:
  - Repayment of debt is restructured over a period of seven years commencing from December 2011.
  - Interest rates have been reduced to 8% with effect from January 01, 2009, to be stepped up by 1% every year with a maximum cap of 13%.
  - Fresh sanction of Priority debt of Rs. 100 (Fund Based) repayable in 4 quarterly installments from June 2010 onwards, and Rs. 200 (Non Fund based) for meeting immediate requirements. The Company's request for additional Rs. 100 (Fund Based) and Rs. 200 (Non Fund Based) will be examined for consideration by the EG.
  - Interest accrued to be transferred to funded interest term loan account and repayable after December 2011.
  - Commitment from Vice Chairman to infuse Rs.35.

The Group has adequate resources (construction equipments and manpower) to execute the projects on hand and with the work experience to its credit, is eligible to undertake new projects.

#### 7. Termination of Projects relating to the Company

Certain projects of the Company have been terminated either by client or the Company, in buildings & structures, roads, railways and power sectors. The Company has taken recourse to conciliate the matters through arbitration / mediation / amicable settlement/legal cases.

## Schedule 25:

### Notes annexed to and forming part of the consolidated accounts as at and for the year ended March 31, 2009

(All amounts are in Rs. Crores except for share data or otherwise stated)

The Gross Exposure outstanding for these projects is as follows:

Particulars	Amount as at March 31, 2009 (Rs.)
Sundry Debtors	23.32
Other Current Assets	32.13
Inventories	73.57
Fixed Assets (including Capital work in progress of Rs. 15.70)	43.67
Advances to Sub Contractors and suppliers	7.92
Advances to others including Tax Deducted at Source and Value added Tax	22.33
<b>Total</b>	<b>202.94</b>

The Company has preferred claims which are under arbitration and not accounted for in the books. Management of the Company is of the opinion that the aforesaid assets are fully retrievable and has accordingly not provided for the same.

#### 8. Bank Guarantees Invoked

Bank Guarantees aggregating to Rs. 247.28 provided as security against loans availed by the Company were invoked by the respective bankers. Bank Guarantees issued against Mobilization and Material Advances received from customers were invoked due to termination of projects to the extent of Rs. 116.88. Performance Bank Guarantees were invoked and Rs. 33.57 credited to Bank Guarantee Devolved Account and Rs. 1.94 to Working Capital Accounts.

Bank guarantees given to suppliers were invoked and accordingly Rs 0.80 was credited to Bank Guarantee Devolved Account and Rs. 2.63 to Working Capital Accounts.

#### 9. Secured loans

The Company has defaulted on various loan covenants like commitment for minimum promoters share holding, debt service coverage ratio, total debt to net worth etc., during the year. The non-compliance is an event of default under the loan agreement, though the Company has not received any notice for such default.

#### 10. Hyderabad Metro Rail Project

Subsequent to the Balance Sheet date, the Hyderabad Metro Rail Project has been cancelled on account of failure to achieve the financial closure in terms of the concession agreement dated September 19th, 2008, entered into by Maytas Metro Limited, a subsidiary of the Company (by virtue of its current share holding), with Government of Andhra Pradesh. The Government of Andhra Pradesh has invoked the bank guarantee given as bid security amounting to Rs. 60 and also forfeited Rs. 11 which was paid as part of the bid offer in the form of additional concession fee. The Company has approached the Honorable High Court of Andhra Pradesh for redressal and the matter is subjudice. No provision has been made in respect of the above amounts in the Financial Statements.

#### 11. Deferred Tax

a. The Company has Deferred Tax Liability as at March 31, 2009 of Rs. 11.51. Deferred Tax Assets on timing differences on the basis of virtual certainty has been restricted to the

extent of deferred tax liability and no net deferred tax assets has been recognized as at March 31, 2009.

b. The audited financial statements of a Joint Venture (Himachal JV) reflect deferred tax asset in respect of unabsorbed depreciation and accumulated losses of Rs. 7.26 (Previous year Rs. Nil) which in the opinion of the management is virtually certain of recovery.

#### 12. Provision for future loss from projects

a. The projects in progress of the Company which are on hand as at March 31, 2009 have been evaluated for future loss, if any, based on estimates relating to cost-to-complete the same. Based on such evaluation, the Company has provided for estimate future losses to an extent of Rs. 12.49 (March 31, 2008 Rs. Nil) in terms of the requirements of AS-7, "Construction Contracts".

b. Provision for estimated future loss on hiving off of a project has been made to the extent of Rs. 12.64 (March 31, 2008 Rs. Nil)

#### 13. Employee stock option scheme

The Company has provided various share - based payment schemes to its employees. During the year ended March 31, 2009, the following schemes were in operation.

Particulars	ESOP-2007	ESOP-2008
Date of grant	14-Apr-07	31-Oct-08
Date of Remuneration Committee approval	14-Apr-07	30-Jan-08
Date of Shareholder's approval	30-Mar-07	30-Sept-08
Number of options granted	644,967	148,000
Method of Settlement (Cash/Equity)	Equity	Equity
Vesting Period	Options vest on an annual basis at 20%, 20%, 30% and 30% over a period of four years	Grant 1,2,&3: Options vest on an annual basis at 30%, 30% and 40% over a period of three years. Grant 4: Options vest on an annual basis at 20%, 20%,30% and 30% over a period of four years.
Exercise Period	3 years from the date of Vesting	3 years from the date of Vesting

## Schedule 25:

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(All amounts are in Rs. Crores except for share data or otherwise stated)

### I. The details of activity under ESOP-2007 have been summarized below:

Particulars	2008-09		2007-08	
	Number of Options	Weighted Average Exercise Price (Rs. per share)	Number of Options	Weighted Average Exercise Price (Rs. per share)
Outstanding at the beginning of the year	558,049	370	Nil	Nil
Granted during the year	Nil	Nil	644,967	370
Forfeited during the year	241,709	370	86,918	370
Exercised during the year	856	370	Nil	Nil
Expired during the year	Nil	Nil	Nil	Nil
Outstanding at the end of the year	315,484	370	558,049	370
Exercisable at the end of the year	63,099	370	Nil	Nil
Weighted average remaining contractual life (in years)	5.04		6.04	
Weighted average fair value of options granted on the date of grant	98.77		98.77	

The weighted average share price at the date of exercise for stock options was Rs.658.15.

### The details of exercise price for stock options outstanding at the end of the year for ESOP-2007 Scheme:

Year	Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price
2008 – 09	370	315,484	5.04	370
2007 – 08	370	558049	6.04	370

### II. The details of activity under ESOP-2008 have been summarized below:

Particulars	2008-09		2007-08	
	Number of Options	Weighted Average Exercise Price (Rs. per share)	Number of Options	Weighted Average Exercise Price (Rs. per share)
Outstanding at the beginning of the year	Nil	Nil	Nil	Nil
Granted during the year	148,000	399.04	Nil	Nil
Forfeited during the year	53,000	431.00	Nil	Nil
Exercised during the year	Nil	Nil	Nil	Nil
Expired during the year	Nil	Nil	Nil	Nil
Outstanding at the end of the year	95,000	381.21	Nil	Nil
Exercisable at the end of the year	Nil	Nil	Nil	Nil
Weighted average remaining contractual life (in years)	5.59	Nil	Nil	Nil
Weighted average fair value of options granted	231.47	Nil	Nil	Nil

## Schedule 25:

Notes annexed to and forming part of the consolidated accounts as at and for the year ended March 31, 2009  
(All amounts are in Rs. Crores except for share data or otherwise stated)

The details of exercise price for stock options outstanding at the end of the year for ESOP-2008 scheme:

Year	Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price
2008 – 09	345-431	95,000	5.59	381.21

### Details of stock option granted:

The weighted average fair value of stock options granted during the year was Rs.231.47 (Previous Year Rs.98.77).

The Black Scholes Option Pricing Model has been used for computing the weighted average fair value considering the following inputs:

Particulars	2008-09	2007-08
Exercise Price	Range of Rs.345 to Rs.431	370
Expected Volatility	61.74%	Nil
Life of the options granted (Vesting and exercise period) in years	2.5 to 5.5 years	2.5 to 5.5 years
Dividend Yield	0.19%	Nil
Average risk-free interest rate	7.06% to 7.51%	7.47% to 7.76%
Expected dividend rate	0.19%	Nil

The expected volatility was determined based on historical volatility data; historical volatility includes early years of the Company's life; the Company expects the volatility of its share price to reduce as it matures.

Effect of the above ESOP plans on the Profit and Loss Account and on its financial position:

	2008-09 Amounts in Rs.	2007-08 Amounts in Rs.
Total Employee Compensation Cost pertaining to share based payment plans	0.47	-
Liability for employee stock options outstanding at the year end	0.11	-
Deferred Compensation Cost	0.36	-

Since the enterprise used the intrinsic value method the impact on the reported net profit and earnings per share by applying the fair value based method.

In March 2005 the ICAI has issued a guidance note on "Accounting for Employees Share Based Payments" applicable to employee based share plan the grant date in respect of which falls on or after April 1, 2005. The said guidance note requires the Proforma disclosures of the impact of the fair value method of accounting of employee stock compensation accounting in the financial statements. Applying the fair value based method defined in the said guidance note, the impact on the reported net profit and earnings per share would be as follows:

	2008-09 Amounts in Rs.	2007-08 Amounts in Rs.
Profit / (Loss) as reported	(473.55)	90.75
Add: Employee stock compensation under intrinsic value method	0.11	-
Less: Employee stock compensation under fair value method	0.32	2.52
Proforma profit	<b>(473.76)</b>	<b>88.23</b>
<b>Earnings Per Share</b>		
<b>Basic</b>		
- As reported	(80.47)	16.79
- Pro forma	(80.43)	16.33
<b>Diluted</b>		
- As reported	(80.47)	16.79
- Pro forma	(80.43)	16.33

## Schedule 25:

Notes annexed to and forming part of the consolidated accounts as at and for the year ended March 31, 2009

(All amounts are in Rs. Crores except for share data or otherwise stated)

### 14. Retirement benefits

#### a) Disclosures related to defined contribution plan

Provident fund contribution recognized as expense in the Profit and Loss Account Rs. 6.30 (March 31, 2008 - Rs. 2.56).

#### b) Disclosures related to defined benefit plan

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days last drawn salary for each completed year of service. The scheme is unfunded.

The following tables summaries the components of net benefit expense recognized in the Consolidated Profit and Loss account and amounts recognized in the Consolidated Balance Sheet for the respective plans.

#### Consolidated Profit and Loss Account

##### Net employee benefit expense (recognized in Employee cost)

Particulars	2008-09	2007-08
Current service cost	1.09	0.84
Interest cost on benefit obligation	0.12	0.06
Net actuarial (gain) / loss recognized in the year	(0.39)	0.00
Past service cost	-	-
<b>Net benefit expense</b>	<b>0.82</b>	<b>0.90</b>

#### Consolidated Balance sheet

##### Changes in the present value of the defined benefit obligation

Particulars	2008-09	2007-08
Opening defined benefit obligation	1.63	0.73
Interest cost	0.12	0.06
Current service cost	1.09	0.84
Benefits paid	(0.21)	-
Actuarial (gain)/loss on obligation**	(0.39)	0.00
<b>Closing defined benefit obligation</b>	<b>2.24</b>	<b>1.63</b>

\*\* Experience adjustments Rs. Nil (March 31, 2008: Rs. Nil).

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

	2008-09		2007-08	
Discount rate	8.00%		8.00%	
Increase in Compensation cost	6.00%		6.00%	
	<b>Age (Years)</b>	<b>Rate</b>	<b>Age (Years)</b>	<b>Rate</b>
	18 - 50	10%	18 - 50	10%
	51-57	5%	51-57	5%

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 in the employment market.

### 15. Receivables under arbitration relating to the Company

Sundry debtors of the Company as at March 31, 2009 include certain claims aggregating to Rs. 11.91 (March 31, 2008: Rs. 11.91), recognized in the earlier years based on the terms and conditions implicit in the respective contracts. Advances recoverable (net) as at March 31, 2009 include Rs. 3.42 (March 31, 2008: 3.42) towards these projects. Since these claims are technical in nature and are the subject matter of arbitration/dispute, the Company has obtained an opinion on the recoverability of such claims from its legal counsel. Accordingly, no provision is considered necessary in respect of such claims.

## Schedule 25:

Notes annexed to and forming part of the consolidated accounts as at and for the year ended March 31, 2009

(All amounts are in Rs. Crores except for share data or otherwise stated)

16. Sundry debtors as at March 31, 2009 include debt amounting to Rs. Nil (March 31, 2008: Rs 0.41) due from Maytas Hill County SEZ Private Limited in which Director of the Company is a Director.

### Loans and advances

- a. Advances due from private companies in which a Director of the Company is a Director:

Name of the Party	March 31, 2009	March 31, 2008	Maximum amount outstanding during the year	
			2008-09	2007-08
Maytas Estates Private Limited (formerly known as Maytas Properties Private Limited)	0.08	0.09	0.09	0.10
Samrat Marine Products Pvt Limited	-	-	-	0.24
SSJV Projects Private Limited	-	9.49	9.49	9.49
Himachal Sorang Power Pvt Limited	15.96	15.14	15.96	15.91
Maytas Hill County SEZ Pvt Ltd	0.47	0.47	0.47	0.47
Gulbarga Airport Developers Pvt Ltd	0.82	0.35	0.82	0.35
Shimoga Airport Developers Pvt Limited	0.82	0.35	0.82	0.35
Maytas Holdings Private Limited	-	1.51	1.51	1.51
Machilipatnam Port Limited (formerly known as Vajra Seaport Private Limited)	20.66	16.94	20.66	16.94

- b. Dues from directors of the Company

Name of the party	Nature of Transaction	As at March 31, 2009	As at March 31, 2008	Maximum amount outstanding during the year	
				2008-09	2007-08
B. Teja Raju	Travel Advance	0.02	-	0.02	0.21
P K Madhav*	Travel Advance	0.00	-	0.04	0.05

\*Resigned from services w.e.f. January 19, 2009.

17. In terms of the disclosures required to be made under the AS 7 (revised 2002) notified by Companies Accounting Standard Rules, 2006 (as amended) for "Construction Contracts":

	2008-09	2007-08
Contract revenue recognized	1614.19	1867.47
Contract cost incurred and recognized profits (less recognized losses) for contracts in progress	3562.48	3040.93
Advances received for contracts in progress	244.95	231.84
Amount of retention for contracts in progress	152.07	116.64
Gross amount due from customers for contract work (excluding cancelled projects)	193.71	195.64
Gross amount due to customers for contract work	-	-

18. Remuneration to whole-time directors of the Company (included in Schedule 20)

	2008-09	2007-08
Salary	2.28	0.64
Contribution to provident fund	0.14	0.06
Other Benefits	0.28	-
<b>Total</b>	<b>2.70</b>	<b>0.70</b>

## Schedule 25:

Notes annexed to and forming part of the consolidated accounts as at and for the year ended March 31, 2009

(All amounts are in Rs. Crores except for share data or otherwise stated)

### Note:

The above figures do not include provision for retirement benefits, as the same is actuarially determined for the Company as a whole.

In view of the losses incurred by the Company during the year, remuneration of Rs.1.87 was paid to the directors in excess of the limits specified under the provisions of the Companies Act, 1956. The Company is in the process on obtaining necessary approvals pending which adjustments, if any, have not been made in the books of accounts.

### 19. Incidental Expenditure during Construction Period (Pending capitalization)

Particulars	As at March 31, 2009	As at March 31, 2008
Salaries, bonus and other allowances	7.93	-
Rent, rates and taxes	1.15	-
Office maintenance	0.27	-
Communication expenses	0.18	-
Printing and stationery	0.07	-
Legal and professional charges	9.51	-
Testing and survey charges	0.43	-
Insurance	0.10	-
Repairs and maintenance	0.10	-
Hire charges	0.01	-
Travelling and conveyance	1.91	-
Interest on term loan	1.07	-
Bank charges	4.97	-
Depreciation	0.07	-
Miscellaneous expenses	0.44	-
<b>Total</b>	<b>28.22</b>	<b>-</b>

### 20. Details of Toll Collection Rights (under development) are as under:

Particulars	As at March 31, 2009	As at March 31, 2008
Capital Work in progress (inclusive of capital advances of Rs 42.29)	571.91	-
Negative grant paid	4.65	-
<b>Incidental expenditure</b>		
Salaries, bonus and other allowances	1.11	-
Rent, rates and taxes	0.52	-
Office maintenance	0.50	-
Communication expenses	0.03	-
Printing and stationery	0.02	-
Legal and professional charges	1.54	-
Insurance	0.98	-
Repairs and maintenance	0.05	-
Travelling and conveyance	0.43	-
Miscellaneous expenses	0.57	-
Interest on term loan	34.25	-
Bank charges	1.94	-
Depreciation	0.25	-
Opening balance of Incidental expenditure ^ ^	30.63	-
	<b>649.38</b>	<b>-</b>

^ ^ Represents balance of incidental expenditure as at March 31, 2008 of joint venture entities which have been considered as Associates in previous year.



## Schedule 25:

Notes annexed to and forming part of the consolidated accounts as at and for the year ended March 31, 2009  
(All amounts are in Rs. Crores except for share data or otherwise stated)

### 21. Related party transactions (not disclosed elsewhere in these financial statements)

#### a) Names of related parties and description of relationship with the Group

##### Joint Ventures

- 1 Maytas-SNC (JV)
- 2 NCC-Maytas (JV)
- 3 IJM-SCL (JV)
- 4 Himachal (JV)
- 5 NEC-NCC-Maytas(JV)
- 6 Maytas-Shankaranarayana (JV)
- 7 Maytas-NCC (JV)
- 8 NCC-Maytas (JV)
- 9 Maytas-CTR (JV)
- 10 Maytas-Rithwik (JV)
- 11 NCC-Maytas-ZVS (JV)
- 12 Maytas NCC-SSJV Consortium
- 13 Bangalore Elevated Tollway Limited \*
- 14 Brindavan Infrastructure Company Limited \*
- 15 Western Up Tollway Limited \*
- 16 Himachal Sorang Power Private Limited \*
- 17 KVK Power and Infrastructure Company Private Limited \*
- 18 KVK Nilachal Power Private Limited \*
- 19 S V Power Private Limited \*
- 20 Cyberabad Expressways Limited \*
- 21 Hyderabad Expressways Limited \*
- 22 Gulbarga Airport Developers Private Limited \*
- 23 Shimoga Airport Developers Private Limited \*
- 24 Machilipatnam Port Limited \*

\* These entities were considered as Associates in the previous year.

##### Associate

1. Dhabi Maytas Contracting LLC

##### Companies owned by or where significant influence exercised by Key Management Personnel or Relatives

- 1 Maytas Holdings Private Limited
- 2 Maytas Properties Limited (formerly known as Maytas Hill County Private Limited)
- 3 Maytas Hill county SEZ Private Limited
- 4 Maytas Hill county Developers Private Limited
- 5 Maytas Estates Private Limited (formerly known as Maytas Properties Private Limited)
- 6 SNR Investments Private Limited
- 7 Elem Investments Private Limited
- 8 Fincity Investments Private Limited
- 9 Higrace Investments Private Limited
- 10 Veeyes Investment Private Limited

##### Key management personnel

- 1 B. Teja Raju (Vice Chairman)
- 2 P.K.Madhav (C.E.O)\*  
\*Resigned from services w. e. f. January 19, 2009

##### Relatives of key management personnel

- 1 B Nandini Raju (Mother of Mr. B.Teja Raju)
- 2 B Ramalinga Raju (Father of Mr. B.Teja Raju)
- 3 B Rama Raju (Brother of Mr. B. Teja Raju)
- 4 Hema Madhav (Wife of Mr.PK.Madhav)

## Schedule 25:

Notes annexed to and forming part of the consolidated accounts as at and for the year ended March 31, 2009

(All amounts are in Rs. Crores except for share data or otherwise stated)

### b) Transactions with related parties during the year

	2008-09	2007-08
<b>A. Joint ventures (JV) **</b>		
<b>1. IJM – SCL (JV)</b>		
Expenses incurred on behalf of the party	-	0.00
<b>2. Himachal (JV)</b>		
Advance given	3.06	-
<b>3. NEC – NCC – Maytas (JV)</b>		
Expenses incurred on behalf of the party	1.83	0.52
<b>4. Maytas – Shankaranarayana (JV)</b>		
Expenses incurred on behalf of the party	1.24	0.48
Advance given (net)	4.56	4.25
Income from equipment hire	2.52	1.43
<b>5. Maytas – NCC (JV)</b>		
Expenses incurred on behalf of the party	(3.61)	0.69
Advance given (net)	17.08	(10.99)
Contract revenue	49.22	75.01
Income from equipment hire	5.36	5.02
Interest Income	1.27	0.63
Asset Purchase	0.09	-
Purchase of Inventory	6.96	-
Mobilization advance received	-	3.78
<b>6. NCC – Maytas (JV)</b>		
Expenses incurred on behalf of the party	-	0.02
Contract revenues	-	-
<b>7. NCC – Maytas (JV) (Pocharam)</b>		
Expenses incurred on behalf of the party	-	0.02
Advance given (net)	0.08	0.10
<b>8. Maytas CTR JV</b>		
Expenses incurred on behalf of the party	-	(0.00)
Advances given (net)	1.31	(0.03)
Interest Income	0.19	-
<b>9. Maytas – Rithwik JV</b>		
Advances given (net)	2.64	-
Interest Income	0.05	-
Expenses incurred on behalf of the party	0.53	-
Mobilization advance received	-	5.96
Income from equipment hire	0.81	0.02
<b>10. Maytas NCC SSJV Consortium</b>		
Advances given (net)	1.02	(1.83)
<b>11. Bangalore Elevated Tollway Limited</b>		
Equity Contribution	-	12.28
Contract Revenue	54.48	58.44
Expenses incurred on behalf of the party	0.00	-
Material Advance Received	0.07	-
<b>12. Brindavan Infrastructure Company Limited</b>		
Inter corporate Deposit Given	0.67	2.80
Receipt Against Inter Corporate Deposit Given	(1.53)	-
Expenses incurred on behalf of the party	0.02	0.03
Interest Income	0.09	0.14

## Schedule 25:

Notes annexed to and forming part of the consolidated accounts as at and for the year ended March 31, 2009

(All amounts are in Rs. Crores except for share data or otherwise stated)

	2008-09	2007-08
<b>13.Himachal Sorang Power Private Limited</b>		
Equity Contribution	-	0.88
Share Application Money	-	9.63
Expenses incurred on behalf of the party	-	0.67
<b>14.Western Up Tollway Limited</b>		
Contract Revenue	44.38	22.79
Mobilization Advance Received	0.23	0.65
<b>15.KVK Nilachal Power Private Limited</b>		
Equity Contribution	-	9.65
Expenses incurred on behalf of the party	0.09	0.31
Contract Revenue	13.24	-
Mobilisation Advance Received	25.10	-
<b>16.S V Power Private Limited</b>		
Equity Contributions	-	28.78
Share Application Money	-	0.02
Expenses incurred on behalf of the party	0.04	0.09
Mobilisation Advance Received	-	14.00
Contract Revenue	3.34	-
<b>17.Cyberabad Expressways Limited</b>		
Equity Contributions	-	0.99
Share Application Money	-	15.88
Expenses incurred on behalf of the party	0.34	1.50
Contract Revenue	86.65	88.27
Mobilisation Advance Received	2.39	-
<b>18.Hyderabad Expressways Limited</b>		
Equity Contributions	-	0.99
Share Application Money	-	16.16
Expenses incurred on behalf of the party	0.09	0.60
Contract Revenue	-	0.50
<b>19.Gulbarga Airport Developers Private Limited</b>		
Equity Contribution	-	0.00
Share Application Money	-	0.01
Expenses incurred on behalf of the party	-	0.35
<b>20.Shimoga Airport Developers Private Limited Shimoga</b>		
Equity Contribution	-	0.00
Share Application Money	-	0.01
Expenses incurred on behalf of the party	-	0.35
<b>21.Machilipatnam Port Limited</b>		
Expenses incurred on behalf of the party	1.27	-
**Represents other venturer's share in the transactions with the joint ventures		
<b>B. Associate</b>		
<b>1. Dhabi Maytas Contracting LLC</b>		
Share Application Money	-	0.37
Investments written off	(0.18)	-
Advances written off	(1.08)	-
Expenses Reimbursable	-	0.09

## Schedule 25:

Notes annexed to and forming part of the consolidated accounts as at and for the year ended March 31, 2009

(All amounts are in Rs. Crores except for share data or otherwise stated)

	2008-09	2007-08
<b>C. Enterprises over which shareholders, key management personnel or their relatives exercise significant influence</b>		
<b>1. Maytas Holdings Private Limited</b>		
Advance given net	-	0.10
Advance written off	(1.51)	-
<b>2. Maytas Properties Limited</b>		
Inter Corporate Deposit given	69.06	(13.00)
Receipt against Inter corporate deposits*	(21.20)	-
Expenses incurred on behalf of the party	2.17	0.01
Contract Revenue	101.96	178.62
Mobilisation advance received	25.83	(15.88)
Interest Expense	-	0.81
Interest Income	6.17	-
Stock Transfer	8.86	-
Advances transferred (net)	(2.06)	-
Sale of Assets	0.01	-
*(includes Rs.16.20 adjusted against Fixed Deposit by the banker)		
<b>3. Maytas Hill county SEZ Private Limited</b>		
Sale proceeds of fixed assets	-	0.47
Contract revenues	9.90	0.47
Mobilisation advance received	6.39	0.38
Rent	-	0.49
Balance transferred	4.04	-
<b>4. Maytas Hill county Developers Private Limited</b>		
Contract revenues	2.66	23.91
<b>5. Maytas Estates Private Limited</b>		
Expenses reimbursable	-	0.05
<b>6. Veeyes Investments Private Limited</b>		
Dividend	-	0.79
Repayment of advance	(0.01)	-
<b>7. Elem Investments Private Limited</b>		
Dividend	-	0.79
<b>8. SNR Investments Private Limited</b>		
Dividend	-	0.79
<b>9. Higrace Investments Private Limited</b>		
Dividend	-	0.79
<b>10.Fincity Investments Private Limited</b>		
Dividend	-	0.79
<b>D. Key Management Personnel</b>		
<b>1. B Teja Raju</b>		
Managerial remuneration	0.17	0.18
Expenses incurred on behalf of the party	0.13	0.51
Dividend	-	0.22
Guarantees given on behalf of the Company	1,600.20	725.69
<b>2. P K Madhav</b>		
Managerial remuneration	1.26	0.28
Expenses incurred on behalf of the party	0.11	0.21

## Schedule 25:

Notes annexed to and forming part of the consolidated accounts as at and for the year ended March 31, 2009  
(All amounts are in Rs. Crores except for share data or otherwise stated)

	2008-09	2007-08
<b>E. Relatives of key management personnel</b>		
<b>1. Hema Madhav</b>		
Rent	0.15	0.18
<b>2. B Nandini Raju</b>		
Dividend	-	0.39
<b>3. B Ramalinga Raju</b>		
Dividend	-	0.73
<b>4. B Rama Raju (son of B.Ramalinga Raju)</b>		
Dividend	-	0.22
<b>c) Balances outstanding Debit / (Credit)</b>		
<b>A. Joint ventures</b>	<b>March 31, 2009</b>	<b>March 31, 2008</b>
1. IJM – SCL (JV)	5.75	6.00
2. Himachal (JV)	(4.83)	(1.87)
3. NEC – NCC – Maytas (JV)	1.25	0.44
4. Maytas – Shankaranarayana (JV)	14.63	11.56
5. Maytas – NCC (JV)	45.74	31.38
6. NCC – Maytas (JV)	0.15	0.15
7. NCC – Maytas (JV) (Pocharam)	0.48	0.41
8. Maytas SNC (JV)	(0.40)	(0.24)
9. Maytas – CTR- JV	2.22	0.09
10. Maytas – Rithwik JV	0.10	(2.91)
11. NCC – Maytas – ZVS	1.08	0.06
12. Maytas –NCC SSJV Consortium	(0.82)	(1.87)
13. Bangalore Elevated Tollway Company Limited	9.43	30.98
14. Brindavan Infrastructure Company Limited	0.02	16.44
15. Himachal Sorang Power Private Limited	-	16.03
16. Western UP Tollway Limited	(11.75)	(0.06)
17. KVK Power and Infra Structure Private Ltd	-	8.55
18. S V Power Private Limited	(6.24)	15.05
19. KVK Nilachal Power Private Limited	(11.76)	14.46
20. Cyberabad Expressways Ltd	3.86	26.60
21. Hyderabad Expressways Ltd	0.24	17.69
22. Gulbarga Airport Developers Private Limited	-	0.36
23. Shimoga Airport Developers Private Limited	-	0.36
24. Machilipatnam Port Limited	1.34	-
<b>B. Associate</b>		
1. Dhabhi Maytas Contracting LLC	-	1.26
<b>C. Enterprises over which shareholders, key management personnel and their relatives exercise significant influence</b>		
1. Veeyes Investment Private Limited	-	(0.01)
2. Maytas Holdings Private Limited	-	1.51
3. Maytas Properties Limited	98.17	40.42
4. Maytas Hill county SEZ Private Limited	0.47	0.47
5. Maytas Estates Private Limited	0.08	0.09
6. Maytas Hill county Developers Private Limited	21.70	22.53
<b>D. Key Management Personnel</b>		
1. B Teja Raju	0.02	(0.10)
2. PK.Madhav	0.00	(0.04)

## Schedule 25:

Notes annexed to and forming part of the consolidated accounts as at and for the year ended March 31, 2009

(All amounts are in Rs. Crores except for share data or otherwise stated)

### 22. Leases

#### In case of Assets taken on lease :

**Operating lease:** Operating leases are mainly in the nature of lease of office premises and machinery with no restrictions and are renewable at mutual consent. There are no restrictions imposed by lease arrangements. There are no subleases. Minimum lease payments under non-cancellable operating leases are:

Particulars	March 31, 2009	March 31, 2008
<b>Minimum lease payments</b>		
Not later than one year	4.44	4.91
Later than one year but not later than five years	7.11	12.25
Later than five years	9.70	7.72

Particulars	2008-09	2007-08
Lease payments recognized in the Profit and Loss account for the year	12.39	6.08

**Finance lease:** The present value of minimum lease rentals is capitalized as fixed assets with corresponding amount shown as lease liability. The principal component in the lease rentals is adjusted against the lease obligation and the finance charges are charged to profit and loss account as they arise. Finance lease is in the nature of office improvements and furniture for leasehold office premises. The lease agreement provides for escalation of lease rents over the period of lease term. Lease term is for a period of ten years renewable for a further period of ten years at mutual consent. There are no restrictions imposed by lease arrangements. There are no subleases.

Particulars	As at March 31, 2009	As at March 31, 2008
Total minimum lease payments at the year end	0.56	0.56
Less: amount representing finance charges	0.45	0.46
Present value of minimum lease payments (Rate of interest 12%)	0.11	0.10
<b>Minimum lease payments</b>		
Not later than one year [Present value Rs. 0.18 (March 31, 2008 – Rs.0.12)]	0.61	0.56
Later than one year but not later than five years [Present value Rs. 1.51 (March 31, 2008 - Rs.1.16 )]	2.91	2.71
Later than five years [Present value Rs. 2.16 (March 31, 2008 – Rs.2.69 )]	2.54	3.35

#### In case of Assets given on lease:

The Company has leased out certain construction equipment on operating lease. The lease term is for two years and renewable thereafter. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements.

Particulars	As at March 31, 2009	As at March 31, 2008
<b>Future Minimum Lease Payments</b>		
Not later than one year	11.44	-
Later than one year but not later than five years	-	-
Later than five years	-	-

Apart from assets covered above, there are other assets leased out which have no fixed lease terms. Accordingly, no disclosure regarding future minimum lease payments has been made.

## Schedule 25:

Notes annexed to and forming part of the consolidated accounts as at and for the year ended March 31, 2009  
(All amounts are in Rs. Crores except for share data or otherwise stated)

### 23. Derivative instruments and un-hedged foreign currency exposure :

#### a. i) Particulars of derivative instruments outstanding as at balance sheet date :

Particulars	Purpose	Notional Amount	
		As at March 31, 2009	As at March 31, 2008
Currency and Interest rate swap	Hedge against exposure to principal and interest outflow on ECB loan.	USD 2.50	USD 3.00
Structured Cross currency Swap	Hedge against exposure of buyers credit underlying.	USD 0.35	USD 0.69

#### ii) Forward contract outstanding as at balance sheet date:

Particulars	Purpose	Notional Amount	
		As at March 31, 2009	As at March 31, 2008
Forward Contract - To Buy USD	Hedge against Foreign Currency Loan Repayments	USD 0.50	-

#### b. Particulars of unhedged foreign currency exposure as at the Balance Sheet date:

Particulars	Amount in Foreign Currency (in crores)	Closing Exchange rate	Amount Rs.
Import Creditors	Euro 0.06	67.48	3.91
Import Creditors	USD 0.08	50.95	4.08
Branch balance	AED 0.26	13.85	2.97
Advances	AED 0.08	13.85	1.21

#### Particulars of un-hedged foreign currency exposure as at the March 31, 2008:

Particulars	Amount in Foreign Currency (in crores)	Closing Exchange rate in Rs.	Amount in INR
Import Creditors	EURO 0.16	63.09	9.89
Import Creditors	USD 0.25	39.97	10.15
Branch balance	AED 0.36	10.92	3.88
Investments	AED 0.03	10.92	0.30
Advances	AED 0.09	10.92	1.08

### 24. Provisions for Liquidated Damages

	2008-2009	2007-2008
Opening Balance as at April 1, 2008	-	-
Additions during the year	10.55	-
Used during the year	-	-
<b>Closing Balance as at March 31, 2009</b>	<b>10.55</b>	<b>-</b>

Liquidated damages are levied as per the terms of the contract for delayed execution of works or delayed achievement of mile stones. However, this is subject to extension of time usually granted by the client. Pending sanction of extension of time by the clients, provision has been made for liquidated damages.

### 25. Segment reporting

The Group's operations fall into a single business segment "Construction and Infrastructure Development" and single geographical segment; hence the financial statements of the enterprise represent Segmental Reporting.

## Schedule 25:

Notes annexed to and forming part of the consolidated accounts as at and for the year ended March 31, 2009  
(All amounts are in Rs. Crores except for share data or otherwise stated)

### 26. Prior Period Expenses

Particulars	2008-09	2007 -08
Income from Associates	-	(0.94)
Unrealized losses eliminated in earlier years now reversed	(19.54)	
Depreciation	12.15	
Material consumed	20.62	-
Subcontractor expenses	1.80	-
Service tax	3.77	-
Sales tax	(0.77)	-
Others	(0.08)	-
<b>Total</b>	<b>17.95</b>	<b>(0.94)</b>

### 27. Earning Per Share

Earnings per share is computed based on the following:

Particulars	2008-09	2007-08
i) Profit after taxation considered for calculation of basic and diluted earnings per share	(473.55)	90.75
ii) Weighted average number of Equity Shares considered for calculation of basic earnings and diluted per share	58,850,788	54,038,115

### 28. Auditors' remuneration for the Company

Particulars	2008-09	2007-08
a) Statutory audit	0.28	0.50
b) Limited review*	0.24	0.15
c) Tax audit#	-	0.03
d) Certification*	0.03	0.04
e) Consolidation of financial statements	0.06	0.10
f) Out of pocket expenses	0.01	0.00
<b>Total</b>	<b>0.62</b>	<b>0.82</b>

# Amount payable to M/s. Krishna & Prasad, Chartered Accountants.

\*includes amount paid to M/s. Krishna & Prasad, Chartered Accountants, joint auditors up to 30.09.2008 towards Limited Review Fees of Rs.0.08 and 0.00 towards certification.

### 29. Details of the Company's share in Joint Ventures included in the Consolidated Financial Statements are as follows:

Particulars	As at March 31, 2009	As at March 31, 2008
<b>Sources of funds</b>		
Share capital	36.99	-
Reserves and surplus	184.91	30.21
<b>Loan funds</b>		
Secured loans	496.47	0.41
Unsecured loans	6.20	9.93
Deferred tax liability (net)	0.14	0.10
<b>Application of funds</b>		
Fixed assets (net block)	90.96	37.05
Capital work in progress (including capital advances)	68.70	0.16
Incidental Expenditure during the construction period	26.73	-
Intangible assests (net)	522.62	-
Deferred Tax Asset (Net)	7.26	-



## Schedule 25:

Notes annexed to and forming part of the consolidated accounts as at and for the year ended March 31, 2009  
(All amounts are in Rs. Crores except for share data or otherwise stated)

Particulars	As at March 31, 2009	As at March 31, 2008
<b>Current Assets, Loans and Advances</b>		
Inventories	57.07	51.13
Cash and bank balances	70.19	20.63
Sundry debtors	196.99	106.85
Other current assets	0.38	-
Loans and advances	127.68	82.81
	<b>452.31</b>	<b>261.41</b>
<b>Less: Current liabilities and Provisions</b>		
Liabilities	427.79	255.47
Provisions	1.27	0.00
	<b>429.06</b>	<b>255.47</b>
<b>Net Current Assets</b>	<b>23.25</b>	<b>5.94</b>

Particulars	For the year ended March 31, 2009	For the year ended March 31, 2008
<b>Income</b>		
Contract revenues	384.01	318.07
Other income	0.65	0.12
Accretion to Work in progress	17.29	15.71
	<b>401.95</b>	<b>333.90</b>
<b>Expenditure</b>		
Material consumed	73.29	55.26
Personnel expenses	10.31	7.94
Contract expenses	294.99	232.44
Administrative and selling expenses	4.03	3.69
Financial expenses	10.41	11.05
Depreciation/Amortization (including prior period of Rs 12.15)	26.60	1.25
	<b>419.63</b>	<b>311.63</b>
<b>(Loss) / Profit before tax</b>	<b>(17.67)</b>	<b>22.27</b>
Provision for taxation	-	-
- Current tax	2.58	10.15
- Fringe benefit tax	0.05	0.05
- Deferred tax	(7.34)	0.20
	<b>(4.71)</b>	<b>10.40</b>
<b>(Loss) / Profit after tax (before prior period items)</b>	<b>(12.97)</b>	<b>11.87</b>

30. Previous year's audit of Consolidated Financial Statements of the Group was jointly conducted by M/s. S R Batliboi & Associates, Chartered Accountants and M/s. Krishna and Prasad, Chartered Accountants.
31. Previous year's figures have been regrouped / rearranged to conform to those of the current year.
32. All amounts below Rs.0.01 Crore have been disclosed at Rs 0.00 Crore.

In terms of our report of even date

for S R Batliboi & Associates  
Chartered Accountants

per Ali Nyaz  
Partner  
Membership No.: 200427

Place: New Delhi  
Date: August 29, 2009

for and on behalf of the Board of the Directors of  
Maytas Infra Limited

B Teja Raju                      B Narasimha Rao  
Vice Chairman                      Director

VVR Raju                      J Veerraju  
Chief Financial Officer                      Company Secretary

Place: New Delhi  
Date: August 29, 2009

## Directors' Report

To,

### The Members of Maytas Infra Assets Limited

Your Directors are pleased to present the Second Annual Report together with the Audited Accounts for the year ended March 31, 2009.

#### 1. Status :

The company is a wholly-owned subsidiary of Maytas Infra Limited.

#### 2. Operations:

The business strategy of your Company is to address various elements of BOT infrastructure business such as pre-qualification assessment, submission of bid, formation of Special Purpose Vehicles (SPVs) and signing up of Concession Agreement, tying up for Financial Closure, technical preparation and drawings finalization, Project management and monitoring etc. and pursuing opportunities in infrastructure projects as part of its main objects.

As at March 31, 2009, your Company has accumulated losses of Rs 1,087.14 Lakhs and the Company was not able to generate any revenues during the current financial period.

Management of your company is confident that the Company will be able to generate substantial revenues and profits in future years and meets its financial obligations going forward. Management is confident that your Company will recover its expenses and generate revenues from the SPVs formed for the BOT Projects, by charging success fees on successful completion and award of the Projects or Concession Agreements to the SPVs. The Management is also confident of achieving a higher success ratio amongst its bids in the future by acquiring a cutting edge in quality analysis.

#### 3. Capital Structure

The Authorized Share Capital of the Company is Rs. 2 crores divided into 20,00,000 Equity Shares of Rs.10/- each. The Paid-up Capital was Rs. 5 lakhs as on March 31, 2009.

#### 4. Fixed Deposits

The Company has not accepted any Fixed Deposits from the public.

#### 5. Auditors

M/s. S R Batliboi & Associates, Chartered Accountants, the present auditors, retire at this Annual General Meeting and are eligible for reappointment.

#### 6. Directors

Sri V V Rama Raju, Director, retires by rotation at the forthcoming annual general meeting.

#### 7. Employees' Particulars

Your Company has no employees requiring disclosure under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975. No employee is in receipt of remuneration as applicable under Section 217(2A) of the Companies Act, 1956.

#### 8. Directors' Responsibility Statement

As required under Section 217(2AA) of the Companies Act, 1956, the Directors of the Company hereby state and confirm that:

1. In preparation of Annual Accounts for the period, applicable accounting standards have been followed.
2. 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 as at March 31, 2009 and of the loss for the period ended on that date.
3. The Directors have taken proper and sufficient care 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.
4. The Directors have prepared the annual accounts on a going concern basis.

#### 9. Conservation of energy, technology absorption and foreign exchange earnings & outgo:

The information as required under Section 217(1)(e) of the Companies act, 1956 read with the Companies ( Disclosure of particulars in the report of the Board of Directors) Rules, 1988 relating to conservation of energy and technology absorption is not applicable to your company during the period under review.

#### Foreign Exchange Earnings & Outgo : (Rupees)

Earned	Nil
Outgo	739,962

#### 10. Acknowledgements

The Management wishes to place on record its gratitude to the Banks and various Government organisations for the help and cooperation extended to the Company.

for and on behalf of the Board of Director of  
Maytas Infra Assets Limited

Place : New Delhi  
Date : August 29, 2009

**B Teja Raju**  
Chairman

# Auditors' Report

To

**The Members of Maytas Infra Assets Limited**

1. We have audited the attached Balance Sheet of Maytas Infra Assets Limited ("the Company") as at March 31, 2009 and also the Profit and Loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Without qualifying our opinion we draw our attention to note 3 of Schedule 13 to the financial statements. The accompanying financial statements have been prepared on a going concern basis after giving due considerations to all matters more fully explained in aforesaid note.
5. Further to our comments in the Annexure referred to above, we report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those;
  - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
  - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
  - v. On the basis of the written representations received from the directors, as on March 31, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - vi. In our opinion and to the best of our information and according to the explanations given to us, the said

accounts 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;

- a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2009;
- b) in the case of the profit and loss account, of the loss for the year ended on that date; and
- c) in the case of cash flow statement, of the cash flows for the year ended on that date.

**for S R BATLIBOI & ASSOCIATES**  
Chartered Accountants

**per Ali Nyaz**

Partner

Membership No.: 200427

Place: New Delhi

Date: August 29, 2009

## Maytas Infra Assets Limited

### Annexure referred to in paragraph 3 of our report of even date

Re: Maytas Infra Assets Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) During the year, the Company has disposed off a substantial part of the fixed assets. Based on the information and explanation given by the management and on the basis of audit procedures performed by us, we are of the opinion that the sale of the said part of fixed assets has not affected the going concern status of the Company.
- (ii) The nature of the Company's business is such that the provisions of clause 4(ii) of the Companies Auditor's Report Order, 2003 (as amended) relating to inventories is not applicable to the Company. Accordingly clauses (ii)b and (ii)c are not applicable.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly clauses iii (b), iii(c) and iii(d) are not applicable.
- (e) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly clauses iii(f) and iii(g) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets. During the course of our audit, no major weakness has been noticed in the internal control system in respect of this area.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) The provisions relating to internal audit are not applicable to the Company.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the Company.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, or employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess have *not been regularly deposited with the appropriate authorities and there have been serious delays in large number of cases.*
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- (x) The Company has been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the financial year is fifty per cent or more of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The company has not raised any money through public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

**for S R BATLIBOI & ASSOCIATES**  
Chartered Accountants

**per Ali Nyaz**  
Partner  
Membership No.: 200427

Place: New Delhi  
Date: August 29, 2009

## Balance Sheet as at March 31, 2009

(All amounts in Indian rupees unless otherwise stated)

	Schedules	As at March 31, 2009	As at March 31, 2008
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share capital	1	500,000	500,000
Share application money pending allotment		153,643,934	12,000,000
Deferred Tax Liability		133,849	-
		<b>154,277,783</b>	<b>12,500,000</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	3	1,136,260	-
Less: Accumulated depreciation		129,479	-
<b>Net block</b>		<b>1,006,781</b>	<b>-</b>
<b>Investments</b>			
	4	500,000	-
<b>Current Assets, Loans and Advances</b>			
Sundry debtors	5	-	100,000
Cash and bank balances	6	93,936	221,531
Loans and advances	7	84,859,495	8,940,646
	(A)	<b>84,953,431</b>	<b>9,262,177</b>
<b>Less: Current Liabilities and Provisions</b>			
Current liabilities	8	39,001,322	1,008,599
Provisions	9	1,895,476	25,000
	(B)	<b>40,896,798</b>	<b>1,033,599</b>
Net Current Assets/(Liability)	(A-B)	<b>44,056,633</b>	<b>8,228,578</b>
Profit and Loss Account (Debit balance)	2	108,714,369	4,271,422
	<b>TOTAL</b>	<b>154,277,783</b>	<b>12,500,000</b>
Notes to Accounts	13		

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As per our report of even date

for **S R BATLIBOI & ASSOCIATES**  
Chartered Accountants

per **Ali Nyaz**  
Partner  
Membership No.: 200427

Place: New Delhi  
Date: August 29, 2009

for and on behalf of the Board of Directors of  
**Maytas Infra Assets Limited**

**B Teja Raju**  
Director

**B Narasimha Rao**  
Director

Place: New Delhi  
Date: August 29, 2009

## Profit and Loss Account for the year ended March 31, 2009

(All amounts in Indian rupees unless otherwise stated)

	Schedules	For the year ended 31 March 2009	For the period ended 31 March 2008
<b>INCOME</b>			
<b>Turnover</b>			
Service Income		-	100,000
Other income		8,220	-
<b>TOTAL</b>		<b>8,220</b>	<b>100,000</b>
<b>EXPENDITURE</b>			
Personnel expenses	10	59,524,695	-
Administrative and other expenses	11	39,147,029	4,095,030
Depreciation	3	180,034	-
Financial expenses	12	5,172,200	-
Preliminary expenses written off		-	251,392
<b>TOTAL</b>		<b>104,023,958</b>	<b>4,346,422</b>
Profit/(Loss) before tax		(104,015,738)	(4,246,422)
Provision for taxation			
Current tax		-	-
Fringe benefit tax		293,360	25,000
Deferred tax		133,849	-
<b>Profit/(Loss) after taxation</b>		<b>(104,442,947)</b>	<b>(4,271,422)</b>
Add: Balance brought forward from previous year		(4,271,422)	-
<b>Surplus/(Deficit) carried to balance sheet</b>		<b>(108,714,369)</b>	<b>(4,271,422)</b>
<b>Earnings per share</b>			
(Nominal value of Rs.10 per share)			
Basic		(2089)	(85)
Diluted		(2089)	(85)
<b>Notes to Accounts</b>	13		

The Schedules referred to above and the notes to accounts form an integral part of the Profit and Loss Account

As per our report of even date

for **S R BATLIBOI & ASSOCIATES**  
Chartered Accountants

per **Ali Nyaz**  
Partner  
Membership No.: 200427

Place: New Delhi  
Date: August 29, 2009

for and on behalf of the Board of Directors of  
**Maytas Infra Assets Limited**

**B Teja Raju**  
Director

**B Narasimha Rao**  
Director

Place: New Delhi  
Date: August 29, 2009

## Cash flow statement for the year ended March 31, 2009

(All amounts in Indian rupees unless otherwise stated)

	2008-09	2007 - 08
<b>A. Cash flow from operating activities</b>		
<b>Net profit before taxation</b>	(104,015,738)	(4,246,422)
Adjustments for:		
Depreciation	180,034	-
Provision for retirement benefits	1,820,476	-
Advances written off	988,349	-
Interest income	(8,220)	-
(Profit)/Loss on sale of assets	52,003	-
<b>Operating profit before working capital changes</b>	<b>(100,983,096)</b>	<b>(4,246,422)</b>
Movements in working capital :		
Decrease / (Increase) in sundry debtors	100,000	(100,000)
Decrease / (Increase) in loans and advances	(52,651,300)	(8,940,646)
Increase in current liabilities	37,992,723	1,008,599
<b>Cash used in operations</b>	<b>(115,541,673)</b>	<b>(12,278,469)</b>
Direct taxes paid	(443,188)	-
<b>Net cash used in operating activities</b>	<b>(115,984,861)</b>	<b>(12,278,469)</b>
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets	(2,444,775)	-
Sale of fixed assets	1,205,957	-
Investments in associates	(500,000)	-
Invested as share application money	(24,056,070)	-
Interest received	8,220	-
<b>Net cash used in investing activities</b>	<b>(25,786,668)</b>	<b>-</b>
<b>C. Cash flows from financing activities</b>		
Share application money received	141,643,934	12,000,000
Proceeds from issuance of share capital	-	500,000
<b>Net cash generated from financing activities</b>	<b>141,643,934</b>	<b>12,500,000</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>(127,595)</b>	<b>221,531</b>
<b>Cash and cash equivalents as at April 01, 2008</b>	<b>221,531</b>	<b>-</b>
<b>Cash and cash equivalents as at March 31, 2009</b>	<b>93,936</b>	<b>221,531</b>
<b>Components of Cash and Cash equivalents</b>		
Cash on hand	41,479	4,044
Balances with Scheduled banks		
- On Current accounts	52,457	217,487
<b>Cash and Cash Equivalents as per Balance Sheet</b>	<b>93,936</b>	<b>221,531</b>

This is the cashflow statement referred in our report of even date.

for S R BATLIBOI & ASSOCIATES  
Chartered Accountants

per Ali Nyaz  
Partner  
Membership No.: 200427

Place: New Delhi  
Date: August 29, 2009

for and on behalf of the Board of Directors of  
Maytas Infra Assets Limited

B Teja Raju  
Director

B Narasimha Rao  
Director

Place: New Delhi  
Date: August 29, 2009

## Schedules to the Balance Sheet

(All amounts in Indian rupees unless otherwise stated)

	As at March 31, 2009	As at March 31, 2008
<b>Schedule 1: Share Capital</b>		
<b>Authorised</b> 2,000,000 (Previous year: 2,000,000) equity shares of Rs.10/- each	<b>20,000,000</b>	<b>20,000,000</b>
<b>Issued, subscribed and paid up</b> 50,000 (Previous year: 50,000) equity shares of Rs.10/- each fully paid up (The entire share capital is held by Maytas Infra Limited, the holding company)	500,000	500,000
	<b>500,000</b>	<b>500,000</b>
<b>Schedule 2: Reserves and Surplus</b> Profit and Loss Account (Debit balance)	(108,714,369)	(4,271,422)
	<b>(108,714,369)</b>	<b>(4,271,422)</b>
<b>Schedule 4: Investments</b>		
<b>Long-term investments (At cost)</b>		
<b>In subsidiaries</b>		
1. Dardu Power Private Limited (25,000 Equity Shares (Previous year: Nil) fully paid up)	250,000	-
2. Par Power Private Limited (25,000 Equity shares (Previous year: Nil) fully paid up)	250,000	-
	<b>500,000</b>	<b>-</b>
<b>Schedule 5: Sundry Debtors</b> Other Debts Unsecured, considered good	-	100,000
	-	100,000
<b>Schedule 6: Cash and bank balances</b> Cash on hand Balances with scheduled banks in : - Current accounts	41,479	4,044
	52,457	217,487
	<b>93,936</b>	<b>221,531</b>
<b>Schedule 7: Loans and advances</b> (Unsecured, considered good) Advance recoverable in cash or in kind Share application money Advance tax (Net of provisions)	72,403,747	8,940,646
	12,255,920	-
	199,828	-
	<b>84,859,495</b>	<b>8,940,646</b>
<b>Schedule 8: Current Liabilities</b> Dues to holding company Sundry creditors Other liabilities	11,067,568	238,500
	20,003,758	396,476
	7,929,996	373,623
	<b>39,001,322</b>	<b>1,008,599</b>
<b>Schedule 9: Provisions</b> Provision for fringe benefit tax Provision for retirement benefits	75,000	25,000
	1,820,476	-
	<b>1,895,476</b>	<b>25,000</b>



## Schedules to the Balance Sheet

(All amounts in Indian rupees unless otherwise stated)

### Schedule 3: Fixed Assets

Description	Gross Block			Depreciation			Net Block		
	As at April 1, 2008	Additions during the year	Deletions during the year	As at March 31, 2009	As at April 1, 2008	Charge for the year	Deletions during the year	As at March 31, 2009	As at March 31, 2008
Furniture & Fixtures	-	8,910	-	8,910	-	365	-	8,545	-
Office Equipment	-	70,675	-	70,675	-	1,302	-	69,373	-
Computers	-	1,152,355	95,680	1,056,675	-	132,911	5,099	928,863	-
Motor Cars	-	1,212,835	1,212,835	-	-	45,456	45,456	-	-
Total	-	2,444,775	1,308,515	1,136,260	-	180,034	50,555	1,006,781	-
Previous year	-	-	-	-	-	-	-	-	-

## Schedules to profit and loss account

(All amounts in Indian rupees unless otherwise stated)

	For the year ended 31 March 2009	For the period ended 31 March 2008
<b>Schedule 10 : Personnel expenses</b>		
Salaries, bonus and other allowances	54,392,571	-
Contribution to provident fund	2,869,534	-
Retirement benefits	1,820,476	-
Workmen and staff welfare expenses	442,114	-
	<b>59,524,695</b>	-
<b>Schedule 11 : Administrative and other expenses</b>		
Rent	1,856,847	-
Rates and Taxes	564,708	-
Office maintenance	695,716	-
Business promotion	90,365	-
Travelling and conveyance	5,208,476	233,248
Communication expenses	833,728	154,750
Printing and stationery	1,083,790	68,267
Professional charges	4,168,443	3,235,426
Bidding and prospecting expenses	18,614,513	237,050
Hire charges	1,920,033	-
Membership and subscription	100,000	-
Seminar and conference	683,057	-
Staff recruitment expenses	1,447,164	92,596
Auditors' remuneration		
Audit fee	55,541	56,180
Other services	42,695	-
Loss on sale of assets (net off profits)	52,003	-
Advances written off	988,349	-
Miscellaneous expenses	741,601	17,513
	<b>39,147,029</b>	<b>4,095,030</b>
<b>Schedule 12: Financial expenses</b>		
Interest		
- on vehicle loan	65,769	-
- others	64	-
Bank charges	5,106,367	-
	<b>5,172,200</b>	-

## Schedule 13:

Notes annexed to and forming part of the accounts as at and for the period ended March 31, 2009  
(All amounts in Indian rupees except for share data or other wise stated)

### 1. Background

Maytas Infra Assets Limited ('MIAL' or 'the Company') is a Company registered under Indian Companies Act, 1956.

MIAL is promoted by Maytas Infra Limited as its wholly owned subsidiary. The primary objective of the Company is to promote, sponsor, develop, maintain and manage projects, facilities in its own capacity or in consortium with others and generally to assist and carry on the projects engaged in the business of developing power generation, transmission and distribution, airports, sea ports, roads, irrigation, railways etc.

### 2. Investments and Loans & Advances

As at March 31, 2009, Loans and Advances paid by the Company includes an amount of Rs. 750.56 Lakhs paid by the Company towards funding for the development of the Hydro Electric Power Projects in the State of Arunachal Pradesh. The company has formed various Special Purpose Vehicles for the development and execution of these projects, viz; Dardu Power Private Limited, Par Power (Arunachal Pradesh) Private Limited, Yamne Power Private Limited, Ithun Power Private Limited and other SPVs, along with other technical and investment partners in a consortium. The Company is actively pursuing the development of these projects including technical studies, preparation of feasibility reports and detailed project reports for these Projects. The Company is confident of achieving the financial closure and commencing these projects at the earliest after completion of the technical evaluations. The Management is confident of earning positive returns from these projects over a period of time. Hence the Management is of the view and opinion that the Loans & Advances for these projects are good and recoverable and there is no diminution in the value.

### 3. Note on Going Concern

As at March 31, 2009, the Company has accumulated losses of Rs 1,087.14 Lakhs. The Company was not able to generate any revenues during the current financial period. This raises a concern about the Company's ability to continue as a Going Concern. Management of the company is confident that the Company will be able to generate substantial revenues and profits in future years and meets its financial obligations going forward. The accompanying financial statements have been prepared on a going concern basis based on following considerations:

- The entire shareholding of the Company is held by Maytas Infra Limited and its nominees, which has committed to infuse the required funds to meet the operational requirements as they arise.
- The primary objective of the Company is to promote, sponsor, develop, maintain and manage infrastructure projects and facilities in the Build Operate and Transfer (BOT) business. The objective of the Company is also to hold and manage the investment in BOT projects for the parent company.
- The business strategy of the Company is to address various elements of BOT infrastructure business such as pre-qualification assessment, submission of bid, formation of Special Purpose Vehicles (SPVs) and signing up of Concession Agreement, tying up for

Financial Closure, technical preparation and drawings finalization, Project management and monitoring etc.

- The Company will recover its expenses and generate revenues from the SPVs formed for the BOT Projects, by charging success fees on successful completion and award of the Projects or Concession Agreements to the SPVs. Payment made by the Company towards license fees; consultation fees etc. for the bids will be recovered from the SPVs. Overhead expenditure incurred by the Company, is recovered from the projects / SPVs on a proportionate basis.
- The Management of the Company is confident of achieving a higher success ratio amongst its bids in the future by acquiring a cutting edge in quality analysis.

### 4. Statement of Significant Accounting Policies

#### a. Basis of preparation

The financial statements have been prepared to comply in all material respects in respects with the notified accounting standard by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis.

#### b. Use of Estimates

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

#### c. Fixed assets and depreciation

- Fixed assets are stated at cost less accumulated depreciation, impairment losses and specific grant/subsidies if any, Cost comprises the purchase price, freight, duties, taxes and any attributable cost of bringing the asset to its working condition for its intended use. Finance costs relating to acquisition of fixed assets which take substantial period of time to get ready for use are included to the extent they relate to the period until such assets are ready for intended use.
- Depreciation is provided on straight line method, based on useful life of the assets as estimated by the Management which coincides with rates prescribed under Schedule XIV to the Companies Act, 1956.
- Assets costing five thousand rupees or less are fully depreciated in the year of purchase.

#### d. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current

**Schedule 13:**

**Notes annexed to and forming part of the accounts as at and for the period ended March 31, 2009**  
(All amounts in Indian rupees except for share data or other wise stated)

investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

**e. Retirement and other employee benefits**

- i. Retirement benefit in the form of Provident Fund, a defined contribution scheme is charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no obligations other than the contribution payable to the respective authorities.
- ii. Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial
- iii. Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.
- iv. Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

**f. Foreign currency transactions****i. Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**ii. Conversion**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

**iii. Exchange Differences**

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

**g. Leases**

Leases where the lessor effectively retains substantially all the risks and rewards incidental to ownership, are classified as operating leases. Operating lease payments are recognized as an expense in the profit and loss account on a straight-line basis over the lease term.

**h. Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**i. Income from services**

Revenues from are recognised pro-rata over the period of the contract as and when services are rendered.

**j. Income taxes**

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred taxes reflect the impact of current year timing differences between taxable income and accounting income for the year.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized 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 realized.

**k. Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, except when they are anti dilutive.

**l. Provisions**

A provision is recognized when an enterprise has a present obligation as a result of past event i.e., it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

5. Contingent liabilities not provided for is Nil as at March 31, 2009. (March 31, 2008 – Nil).

**6. Capital Commitments**

Estimated amount of contracts (net of advances) remaining to be executed on capital account: Rs. Nil (March 31, 2008 - Nil).

7. Deferred tax liability of Rs.133,849/- is recognized on account of difference in depreciation as per tax books and financial books.

**8. Related Party Transactions**

The Company had following transactions with related parties during the period.

9. The companies operations fall into a single business segment, hence financial statements of the enterprise represent Segmental Reporting.

**Schedule 13:**  
Notes annexed to and forming part of the accounts as at and for the period ended March 31, 2009  
(All amounts in Indian rupees except for share data or other wise stated)

**Related party transactions for the year ended March 31, 2009**

	Share application money/ Investment	Equity Contribution	Advance given	Reimbursement of expenses	Service Income	Amount Repaid/ Advances written off	Balance transfer to Holding Company	Total of Transactions	Balance as at April 1, 2008	Balance as at March 31, 2009
<b>A. Holding Company</b>										
<b>Maytas Infra Limited</b>										
Year ended March 31, 2009	(194,934,488)	-	-	(10,829,068)	-	-	53,290,554	(152,473,002)	-	(165,211,502)
Year ended March 31, 2008	(12,000,000)	500,000	-	(238,500)	-	-	-	-	(12,238,500)	-
<b>B. Subsidiaries</b>										
<b>Dardu Power Pvt Ltd</b>										
Year ended March 31, 2009	6,051,070	250,000	-	1,416,315	-	(10,000)	-	7,707,385	-	7,707,385
Year ended March 31, 2008	-	-	-	-	-	-	-	-	-	-
<b>Par Power Pvt Ltd</b>										
Year ended March 31, 2009	6,105,000	250,000	-	1,416,311	-	-	-	7,771,311	-	7,771,311
Year ended March 31, 2008	-	-	-	-	-	-	-	-	-	-
<b>C. Co-Subsidiaries</b>										
<b>Maytas Vasishtha Varadhi Ltd</b>										
Year ended March 31, 2009	-	-	2,550,000	1,789,555	-	-	(4,339,555)	-	-	-
Year ended March 31, 2008	-	-	-	-	-	-	-	-	-	-
<b>Pondicherry Tindivanam Tollway Ltd</b>										
Year ended March 31, 2009	-	-	-	2,405,984	-	(1,015,534)	-	1,390,450	-	1,390,450
Year ended March 31, 2008	-	-	-	-	-	-	-	-	-	-
<b>D. Enterprises over which shareholders, key management personnel and their relatives exercise significant influence</b>										
<b>Bangalore Elevated Tollway Ltd</b>										
Year ended March 31, 2009	-	-	-	229,427	-	-	-	229,427	-	229,427
Year ended March 31, 2008	-	-	-	-	-	-	-	-	-	-
<b>Gulbarga Airport Developers Pvt Ltd</b>										
Year ended March 31, 2009	-	-	-	3,067,663	-	-	(3,069,575)	(1,912)	-	-
Year ended March 31, 2008	-	-	-	1,912	-	-	-	-	1,912	-
<b>Shimoga Airport Developers Pvt Ltd</b>										
Year ended March 31, 2009	-	-	-	3,091,254	-	(34,670)	(3,058,496)	(1,912)	-	-
Year ended March 31, 2008	-	-	-	1,912	-	-	-	-	1,912	-
<b>Himachal Sorang Power Pvt Ltd</b>										
Year ended March 31, 2009	-	-	-	8,880,109	-	(4,083,594)	-	4,796,515	-	4,896,515
Year ended March 31, 2008	-	-	-	-	100,000	-	-	-	100,000	-

**Schedule 13:**  
**Notes annexed to and forming part of the accounts as at and for the period ended March 31, 2009**  
 (All amounts in Indian rupees except for share data or other wise stated)

**Related party transactions for the year ended March 31, 2009**

	Share application money/Investment	Equity Contribution	Advance given	Reimbursement of expenses	Service Income	Amount Repaid/Advances written off	Balance transfer to Holding Company	Total of Transactions	Balance as at April 1, 2008	Balance as at March 31, 2009
<b>KVK Nilachal Power Pvt Ltd</b>										
Year ended March 31, 2009	-	-	-	2,358,606	-	(511,938)	(1,846,668)	-	-	-
Year ended March 31, 2008	-	-	-	-	-	-	-	-	-	-
<b>Machilipatnam Port Ltd</b>										
Year ended March 31, 2009	-	-	3,855,000	22,234,173	-	(1,200,000)	(24,889,173)	-	-	-
Year ended March 31, 2008	-	-	-	-	-	-	-	-	-	-
<b>S V Power Pvt Ltd</b>										
Year ended March 31, 2009	-	-	-	783,497	-	-	(783,497)	-	-	-
Year ended March 31, 2008	-	-	-	-	-	-	-	-	-	-
<b>Ahi Power Pvt Ltd</b>										
Year ended March 31, 2009	16,370	-	-	-	-	-	-	16,370	-	16,370
Year ended March 31, 2008	-	-	-	-	-	-	-	-	-	-
<b>Ithun Power Pvt Ltd</b>										
Year ended March 31, 2009	16,370	-	2,900,000	-	-	-	-	2,916,370	-	2,916,370
Year ended March 31, 2008	-	-	-	-	-	-	-	-	-	-
<b>Dri Power Pvt Ltd</b>										
Year ended March 31, 2009	16,370	-	-	-	-	-	-	16,370	-	16,370
Year ended March 31, 2008	-	-	-	-	-	-	-	-	-	-
<b>Mathuli Power Pvt Ltd</b>										
Year ended March 31, 2009	16,370	-	-	-	-	-	-	16,370	-	16,370
Year ended March 31, 2008	-	-	-	-	-	-	-	-	-	-
<b>Paling Power Pvt Ltd</b>										
Year ended March 31, 2009	16,370	-	-	-	-	-	-	16,370	-	16,370
Year ended March 31, 2008	-	-	-	-	-	-	-	-	-	-
<b>Yamne Power Pvt Ltd</b>										
Year ended March 31, 2009	18,000	-	9,000,000	-	-	-	-	9,018,000	-	9,018,000
Year ended March 31, 2008	-	-	-	-	-	-	-	-	-	-
<b>Maytas-NCC-SSJV Consortium</b>										
Year ended March 31, 2009	-	-	-	15,303,590	-	-	(15,303,590)	-	-	-
Year ended March 31, 2008	-	-	-	-	-	-	-	-	-	-

**Schedule 13:**

Notes annexed to and forming part of the accounts as at and for the period ended March 31, 2009  
(All amounts in Indian rupees except for share data or other wise stated)

**10. Gratuity and other post-employment benefit plans**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is unfunded.

The following tables summarize the components of net benefit expense recognised in the profit and loss account and amounts recognised in the balance sheet for the respective plans.

**Profit and Loss account****Net employee benefit expense  
(recognised in employee cost)**

	2009	2008
Current service cost	193,067	Nil
Interest cost on benefit obligation	Nil	Nil
Net actuarial (gain) / loss recognised in the year	Nil	Nil
Past service cost	Nil	Nil
Net benefit expense	193,067	Nil

**Balance sheet**

Changes in the present value of the defined benefit obligation

	2009	2008
Opening defined benefit obligation	Nil	Nil
Interest cost	Nil	Nil
Current service cost	193,067	Nil
Benefits paid	Nil	Nil
Actuarial (gains) / losses on obligation	Nil	Nil
Closing defined benefit obligation	193,067	Nil

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

	2009	2008
Discount rate	8.0%	Nil
Increase in compensation cost	6.0%	Nil
Employee Turnover	<b>Age (Years) Rate</b>	Nil
	18 - 50 10%	
	51 - 57 5%	

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 in the employment market.

**11. Expenditure in foreign currency (On cash basis)**

Particulars	March 31, 2009	March 31, 2008
Travelling expenses	314,133	Nil
Professional charges	254,159	Nil
Seminar Fee	171,670	Nil
<b>Total</b>	<b>739,962</b>	<b>Nil</b>

12. Based on the information available with the Company no amounts are payable to enterprises covered under Micro, Small and Medium Enterprises Development Act, 2006.

**13. Disclosure regarding Derivative Instruments**

- The Company has no derivative instrument outstanding as at the year end.
- There is no foreign currency exposure unhedged as at the balance sheet date.

**14. Earnings per share are computed based on the following:**

Particulars	2008-09	2007-08
(Loss)/Profit after taxation considered for calculation of basic and diluted earnings per share	(104,442,947)	(4,271,422)
Weighted average number of Equity Shares considered for calculation of basic earnings and diluted per share	50,000	50,000

15. Previous year's figures have been regrouped / rearranged to conform to those of the current year.

**SIGNATURES TO SCHEDULES 1 to 13**

In terms of our report of even date

for S R BATLIBOI & ASSOCIATES  
Chartered Accountants

per **Ali Nyaz**  
Partner  
Membership No.: 200427

Place: New Delhi  
Date: August 29, 2009

for and on behalf of Board of Directors  
Maytas Infra Assets Limited

**B Teja Raju**      **B Narasimha Rao**  
Director              Director

Place: New Delhi  
Date: August 29, 2009

# Maytas Mineral Resources Limited

Directors' Report,  
Auditors' Report and  
Financial Statements

## Directors' Report

To,

### The Members of Maytas Mineral Resources Limited

Your Directors are pleased to present the First Annual Report together with the Audited

Accounts for the year ended March 31, 2009.

#### 1. Status :

The company is a wholly-owned subsidiary of Maytas Infra Limited.

#### 2. Operations:

Your company in pursuance of its main objects is exploring opportunities for acquisition of coal, iron ore and base metal mines in India and abroad.

The loss for the year amounting to Rs. 4,30,73,892/- has been carried to the Balance Sheet.

#### 3. Capital Structure

The Authorized Share Capital of the Company is Rs. 5 crores divided into 50,00,000 Equity Shares of Rs.10/- each. The Paid-up Capital was Rs. 5 lakhs as on March 31, 2009.

#### 4. Fixed Deposits

The Company has not accepted any Fixed Deposits from the public.

#### 5. Auditors

M/s. S R Batliboi & Associates, Chartered Accountants, the present auditors, retire at this Annual General Meeting and are eligible for reappointment.

#### 6. Directors

Sri V V Rama Raju, Director, retires by rotation at the forthcoming annual general meeting.

Sri Raju A N Gottumukkala has been appointed as a Director on the Board with effect from July 27, 2009. The Board welcomes Mr. Raju aboard.

Dr. Srinivas K Reddy has chosen to resign from the Board and his resignation has since been accepted.

The Board sincerely acknowledges the enormous contribution of Dr. Srinivas K Reddy in development of the business and wishes him all the success in his future pursuits.

#### 7. Employees' Particulars

Your Company has no employees requiring disclosure under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975. No

employee is in receipt of remuneration as applicable under Section 217(2A) of the Companies Act, 1956.

#### 8. Directors' Responsibility Statement

As required under Section 217(2AA) of the Companies Act, 1956, the Directors of the Company hereby state and confirm that:

1. In preparation of Annual Accounts for the period, applicable accounting standards have been followed.
2. 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 as at March 31, 2009 and of the loss for the period ended on that date.
3. The Directors have taken proper and sufficient care 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.
4. The Directors have prepared the annual accounts on a going concern basis.

#### 9. Conservation of energy, technology absorption and foreign exchange earnings & outgo:

The information as required under Section 217(1)(e) of the Companies act, 1956 read with the Companies ( Disclosure of particulars in the report of the Board of Directors) Rules, 1988 relating to conservation of energy and technology absorption is not applicable to your company during the period under review.

#### Foreign Exchange Earnings & Outgo: (Rupees)

Earned	Nil
Outgo	93,06,709

#### 10. Acknowledgements

The Management wishes to place on record its gratitude to the Banks and various Government organisations for the help and cooperation extended to the Company.

for and on behalf of the Board of Directors of  
Maytas Mineral Resources Limited

Place : New Delhi  
Date : August 29, 2009

**B Teja Raju**  
Chairman



# Auditors' Report

To

**The Members of Maytas Mineral Resources Limited**

1. We have audited the attached Balance Sheet of Maytas Mineral Resources Limited ('the Company') as at March 31, 2009 and also the Profit and Loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Without qualifying our opinion we draw our attention to note 3 of Schedule 13 to the financial statements. The accompanying financial statements have been prepared on a going concern basis after giving due considerations to all matters more fully explained in aforesaid note.
5. Further to our comments in the Annexure referred to above, we report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those;
  - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
  - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
  - v. On the basis of the written representations received from the directors, as on March 31, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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;

- a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2009;
- b) in the case of the profit and loss account, of the loss for the year ended on that date; and
- c) in the case of cash flow statement, of the cash flows for the year ended on that date.

**for S R BATLIBOI & ASSOCIATES**  
Chartered Accountants

per **Ali Nyaz**  
Partner

Place: New Delhi

Date: August 29, 2009

Membership No.: 200427

Annexure referred to in paragraph 3 of our report of even date

Re: Maytas Mineral Resources Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification. (c) During the year, the Company has disposed off a substantial part of the fixed assets. Based on the information and explanation given by the management and on the basis of audit procedures performed by us, we are of the opinion that the sale of the said part of fixed assets has not affected the going concern status of the Company.
- (ii) The nature of the Company's business is such that the provisions of clause 4(ii) of the Companies Auditor's Report Order, 2003 (as amended) relating to inventories is not applicable to the Company.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly clauses iii (b), iii(c) and iii(d) are not applicable. (e) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly clauses iii(f) and iii(g) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets. During the course of our audit, no major weakness has been noticed in the internal control system in respect of this area.
- (v) According to the information and explanations provided by the management, we are of the opinion that there are no contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301. Accordingly clause v(b) is not applicable.
- (vi) The Company has not accepted any deposits from the public.
- (vii) The provisions relating to internal audit are not applicable to the Company.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the Company.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, or employees' state insurance, income-tax, sales-tax, wealth-tax, service tax customs duty, excise duty, cess have *not been regularly deposited with the appropriate authorities and there have been serious delays in large number of cases.*
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute,
- (x) The Company has been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the financial year is fifty per cent or more of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institution
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act 1956.
- (xix) The Company did not have any outstanding debentures during the year,
- (xx) The company has not raised any money through public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

for S R BATLIBOI & ASSOCIATES  
Chartered Accountants

per Ali Nyaz  
Partner  
Membership No.: 200427

Place: New Delhi  
Date: August 29, 2009

**Balance sheet as at March 31, 2009**

(All amounts in Indian rupees unless otherwise stated)

	Schedules	As at March 31, 2009	As at March 31, 2008
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share capital	1	500,000	500,000
Share application money pending allotment		49,417,000	4,300,000
<b>TOTAL</b>		<b>49,917,000</b>	<b>4,800,000</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	3	104,659	-
Less: Accumulated depreciation		6,966	-
<b>Net Block</b>		<b>97,693</b>	<b>-</b>
<b>Investments</b>			
	4	-	-
<b>Current Assets, Loans and Advances</b>			
Cash and bank balances	5	4,578,835	1,336,404
Loans and advances	6	34,785	333,893
<b>(A)</b>		<b>4,613,620</b>	<b>1,670,297</b>
<b>Less: Current Liabilities and Provisions</b>			
Current liabilities	7	3,505,499	2,581,258
Provisions	8	173,667	100,000
<b>(B)</b>		<b>3,679,166</b>	<b>2,681,258</b>
<b>Net Current Assets/(Liability)</b>	<b>(A-B)</b>	<b>934,454</b>	<b>(1,010,961)</b>
Profit and Loss Account (Debit balance)	2	48,884,853	5,810,961
<b>TOTAL</b>		<b>49,917,000</b>	<b>4,800,000</b>
Notes to Accounts	13		

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As per our report of even date

**for S R BATLIBOI & ASSOCIATES**  
Chartered Accountants

per **Ali Nyaz**  
Partner  
Membership No.: 200427

Place: New Delhi  
Date: August 29, 2009

**for and on behalf of the Board of Directors of**  
**Maytas Mineral Resources Limited**

**B Teja Raju**  
Director

**V V R Raju**  
Director

Place: New Delhi  
Date: August 29, 2009

## Profit and Loss Account for the period

(All amounts in Indian rupees unless otherwise stated)

	Schedules	April 01, 2008 to March 31, 2009	February 04, 2008 to March 31, 2008
<b>INCOME</b>			
Other income	9	33,918	-
		<b>33,918</b>	-
<b>Expenditure</b>			
Personnel expenses	10	11,221,849	-
Administrative and other expenses	11	31,410,058	5,679,339
Depreciation	2	26,401	-
Financial expenses	12	67,502	-
Preliminary expenses written off		-	31,622
		<b>42,725,810</b>	<b>5,710,961</b>
<b>Profit/(Loss) before tax</b>		(42,691,892)	(5,710,961)
Provision for taxation			
- Current tax		-	-
- Fringe benefit tax		382,000	100,000
<b>Profit/(Loss) after tax</b>		(43,073,892)	(5,810,961)
Balance brought forward from the previous year		(5,810,961)	-
<b>Surplus/(Deficit) carried to Balance Sheet</b>		<b>(48,884,853)</b>	<b>(5,810,961)</b>
<b>Earnings per share</b>			
(Face value of Rs.10 per share)			
Basic		(861)	(116)
Diluted		(861)	(116)
Notes to Accounts	13		

The Schedules referred to above and the notes to accounts form an integral part of the Profit and Loss Account

### As per our report of even date

for **S R BATLIBOI & ASSOCIATES**  
Chartered Accountants

per **Ali Nyaz**  
Partner  
Membership No.: 200427

Place: New Delhi  
Date: August 29, 2009

for and on behalf of the Board of Directors of  
**Maytas Mineral Resources Limited**

**B Teja Raju**  
Director

**V V R Raju**  
Director

Place: New Delhi  
Date: August 29, 2009

## Cash Flow statement as at March 31, 2009

(All amounts in Indian rupees unless otherwise stated)

	2008-09	2007-08
<b>A. Cash flows from operating activities</b>		
Profit/(Loss) before tax	(42,691,892)	(5,710,961)
<b>Adjustments for:</b>		
Depreciation	26,401	-
Loss on sale of assets	24,820	-
Provision for doubtful debts	140,000	-
Provision for diminution in investment	99,990	-
Interest Income	(33,918)	-
<b>Operating profit before working capital changes</b>	<b>(42,434,599)</b>	<b>(5,710,961)</b>
<b>Movements in working capital :</b>		
(Increase)/decrease in loans and advances	164,944	(333,893)
Increase/(decrease) in current liabilities and provisions	1,092,294	2,581,258
Cash used in operations	<b>(41,177,361)</b>	<b>(3,463,596)</b>
Taxes Paid		(482,222) -
Net cash used in operating activities	<b>(41,659,583)</b>	<b>(3,463,596)</b>
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets (net)	(148,914)	-
Interest received	33,918	-
Investment in subsidiary	(99,990)	-
Net cash used in investing activities	<b>(214,986)</b>	-
<b>C. Cash flows from financing activities</b>		
Receipt of share capital	-	500,000
Share application money received	45,117,000	4,300,000
Net cash from financing activities	45,117,000	4,800,000
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>3,242,431</b>	<b>1,336,404</b>
Cash and cash equivalents at the beginning of the year	1,336,404	-
<b>Cash and cash equivalents as at the end of the year</b>	<b>4,578,835</b>	<b>1,336,404</b>
<b>Components of cash and cash equivalents</b>		
With bank - on current accounts	4,578,835	1,336,404
	<b>4,578,835</b>	<b>1,336,404</b>

As per our report of even date

for **S R BATLIBOI & ASSOCIATES**  
Chartered Accountants

per **Ali Nyaz**  
Partner  
Membership No.: 200427

Place: New Delhi  
Date: August 29, 2009

for and on behalf of the Board of Directors of  
**Maytas Mineral Resources Limited**

**B Teja Raju**  
Director

**V V R Raju**  
Director

Place: New Delhi  
Date: August 29, 2009

## Schedules to the Balance Sheet

(All amounts in Indian rupees unless otherwise stated)

	As at March 31, 2009	As at March 31, 2008
<b>Schedule 1: Share Capital</b>		
<b>Authorised</b>		
5,000,000 equity shares of Rs.10 each	<b>50,000,000</b>	<b>50,000,000</b>
<b>Issued, subscribed and paid up</b>		
50,000 equity shares of Rs.10 each fully paid up (The entire share capital is held by Maytas Infra Limited, the holding company )	500,000	500,000
	<b>500,000</b>	<b>500,000</b>
<b>Schedule 2: Reserves and Surplus</b>		
Profit and Loss Account (Debit balance)	48,884,853	5,810,961
	<b>48,884,853</b>	<b>5,810,961</b>

### Schedule 3: Fixed Assets

	Gross Block				Depreciation			Net Block		
	As at 1-4-08	Additions/ Adjustments	Sale/ Adjustments	As at 31-3-09	Upto 1-4-08	for the year	Charge Deletions during the year	As at 31-3-09	As at 31-3-09	As at 31-3-08
Plant and Machinery	-	23,338	11,669	11,669	-	2,722	1,361	1,361	10,308	-
Office Equipment	-	84,950	16,100	68,850	-	3,528	748	2,780	66,070	-
Computers and Accessories	-	24,140	-	24,140	-	2,825	-	2,825	21,315	-
Vehicles	-	500,525	500,525	-	-	17,326	17,326	-	-	-
	-	<b>632,953</b>	<b>528,294</b>	<b>104,659</b>	-	<b>26,401</b>	<b>19,435</b>	<b>6,966</b>	<b>97,693</b>	-

## Schedules to Balance Sheet

(All amounts in Indian rupees unless otherwise stated)

	As at March 31, 2009	As at March 31, 2008
<b>Schedule 4: Investments (Unquoted)</b>		
<b>Long term (At cost)</b>		
<b>In subsidiaries - Equity shares (fully paid up)</b>		
Maytas Ferro Industries Private Limited	99,990	-
(9,999 Equity Shares (Previous year: Nil) fully paid up)		
Less: Provision for dimunition on investments	99,990	-
	-	-
<b>Schedule 5: Cash and bank balances</b>		
Balances with scheduled banks on :		
- Current accounts	4,578,835	1,336,404
	<b>4,578,835</b>	<b>1,336,404</b>
<b>Schedule 6: Loans and advances</b>		
(unsecured, considered good)		
Advance recoverable in cash or in kind	28,949	333,893
Share Application Money to Subsidiaries		
Considered doubtful	140,000	-
Advance Tax (net of provisions)	5,836	-
	174,785	333,893
Less: Provision for doubtful advances	140,000	-
	<b>34,785</b>	<b>333,893</b>
<b>Schedule 7: Current liabilities</b>		
Dues to holding company	1,457,155	638,506
Sundry creditors	1,917,555	1,605,584
Other liabilities	130,789	337,168
	<b>3,505,499</b>	<b>2,581,258</b>
<b>Schedule 8: Provisions</b>		
Provision for fringe benefit tax	5,614	100,000
Provision for retirement benefits	168,053	-
	<b>173,667</b>	<b>100,000</b>

## Schedule to profit and loss account

(All amounts in Indian rupees unless otherwise stated)

	For the year ended March 31, 2009	For the year ended March 31, 2008
<b>Schedule 9: Other Income</b>		
<b>Interest</b>		
Bank deposits (TDS Rs. 5,836 (Previous Year: Rs. Nil))	33,918	-
	<b>33,918</b>	<b>-</b>
<b>Schedule 10: Personnel expenses</b>		
Salaries, bonus and other allowances	10,438,297	-
Contribution to provident fund and others	615,499	-
Retirement benefits	168,053	-
	<b>11,221,849</b>	<b>-</b>
<b>Schedule 11: Administrative and other expenses</b>		
Rent	-	323,335
Rates and taxes	58,550	415,992
Insurance	11,500	-
Office maintenance	281,840	103,915
Business promotion expenses	15,324	31,312
Communication expenses	902,201	178,870
Bidding expenses	1,107,956	54,284
Printing and stationery	81,095	23,876
Travelling expenses	6,599,534	1,137,771
Seminar and conferences	565,268	49,477
Staff recruitment expenses	573,897	-
Auditor's remuneration		
Audit fee	220,600	224,720
Other services	44,944	-
Out of pocket expenses	3,000	-
Professional charges	20,467,647	3,117,778
Exchange difference (net)	98,852	2,131
Labour charges	43,470	-
Loss on sale of asset	24,820	-
Provision for dimunition of investments	99,990	-
Provision for doubtful advances	140,000	-
Miscellaneous expenses	69,570	15,878
	<b>31,410,058</b>	<b>5,679,339</b>
<b>Schedule 12: Financial expenses</b>		
<b>Interest</b>		
- on vehicle loan	12,135	-
Bank charges	55,367	-
	<b>67,502</b>	<b>-</b>



## Schedule 13 : Notes annexed to and forming part of the accounts as at and for the year ended March 31, 2009

(All amounts in Indian rupees except for share data or other wise stated)

### 1. Background

Maytas Mineral Resources Limited ('MMRL' or 'the Company') is a Company registered under Indian Companies Act, 1956.

MMRL is promoted by Maytas Infra Limited as its wholly owned subsidiary. The primary objective of the Company is to explore, operate and work on mines and quarries in India and abroad. The Company did not commence commercial operations as at March 31, 2009.

### 2. Statement of Significant Accounting Policies

#### (a) Basis of preparation

The financial statements have been prepared to comply in all material respects with the notified accounting standards by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis.

#### (b) Use of Estimates

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

#### (c) Revenue recognition

Revenue is recognized when it is expected and no significant uncertainty exists as to its realization or collection.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

#### (d) Fixed assets

- i. Fixed assets are stated at cost less accumulated depreciation, impairment losses and specific grant/subsidies if any. Cost comprises the purchase price, freight, duties, taxes and any attributable cost of bringing the asset to its working condition for its intended use. Finance costs relating to acquisition of fixed assets which take substantial period of time to get ready for use are included to the extent they relate to the period till such assets are ready for intended use.
- ii. Assets retired from active use and held for disposal are stated at their estimated net realisable values or net book values, whichever is lower.
- iii. Depreciation is provided on straight line method, based on useful life of the assets as estimated by the Management which coincides with rates prescribed under Schedule XIV to the Companies Act, 1956.
- iv. Assets costing Rs.5,000 or less are fully depreciated in the year of purchase.

### (e) Foreign currency transactions

#### i. Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### ii. Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

#### iii. Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

### (f) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

### (g) Leases

Leases, where the lessor effectively retains substantially all the risks and rewards incidental to ownership, are classified as operating leases. Operating lease payments are recognized as an expense in the profit and loss account on a straight-line basis over the lease term.

### (h) Income taxes

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred taxes reflect the impact of current year timing differences between taxable income and accounting income for the year.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized 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 realized.

### (i) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity

## Schedule 13: Notes Annexed to and Forming Part of the Accounts as at and for the Period Ended March 31, 2009

(All amounts in Indian rupees except for share data or other wise stated)

shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity share holders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, except when they are anti dilutive.

### (j) Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event i.e., it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

### 3. Going Concern

The company has been exploring mining investment opportunities in and outside India and is yet to commence commercial operations. During the year, the company incurred Rs. 42,725,810 towards administrative and other expenses and the entire amounts have been charged to the Profit and Loss Account in accordance with the applicable accounting standards. Consequently, the Company has reported a net loss before tax of Rs. 42,691,892 for the year ended March 31, 2009. Further, during the year, the company scouted for several mining opportunities in India and abroad. However, taking cognizance of the current economic environment, it was thought right to apply for Prospecting (PL) and Mining Licenses (ML) for some important minerals in India. During the fiscal 2009-10 the company intends to pursue this strategy and obtain these licenses that would create great value once assigned. The entire shareholding of the Company is held by Maytas Infra Limited and its nominees, which has committed to infuse the required funds to meet the operational requirements as they arise.

Considering all of the above, the Management is of the opinion that the going concern assumption is appropriate. Accordingly the accompanying financial statements have been prepared on a going concern basis.

4. Contingent liabilities not provided for is Nil as at March 31, 2009. (March 31, 2008 – Nil).

### 5. Capital Commitments

Estimated amount of contracts (net of advances) remaining to be executed on capital account: Rs. Nil (March 31, 2008 – Nil)

6. The companies operations fall into a single business segment, hence financial statements of the enterprise represent Segmental Reporting.

### 7. Related Party Transactions

a) The Company had following transactions with related parties during the period.

	For the year ended March 31, 2009	For the period ended March 31, 2008
<b>Holding Company</b>		
<b>Maytas Infra Limited</b>		
Equity Share Capital	-	500,000
Share Application Money	45,117,000	4,300,000
Expenses Reimbursable	818,649	638,506
<b>Subsidiary Company</b>		
<b>Maytas Ferro Industries Private Limited</b>		
Equity Share Capital	99,990	-
Share Application Money	140,000	-

b) Balance outstanding Debit / (Credit)

	For the year ended March 31, 2009	For the period ended March 31, 2008
Holding Company		
Maytas Infra Limited	(51,374,155)	(4,938,506)
Subsidiary Company		
Maytas Ferro Industries Private Limited	239,990	-

## Schedule 13 : Notes annexed to and forming part of the accounts as at and for the year ended March 31, 2009

(All amounts in Indian rupees except for share data or other wise stated)

### 8. Expenditure in foreign currency (On cash basis)

	For the year ended March 31, 2009	For the period ended March 31, 2008
Professional charges	8,269,873	2,297,448
Travel	3,851,204	167,007
Seminar	-	288,218
<b>Total</b>	<b>12,121,077</b>	<b>2,752,673</b>

9. Based on the information available with the Company no amounts are payable to enterprises covered under Micro, Small and Medium Enterprises Development Act, 2006.
10. As number of employees is insignificant in number, liability for gratuity is provided on actual basis in the manner prescribed under Payment of Gratuity Act, 1972. Provision of leave encashment is made on actual basis.
11. **Disclosure regarding Derivative Instruments:**
- The company has no derivative instrument outstanding as at the year end.
  - There is no foreign currency exposure unhedged as at the balance sheet date.

### 12. Earnings per share are computed based on the following:

Particulars	2008-09	2007-08
(Loss)/Profit after taxation considered for calculation of basic and diluted earnings per share	(43,073,892)	(5,810,961)
Weighted average number of Equity Shares considered for calculation of basic earnings and diluted per share	50,000	50,000

13. Previous year's figures have been regrouped / rearranged to conform to those of the current year.

### SIGNATURES TO SCHEDULES 1 to 13

In terms of our report of even date

for **S R BATLIBOI & ASSOCIATES**  
Chartered Accountants

per **Ali Nyaz**  
Partner  
Membership No.: 200427

Place :New Delhi  
Date: August 29, 2009

for and on behalf of Board of Directors of  
**Maytas Mineral Resources Limited**

**B Teja Raju**  
Director

**V V R Raju**  
Director

Place :New Delhi  
Date: August 29, 2009

## Pondicherry - Tindivanam Tollyway Limited

Directors' Report,  
Auditors' Report and  
Financial Statements

### Directors' Report

To,

The Members,

Your Directors take pleasure in presenting the Second annual report together with audited statement of accounts for the year ended 31.03.2009.

#### OPERATIONS:

Your company is a special purpose vehicle incorporated for the purpose of construction, operation and maintenance of four lane road on Pondicherry - Tindivanam Section of National Highway No 66 ( 0 to 37.920 Kms.) in the State of Tamilnadu on National Highway 66 on BOT basis. The scope of work of the project Company starts at Indira Gandhi square in the UT of Pondicherry and ends at 37.92 km of the existing NH 66 and the total length envisaged for four laning is 38.62 kms under the project Company.

During the year under review your Company has achieved a cumulative progress of 25.6% against the targeted 20.72% for the scheduled contract value of Rs.273.62 Crores covering the total scope of work.

As the project is under execution or construction, there is no profit and loss account for the period ended 31.03.2009.

#### DIRECTORS :

In terms of the provisions of the Companies Act, 1956 read with the applicable provisions of the Articles of Association of the company, at the Second Annual General Meeting, Sri. B. Teja Raju retires by rotation and being eligible offers himself for re-appointment as director.

Sri A Srinivas Rama Raju has been appointed as Additional Director on 28-11-2008 and holds office up to the date of the ensuing Annual General Meeting and due notice under the provisions of Section 257 of the Companies Act, 1956 have been received from the member of the Company proposing his appointment. It is proposed to appoint Sri A Srinivas Rama Raju as Director of the Company, liable to retire by rotation.

During the year under review Sri A S N Raju has resigned as Director of the Company. The Board places on record the valuable services rendered during his association as Director with the Company.

#### AUDITORS:

The Statutory Auditors of your Company, M/s. M Bhaskara Rao & Co., retire at the conclusion of the ensuing annual general meeting and have confirmed their eligibility and willingness to accept the office of Statutory Auditors, if reappointed. Your Board of Directors have recommended their reappointment based on the

recommendations of the Audit Committee to the shareholders for their approval at the 2<sup>nd</sup> Annual General Meeting of the company for reappointment to hold office from the conclusion of the 2<sup>nd</sup> Annual General Meeting up to the conclusion of the 3<sup>rd</sup> Annual General Meeting.

The Statutory Auditors Report to the shareholders of the company does not contain any qualification(s) or adverse observations.

#### Capital Structure

The Authorized Share Capital of your Company is Rs. 7 Crores divided into 70,00,000 Equity Shares of Rs.10/- each. The Paid-up Capital was Rs. 3.56 Crores as on March 31, 2009.

#### DISCLOSURES:

##### DEPOSITS:

During the year under review the company has not accepted any Public Deposits

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO:

The information as required under section 217(1) (e) of the Companies Act, 1956 read with the Companies (disclosure of particulars in the report of the Board of Directors) Rules, 1988 is not applicable to your company

During the period under review, there was no expenditure or income in foreign currency.

#### PARTICULARS OF EMPLOYEES:

The Company had no employee whose remuneration exceeds the limit fixed under section 217(2A). Therefore, there are no particulars furnished under Section 217(2A) of the Companies Act, 1956.

#### DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Board of Directors of your company confirms that:

- a) In the preparation of the annual accounts for the year ended March 31<sup>st</sup>, 2009, the applicable accounting standards have been followed and there has been no material departures;
- b) We have selected such accounting policies and applied them consistently and have 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 as at March 31<sup>st</sup>, 2009.

**Pondicherry – Tindivanam Tollyway Limited**

- c) we have taken proper and sufficient care 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; and
- d) That the annual accounts for the year ended March 31<sup>st</sup>, 2009 has been prepared on a going concern basis.

**ACKNOWLEDGEMENTS:**

Your Directors place on record their sincere appreciation and thanks for the valuable co-operation and support received from the NHAI, Government of Pondicherry and various Government Authorities, the consortium of Banks, lead by Axis Bank Ltd who have funded the road project being executive by the company, the company's bankers, and members of the company and look forward for the same in greater measure in the coming years.

**for and on behalf of the Board of Directors of  
Pondicherry - Tindivanam Tollway Limited**

Place: Hyderabad  
Date: May 16, 2009

**B Teja Raju**  
Director

**A Srinivas Rama Raju**  
Director

# Auditors' Report

## The Members of

### Pondicherry - Tindivanam Tollway Limited

1. We have audited the attached Balance Sheet of Pondicherry-Tindivanam Tollway Limited as at March 31, 2009 and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes 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 those books;
  - c) the Balance Sheet and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the Balance Sheet and Cash Flow Statement dealt with by this report 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 give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009.
    - ii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

5. On the basis of written representations received from the directors, as on March 31, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

**for M Bhaskara Rao & Co.,**  
Chartered Accountants

**M V Ramana Murthy**  
Partner  
Membership No.: 206439

Place: Hyderabad  
Date : May 16, 2009

## Annexure to the Auditors' Report

(Statement referred to in Paragraph (3) of our Report of even date)

1. In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
  - (b) The management has physically verified the Fixed Assets during the year. In our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no discrepancies were noticed on such verification.
  - (c) There is no disposal of fixed assets during the year. Hence the provision of Clause 4 (i) (c) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
2. In respect of its inventories:
 

According to information and explanation given to us the company did not hold any inventory during the year and hence the provisions of Clause 4 (ii) (a), (b) and (c) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
3. (a) The company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956, except unsecured advances in the ordinary course of business to promoter companies. Hence provisions of Clause 4 (iii) (a), (b), (c) and (d) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (b) The Company has not taken any loans secured or unsecured from companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956. Hence provisions of Clause 4 (iii) (e), (f) and (g) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and we have not observed any continuing failure to correct major weaknesses in such internal controls.
5. In respect of contracts or arrangements entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956 to the best of our knowledge and belief and according to the information and explanations given to us:
  - (a) 'Ilie particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered into the register maintained under the said section have been so entered.
  - (b) In our opinion, the transactions exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time, where such market prices are available.  
According to the information and explanation given to us, the company has not accepted any deposits from the public during the year. Hence the provisions of Clause 4 (vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.  
According to the information and explanations given to us, there was no system of internal audit in vogue during the year. In our opinion and according to the information and explanations given to us, the General Government has not prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act 1956 for the activities of the Company.
9. In respect of statutory dues:
  - (a) The Company has been generally regular in depositing undisputed Taxes Deducted at Source, Sales tax and other material statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess are not applicable to the Company.
  - (b) According to the information and explanations given to us there were no undisputed amounts payable in respect of aforesaid dues which were in arrears as at March 31, 2009 for a period of more than sixmonths from the date they became payable.
  - (c) According to the information and explanations given to us, there are no dues of Income Tax / Sales Tax / Wealth Tax / Service Tax / Customs Duty / Excise Duty / Cess which have not been deposited on account of dispute.
10. The Company does not have accumulated losses and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year. In our opinion and according to the information and explanations given to us, except for delays in payment of interest during the year, the Company has not defaulted in repayment of dues to financial institutions and banks. In our opinion and according to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Hence, the provisions of Clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company. In our opinion, the Company is not a Chit Fund or a Nidhi or Mutual Benefits Fund / Society. Hence the provisions of Clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company. In our opinion and according to the information and explanations given to us, the company does not deal or trade in shares, securities, debentures and other investments, hence the provisions of Clause 4(xiv) of the Companies; (Auditor's Report) Order, 2003 are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions. Hence, the provisions of Clause 4 (x v) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
16. To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, term loans availed by the Company were, prima facie, applied by the Company during the year for me purposes for which the loans were obtained.
17. According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, no funds have been raised oh short-term basis. Hence, the provisions of Clause 4 (xvii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
18. According to the information and explanations given to us, the Company has made preferential allotment of shares during the year to companies covered in the register maintained under section 301 of the Companies Act, 1956. The prices at which the shares have been issued are prima facie not prejudicial to the interests of me company.
19. According to the information and explanations given to us, no debentures have been issued by the Company. Hence the provisions of clause 4(xix)ofthe Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
20. During the year covered by our audit report, the company has not raised any money by public issues. Hence, the provisions of Clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

for **M Bhaskara Rao & Co.**,  
Chartered Accountants

**M V Ramana Murthy**  
Partner  
Membership No.: 206439

Place: Hyderabad  
Date: May 16, 2009

**Balance sheet as at March 31, 2009**

(All amounts in Indian rupees unless otherwise stated)

PARTICULARS	Schedule	AS at 31.03.2009		AS AT 31.03.2008	
		Rupees		Rupees	
<b>SOURCES OF FUNDS</b>					
<b>SHARE HOLDERS' FUNDS</b>					
Share Capital	1	35,630,610		28,764,000	
Reserves and Surplus	2	302,675,490	338,306,100	240,876,000	269,640,000
Share Application Money			1,390,000		56,100
<b>LOAN FUNDS</b>					
Secured Loans	3		796,843,012		275,400,000
<b>TOTAL</b>			<b>1,136,539,112</b>		<b>545,096,100</b>
<b>APPLICATION OF FUNDS</b>					
<b>FIXED ASSETS</b>					
Gross Block	4	540,583		129,880	
Less: Depreciation		201,734		17,091	
Net Block		338,849		112,789	
Capital Work in Progress	5	1,139,539,023		256,545,400	
Incidental Expenditure During Construction Period	6	107,583,161	1,247,461,033	33,746,979	290,405,168
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>	7				
Cash and Bank Balances		374,930		286,764,546	
Loans and Advances		3,933,554		563,479	
		<b>4,308,484</b>		<b>287,328,025</b>	
<b>Less: Current Liabilities and Provisions</b>	8				
Liabilities		114,977,481		32,558,477	
Provisions		337,464		163,156	
		<b>115,314,945</b>		<b>32,721,633</b>	
<b>Net Current Assets</b>			(111,006,461)		254,606,392
<b>MISCELLANEOUS EXPENDITURE</b>	9		84,540		84,540
(To the extent not written off or adjusted)					
<b>TOTAL</b>			<b>1,136,539,112</b>		<b>545,096,100</b>
<b>Accounting policies and Notes on accounts</b>	10				

As per our report of even date attached

for **M Bhaskara Rao & Co.**  
Chartered Accountants**M V Ramana Murthy**  
Partner  
Membership No.: 206439Place: Hyderabad  
Date : May 16, 2009for and on behalf of the Board of Directors of  
Pondicherry – Tindivanam Tollyway Limited**B Teja Raju**      **A Srinivas Rama Raju**  
Director              DirectorPlace: Hyderabad  
Date : May 16, 2009



**Cash Flow Statement for the year ended March 31, 2009**

(All amounts in Indian rupees unless otherwise stated)

	Year Ended March 31, 2009	Year Ended March 31, 2008
<b>A. Cash Flow from Operating Activities:</b>		
Net Profit before Tax	-	-
Adjustment for		
Depreciation	-	-
Interest and Financial Charges	-	-
Operating Profit before Working Capital Changes		
Adjustment for		
Trade and other receivables	(1,464,162)	(563,479)
Trade and other payable	82,502,002	32,721,633
<b>Net Cash from Operating activities</b>	<b>81,037,840</b>	<b>32,158,154</b>
<b>B. Cash Flow from Investing Activities:</b>		
Purchase of Fixed Assets and other capital expenditure	(894,636,198)	(290,322,170)
Preliminary Expenditure	-	(84,540)
Tax paid	(1,731,605)	-
<b>Net Cash used in Investing activities</b>	<b>(896,367,803)</b>	<b>(290,406,710)</b>
<b>C. Cash Flow from Financing Activities:</b>		
Proceeds from issue of Shares and Advance against Shares	70,000,000	269,696,100
NHAI Grant	-	-
Proceeds from Borrowings	500,000,001	275,400,000
Interest Paid	(41,059,654)	(82,998)
<b>Net Cash from Financing activities</b>	<b>528,940,347</b>	<b>545,013,102</b>
<b>Net change in Cash and Cash Equivalents (A+B+C)</b>	<b>(286,389,616)</b>	<b>286,764,546</b>
Cash and Cash Equivalents as at 1st April (Opening Balance)	286,764,546	-
Cash and Cash Equivalents as at 31st March (Closing Balance)	374,930	286,764,546
<b>NET CASHFLOW</b>	<b>(286,389,616)</b>	<b>286,764,546</b>

- Note: 1) The Cash Flow Statement is prepared in accordance with the indirect Method stated in Accounting Standard 3 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities.
- 2) Cash and Cash Equivalents consist of cash and bank balances.
- 3) Figures in bracket represent cash outflows.
- 4) Notes on accounts stated in Schedule - 10 form an integral part of Cash Flow Statement.

As per our report attached

**for M Bhaskara Rao & Co.**  
Chartered Accountants

**M V Ramana Murthy**  
Partner  
Membership No.: 206439

Place: Hyderabad  
Date : May 16, 2009

**for and on behalf of the Board of Directors of  
Pondicherry – Tindivanam Tollyway Limited**

**B Teja Raju**                      **A Srinivas Rama Raju**  
Director                              Director

Place: Hyderabad  
Date : May 16, 2009

## Schedules Forming part of Balance Sheet

(All amounts in Indian rupees unless otherwise stated)

PARTICULARS	AS at 31.03.2009		AS AT 31.03.2008	
	Rupees		Rupees	
<b>SCHEDULE - 1</b>				
<b>SHARE CAPITAL</b>				
<b>AUTHORISED</b>				
70,00,000 Equity Shares of Rs.10/-each		70,000,000		70,000,000
<b>ISSUED AND SUBSCRIBED</b>				
35,63,061 Equity Shares of Rs.10/-each fully paid (31.03.2008: 28,76,400 Shares of Rs.10/-each (of the above 18,17,160 Shares (31.03.2008: 14,66,963 Shares) are held by Maytas Infra Limited, the Holding Company and its nominees)		35,630,610		28,764,000
<b>Total</b>		<b>35,630,610</b>		<b>28,764,000</b>
<b>SCHEDULE - 2</b>				
<b>RESERVES AND SURPLUS</b>				
<b>Securities Premium</b>				
As per last Balance Sheet		240,876,000		-
Add: Premium on Shares allotted during the year		61,799,490		240,876,000
<b>Total</b>		<b>302,675,490</b>		<b>240,876,000</b>
<b>SCHEDULE - 3</b>				
<b>SECURED LOANS</b>				
<b>Term Loans</b>				
From Banks	617,723,107		275,400,000	
Interest accrued and due	17,120,668	634,843,775	-	275,400,000
From Financial Institution	157,676,894		-	
Interest accrued and due	4,322,343	161,999,237	-	-
<b>Total</b>		<b>796,843,012</b>		<b>275,400,000</b>
<b>Installments falling due within next 12 months</b>		-		-

### SCHEDULE - 4

#### FIXED ASSETS

Particulars	Gross Block ( At Cost)				Depreciation			Net Block	
	As At 31.3.2008	Additions During the Year the Year	Deductions/ Adjts During	As At 31.3.2008	Up To 31.3.2008	For the Year	Up To 31.3.2009	As At 31.3.2009	As At 31.3.2008
Computers	94,160	209,588	-	303,748	12,391	94,214	106,605	197,143	81,769
Office Equipment	-	67,510	-	67,510	-	6,344	6,344	61,166	-
Furniture and Fixtures	35,720	142,605	9,000	169,325	4,700	84,085	88,785	80,540	31,020
<b>Total</b>	<b>129,880</b>	<b>419,703</b>	<b>9,000</b>	<b>540,583</b>	<b>17,091</b>	<b>184,643</b>	<b>201,734</b>	<b>338,849</b>	<b>112,789</b>
<b>Previous Year</b>	-	<b>129,880</b>	-	<b>129,880</b>	-	<b>17,091</b>	<b>17,091</b>	<b>112,789</b>	-

## Schedules Forming part of Balance Sheet

(All amounts in Indian rupees unless otherwise stated)

PARTICULARS	AS at 31.03.2009		AS AT 31.03.2008	
	Rupees		Rupees	
<b>SCHEDULE - 5</b>				
<b>CAPITAL WORK IN PROGRESS</b>				
EPC Contract Expenses		665,913,622		12,447,083
Mobilisation Advance		245,649,710		222,400,000
Machinery Advance		125,000,000		-
Material Advance		80,006,371		13,543,124
Consultancy Charges		22,969,320		8,155,193
<b>Total</b>		<b>1,139,539,023</b>		<b>256,545,400</b>
<b>SCHEDULE - 6</b>				
<b>INCIDENTAL EXPENDITURE DURING CONSTRUCTION PERIOD (Pending Capitalisation/Charge Off)</b>				
Salaries & Other Benefits		6,077,690		5,551,102
Rent, Rates & Taxes		614,467		2,088,906
Office Maintenance		181,642		470,704
Travelling and Conveyance Charges		2,588,736		1,559,957
Electricity Charges		58,384		88,356
Postage, Telegrams & Telephones		199,781		179,210
Printing & Stationery		80,404		100,578
Insurance		1,802,004		2,043,450
Repairs & Maintenance :				
Machinery	191,868		26,446	
Other assets	26,947	218,815	54,540	80,986
Legal & Professional Charges		2,547,587		1,675,097
Service Tax		914,238		501,119
Business Promotion Expenses		111,200		1,188,612
Auditors Remuneration:		119,109		84,270
Miscellaneous Expenses		268,830		485,995
Interest and Financial Charges:				
Interest on Term Loan	58,754,549		82,998	
Interest to Others	116,026		25,986	
Bank Guarantee Commission	376,600		1,267,413	
Debt Syndication and Security Trustee Fees	3,149,126		16,104,109	
Bank Charges	23,366	62,419,667	18,966	17,499,472
Depreciation		184,643		17,091
		78,387,197		33,614,905
Add: Balance brought forward from previous year		33,746,980		-
<b>Total</b>		<b>112,134,177</b>		<b>33,614,905</b>
Less: Receipts from Utility Shifting and tree cutting	13,700,770			
Less: expenditure incurred	11,714,881			
	1,985,889			
Interest on Fixed Deposit with banks (Tax deductions at source Rs.5,92,327/- (31.03.2008:Rs6,403/- )	2,719,435		31,081	
Sale of Tender	20,000			
	4,725,324			
Less: Provision for Current Tax			(9,604)	
Deferred Tax	-		-	
Fringe Benefit Tax	(174,308)	4,551,016	(153,552)	132,075
<b>Balance carried to Balance Sheet</b>		<b>107,583,161</b>		<b>33,746,980</b>

## Schedules Forming part of Balance Sheet

(All amounts in Indian rupees unless otherwise stated)

PARTICULARS	AS at 31.03.2009		AS AT 31.03.2008	
	Rupees		Rupees	
<b>SCHEDULE - 7</b>				
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>				
<b>Cash and Bank Balances</b>				
Cash in Hand		44,543		11,800
Balance with scheduled Banks:				
-in current account		280,387		268,752,746
-in deposit account		50,000		18,000,000
(on lien with Commercial Tax Department...)				
<b>Total</b>		<b>374,930</b>		<b>286,764,546</b>
<b>Loans and Advances</b>				
(Unsecured, considered good)				
Advances recoverable in cash or in kind or for value to be received		1,587,427		433,398
Advance Tax and Tax Deducted at Source		1,793,937		6,403
Advance Sales Tax		254,811		-
Advance Fringe Benefit Tax		167,379		49,000
Rent Deposit		130,000		50,000
Interest accrued on Fixed Deposit		-		24,678
<b>Total</b>		<b>3,933,554</b>		<b>563,479</b>
<b>SCHEDULE - 8</b>				
<b>CURRENT LIABILITIES AND PROVISIONS</b>				
<b>Current Liabilities:</b>				
<b>Sundry Creditors:</b>				
Dues to Micro, Small and Medium Enterprises		-		-
Dues to others		74,406,999		30,897,267
Other Liabilities		74,406,999		30,897,267
Retention Money		8,193,421		955,858
Interest accrued but not due		32,377,061		622,354
		-		82,998
<b>Total</b>		<b>114,977,481</b>		<b>32,558,477</b>
<b>Provisions</b>				
Current Tax		9,604		9,604
Fringe Benefit Tax		327,860		153,552
<b>Total</b>		<b>337,464</b>		<b>163,156</b>
<b>SCHEDULE - 9</b>				
<b>MISCELLANEOUS EXPENDITURE</b>				
(To the extent not written off or adjusted)				
Preliminary Expenses				
As per Last Balance Sheet		84,540		-
Add: Incurred during the year		-		84,540
<b>Total</b>		<b>84,540</b>		<b>84,540</b>

## Schedules Forming part of Balance Sheet

(All amounts in Indian rupees unless otherwise stated)

### SCHEDULE -10

#### ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

##### A. SIGNIFICANT ACCOUNTING POLICIES

###### I. General

The accounts have been prepared on accrual basis under historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

###### II. Fixed Assets

- (a) Fixed Assets are stated at cost of acquisition less accumulated depreciation thereon.
- (b) Depreciation is provided under the written down value method at the rates prescribed in Schedule XIV of the Companies Act, 1956.

**III. Borrowing Costs:** Borrowing Costs that are directly attributable to acquisition, construction or production of a qualifying asset are capitalized as part of the cost of such asset. A qualifying asset is one that necessarily takes substantial period of time i.e., more than 12 months to get ready for its intended use. All other borrowing costs are charged to revenue.

**IV. Preliminary Expenses:** Preliminary expenses are written off in the year of commencement of commercial operation.

**V. Incidental Expenditure during construction period:** Incidental expenditure incurred during construction period towards "Concessionaire Asset" is capitalized / charged off on commencement of commercial operation.

##### B. NOTES ON ACCOUNTS

1. The company is a special purpose vehicle incorporated for execution of the project "Design, Engineering, Finance, Construction, Improvement Operation and Maintenance of the Four Lane Access controlled Expressway programme of Pondicherry – Tindivanam Section of NH – 66 in the State of Tamilnadu, India on Build, Operate and Transfer (BOT) basis under the concession agreement dated July 19, 2007 with National Highways Authority of India. The Concession agreement is for a period of thirty years from January 15, 2008, the appointed date stated in the said agreement. Presently the company is under construction.

2. **Contingent liabilities / Commitments:** Commitments against performance Bank guarantees furnished by promoter companies– Rs.8,55,00,000/-(31.03.2008 : Rs.14,25,00,000/-)

3. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances Rs. 103,65,63,332/- (31.03.2008 : Rs.23,48,47,083/-)– Rs.1,61,96,30,297/- (31.03.2008 : Rs.248,78,09,793/-).

###### 4. Secured Loans

Term Loan availed from bank is secured by pari-passu first charge by way of hypothecation of all movable assets, all rights, titles and interest of the company from all contract, insurance's licenses in, to, and under all assets of the project and its documents, all revenues and receivables from the project and charge on debt services reserve account and trust and retention account.

###### 5. Related Party Transactions

Following is the list of related parties and relationships:

Sl No.	Name of the Related Party	Relationship
1.	Maytas Infra Limited	Holding Company
2.	Nagarjuna Construction Company Limited	Promoter Company
3.	NCC Infrastructure Holdings Limited	Promoter Company
4.	Maytas Infra Assets Limited	Fellow Subsidiary

## Schedules Forming part of Balance Sheet

(All amounts in Indian rupees unless otherwise stated)

Related Party transactions during the period ended March 31, 2009 are as follows:

SL No.	Particulars	Holding Company	Promoter Company	Fellow Subsidiary	Holding Company	Promoter Company
		As on March 31, 2009			As on March 31, 2008	
1	Share Application Money pending allotment	-	13,90,000		19,700	36,400
2	Equity Contributions received	3,50,00,000	3,50,00,000		13,76,96,300	13,19,43,700
3	Advances granted / (received)	-	45,06,56,081			23,59,43,124
4	EPC Contract Expenses Nagarjuna Construction Company Limited		66,59,13,622			1,24,47,083
5	Reimbursement of Expenses		62,42,919	12,89,919	69,19,404	63,67,294
	<b>Debit Balances outstanding as on 31.03.2009</b>					
6	Maytas Infra Limited	1,73,557	-		1,73,557	
	<b>Credit Balances outstanding as on 31.03.2009</b>					
7	Nagarjuna Construction Company Limited	-	6,68,74,161			2,45,29,973
8	NCC Infrastructure Holdings Limited	-	62,42,919			63,67,294
9	Maytas Infra Assets Limited			12,89,919		-

### 6. Auditors' Remuneration

	2008-2009	2007-2008
Statutory Audit Fee	75,000	75,000
Certificate Fee	31,000	--
Service Tax	3,839	9,270
<b>Total</b>	<b>1,19,109</b>	<b>84,270</b>

- Incidental Expenses during the Construction Period "Schedule – 6" includes Rs.75,32,838/- (Previous year Rs.1,32,86,698/-) expenditure accounted based on debit notes raised by Promoter Companies towards Common Expenses incurred.
- Provisions of Payment of Gratuity Act, 1972 and Employees Provident Fund and Miscellaneous Provisions Act 1952 are not applicable to the Company at present. Further, the company has no obligations towards any other employee benefits as at the year end.
- The Company has not received any intimation from 'suppliers' regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.
- Additional information pursuant to Para 3, 4, 4A, 4C & 4D of Part II of schedule VI to the companies Act 1956 are not applicable to the company at present.
- Previous year figures have been regrouped / rearranged wherever necessary to conform to the current year classification.
- Figures have been rounded off to the nearest Rupee.

Signature to Schedule 1 to10

for and on behalf of the Board of Director of  
Pondicherry – Tindivanam Tollyway Limited

B Teja Raju                      A Srinivas Rama Raju  
Director                              Director

Place: Hyderabad  
Date : May 16, 2009

## Directors' Report

Dear Members,

Your Directors have pleasure in submitting the First Annual Report of the Company and the Audited Balance Sheet at 31st March 2009 and the Auditors' Report thereon.

### 1. REVIEW OF OPERATIONS

The company was incorporated on 30<sup>th</sup> April 2008, with CIN No. U45200AP2008PLC058925, for the construction of a two lane bridge across Vashista branch of Godavari River near Narsapur. The project was awarded to the consortium of Maytas Infra Limited (MIL) and CR18G. The project development agreement has been signed with the Government of Andhra Pradesh on 5<sup>th</sup> June 2008. The concession granted is for 12 years with a 2 year construction period and 10 Annual annuity payments of Rs. 19.24 Crores thereafter.

Post Concession Agreement, MVWL initiated technical studies like bathymetry, soil investigation etc. and also engaged the services of consultants for preparation of technical drawings, designs etc. Provisional GAD drawings have been submitted to the client for consideration and approval.

MIL approached APRDC for extension in time for financial closure. Directors believe that despite the current economic recessionary trends development of road developments would very much form part of the foundation for sustained economic growth of India. Current situation is being closely watched and implementation would be taking up as soon as on Financial Closure is achieved.

### 2. FIXED DEPOSITS

The Company has not accepted any Fixed Deposits from the public.

### 3. EMPLOYEES PARTICULARS

Your Company has no employees requiring disclosure under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

No Employee is in receipt of remuneration as applicable under Section 217(2A) of the Companies Act, 1956.

### 4. DIRECTORS RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, the Directors of the Company hereby state and confirm that:

1. In the preparation of Annual Accounts for the period, applicable Accounting Standards have been followed.
2. 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.
3. The Directors have taken proper and sufficient care 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.
4. The Directors have prepared the Annual Accounts on a going concern basis.

### 5. CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO:

The information as required under Section 217(1)(e) of the Companies act, 1956 read with the Companies ( Disclosure of particulars in the report of the Board of Directors) Rules, 1988 is not applicable to your company.

The Foreign Exchange Earnings/Payments by the Company during the year is NIL.

### 6. AUDITORS

M/s. Krishna & Prasad , Chartered Accountants, the present auditors, retire at this Annual General Meeting and are eligible for reappointment.

The Management wishes to place on record its gratitude to the Financial Institutions, Banks, various Government Organisations and the employees for their help and cooperation in achieving the tasks of the Company.

for and on behalf of the Board of Directors of  
Maytas Vasishta Varadhi Limited

Place : Hyderabad  
Date : August 06, 2009

**B Teja Raju**  
Director

**C S Raju**  
Director

# Auditors' Report

TO

**THE MEMBERS OF MAYTAS VASISHTA VARADHI LIMITED**

1. We have audited the attached Balance Sheet of MAYTAS VASISHTA VARADHI LIMITED as at 31st March 2009 for the period 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The Companies (Auditors Report) Order, 2003 issued in terms of Section 227(4A) of the Companies Act, 1956, is not applicable to the company for the year under audit.
4. Further to our comments in the Annexure referred to in paragraph 3 above, and reference to notes on accounts we report that:
  - (a) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit;

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books;
- (c) The Balance Sheet dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet dealt with by this report comply in all material respects with the notified Accounting standards of companies accounting standards rules 2006 and the relevant provisions of the Companies Act, 1956;
- (e) On the basis of written representations received from the Directors, as on 31st March 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31.03.2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view in the case of Balance Sheet, of the State of Affairs of the Company as on 31st March 2009.

**for Krishna & Prasad**  
Chartered Accountants

**B L N Phani Kumar**  
Partner  
Membership No.: 028391

Place: Hyderabad  
Date : August 06, 2009



**Balance Sheet as at March 31, 2009**

(All amounts in Indian rupees unless otherwise stated)

	Schedules	As at March 31, 2009	
<b>I. SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share capital	1	500,000	
Share application money pending allotment		23,050,790	23,550,790
<b>TOTAL</b>			<b>23,550,790</b>
<b>II. APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
<b>Gross Block</b>			
		-	
<b>Less: Depreciation</b>			
		-	
<b>Net Block</b>			
		-	
Capital Work-in-progress		20,464,516	
Incidental expenditure during construction period pending allocation	2	7,814,233	28,278,749
<b>Current Assets, Loans and Advances</b>			
a) Cash and bank balances	3	39,608	
b) Loans and advances	4	596,000	
c) Deposits		-	
		635,608	
<b>Less: Current Liabilities and Provisions</b>			
a) Liabilities	5	5,377,707	
Net Current asset			(4,742,099)
Miscellaneous Expenditure (To the extent not written off or adjusted)			14,140
<b>TOTAL</b>			<b>23,550,790</b>
<b>Notes to Accounts</b>	<b>6</b>		

The schedule referred to above form on integrated part of the Balance Sheet

This is the balance sheet referred to in our report of even date

**for Krishna & Prasad**  
Chartered Accountants

**for and on behalf of Board of Directors of**  
**Maytas Vasishtha Varadhi Limited**

**B L N Phani Kumar**  
Partner Membership No.: 028391

**B Teja Raju**  
Director

**C S Raju**  
Director

Place : Hyderabad  
Date : August 06, 2009

Place : Hyderabad  
Date : August 06, 2009

## Cashflow Statement for the Year Ended 31.03.2009

(All amounts in Indian rupees unless otherwise stated)

	As on 31.03.2009	
<b>A Cash Flow from Operating activities</b>		
Net Profit/(Loss) before tax and extraordinary Items	-	
<b>Adjustment for:</b>		
Depreciation	-	
Interest	-	
Profit on Sale of Land	-	
Preliminary Expenses Written off	3,535	
		3,535
Operating profit / (Loss) before working capital Changes		3,535
<b>Adjustment for:</b>		
Increase in Current Assets	(596,000)	
Increase / (Decrease) in Current Liabilities	5,377,707	4,781,707
Cash generated from / (used in) operating activities		4,785,242
Interest paid		-
Fringe Benefit Tax Paid		-
Income Tax Paid		-
<b>Net Cash generated from / (used in) operating activities</b>		<b>4,785,242</b>
<b>B. Cash Flow from Investing Activities</b>		
Fixed Assets - Land	-	
Capital work in Progress	(28,278,749)	
Investments and advance for investments	-	(28,278,749)
Miscellaneous Expenditure		(17,675)
<b>Net Cash from/ (used in) Investing Activities</b>		<b>(28,296,424)</b>
<b>C. Cash Flow from Financing Activities</b>		
Repayment of loan		
Interest paid on loan	-	
Share Capital received	500,000	
Share Application money received	23,050,790	
Proceeds from Long Term Borrowing	-	
<b>Cash flow from Financing Activities</b>		<b>23,550,790</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>39,608</b>
<b>Opening cash and cash equivalents</b>	-	
<b>Closing cash and cash equivalents</b>		
<b>Cash on hand</b>	<b>5,852</b>	
<b>Cash at Bank</b>	<b>33,756</b>	<b>39,608</b>

As per our report of even date annexed

for Krishna & Prasad  
Chartered Accountants

for and on behalf of Board of Directors of  
Maytas Vasishtha Varadhi Limited

**B L N Phani Kumar**  
Partner Membership No.: 028391

**B Teja Raju**  
Director

**C S Raju**  
Director

Place : Hyderabad  
Date : August 06, 2009

Place : Hyderabad  
Date : August 06, 2009

## Schedules to Balance Sheet

(All amounts in Indian rupees unless otherwise stated)

As at March 31, 2009	
<b>Schedule 1: Share Capital</b>	
<b>Authorised</b>	
50,000 equity shares of Rs.10 each	500,000
<b>Issued, subscribed and paid up</b>	
50,000 equity shares of Rs.10 each fully paid up	
Maytas Infra Limited 49994 Equity Shares of Rs 10 each	499,940
B. Teja Raju 1 Equity Shares of Rs 10 each	10
S. Mohan Gurunath 1 Equity Shares of Rs 10 each	10
C S Raju 1 Equity Shares of Rs 10 each	10
B Narasimha Rao 1 Equity Shares of Rs 10 each	10
V V Rama Raju 1 Equity Shares of Rs 10 each	10
J Veeraraju 1 Equity Shares of Rs 10 each	10
(The entire share capital is held by Maytas Infra Limited, the holding company )	<b>500,000</b>
Share Application Money	
- Amount received in cash/Bank	500,000
- Amount received in kind	22,550,790
(Being amounts paid by Maytas Infra Ltd on behalf of MVVL for various services)	<b>23,050,790</b>
<b>Schedule 2: Incidental expenditure during construction period pending allocation</b>	
Allocation of expenses	2,456,924
Soil Investigation	4,328,634
Rates & Taxes	2,112
Communication Expenses	25,292
Printing & Stationery	17,724
Business Promotion	5,360
Inauguration Expenses	206,219
Travelling Expenses	170,168
Audit Fee	11,030
Legal and Professional Charges	27,045
Misc Expenses	84,211
Finance charges	455,979
Preliminary Expenses writeoff	3,535
Fringe Benefit Tax	20,000
	<b>7,814,233</b>

## Schedules to Balance Sheet

(All amounts in Indian rupees unless otherwise stated)

As at March 31, 2009	
<b>Schedule 3 : Cash and bank balances</b>	
Cash on hand	5,852
Balances with scheduled banks on :	
- Current accounts	33,756
	<b>39,608</b>
<b>Schedule 4: Loans and advances</b> (Unsecured, considered good)	
Advance recoverable in cash or in kind or for value to be received	36,106
Other Advances- Service Tax Credit	559,894
	<b>596,000</b>
<b>Schedule 5: Liabilities</b>	
Dues to Holding Company-Maytas Infra Ltd	2,845,471
Sundry creditors	1,965,016
Other liabilities	567,220
	<b>5,377,707</b>

## Schedule 6

### Accounting Policies and Notes on Accounts (All amounts in Indian rupees unless otherwise stated)

#### A. SIGNIFICANT ACCOUNTING POLICIES

##### I. General

The accounts have been prepared on accrual basis under historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

##### II. Expenditure during construction period:

Incidental expenditure incurred during construction period towards "Concessionaire Asset" is being carried under capital work in progress and will be capitalized on completion of construction.

##### III. Preliminary Expenses:

Preliminary expenses are written off over five years as per the Section 35 of the I T Act.

#### B. NOTES ON ACCOUNTS

- This company is a 100% subsidiary of Maytas Infra Ltd.
- Contingent liabilities : Performance Bank guarantees furnished by promoter company Maytas Infra Ltd- Rs. 3,32,85,000/- to CE(R&B)MD,APRDC,Hyderabad.
- The company is yet to commence work related to the development of the project. However these accounts for the year under audit are prepared on a "going Concern" basis on the assumption that necessary financial support will be given by the Promoters & group entities towards the completion of the project. Financial closure yet to be completed.
- Presently the Project is under development. As such, expenditure of Rs 282.49 lakhs up to 31st March 2009 has been carried forward under the head "Capital Work-In-Progress".  
  
Provisions of Payment of Gratuity Act, 1972 and Employees Provident Fund and Miscellaneous Provisions Act 1952 are not applicable to the Company at present.
- Since the project is in development stage, Profit & Loss account has not been prepared. All the expenditure incurred (net of income earned) during the construction stage, which is grouped and shown under Capital Work in progress pending allocation. Necessary information as per part II of Schedule VI of the Companies Act 1956 has been disclosed to the extent applicable.
- Deferred taxes, as per Accounting Standard (AS-22) on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, has not been recognized.
- Confirmations with respect to balances due and payable are to be obtained. Letters have been addressed to the respective parties.
- In the opinion of the Board, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.

#### 9. Related Party Transactions

Following is the list of related parties and relationships:

Sl.No.	Name of the Related Party	Relationship
1.	Maytas Infra Limited (MIL)	Holding Company
2.	China Railway 18 <sup>th</sup> Bureau (Group) Co. Ltd (CR 18)	Associate Company
3.	Maytas Infra Assets Limited (MIAL)	Company under same management

Related Party transactions during the year ended March 31, 2009 are as follows:

(2008-09)

S.No.	Particulars	MIL	CR 18	MIAL
1)	Share Application Money pending allotment	2,35,50,790	-	-
2)	Equity Contributions received	5,00,000	-	-
3)	Credit Balances outstanding as on 31.03.2009	28,45,471	-	NIL (During the year Rs.17,89,555/- transferred to MIL)

- The Company has not received any intimation from 'suppliers' regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

Foreign Exchange Outgo / Earnings: Nil

- Finance Charges (Ref. schedule 2) includes an amount of Rs. 1,00,000/-. This according to Concessionaire agreement is shown as damages which actually represents extension charges for financial closure.
- Additional information pursuant to Para 3, 4, 4A, 4C & 4D of Part II of schedule VI to the companies Act 1956 are not applicable to the company at present.
- Figures have been rounded off to the nearest Rupee.

#### Schedules 1 to 6 form an integral part of the Balance sheet.

for Krishna and Prasad  
Chartered Accountants

B L N Phani Kumar  
Partner  
Membership No.: 028391

Place: Hyderabad  
Date : August 6, 2009

for and on behalf of the Board of Directors of  
Maytas Vasishtha Varadhi Limited

B Teja Raju  
Director

C S Raju  
Director

Place: Hyderabad  
Date : August 6, 2009

## Balance Sheet as at March 31, 2009

(All amounts in Indian rupees unless otherwise stated)

	Schedules	As at March 31, 2009
<b>SOURCES OF FUNDS</b>		
<b>Shareholders' Funds</b>		
Share capital	1	449,960
Share application money pending allotment		146,702,618
Deferred Tax Liability		
<b>TOTAL</b>		<b>147,152,578</b>
<b>APPLICATION OF FUNDS</b>		
Cash and bank balances	3	7,520
Loans and advances	4	110,808,055
<b>(A)</b>		<b>110,815,575</b>
<b>Less: Current Liabilities and Provisions</b>		
Current liabilities	5	3,761,963
Provisions	6	135,000
<b>(B)</b>		<b>3,896,963</b>
Net Current Assets/(Liability)	<b>(A-B)</b>	<b>106,918,612</b>
Profit and Loss Account (Debit balance)	2	(40,233,966)
<b>TOTAL</b>		<b>147,152,578</b>
Notes to Accounts	10	

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

for and on behalf of the Board of Directors of  
**Maytas Metro Limited**

**B Teja Raju**  
Director

Place : New Delhi  
Date : August 29, 2009

## Profit and Loss Account for the year ended March 31, 2009

(All amounts in Indian rupees unless otherwise stated)

	Schedules	March 31, 2009
<b>INCOME</b>		
<b>Turnover</b>		
Service Income	-	
<b>Other income</b>		
	-	
<b>TOTAL</b>		-
<b>EXPENDITURE</b>		
Personnel expenses	7	76,262
Administrative and other expenses	8	38,568,841
Financial expenses	9	1,264,364
Preliminary expenses written off		174,500
<b>TOTAL</b>		<b>40,083,966</b>
<b>Profit/(Loss) before tax</b>		(40,083,966)
<b>Provision for taxation</b>		
Current tax		-
Fringe benefit tax		150,000
Deferred tax		-
<b>Profit/(Loss) after taxation</b>		(40,233,966)
Add: Balance brought forward from previous year		-
<b>Surplus/(Deficit) carried to balance sheet</b>		(40,233,966)
<b>Earnings per share</b> (Nominal value of Rs.10 per share)		
Basic		(894)
Diluted		(894)
<b>Notes to Accounts</b>	10	

The Schedules referred to above and the notes to accounts form an integral part of the Profit and Loss Account

for and on behalf of the Board of Directors of  
**Maytas Metro Limited**

**B Teja Raju**  
Director

Place : New Delhi  
Date : August 29, 2009

## Cash flow statement for the year ended March 31, 2009

(All amounts in Indian rupees unless otherwise stated)

	2008-09
<b>A. Cash flow from operating activities</b>	
Net profit before taxation	(40,083,966)
Adjustments for:	
Depreciation	-
Liabilities no longer required written back	-
Advances written off	-
Interest income	-
(Profit)/Loss on sale of assets	-
<b>Operating profit before working capital changes</b>	<b>(40,083,966)</b>
Movements in working capital :	
Decrease / (Increase) in sundry debtors	-
Decrease / (Increase) in loans and advances	(110,808,055)
Increase in current liabilities	<b>3,761,963</b>
<b>Cash generated from operations</b>	<b>(147,130,058)</b>
Direct taxes paid	(15,000)
<b>Net cash from operating activities</b>	<b>(147,145,058)</b>
<b>B. Cash flows from investing activities</b>	
Purchase of fixed assets/expenditure during construction period	-
Sale of fixed assets	-
Investments in associates	-
Invested as share application money	-
Interest received	-
Net cash from investing activities	-
<b>C. Cash flows from financing activities</b>	
Share application money received	146,702,618
Proceeds from issuance of share capital	449,960
Net cash used in financing activities	147,152,578
<b>Net increase/(Decrease) in cash and cash equivalents (A + B + C)</b>	<b>7,520</b>
<b>Cash and cash equivalents as at April 01, 2008</b>	-
<b>Cash and cash equivalents as at March 31, 2009</b>	<b>7,520</b>
<b>Notes to the Cash Flow Statement</b>	
Cash and Cash equivalents include :	
Cash and bank balances considered for cash flow	7,520
Fixed Deposit Accounts considered as investments	-
Margin money deposits considered as investments	-
<b>Cash and Cash Equivalents as per Balance Sheet</b>	<b>7,520</b>

This is the cashflow statement referred in our report of even date.

for and on behalf of the Board of Directors of  
Maytas Metro Limited

**B Teja Raju**  
Director

Place: Hyderabad  
Date : August 29, 2009



## Schedules to the Accounts

(All amounts in Indian rupees unless otherwise stated)

	As at March 31, 2009
<b>Schedule 1: Share Capital</b>	
<b>Authorised</b>	
1,000,000 equity shares of Rs.10/- each	10,000,000
<b>Issued, subscribed and paid up</b>	
44,996 equity shares of Rs.10/- each fully paid up (44,995 shares is held by Maytas Infra Limited, the holding company and one share is held by Government of Andhra Pradesh)	449,960
	449,960
<b>Schedule 2: Profit and Loss Account (Debit Balance)</b>	(40,233,966)
<b>Schedule 3: Cash and bank balances</b>	
Cash on hand	3,196
Balances with scheduled banks in : - Current accounts	4,324
	7,520
<b>Schedule 4: Loans and advances</b> (Unsecured, considered good)	
Advance recoverable in cash or in kind	808,055
Concession Fee	110,000,000
	<b>110,808,055</b>
<b>Schedule 5: Current Liabilities</b>	
Dues to holding company	
Sundry creditors	3,517,681
Other liabilities	244,282
	3,761,963
<b>Schedule 6: Provisions</b>	
Provision for fringe benefit tax	135,000
	135,000

## Schedules to profit and loss account

(All amounts in Indian rupees unless otherwise stated)

	March 31, 2009
<b>Schedule 7 : Personnel expenses</b>	
Workmen and staff welfare expenses	76,262
	<b>76,262</b>
<b>Schedule 8 : Administrative and other expenses</b>	
Guest House Maintenance	973,831
Rates and Taxes	233,966
Office Maintenance	151,780
Business Promotion	431,793
Travelling and Conveyance	1,954,241
Pre-Bid Expenses	14,570,751
Communication Expenses	430,238
Printing and Stationery	706,607
Professional Charges	18,104,995
Furniture & Fixtures	97,230
Audit Fees -	
Staff Recruitment Expenses	666,753
Miscellaneous expenses	246,657
	<b>38,568,841</b>
<b>Schedule 9: Financial expenses</b>	
Interest	
- on banks	-
- others	-
Bank charges	<b>1,264,364</b>
	<b>1,264,364</b>

## Schedule 10:

Notes annexed to and forming part of the accounts as at and for the period ended March 31, 2009  
(All amounts in Indian rupees except for share data or other wise stated)

### 1. Background

Maytas Metro Limited ('MML' or 'the Company') was incorporated in India on September 09, 2008 under the Companies Act, 1956, as a limited company.

MML is promoted by Maytas Infra Limited as its wholly owned subsidiary. The primary objective of the Company is to undertake the designing, building, development, financing, engineering, procurement, construction, operation, maintenance and transfer of a mass rapid transit system from LB Nagar to Miyapur, Jubilee bus station to Falaknuma and Nagole to Shilparamam Corridors in Hyderabad in the state of Andhra Pradesh.

### 2. Statement of Significant Accounting Policies

#### a. Basis of preparation

The financial statements have been prepared to comply in all material respects in respects with the notified accounting standard by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis.

#### b. Use of Estimates

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

#### c. Fixed assets and depreciation

- i. Fixed assets are stated at cost less accumulated depreciation, impairment losses and specific grant/subsidies if any. Cost comprises the purchase price, freight, duties, taxes and any attributable cost of bringing the asset to its working condition for its intended use. Finance costs relating to acquisition of fixed assets which tak substantial period of time to get ready for use are included to the extent they relate to the period until such assets are ready for intended use.
- ii. Depreciation is provided on straight line method, based on useful life of the assets as estimated by the Management which coincides with rates prescribed under Schedule XIV to the Companies Act, 1956.
- iii. Assets costing five thousand rupees or less are fully depreciated in the year of purchase.

#### d. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are

carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

#### e. Retirement and other employee benefits

- i. Retirement benefit in the form of Provident Fund, a defined contribution scheme is charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no obligations other than the contribution payable to the respective authorities.
- ii. Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial
- iii. Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.
- iv. Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

#### f. Foreign currency transactions

##### i. Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

##### ii. Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

##### iii. Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

#### g. Leases

Leases where the lessor effectively retains substantially all the risks and rewards incidental to ownership, are classified as operating leases. Operating lease payments are recognized as an expense in the profit and loss account on a straight-line basis over the lease term.

#### h. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

#### Income from Services

Revenues from are recognised pro-rata over the period of the contract as and when services are rendered.

**Schedule 10:**

Notes annexed to and forming part of the accounts as at and for the period ended March 31, 2009  
(All amounts in Indian rupees except for share data or other wise stated)

**i. Income taxes**

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred taxes reflect the impact of current year timing differences between taxable income and accounting income for the year.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized 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 realized.

**j. Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, except when they are anti dilutive.

**k. Provisions**

A provision is recognized when an enterprise has a present obligation as a result of past event i.e., it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**3. Capital Commitments**

Estimated amount of contracts (net of advances) remaining to be executed on capital account: Rs. Nil.

**4. Contingent liabilities**

Outstanding bank guarantees as on 31st March 2009 – Rs. NIL.

**5. Related Party Transactions**

The Company had following transactions with related parties during the period.

- a) The Company had following transactions with related parties during the period.

	For the year ended March 31, 2009
<b>Holding Company</b>	
<b>Maytas Infra Limited</b>	
Equity Share Capital	449,950
Share Application Money	146,702,618

- b) Balance outstanding Debit / (Credit)

	For the year ended March 31, 2009
<b>Holding Company</b>	
Maytas Infra Limited	146,702,618

**6. Expenditure in foreign currency (On cash basis) - NIL**

7. Based on the information available with the Company no amounts are payable to enterprises covered under Micro, Small and Medium Enterprises Development Act, 2006.

**8. Disclosure regarding Derivative Instruments**

- a. The Company has no derivative instrument outstanding as at the year end.
- b. There is no foreign currency exposure unhedged as at the balance sheet date.

**SIGNATURES TO SCHEDULES 1 to 10**

In terms of our report of even date

for and on behalf of Board of Directors of  
**Maytas Metro Limited**

**B Teja Raju**  
Director

Place : New Delhi  
Date : August 29, 2009

# MAYTAS INFRA LIMITED

Registered Office: 6-3-1186/5/A, 3rd Floor, Amogh Plaza, Begumpet, Hyderabad – 500 016

## ATTENDANCE SLIP

I/we hereby record my/our presence at the 21st Annual General Meeting held on November 09, 2009 at 10.30 a.m. at Sri Sathya Sai Nigamagmam, 8-3-987/2, Srinagar Colony, Hyderabad - 500 073.

Name of the Shareholder/Proxy\* ..... No. of Shares held: .....

Folio No.:	Client Id.:	DP Id.:
------------	-------------	---------

Signature of the Shareholder	
------------------------------	--

\* Strikeout whichever is not applicable

### Notes

1. Shareholder/Proxy intending to attend the meeting must bring the duly signed Attendance Slip to the Meeting and handover at the entrance.
2. Shareholder/Proxy should bring his/her copy of the Annual Report

# MAYTAS INFRA LIMITED

Registered Office: 6-3-1186/5/A, 3rd Floor, Amogh Plaza, Begumpet, Hyderabad – 500 016

## PROXY

I/we..... of..... in the District of ..... being a Member (s) of the above named Company, hereby appoint ..... of ..... in the District of ..... or failing him/her..... of ..... in the District of ..... as my/our Proxy to attend and vote for me/us and on my/our behalf at the 21st Annual General Meeting of the Company to be held on November 09, 2009 at 10.30 a.m. and at any adjournment thereof.

Signed this..... day of .....2009

Folio No.:	Client Id.:	DP Id.:
------------	-------------	---------

No. of Shares..... Signature.....

Note: the Proxy in order to be effective must reach duly filled at least 48 (fortyeight) hours before the commencement of the aforesaid meeting.

Affix  
Re.1/-  
Revenue  
Stamp





BOOK - POST

If undelivered, please return to :



**MAYTAS INFRA LIMITED**

#6-3-1186/5/A, 3rd Floor, Amogh Plaza, Begumpet, Hyderabad - 500 016, India.  
Tel: +91-40-4040 9333 Fax: +91-40-2340 1107 www.maytasinfra.com