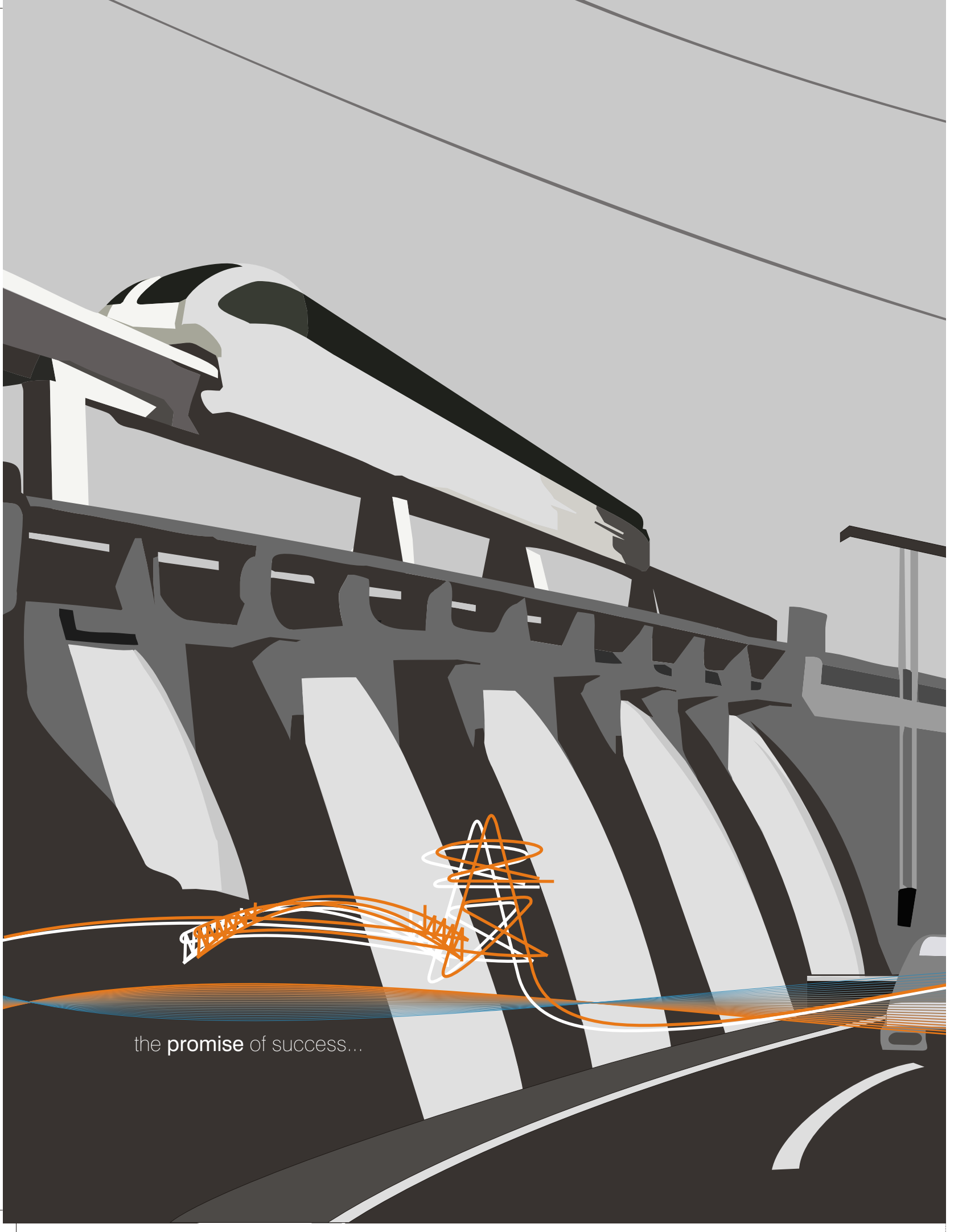


the **dream** to grow...





the **promise** of success...

the **reality** of a better India!



There are no such things as limits to growth. Because there are no limits to the human capacity for intelligence, imagination and achievements!

What was once an insatiable dream, is a veritable constructed reality today. But we aren't done yet. When you see the value of continued growth, each circumstance around you becomes a stepping stone that urges you to move ahead with a vision - a vivid picture of what the future could be and how you can build it, if only we set our hearts and minds on it. The blueprints of bold visions come from not being satisfied with the present, no matter how comfortable it is. This is the hallmark of Maytas Infra. This is the foundation of thought and motivation for our Associates to build, to strive, to seek breakthroughs, and to be enterprising. All for a developed India through world-class infrastructure - a reality!



## Contents

vision	03
chairman's message	03
achievements and milestones	05
meet the management	07
musings of vice chairman	08
the growth model	10
construction business	12
infrastructure business	18
geographies	20
strength beyond numbers	22
the growth incubator	23
financial highlights	24
notice	26
directors' report	31
management discussion & analysis	35
report on corporate governance	37
auditors' report	45
balance sheet	48
profit and loss account	49
cash flow statement	50
schedules to balance sheet	51
schedules to profit & loss account	56
balance sheet abstract	76
consolidated accounts	78
subsidiary accounts	109

### Board of Directors

R.C. Sinha  
C.S. Mohan  
Dr. R.P. Raju  
B. Teja Raju  
P.K. Madhav  
C.S. Bansal

### Chief Financial Officer

V.V. Rama Raju

### Company Secretary

J. Veeraj

### Joint Auditors

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

Krishna & Prasad  
Chartered Accountants  
G-26, Ground Floor,  
RBVR Reddy Hostel Complex, Tilak Road,  
Hyderabad – 500 001.

### Bankers

Allahabad Bank  
Axis Bank Limited  
Bank of India  
Bank of Maharashtra  
BNP Paribas  
HDFC Bank  
ICICI Bank  
IDBI Bank  
Kotak Mahindra Bank  
Punjab National Bank  
State Bank of Hyderabad  
State Bank of India

### Registered Office

6-3-1186/5/A, 11th Floor  
Amogh Plaza, Begumpet  
Hyderabad – 500 016  
Tel: +91-40-40409333; 23408100  
Fax: 040-23401107  
www.maytasinfra.com

### Registrar And Share Transfer Agent

Kary 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@kary.com

# a window to growth

Vision

Chairman's Message

Achievements & Milestones

## Chairman's Message

As I gaze out of my cabin and watch the bright sun belting down on the Deccan Plateau, it strengthens my belief that its brightness is reflective of the immense potential of the Indian economy.

And a crucial parameter for our economy to shine bright is Infrastructure Development. Ironically, while the Indian economy has grown by leaps and bounds, Infrastructure still remains an area that is grossly underdeveloped and is dragging down the economic growth rate. Our Company has been early to sense a clear business opportunity here and soon, I believe we will be ranked among the very best in infra companies, not just in India but globally too.

Maytas Infra has very strong brand equity in the construction space and has leveraged the same to venture into the Infrastructure space wherein it intends establishing a leadership position. This initiative has been backed by a well-thought out strategy keeping in mind the macroeconomic factors and the unique strengths of the Company.

For the five-year period 2002-06, our country's construction expenditure has been estimated at Rs. 3313 billion. Yet there is a huge expenditure gap that needs to be filled in across various infrastructure segments like roads & highways, ports, airports and power.

To address this gap, the Government of India has initiated various steps which include increased private sector participation in the execution of infrastructure related projects (under the aegis of PPP - Public-Private Partnership arrangements), providing for viability gap funding and establishment of agencies whose role would be to make these projects financially viable for private companies. In the five year period between FY07- FY11, it is estimated that infrastructure construction investments will exceed Rs. 6000 billion.

# vision

“To enhance the quality of life by creating  
world-class infrastructure”

R. C. Sinha – Chairman

Clearly, the trend in investments in the infrastructure sector over the last half decade has been upward. Even though external factors are hinting at a slowdown of sorts in the short term, the strong long-term prospects of the segment remain intact.

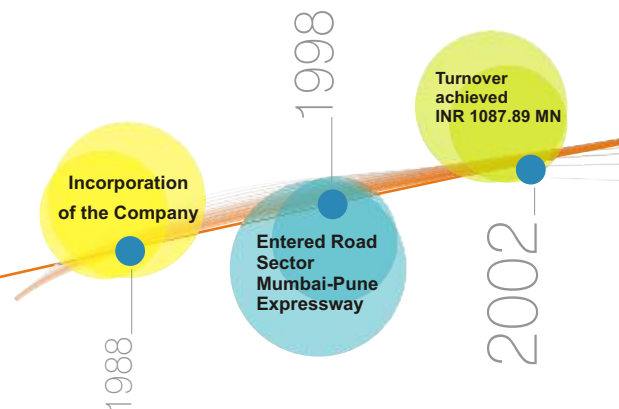
This has accentuated the role of large and well-organized players like Maytas Infra who can meet global quality standards using advanced technology and the other resources required in this segment. Maytas Infra, with its strategic expertise, strong execution capabilities, and commitment to adopting the highest quality, safety, and environmental policies has the capability to be a prominent global player in the near future.

A testimony to our commitment and success thus far is reflected in our bagging the NICMAR Award 2007 of 'India's Fastest Growing Construction Company'. This has enhanced our responsibility, and we remain conscious of the fact that we have to raise the bar and set even higher standards for ourselves. We adopt motto of no cost overrun and no time overrun.

Finally, each one of us at Maytas Infra acknowledges the additional responsibility which we now shoulder, of being a listed Company. I take this opportunity to thank our investors for their overwhelming response to our IPO and assure each one of you of our very best efforts.

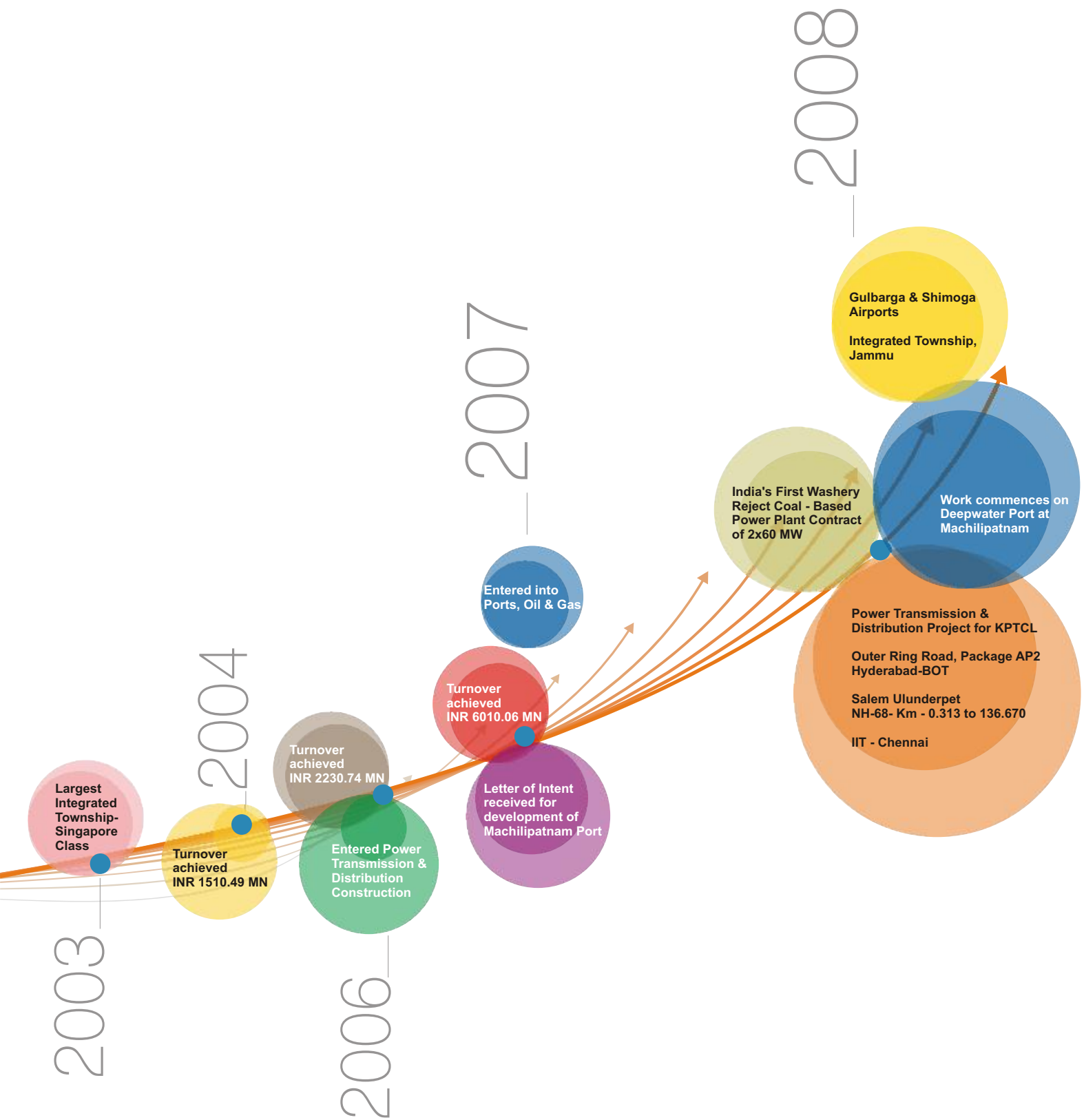
Sincerely

R. C. Sinha  
Chairman





# Achievements and Milestones



# the growth team

Meet the Management  
Musings of Vice Chairman



# Meet the Management

## The Maytas Infra Board

### R.C. Sinha, Chairman

An ex-IAS officer, R. C. Sinha has over four and a half decades of experience in the industry having worked on numerous infrastructure projects with the state governments of Maharashtra, Andhra Pradesh and Goa. A Master in Economics, he is a degree holder in Law from Delhi University and also holds a post-graduate diploma in Urban Development from London University.

### C.S. Mohan, Independent Director

The former CMD of NMDC, C.S. Mohan has over four and a half decades of experience in international trade, engineering and general management. A Metallurgical Engineer from Banaras University, he has also completed management programme from Harvard Business School.

### Dr. R.P. Raju, Independent Director

A Medical Degree holder with over three decades of experience as a medical practitioner, the Company leverages upon Dr. R. P. Raju's vast experience in planning, management and administration.

### B. Teja Raju, Vice Chairman

The driving force behind the rapid growth of this Company, B. Teja Raju is an Engineer with a Master's Degree in E-Commerce from Pittsburgh, USA.

### P.K. Madhav, Whole-Time Director

An MBA from FMS (Delhi), and a qualified Company Secretary, P.K. Madhav brings to the table over three decades of experience in the fields of finance, corporate planning, and operations management.

### Chander Sheel Bansal, Whole-Time Director

Former Group General Manager & Board Member in Easa Saleh Al Gurg Group Dubai, former Managing Director of ALSTOM's Transport Sector in India, former President & CEO of Usha Beltron Ltd (Usha Martin Industries Ltd), C.S. Bansal is a Mechanical Engineer, Delhi University with Post Graduation in Business Administration (Gold Medalist) from MDI. He also holds advanced management degrees from Leeds University, UK (Chevening Scholar) and Harvard Business School, USA (AMP).

# Musings of Vice Chairman



B. Teja Raju - Vice Chairman

Maytas Infra carries with it the successful entrepreneurial legacy of the Raju Family, the promoters of the USD 2 billion Satyam Group, and the same philosophies are at its core. This is the strong foundation on which Maytas Infra is based.

The year 2007-08 was a remarkable one for Maytas Infra, not only in terms of business and financial performance, but it has also been a landmark year in more ways than one - a successful IPO, strong consolidation and entry into high growth segments.

The IPO of Maytas Infra was oversubscribed 67 times, and this reflects the faith of investors in our fundamentals and future prospects.

After creating a strong foothold with over 2 decades of experience in the construction space, we have already made significant inroads in the infrastructure sector. We believe that our construction business will provide us with stable growth while the infrastructure business will enhance the Company's scalability over a period of time. We also intend to develop domain expertise across business verticals and spearhead the various segments within the core areas we operate in.

As we grow, our strategy would be to aim at quality and big ticket projects across different geographies including India and abroad. Another important growth strategy is to diversify our basket of services by venturing into new segments and exploring strategic alliances on an ongoing basis, both at the national and international levels.

We understand that our initiatives call for effective execution skills. We have a highly qualified and experienced team in place to meet the challenges of project execution. We also seek to continuously hone the skills of existing members and attract fresh talent.

Our vision statement is – "To enhance the quality of life by creating world-class infrastructure". We aspire to achieve this by transforming employees into leaders, keeping pace with technology and having systems and processes in place, which will continuously deliver value to our stakeholders resulting in high quality output.

The macroeconomic environment further augments the prospects of our Company. A massive USD 494 billion investment proposed in the infrastructure segment in the eleventh plan period (2007-12), and an increase in the share of infrastructure investment to 9% of the GDP from 5 % in 2006-07 provides us a wide variety of opportunities.

Besides the organic growth route, we are open to inorganic opportunities if the synergies serve our purpose of enhancing our pre-qualification capability, skill sets and finally give a fillip to stakeholder value. We accord great importance to Health, Safety and Environmental (HSE) factors, and strongly believe that risks can be significantly reduced by systematic analysis and precautionary control measures.

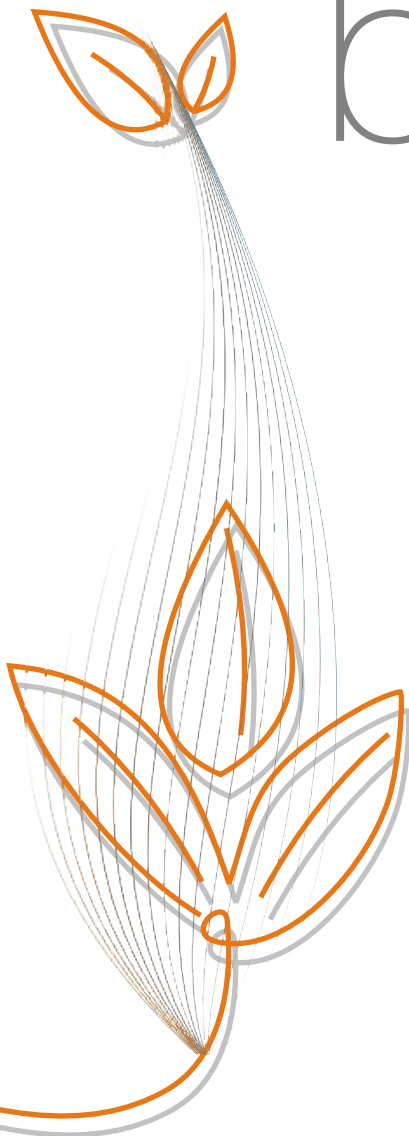
In addition to creating meaningful value for our shareholders during 2007, we believe that our achievements have helped position Maytas Infra for further growth in 2008.

Sincerely

B. Teja Raju  
Vice Chairman

# growing the business

The Growth Model  
Construction Business  
Infrastructure Business  
Geographies



## The Growth Model

Maytas Infra is a leading construction and infrastructure developer in India with over two decades of business experience. Its geographies in India span over 14 States. The Company participates in competitive bidding where projects are awarded on the basis of experience, engineering capabilities, technical know-how and financial resources.

### BUSINESS OVERVIEW

The Company undertakes design engineering, procurement and construction material, fuel and equipments culminating into the construction.

Having established a strong foothold in the sectors of irrigation, roads & bridges, buildings & structures, the Company has now entered new areas such as power, industrial structures, oil & gas infrastructure, and railways.

Further, the Company has taken concrete steps towards foraying into water and waste water management, construction of Special Economic Zones (SEZ), urban infrastructure, ports and airports as they provide huge growth opportunities. This also provides the Company with much required diversity in terms of nature of the projects and geographies.

The Company has a certificate from AQA International, LLC in respect of the quality management system (ISO 9001:2000).

### Strategic Alliances – Scalability of Growth

As part of its growth strategy, the Company enters into carefully chosen alliances with international as well as domestic players so as to enhance its capability in terms of financial strength, technical know-how, and execution competency.

### Increasing the BOT Portfolio – Profitable Growth

Maytas Infra has newly incorporated a 100 per cent subsidiary - Maytas Infra Assets Limited (MIAL), to undertake Build-Operate-Transfer (BOT) projects. The existing BOT projects under the parent Company will be transferred to MIAL on receipt of approvals from statutory authorities.

BOT contracts involve the construction of an asset as required by the client, with partial or total financing arrangements provided by the bidders/contractors. Thus, the role of a traditional contractor has changed from being a service provider to being a business partner in the operation of the enterprise. Maytas Infra has several projects across its business verticals underway on a BOT basis.

### Diversifying into Mining – Unearthing the Potential

Maytas Infra has promoted a wholly-owned subsidiary called 'Maytas Mineral Resources Limited' on February 04, 2008. Maytas Mineral Resources Limited is a diversified mining company primarily engaged in identifying and developing early to advanced stage green and brown field properties globally across coal, iron and copper ores. Maytas Mineral Resources also looks at coal and its focus is steam coal where it is actively scouting for opportunities in India, Indonesia and Southern Africa. Another area it is looking at is iron and copper where it is concentrating on Latin American, Australian and African markets.

The race for discovering and extracting coal, iron ore and other metals has accelerated globally. Continued consolidation will not only make the mining companies some of the largest in the world but also will provide greater returns for mineral resources companies. Maytas' recent entry into mining bodes well under these circumstances. This entry also provides synergies for our other businesses as we enter into increased thermal power production, building rail lines and developing ports.

-Dr. Srinivas Reddy  
Executive Director, Maytas Mineral Resources

## A MACRO PERSPECTIVE... UNLIMITED POTENTIAL

The Indian Economy ranks the second fastest growing economy in the world. However, World Development Indicators published by the World Bank indicate that India lags far behind the developed as well as developing nations.

India's gross domestic product (GDP) has grown from USD 400 billion a decade ago to nearly USD 1 trillion. As a result, the rise in commercial activities and disposable incomes has put tremendous pressure on the country's already inadequate infrastructure. India's infrastructure spending accounts for just 5% of the GDP, compared to China's 9%.

According to a consultation paper circulated by the Planning Commission, the investment required in infrastructure in India is USD 494 billion during the Eleventh Plan period (2007-12). This would increase the share of infrastructure investment to 9 per cent of GDP from 5 per cent in 2006-07, and translates into an annual incremental investment of USD 40 billion. (www.ibef.org)

Significantly, 30 per cent of the total investment is expected to come from the private sector (including Public-Private Partnership), and this augurs well for organized players like Maytas Infra.

Some of the infrastructure initiatives planned for the next five years in the Eleventh Five Year Plan are:

- ◆ Additional power generation capacity of about 78,577 MW
- ◆ Constructing Dedicated Freight Corridors between Mumbai-Delhi and Ludhiana-Kolkata
- ◆ Capacity addition of 485 million MT in Major Ports, 345 million MT in Minor Ports
- ◆ Modernisation and Redevelopment of 21 railway stations
- ◆ Developing 16 million hectares through major, medium and minor irrigation works
- ◆ Modernisation and Redevelopment of 4 metro and 37 non-metro airports
- ◆ Six-laning 6,500 km of Golden Quadrilateral and selected National Highways
- ◆ Constructing 1,65,244 km of new rural roads, and renewing and upgrading existing 1,92,464 km covering 78,304 rural habitations





# Construction Business

The construction business of the Company can be broadly classified into the following sub-segments:

## Transportation

### Roads

The Company undertakes construction of roads, state and national highways, elevated highways and bridges. These projects may be undertaken independently or as part of a joint venture.

With the passenger traffic growth projected at 12-15 per cent, and road sector investments expected to grow at 19 per cent p.a., the Eleventh Five Year Plan envisages a total investment of Rs. 3,14,152 crore over a five-year period commencing from 2007-08 under the different phases of the National Highways Development Projects (NHDP). Thus, there is immense potential for the Company to consolidate its position in this sector.

"Historically, investments in highways were being made by the Government as they are capital intensive, and have long gestation. However, given the capabilities displayed by the private sector in the recent past in mobilizing resources and executing projects in the transportation sector, Government of India and several State Governments have decided that most projects should be taken up on the basis of Public-Private Partnership (PPP) on Build-Operate-Transfer (BOT) route. This unfolds huge opportunities for Maytas Infra in this segment".

-Chander Sheel Bansal,  
Director & President-Transportation, Oil & Gas.

The Company has 11 road and bridge contracts in different stages of construction underway in the States of Assam, Chhattisgarh, Karnataka, Uttar Pradesh, Andhra Pradesh and Tamil Nadu. The typical clients here are National Highway Authority of India and State Governments.

It has the necessary machinery and equipment base required to execute large sized projects, as also the management and engineering skills in the form of a broad talent pool.

Projects	Contract Value(Rs. Cr.)	Expected Year of Completion
Hyderabad Outer Ring Road Project, Kollur to Patancheru	415.00	2011
Salem Ulunderpet Road Project	393.99	2011
Bangalore Elevated Highway Project	224.00	2009



Bangalore Elevated Highway Project



Nandi Infrastructure Corridor Enterprise  
(NICE) Road Project, Karnataka



Sira Bypass, Karnataka



## Railways

Maytas Infra has initiated efforts for the development of railway infrastructure for long distance and urban transportation.

The Indian Railways has set a target of carrying 850 million tonnes (MT) of freight in 2008-09, which further rises up to 1,100 MT by the last year of the Eleventh Five Year Plan, 2011-2012.

"Though a recent entrant in the railway sector, the Company has already made significant inroads".

- Chander Sheel Bansal,  
Director & President -Transportation, Oil & Gas.

Projects	Estimated Cost(Rs. Cr.)	Expected Year of Completion
Lanjigarh Project (Vedanta Aluminium Ltd.)	103.00	2008
MRTS - Phase-1 (MTP Railways)	42.48	2008
Bangalore Metro Rail Corporation	42.00	2009



Lanjigarh Railway Project



Railway Sidings for Vedanta Aluminium, Lanjigarh, Orissa



Lanjigarh Railway Project

## Water Projects

"The low rates of growth in the agricultural sector in the last decade make a compelling case for massive investment in irrigation".

- I. K. Pantulu, Sr. VP-Irrigation

As per the Planning Commission, the total investment expected in the irrigation segment is Rs. 1,24,000 crores for 2007 – 2011. The Accelerated Irrigation Benefit Programme has an increased outlay of Rs. 20,000 crore for 2008-09 for irrigation, and Rs. 43,700 crore for national projects during the 11th Five-Year Plan period (2007-12).

The State Governments play a more active role as far as irrigation projects are concerned, and states like Andhra Pradesh, Gujarat and Maharashtra lead the trend with increased budgeted outlays in this sector.

Irrigation represents a significant part of Maytas Infra's services. This vertical provides design, engineering and construction of dams, reservoirs, canals, tunnels and lift irrigation schemes.

At present, 21 projects with a total value of Rs. 2,113 crores are in different stages of construction. Out of this, Rs. 721 crores has already been executed by the end of fiscal 2007-08 leaving the order back log of Rs. 1,392 crores.

## WATER

Water and Waste Management are crucial Social and Environmental issues all over the world. Maytas Infra offers integrated end-to-end solutions to address these areas with technology/expertise from world leaders/pioneers.

Water Supply, Distribution & Treatment; Waste Water/Sewage/Effluent Handling & Treatment, Municipal Solid Waste Management are being given a high degree of importance both in urban and rural areas. Under the auspices of the JNNRM alone, the total investment during the five year period is estimated at more than Rs. 125,000 crores.

The Company has entered into alliances with leading technology providers for undertaking projects on EPC basis in the areas of Integrated Water & Wastewater and Municipal Solid Waste Management; and the scope of work entails:

- ◆ Storage Reservoirs
- ◆ Intake Facilities
- ◆ Desalination Plants
- ◆ Cross-Country Pipelines, Under-Ground Pipelines
- ◆ Pumping Facilities
- ◆ Water & Wastewater Treatment
- ◆ Municipal Solid Waste Management

Projects	Contract Value(Rs. Cr.)	Expected Year of Completion
Gandikota Dam Project*	329	2009
Lingala Canal – Chitravati Balancing Reservoir Right Canal*	316	2009
Tadipudi Lift Irrigation Scheme	178	2009

\* in 50% joint venture



Sreeramsagar Project



Podagada Earthen Dam



Gandikota Dam

Buildings & Structures

The Company provides a range of engineering, procurement and construction (EPC) services for residential townships, apartments, commercial buildings and industrial structures.

The Company is executing over 15 projects with a total SFT of over 10 million, related to integrated townships, commercial buildings, and industrial structures across India, from Jammu to Kerala.

“While labour, materials and plant will remain at the core of all building activity, it is people, processes & technology which will be the differentiators in the years ahead”.  
- Sudheer Mareddi, Head-Buildings & Structures

People

The Company invests into developing of graduate engineers from reputed colleges across the industry besides nurturing the middle and senior management through Maytas School of Leadership. It lays equal emphasis on developing skills among construction manpower through the Maytas Construction Skills Training Institute(MCSTI).

Processes & Technology

The Company adopts innovative techniques in project management and enterprise resource planning, Primavera for project tracking and control. All our sites are connected through broadband networks that support connectivity to collaborative enterprise systems, and voice and video facilities.

Plant & Machinery

The Company as a policy, deploys it own machinery along with operations & maintenance staff for concrete production, reinforcement, staging & scaffolding and hoisting & cranes. The Company, along with NCC has formed a JV with M/S PASCHAL Germany, the world leaders in modular formwork technology, to set up a plant at Visakhapatnam for manufacturing state-of-the-art modular formwork technology that caters to its own needs besides sales across India.

Projects	Contract Value (Rs. Cr)	Expected Year of Completion
Maytas Hill County, Hyderabad	540	2009
Township for Jammu Relief Commission, Jammu*	254	2009
Vedanta Aluminium Ltd. Township, Orissa	233	2009

\* in 50% joint venture



Maytas Hill County, Hyderabad



Singapore Class Township, Hyderabad



T-Eternity Mall, Lucknow

## Energy

### Power

"The Company ventured into Power sector only in 2006, but since then has undertaken projects encompassing construction of transmission & distributions systems, and rural electrification networks. It has also bagged orders for construction of power plants on an EPC basis".

- Kannan Narsimhachari, Head-Power

Within a short span of time, the Company has built the competency to handle a diverse range of projects in the areas of generation, transmission, distribution and industrial power distribution systems.

It has tied up with reputed manufacturers of power plant equipment.

The massive thrust that is being provided to the Power sector during the 11th Five Year Plan augurs well for the Company.

The Company is presently executing major electrical works in Madhya Pradesh, Karnataka, Uttar Pradesh and Orissa.

Projects	Estimated Cost(Rs. Cr.)	Expected Year of Completion
1x 125 MW Senegal Project, Africa	750	2010
Gupta Energy Private Limited	477	2010
Ind-Bharat Karwar Power Ltd.	207	2010



KPTCL Substation, Bangalore



Hubli Transmission Line for KPTCL



GESCOM Transmission Lines, Karnataka



## Oil & Gas Energy

"Maytas Infra is one of the few Indian companies that own specialized equipment for laying large sized on-shore gas pipelines. The Company is rapidly acquiring the competency to seize the opportunities for creating on-shore and off-shore oil & gas infrastructure".

- Chander Sheel Bansal,  
Director & President -Transportation, Oil & Gas.

The oil & gas industry has been instrumental in fuelling the rapid growth of the Indian economy. It contributes about 45 per cent of the total energy consumption of the country.

Further, in the seventh round of bidding under the New Exploration Licensing Policy, bids have been invited for 57 exploration blocks. It is estimated to attract investment of the order of USD 3.5 billion to USD 8 billion for exploration. Indian companies plan to increase their refining capacity to 242 MMTPA by 2011-12 from about 149 MMTPA in 2007.

### Upstream Segment

The Company plans to provide Front-End Engineering & Design (FEED) and turnkey solutions in the construction of infrastructure. The offerings will include offshore and onshore well platforms, construction of sub-sea pipelines, and terminals.

### Downstream Segment - Refining

The Company is currently executing non-plant civil and construction works at refineries. By 2009, as a key player in the refining domain, it intends to offer Engineering, Procurement, Construction and Commissioning (EPCC) solutions for plant works also, on a Lump Sum Turnkey (LSTK) basis.

### Downstream Segment - Pipelines

This sector is capable of undertaking, on a turnkey basis, works related to detailed engineering, procurement and construction of cross-country pipeline projects involving laying of oil & gas pipelines. It is also capable of executing work related to high pressure gas compressor stations.

Projects	Estimated Cost(Rs. Cr.)	Expected Year of Completion
Bhadbhut-Jamnagar Pipeline	303	2008
Paradip Refinery Project, Orissa	37	2008



Paradeep Project



Project for Gujarat State Petronet Ltd.(GSPL)



Pipe laying works for Gujarat State Petronet Ltd.(GSPL)

## Infrastructure Business

The infrastructure development business is primarily to strengthen the Company's position in the BOT space under various sub-segments -

### Power

The Indian power industry has been characterized by a huge demand-supply gap, and the deficit is to the tune of 7 per cent and 12 per cent in terms of total energy and peak requirements. The total installed capacity stands at 1,41,500 MW of which 14 per cent belongs to the private sector players (source: powermin.nic.in). The Transmission & Distribution versus generation investment ratio stands at 0.3 as compared to the international levels of 1:1. This is further aggravated by a 34 per cent distribution loss as compared to the global benchmark of 15 per cent.

The other major problem is that while unbundling of SEBs is at an advanced stage, distribution sector reforms are not keeping pace with the requirements.

The Government has fixed a target of adding 78,577 MW capacity during the eleventh Five Year Plan (2007-12) to sustain the growth momentum of the economy. While the Centre and States are expected to account for 51 per cent and 36 per cent respectively, the private sector is expected to account for the rest, adding 10,760 MW. The Union Finance Minister announced the total allocation of Rs. 5,500 crores for the Rajiv

Gandhi Grameen Vidyutikaran Yojana, which will be continued in the Eleventh Five Year Plan also with a capital subsidy of Rs. 28,000 crores. The Government of India launched an initiative for development of coal-based Ultra Mega Power Projects (UMPPs), each with a capacity of 4,000 MW or above. (Source: Eleventh Five Year Plan)

On the Transmission & Distribution (T&D) side, the Government plans to come with a revised APDRP (Accelerated Power Development and Reform Program) which will provide support and financial incentives for reduction in T&D losses. 11th plan investments under this scheme are targeted to touch USD 10 billion.

"According to the Union Minister for Power, the investment requirement in the Indian power sector over the next five years is estimated at over USD 250 billion, creating a huge growth opportunity in this sector. The Company has already started executing projects herein in line with its strategy to enhance BOT projects".

-Mohan Gurunath, CEO, Maytas Infra Assets Ltd.

Projects	Type	Estimated Project Cost (Rs. Cr.)	Expected Year of Completion
Gautami Power Project, Andhra Pradesh	Gas	1875	Commission of Plant; awaiting supply of gas
KVK Nilachal Power	Coal	1350	2011
Sorang Hydro Electric Project	Hydro	580	2010



Distribution Transformers work for APNPDCL



Project for Gulbarga Electricity Supplying Co. Ltd. (GESCOM).



Project for Andhra Pradesh Northern Power Distribution Corporation Ltd., Nizamabad

## Ports

Maytas Infra is into development of ports involving the construction of berths, jetties, breakwaters, marine structures and cargo handling facilities, and also development of land for setting up port-based industries.

India has 12 major ports, and 200 non-major ports. Of the non-major ports, about 60 are handling traffic. The total traffic carried by both the major and minor ports during 2006-07 was estimated at around 650 MT. The 12 major ports carry about three-fourths of the total traffic.

There is also an urgent need to have good rail and road connectivity between ports and the hinterland. NHAI has undertaken this as a major component under the NHDP for development of an efficient multi-modal system.

There is an investment need of USD 13.5 billion in the major ports under National Maritime Development Program (NMDP) to boost infrastructure at these ports in the next 7 years. Under NMDP, 276 projects have been identified for the development of

major ports, and Public-Private Partnership is seen by the Government as the key to improve major and minor ports. 64 per cent of the proposed investment in major ports is envisaged from the private players. Besides Greenfield ports, depending on the nature of service, several areas that have been opened up to the private sector on a BOT basis include construction of cargo handling berths and dry docks, container terminals and warehousing facilities, and ship-repair facilities. Realizing the potential of this segment, the Company has diversified into the space with the Deepwater Port at Machilipatnam.

Maytas Infra Limited along with other partners is undertaking the development of Deepwater Port on a BOOT basis at Machilipatnam on an area of 6,262 acres, and it will be a multipurpose port for transportation of coal, cement, agricultural products and fertilizers.

At an estimated project cost of Rs. 1,825 crores, the project is expected to be completed over a three-year time frame.

## Roads

Infrastructure for transportation is the lifeline of a nation. It's the reason why there is a never-ending focus and activity in building, development and maintenance of infrastructure in this sector. Maytas Infra is one of the companies that is involved in improving the transportation infrastructure of the country. The Company undertakes roads projects on a BOT basis. Its offerings include roads, state and national highways, elevated highways and bridges.

Road Projects	Estimated Cost(Rs. Cr.)	Expected Year of Completion
Bangalore Elevated Highway, Karnataka	776	2009
Meerut-Muzaffarnagar Road Project, Uttar Pradesh	535	2009
Hyderabad Outer Ring Road –Package-2, Andhra Pradesh	502	2010
Hyderabad Outer Ring Road –Package-4, Andhra Pradesh	431	2010
Pondicherry –Tindivanam Project, Pondicherry	315	2010



Pondicherry Road Project



Indicative Image



Indicative Image

Airports

Air passenger travel is expanding at about 25 per cent a year, and at least six low-cost carriers have started flights in the country of 1.1 billion people. Growth in this sector is expected to outpace the global average until 2025.

This calls for massive investments, and the Government has envisioned an investment of close to Rs. 40,000 crores – with the private sector contributing about 67 per cent, and AAI (Airports Authority of India) to pitch in the balance 33 per cent in a bid to develop about 100 Greenfield airports during the 11th Plan period (2007-2012).

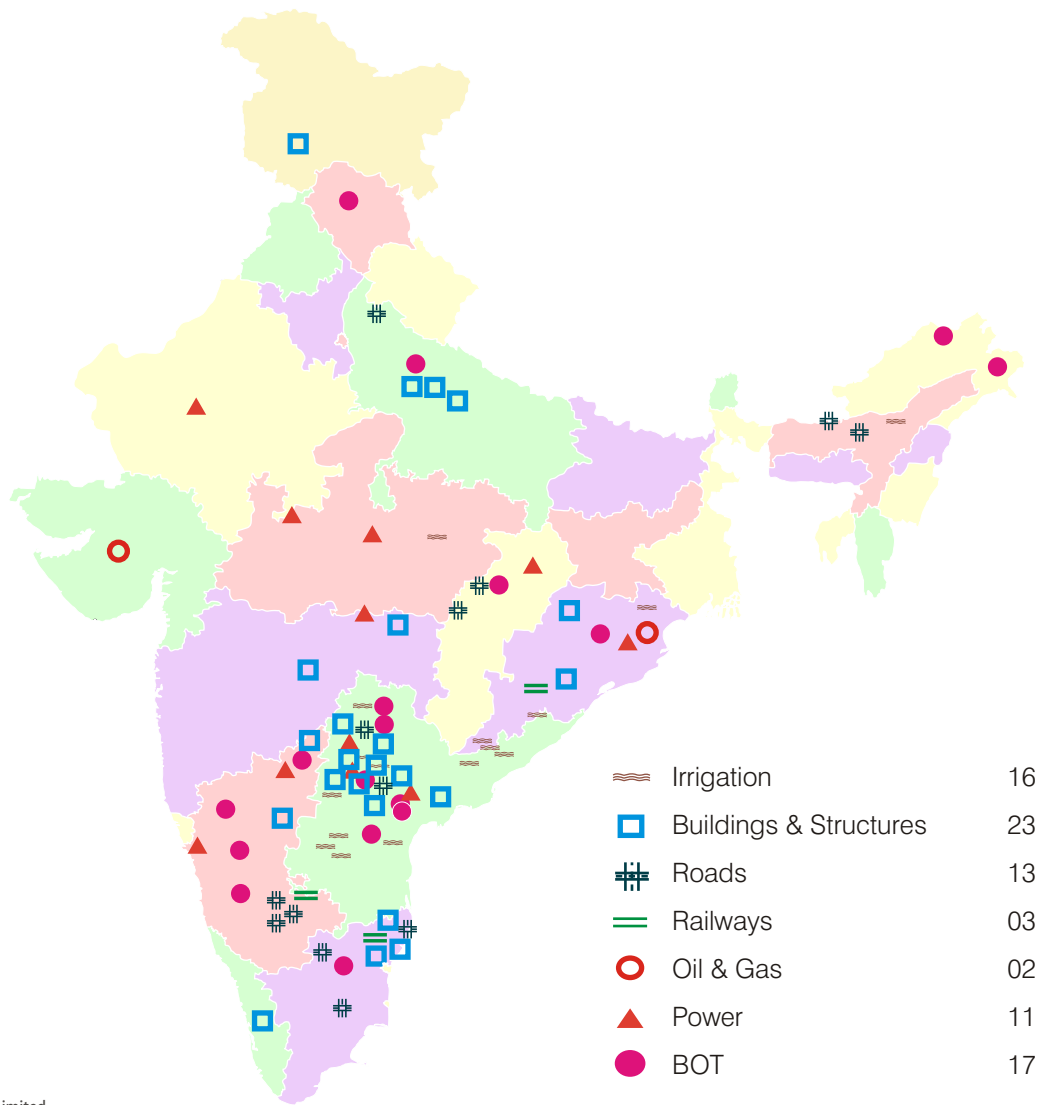
The Government has given its in-principle approval for modernization of 37 non-metro airports (including Sikkim and Arunachal Pradesh airports). (Source: Eleventh Five Year Plan)



Indicative Image

Geographies

Maytas Infra is well positioned to cater to projects across the Indian Peninsula, and has made its presence felt across the country.



	Irrigation	16
	Buildings & Structures	23
	Roads	13
	Railways	03
	Oil & Gas	02
	Power	11
	BOT	17



# growth drivers

Strength Beyond Numbers

The Growth Incubator

Financial Highlights



## Strength Beyond Numbers

In a candid tete-a-tete', P. K. Madhav, Whole-Time Director & CEO, Maytas Infra Limited addresses key business issues and the Company's growth plans.

**Q – Can you give us an insight into the Company's diversification into the infrastructure space?**

**Ans.** The Company has close to two decades of experience in the construction space, and has steadily moved up the value chain. Construction and infrastructure development complement each other. If one provides current income, the other ensures long term sustainable cash flows, and enhances the Company's valuation. Furthermore, with our in-house construction capability we are able to execute BOT projects in a cost effective manner, and thus enhance the return on investment in the BOT projects.

**Q – How do you propose to manage scalability in the infrastructure segment?**

**Ans.** We understand that infrastructure development involves not just construction but also requires identifying, sourcing, developing, and operating projects. The Company is addressing this by forming joint ventures with experienced players in the segment. We also have the management bandwidth supported by a strong execution team to take this initiative forward.

**Q – What is the Company's policy towards construction equipments, and what is the rationale behind it?**

**Ans.** The Company owns a large inventory of construction equipment, and it caters to the diverse needs of the Company. This ensures timely execution of work, as also maintaining the quality of the output. With a well-equipped workshop and continuous investments in latest state-of-art technologies, this equipment base acts as one of the important factors in our successful delivery of complex projects. This also helps us in taking up projects within a shorter time span resulting in better margins.

**Q – How are you addressing the risk of increasing input costs and its impact on the margins?**

**Ans.** As regards raw material costs, many of our projects have a price escalation clause which takes care of the increase in raw material prices. The challenge though, is to build in escalation clauses in more and more of our contracts. An efficient supply chain management which the Company has built helps us hedge against the ever increasing input costs.

**Q - Interest rates are headed northwards. How is the Company addressing this development?**

**Ans.** We have very little control over interest rates, but we can have full control over the source of funds, and the quantum of working capital that we carry in each of our projects. Through efficient financial planning and monitoring of working capital, we try to stay on top of this problem.

**Q – Since the last few months, the macroeconomic parameters have shown signs of a slowdown. What is your view in terms of the macroeconomic impact on your business?**

**Ans.** Construction and Infrastructure are the core sectors of the economy. We are present in almost all the segments of the infrastructure space. Even if there is slow down in some parts, the whole is growing at a healthy pace. Moreover, we are carrying a healthy Order Book. We are therefore sufficiently protected against the short term slow down in infrastructure spend. Besides, by moving up the value chain – by taking up relatively more complex projects, we hope to adequately de-risk ourselves.

# The Growth Incubator

## HR INITIATIVES

Maytas Infra strongly believes that every Associate is an asset for the Company. In line with this philosophy, the Company has initiated concrete measures towards developing leaders. The Maytas Center for Learning & Leadership Development (MCLLD) shoulders the responsibility of ensuring that Maytas is a continuously learning organization. And each one of its Associates stays abreast of the latest developments in his/her area of activity.

### Nurturing Talent

During the last 18 months, we have hired over 1200 young engineers. Though they are selected through a rigorous process, we believe that it is our responsibility to ensure that each one of them is adequately trained before being deployed at our sites. This is achieved by our carefully designed programme called “Campus to Corporate”.

### Strategic Partnership with BITS PILANI – M BITS

The Company has entered into a strategic partnership with BITS-Pilani, a global leader in technical education to offer Off-Campus Work-Integrated Learning Programmes to Associates of Maytas Group. The initiative is named as M BITS.

Under the tie up, starting 2008, Diploma Engineers from Maytas will enroll for a B.S in Infrastructure Technology to be awarded by BITS-Pilani. The unique feature of M BITS is that the program can be delivered in a geographically distributed environment. It is dovetailed to the specific requirements of the construction industry in general and to Maytas in particular.

## CORPORATE SOCIAL RESPONSIBILITY - Leading from the front

The growth and development of people is the highest calling of leadership. A mirror image of this is reflected in our Promoters' initiatives.

### Byrraju Foundation

One of the foremost not-for-profit organizations in the country, Byrraju Foundation is committed to transforming the quality of life of the rural underprivileged. The Foundation seeks to build progressive and self-reliant rural communities, adopting a holistic approach. The aim is to transform people's lives by extending them basic services like Healthcare, Sanitation, safe drinking water, Primary Education, Adult Literacy and training in Livelihood skills for both men and women. The use of technology and constant innovation are our chief differentiators. Our processes innovatively combine global best practices, effective management systems and state-of-the-art technology. The Foundation is currently working in 199 villages across six districts of Andhra Pradesh, India, impacting 3 million rural lives.

For more information, please visit: [www.byrrajufoundation.org](http://www.byrrajufoundation.org)

### Emergency Management & Research Institute (EMRI)

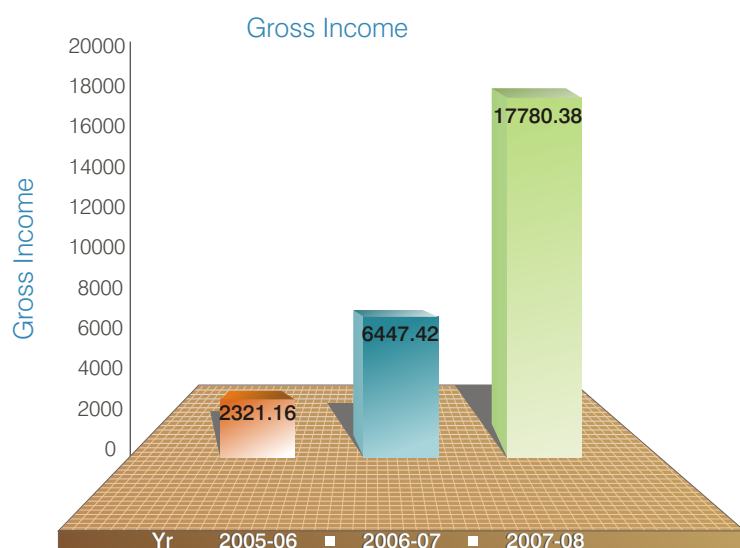
Emergency Management and Research Institute (EMRI) is one among the global leaders in Emergency services dedicated to saving lives with a single objective: providing an organized, integrated, accessible '108 Emergency Response Service' to an individual in need of emergency, be it medical, police or fire in a timely manner.

Pioneering the emergency services in Public-Private-Partnership mode, EMRI is the only organized, professional emergency service provider in the country today. Having launched the 108 Emergency Response Service on August 15, 2005 in Hyderabad, EMRI presently provides services in Andhra Pradesh, Gujarat and Uttarakhand with over 917 ambulances, 7,099 people and is saving 130+ lives a day.

In a Public-Private-Partnership mode, EMRI plans to extend the 108 Emergency Response Service throughout India by 2010 and save a million lives per annum. EMRI has also signed up with the Governments of Madhya Pradesh, Tamil Nadu, Rajasthan, Goa, Karnataka and Assam to launch the 108 Emergency Response Service in these states.

For more information, please visit: <http://emri.in>

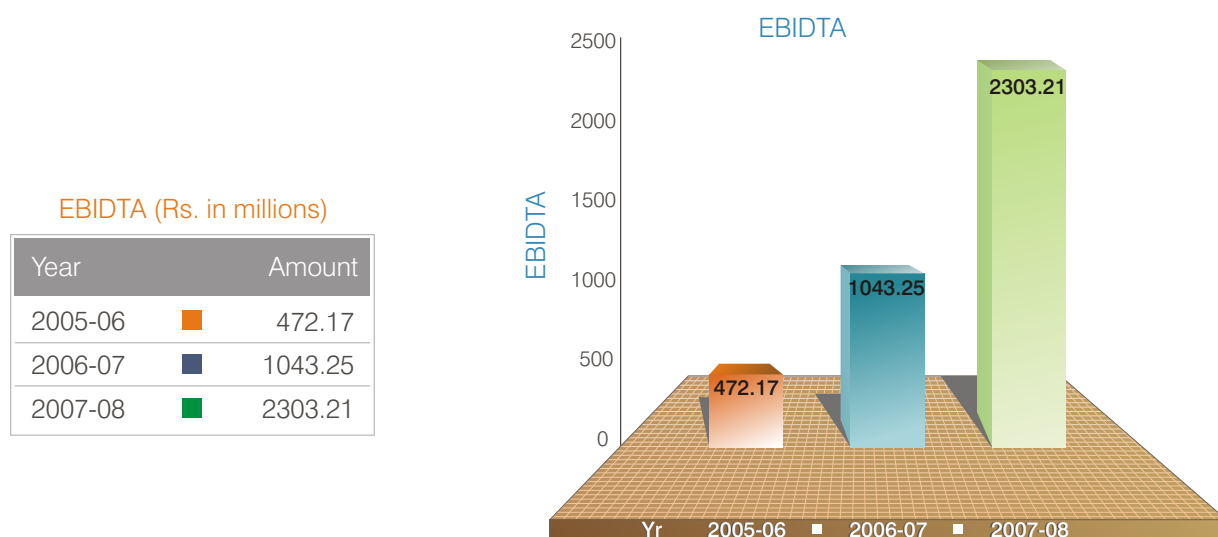
## Financial Highlights



Gross Income(Rs. in millions)

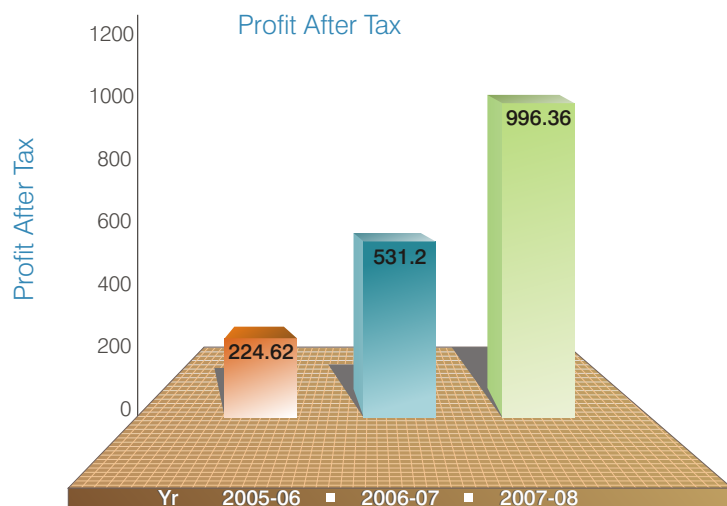
Year	Amount
2005-06	2321.16
2006-07	6447.42
2007-08	17780.38

Gross Income = Turnover+Other Income+Share of Profits from Joint Ventures+Accretion/(Decretion) to Work-In-Progress



EBIDTA (Rs. in millions)

Year	Amount
2005-06	472.17
2006-07	1043.25
2007-08	2303.21

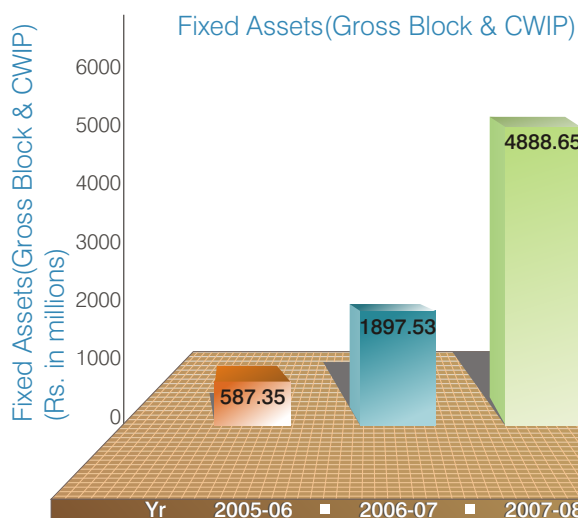
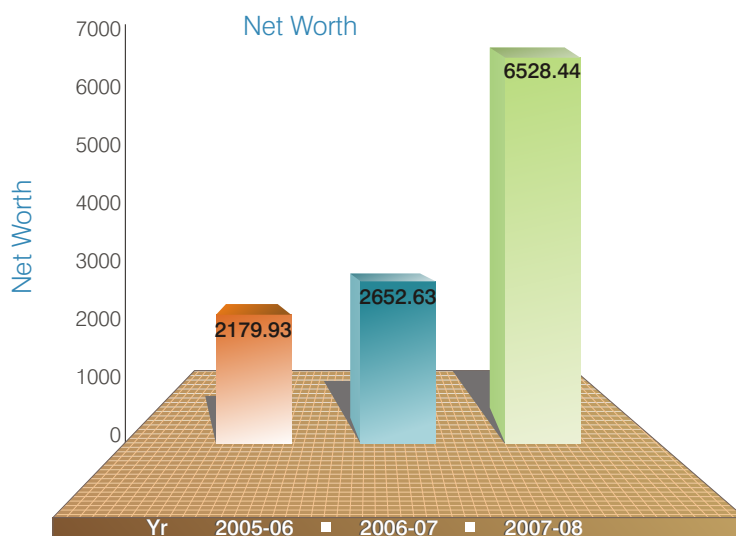


Profit After Tax (Rs. in millions)

Year	Amount
2005-06	224.62
2006-07	531.2
2007-08	996.36

Net Worth (Rs. in millions)

Year		Amount
2005-06	■	2179.93
2006-07	■	2652.63
2007-08	■	6528.44

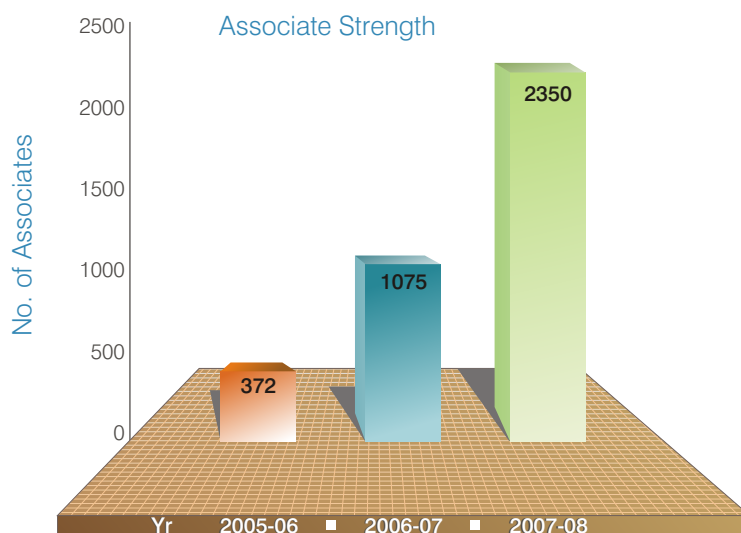


Fixed Assets(Gross Block & CWIP)  
(Rs. in millions)

Year		Amount
2005-06	■	587.35
2006-07	■	1897.53
2007-08	■	4888.65

Associate Strength

Year		No's
2005-06	■	372
2006-07	■	1075
2007-08	■	2350



## Notice

Notice is hereby given that the Twentieth Annual General Meeting of the members of Maytas Infra Limited will be held as per the schedule given below, to transact the following business.

**Day & Date :** Tuesday, September 30, 2008

**Time :** 11. 00 A.M.

**Venue :** Sri Satya Sai Nigamagamam, 8-3-987/2, Srinagar Colony, Hyderabad - 500 073

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2008, the Profit & Loss Account for the year ended on that date together with the Reports of the Directors and the Auditors thereon.
2. To declare dividend on Equity Shares for the year ended March 31, 2008.
3. To appoint a Director in place of Shri C.S.Mohan, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Dr. R.P.Raju, who retires by rotation and, being eligible, offers himself for reappointment.
5. To consider, and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:  
"RESOLVED THAT M/s. S.R.Batlboi & Associates, Chartered Accountants be and are hereby appointed as Sole 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 at such remuneration as may be determined by the Board of Directors of the Company."

### SPECIAL BUSINESS:

6. **To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:**

"RESOLVED THAT notice of intention to propose Shri C. S. Bansal for appointment as a Director having been received from a member under Section 257 of the Companies Act, 1956, Shri C. S. Bansal, who was appointed as an Additional Director of the company and who holds office up to the date of this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company"

7. **To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary 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 Shri C.S.Bansal as Wholetime Director of the Company for a period of 5 (five) years with effect from February 1, 2008 on the terms & conditions of remuneration as set out in the Explanatory Statement annexed to the notice convening the meeting with liberty to the Board to alter and vary the terms & conditions of the said appointment and/or the remuneration, subject to the same not exceeding the limits specified in Schedule XIII to the Companies Act, 1956, including any statutory modification or re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time, or amendments thereto.

RESOLVED FURTHER THAT in pursuance of the provisions of Section 198(4) and other applicable provisions, if any, of the Companies Act, 1956, Shri C.S.Bansal, Wholetime Director,

may be paid the remuneration prescribed in explanatory statement as minimum remuneration in the event of absence or inadequacy of profits in any financial year during his term of office as Wholetime Director, in accordance with the provisions of Section I of Part-II of Schedule XIII to the Companies Act, 1956.

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."

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 Section 81(1A), and all other applicable provisions, if any, of the Companies Act 1956, the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred to as "SEBI Guidelines") and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee, including the Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), to create, offer, issue and allot at any time to or to the benefit of such person(s) who are in permanent employment of the Company, including any Director of the Company, 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 (including the options that may be granted in terms of other resolution of this Notice i.e., issue of stock options to the employees/directors of the holding/subsidiary companies) under one or more Employee Stock Option Schemes ("ESOP Scheme") , in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the law or guidelines issued by the relevant Authority; each option would be exercisable for one Equity share of a face value of Rs.10 each fully paid-up on payment of the requisite exercise price to the Company.

RESOLVED FURTHER THAT in case of any corporate action (s) such as rights issues, bonus issues, merger and sale of division and others, if any additional equity shares are issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the above ceiling of 17,65,500 equity shares shall be deemed to be increased/adjusted to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot Equity shares upon exercise of options from time to time in accordance with the respective employee stock option schemes and such Equity shares shall rank pari passu in all respects with the then existing Equity Shares of the Company.



RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the schemes shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs.10 per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees.

RESOLVED FURTHER THAT the Board be and is hereby authorized to make modifications, changes, variations, alterations or revisions in the said schemes as it may deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Companies Act, 1956, the Memorandum and Articles of Association of the Company, SEBI Guidelines and any other applicable laws."

**9. 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 all other applicable provisions, if any, of the Companies Act 1956, the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred to as "SEBI Guidelines") and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee, including the Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), to create, offer, issue and allot at any time to or to the benefit of such person(s) 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 (including the Options that may be granted in terms of other resolution of this Notice i.e., issue of stock options to the employees/directors of the company) under one or more Employee Stock Option Schemes ("ESOP Scheme") , in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the law or guidelines issued by the relevant Authority; each option would be exercisable for one Equity share of a face value of Rs.10 each fully paid-up on payment of the requisite exercise price to the Company.

RESOLVED FURTHER THAT in case of any corporate action (s) such as rights issues, bonus issues, merger and sale of division and others, if any additional equity shares are issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the above ceiling of 17,65,500 equity shares shall be deemed to be increased/adjusted to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot Equity shares upon exercise of options from time to time in accordance with the respective employee stock option schemes and such Equity Shares shall rank pari passu in all respects with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the schemes shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs.10 per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees.

RESOLVED FURTHER THAT the Board be and is hereby authorized to make modifications, changes, variations, alterations or revisions in the said schemes as it may deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Companies Act, 1956, the Memorandum and Articles of Association of the Company, SEBI Guidelines and any other applicable laws."

**10. To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:**

"RESOLVED THAT the consent of members of the Company be and is hereby granted, in accordance with Section 293(1)(d) and all other applicable provisions, if any, of the Companies Act, 1956 and the Articles of Association of the Company, to the Board of Directors of the Company, to borrow any sum or sums of money from time to time at their discretion, for the purpose of the business of the Company, which together with the monies already borrowed by the Company, (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed at any time, the aggregate of the paid-up capital of the Company and its free reserves (that is to say, reserves not set apart for any specific purpose) by a sum not exceeding Rs.5,000 crores (Rupees Five Thousand Crores Only), and that the Board of Directors be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may think fit."

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

"RESOLVED THAT pursuant to provisions of Section 163 of the Companies Act, 1956, the consent of members of the Company be and is hereby accorded to the Board of Directors 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 and at such places within Hyderabad where the Registrar and Transfer Agent may shift its office from time to time instead of the Registered Office of the Company at 6-3-1186/5/A, III rd Floor, Amogh Plaza, Hyderabad – 500 016."

By order of the Board  
for Maytas Infra Limited

Place : Hyderabad  
Date : June 30, 2008.

B Teja Raju  
Vice Chairman

## 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 / reappointment 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 September 23, 2008 to September 30, 2008 (both days inclusive) for the Annual General Meeting and for determining the names of members eligible for dividend, if approved, at the Annual General Meeting.
8. The Dividend on Equity Shares, if declared, at this meeting, will be paid on or after September 30, 2008 to those members entitled thereto whose names appear on the Company's Register of Members as on September 22, 2008.
9. 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.
10. Shareholders are requested to bring their copies of Annual Report to the Annual General Meeting.
11. 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.
12. 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.

## ANNEXURE TO NOTICE:

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

#### Item No. 6

##### Appointment of Shri C.S. Bansal as Director of the Company

The Board of Directors of the Company (the Board), under Section 260 of the Companies Act, 1956(the Act) and Article 49 of the Articles of Association of the Company, appointed Shri C. S. Bansal as an Additional Director of the Company with effect from January 30, 2008.

In terms of Section 260 of the Companies Act, 1956 Shri C. S. Bansal holds office up to the date of this Annual General Meeting. The Company has received a notice in writing under Section 257 of the Act from a member along with a deposit of Rs. 500/- proposing the candidature of Shri C. S. Bansal for the office of Director of the Company.

Shri C. S. Bansal is not disqualified from being appointed as Director under Section 274(1)(g) of the Companies Act, 1956 and has 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 Shri C. S. Bansal, in terms of Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003 confirming his eligibility for such appointment.

A brief resume of Shri C. S. Bansal, nature of his expertise in specific functional areas and names of companies in which he holds 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 forming part of this Annual Report.

Except Shri C. S. Bansal, no Director of the Company is, in any way, concerned or interested in this resolution.

The Board recommends the resolution for the approval of the members.

#### Item No. 7

##### Appointment of Shri C.S. Bansal as Whole time Director of the Company and fixing of his remuneration.

The Board of Directors of the Company at its meeting held on January 30, 2008, approved subject to approval of the members, the appointment of Shri C.S.Bansal, as Whole-time Director of the Company for a period of five (5) years with effect from February 1, 2008.

The broad particulars of remuneration payable to the Whole-time Director during the term of his office are as under:

PARTICULARS	PER ANNUM
Basic Salary	: Rs. 68,00,000/-
Other Allowances	: Rs. 72,65,400/-
Total	: Rs.1,40,65,400/-
Other Benefits	
Provident Fund	: 12% of the Basic Salary
Encashment of Leave	: As per rules of the Company.
Club Fees Membership	: As per rules of the Company.
Personal Accident Policy	: Premium not to exceed Rs.4,000/- p.a.



Gratuity	: As per rules of the Company.
LTA	: Rs. 5,61,000/- per annum
Provision of Car	: For use on Company's business.
Telephone	: Provision of telephone at residence for use on Company's business.

The terms set out for payment of remuneration specified herein may be altered and varied from time to time by the Board of Directors of the Company as it may, at its discretion deem fit. The Board is also entitled to revise the salary to the said Director of the Company at any time, such that the overall yearly remuneration payable to the said Director shall not exceed the limits specified under Section 309 read with Schedule XIII of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof for the time being in force) or any amendment made thereto.

The above may also be treated as an abstract of the terms of the contract between the Company and Shri C.S.Bansal, pursuant to Section 302 of the Companies Act, 1956.

None of the Directors other than Shri C. S. Bansal may be deemed to be interested either directly or indirectly in the resolution.

The Board recommends the resolution for the approval of the members.

#### Item No. 8 & 9

#### **Issue of equity shares under the Employee Stock Option Scheme to the employees/ directors of the Company and employee / directors of existing or future holding/subsidiary companies.**

The Company appreciates the critical role its people play in the organizational growth. It strongly feels that the value created by its people should be shared with them. To promote the culture of employee ownership in the company, approval of the shareholders is being sought for issue of stock options to the employees of the company.

The Company is also engaged in developing and implementing infrastructure projects under the BOT Scheme, such projects are implemented as Special Purpose Vehicle (SPV) in which the Company has equity stake. If such companies are subsidiaries, it would be appropriate to include the employees of such subsidiary companies within the purview of the ESOP Scheme.

#### **The main features of the employee stock option schemes are as under:**

##### **1. Total number of options to be granted:**

Not more than 3% of the paid up share capital of the Company, a total of 17,65,500 (Seventeen Lakhs Sixty Five Thousand Five Hundred Only) options would be available for being granted to eligible employees of the Company/Holding/Subsidiary Companies under ESOP 2008-PLAN-A (Issue of stock options at Market price) and ESOP 2008-PLAN-B (Issue of stock options at a discount of upto 20% on the market price). Each option when exercised would be converted into one Equity share of Rs.10/- each fully paid-up.

Vested options that lapse due to non-exercise or unvested options that get cancelled due to resignation of the employees or otherwise, would be available for being re-granted at a future date.

SEBI guidelines require that in case of any corporate action (s) such as rights issues, bonus issues, merger and sale of division and others, a fair and reasonable adjustment needs to be made to the options granted. Accordingly, if any

additional equity shares are issued by the Company to the option grantees for making such fair and reasonable adjustment, the ceiling of 17,65,500 equity shares shall be deemed to be increased to the extent of such additional equity shares issued.

##### **2. Identification of classes of employees entitled to participate in the Employee Stock Option Scheme(s):**

All permanent employees of the company and holding/ subsidiary companies (existing/future), including the Directors but excluding the promoters of the Company and holding/ subsidiaries(existing/future), as may be decided by the Remuneration Committee or such other committee as may be decided from time to time, would be entitled to be granted stock options under the ESOP Scheme(s).

##### **3. Transferability of employee stock options:**

The stock options granted to an employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of an employee stock option holder while in employment, the right to exercise all the options granted to him till such date shall be transferred to his legal heirs or nominees.

##### **4. Requirements of vesting and period of vesting:**

The options granted shall vest so long as the employee continues to be in the employment of the Company. The Remuneration Committee may, at its discretion, lay down certain performance metrics on the achievement of which the granted options would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which options granted would vest (subject to the minimum and maximum vesting period as specified below).

The options would vest not earlier than three years and not later than six years from the date of grant of options. The exact proportion in which and the exact period over which the options would vest would be determined by the Remuneration Committee, subject to the minimum vesting period of one year from the date of grant of options.

##### **5. Exercise Price:**

The options would be granted at an exercise price equal to either (i) or (ii) as decided by the Remuneration committee

- The latest available closing market price (at a stock exchange as determined by the Board/Remuneration Committee) on the date prior to the date on which the Board/Remuneration Committee finalises the specific number of options to be granted to the employees
- At such percentage of discount (upto 20% on the market price) on the latest available closing market price (at a stock exchange as determined by the Board/ Remuneration Committee on case to case basis) on the date prior to the date on which the Board/Remuneration Committee finalises the specific number of options to be granted to the employees.

##### **6. Exercise Period and the process of Exercise:**

The Exercise period would commence from the date of vesting and will expire on completion of three years from the date of vesting of options.

The options will be exercisable by the Employees by a written application to the Company to exercise the options in such

manner, and on execution of such documents, as may be prescribed by the Board/Remuneration Committee from time to time. The options will lapse if not exercised within the specified exercise period.

**7. Appraisal Process for determining the eligibility of the employees to ESOP:**

The appraisal process for determining the eligibility of the employee will be specified by the Board/Remuneration Committee, and will be based on criteria such as role / designation of the employee, length of service with the Company, past performance record, future potential of the employee and/or such other criteria that may be determined by the Board/Remuneration Committee at its sole discretion.

**8. Maximum number of options to be issued per employee and in aggregate:**

The number of options that may be granted to any specific employee under the Scheme shall not exceed 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of options.

**9. Maximum number of options to be granted to Non-Executive directors (including independent directors) in any financial year and in aggregate:**

No options will be granted to any Non-Executive director (including any independent director) under the respective Schemes.

**10. Disclosure and Accounting Policies:**

The Company shall comply with the disclosure and the accounting policies prescribed as per SEBI Guidelines.

**11. Method of option valuation:**

To calculate the employee compensation cost, the Company shall use the Intrinsic Value Method for valuation of the options granted.

In case the Company calculates the employee compensation cost using the Intrinsic Value of the stock options, the difference between the employee compensation cost so computed and the cost that shall have been recognized if it had used the Fair Value of the options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors' Report.

As the employee stock option schemes provide for issue of shares to be offered to persons other than existing shareholders of the company, consent of the members is being sought pursuant to Section 81(1A) and all other applicable provisions, if any, of the Act and as per clause 6 of the SEBI Guidelines.

None of the Directors of the Company, are in any way, concerned or interested in the resolution, except to the extent of the securities that may be offered to them under the scheme.

**Item No. 10**

**Increase of Borrowing powers**

As per the provisions of Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of the Company cannot except with the permission of the Shareholders in General Meeting, borrow monies in excess of the aggregate of the paid-up capital of the Company and its free reserves.

The increasing business operations and future growth plans of the Company would necessitate increasing the borrowing limits by authorizing the Board of Directors to borrow monies which may exceed at any time the aggregate of the paid-up capital of the Company and its free reserves by a sum not exceeding Rs.5,000 Crores.

The borrowings of the Company are, in general, required to be secured by suitable mortgage or charge on all or any of the movable and/or immovable properties of the Company in such form, manner and ranking as may be determined by the Board of Directors of the Company, from time to time, in consultation with the lender(s).

The directors of your Company recommend the said resolution for approval of the members as an ordinary resolution.

None of the Directors of the company is interested or concerned in the above resolution.

**Item No. 11**

**Keeping of the Register of Members at the office of Registrar and Transfer Agent**

Certain documents such as the Register and Index of Members as well as the Register and Index of Debenture holders and the Annual Returns together with the certificates and documents required to be annexed thereto are to be maintained and kept at the Registered Office of the Company.

As the Company appointed Karvy Computershare Private Limited as the Registrar and Share Transfer Agent, it is proposed that the aforesaid Registers and documents be kept with Karvy Computershare Private Limited, the Registrar and Share Transfer Agents of the Company, situated at Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081. Accordingly, the approval of shareholders is being sought under Section 163 of the Companies Act, 1956 for the statutory records of the Company referred to in the text of the Special Resolution, to be kept at the office of Karvy Computershare Private Limited, at the address stated therein. Section 163 of the Companies Act, 1956 requires a Special Resolution for the purpose aforesaid.

An advance copy of the proposed Special Resolution is being sent to the Registrar of Companies, Andhra Pradesh, Hyderabad, as required under the provisions of Section 163 of the Companies Act, 1956.

None of the Directors of the Company is interested in the resolution.

By order of the Board  
for Maytas Infra Limited

Place : Hyderabad  
Date : June 30, 2008.

B Teja Raju  
Vice Chairman

# Directors' Report

Dear Members,

Your Directors are pleased to present the 20th Annual Report together with the Audited Accounts of your company for the year ended March 31, 2008.

## 1. FINANCIAL HIGHLIGHTS

The performance of the Company for the financial year ended March 31, 2008 is summarized below:

Particulars	(Rs. in Million)	
	2007-08	2006-07
<b>Gross Income</b>	<b>17,780.38</b>	<b>6,447.42</b>
Profit before Interest, Depreciation and Tax (PBITD)	2,303.22	1,043.25
Interest and Finance Charges	566.76	141.75
Depreciation	390.91	113.10
<b>Profit before Tax</b>	<b>1,345.55</b>	<b>788.40</b>
Provision for Taxes	349.19	257.20
<b>Profit after Tax</b>	<b>996.36</b>	<b>531.20</b>
Transfer to General Reserves	50.00	450.00
Proposed Dividend	88.28	50.00
Dividend Tax	15.00	8.50
Paid up Capital	588.50	500.00
Reserves and Surplus	5,939.94	2,152.63
Earnings per share (In Rupees)		
- Basic	18.44	10.62
- Diluted	18.44	10.62

## 2. OVERVIEW

The financial year 2007 – 08 is yet another year of significant growth. During the year, your Company recorded a Gross Income of Rs. 17,780.38 Million as against Rs. 6,447.42 Million for the previous year, registering a growth of 176%.

The Earnings before Interest, Depreciation and Taxes (EBITD) registered a growth of 121% at Rs.2,303.22 Million as compared with Rs. 1,043.25 Million of the last year.

The Net Profit (PAT) of Rs. 996.36 Million represents a growth of 88% over that of the previous financial year.

The Company achieved a turnover of Rs.16,373.54 Million as against Rs. 6,010.06 Million for the previous financial year registering a growth of 172%.

## 3. DIVIDEND

Your Directors are pleased to recommend a dividend @ 15% on the paid-up capital of the Company i.e., Rs.1.50 per equity share of Rs.10/- each (Face Value) to be appropriated from the profits of the year 2007-08 subject to the approval of the shareholders at the ensuing Annual General Meeting.

## 4. FIXED DEPOSITS

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

## 5. INITIAL PUBLIC OFFER (IPO) OF EQUITY SHARES OF THE COMPANY

During the year under review, your Company successfully completed the IPO of 88,50,000 equity shares of Rs.10/- each constituting 15.04% of the post issue paid up capital of the Company at a price of Rs.370/- each. The issue was opened for subscription to public on September 27, 2007 and closed on October 04, 2007. Your company's issue received an impressive response from the Investors. The issue was oversubscribed by 67.33 times on overall basis. The trading of shares of the company commenced on October 25, 2007 at Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

The details of utilization of funds, raised through IPO, as on March 31, 2008 are as follows

Particulars	Amount (Rs. in Million)
Funds raised through Initial Public Offer	3274.50
<b>Utilisation of Funds:</b>	
- Investment in Associate Companies	398.60
- Issue expenses, Purchase of Construction equipment & General Corporate purposes	1367.56
Total funds utilised up to March 31, 2008	1766.16
* Balance	1508.34

\* Balance represents unutilised funds temporarily placed in current accounts & fixed deposits with banks.

## 6. 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.

### A. Maytas Mineral Resources Limited

Maytas Mineral Resources Limited (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. 4.80 million towards equity in MMRL till March 31, 2008

### B. Maytas Infra Assets Limited

Maytas Infra Assets Limited (MIAL) was incorporated in February, 2008, as a wholly owned subsidiary, to carry on the business of infrastructure projects and for consolidating all the investments made by your company till now in BOT projects. The company has invested an amount of Rs. 12.5 million towards equity in MIAL till March 31, 2008.

The existing BOT Projects under the parent Company are proposed to be transferred to MIAL on receipt of necessary approvals.

C. Pondicherry Tindivanam Tollway Limited

Pondicherry Tindivanam Tollway Limited (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. 137.7 million towards the equity till March 31, 2008.

D. Infratrade FZE and Maytas(Singapore) Holding Pte Ltd

The two Companies were formed in the Financial year 2006-07 as wholly owned subsidiaries, to explore overseas business opportunities. As the business prospects were not found to be viable, steps have been initiated to close down the companies.

## 7. 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, 2008 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.

## 8. DIRECTORS

### Appointment

Shri C.S.Bansal was appointed as Additional Director on January 30, 2008 and his term of office is expiring at the ensuing Annual General Meeting. Necessary resolutions for his appointment as Director liable to retire by rotation is being included in notice convening Annual General Meeting pursuant to notice received under Section 257 of the Companies Act, 1956. Subject to approval of the Shareholders Shri C S Bansal was also appointed as Whole Time Director of the Company for a period of five years effective from February 01, 2008.

### Re-Appointment

Shri C.S.Mohan and Dr. R.P. Raju who retire by rotation and being eligible offer themselves for reappointment. They have given their consent to act as directors.

The Board recommends their appointment for your approval.

The brief profiles of the directors are provided in the Report on Corporate Governance forming part of this Annual Report.

## 9. 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 :-

- (i) in the preparation of the accounts for the financial year ended March 31, 2008, the applicable accounting standards have been followed and that there are no material departures in the preparation of annual accounts;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2008 and of the profit of the Company for the year ended on that date;

- (iii) 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;

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

## 10. 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.

## 11. CORPORATE GOVERNANCE

A separate section titled "Report on Corporate Governance" including a certificate from the Auditors of the Company 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.

## 12. AUDITORS & AUDITORS' REPORT

The joint Statutory Auditors of the Company viz., M/s. S.R.Batliboi & Associates, Chartered Accountants and M/s. Krishna & Prasad, Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting.

M/s. S.R. Batliboi & Associates, Chartered Accountants being eligible, offer themselves, for re-appointment and are proposed to be appointed as sole 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(1B) 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.

The Board place on record their gratitude to M/s. Krishna & Prasad, Chartered Accountants, the outgoing Statutory Auditors of the Company for their continued guidance extended during their tenure.

### Replies to the Audit Observations / Qualifications

#### I. With regard to Report of Auditors on Standalone financials

- a) Clause iii (b) of the Annexure to the Audit report refers to the fact that there are no loans granted that are prima facie prejudicial to the interests of the company other than the balances outstanding referred to in Clause iii (a), which mainly pertain to transactions undertaken by the Company in the earlier years in pursuance of its business plans.
- b) Clause vii of the Annexure to the Audit report refers to internal audit system of the company.

During the year, the company has taken steps to strengthen internal audit system and is in the process of further streamlining the same commensurate with the size and nature of its business.

- c) Clause ix (a) of the Annexure to the Audit report refers to slight delays in deposit of withholding tax etc.

The qualification refers to delays which are only minor in nature. However, the Company has taken steps to further streamline the process to ensure timely remittances.

- d) Clause xv of the Annexure to the Audit report refers to guarantee given by the company in respect of loans taken by others.

The company provided corporate guarantee on April 05, 2004 favouring Power Finance Corporation, on behalf of Gautami Power Ltd, a Company in which it has made equity investment. This is in fulfillment of its obligation interms of the stipulations of that company's lenders, which are applicable in common to all co-investors of the Investee Company. The company did not incur any expenditure in providing the guarantee.

## II. With regard to Report of Auditors on Consolidated financials.

Clause 5 to the Auditors' Report refers to accounting treatment of investments made by the company into Associate Enterprises.

The Company believes that the contractual arrangements with the Investee Companies which are, with one exception, project SPVs are by intent and purpose, in the nature of investments in Associates as defined in Accounting Standard 23, Accounting for investments in Associates in Consolidated Financial Statements, notified by the Companies (Accounting Standards) Rules, 2006.

Consistent with this view which was adopted even in the previous year, the Company applied equity method of accounting (as per the Accounting Standard 23) to these investments which involves reflecting the Company's share of results of the Associate Companies' operations.

## 13. 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.

## 14. 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.

## 15. ESOP 2007

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, 2008 under the Employee Stock Option Scheme of the Company are as under:

## A. Summary Status of ESOPs Granted

The position of the existing scheme is summarized as under

S.No.	Particulars	ESOP 2007
1	Details of the Meeting	Authorized by Shareholders of the Company on March 30, 2007
2	Approved	Upto 2% of Equity Share Capital of the Company
3	The Pricing Formula	Exercise Price equal to IPO Price
4	Options Granted	644,967
5	Options Vested	-
6	Options Exercised	-
7	Options Forfeited / Surrendered	86,918
8	Options Lapsed	-
9	Total Number of Options in force	558,049
10	Variation in terms of ESOP	Not Applicable
11	Total number of shares arising as a result of exercise of options	-
12	Money realised by exercise of options (Rs. in Million)	-

## B. Employee-wise details of options granted during the financial year 2007-08 to:

### (I) Senior Managerial personnel

Name of the KMP	Designation	No. of options granted
Mr. P.K. Madhav	Whole-time Director & CEO	45,000
Mr. Systla Mohan Gurunath	Head (Strategic Business)	45,000
Mr. Mallik Penmetsa	Sr.Vice President	45,000
Dr. Srinivas Reddy	Head (Corporate Strategy)	45,000
Mr. Srinivas Sagi	Vice President	35,000
Mr. Sudheer Mareddy	Executive Vice President	35,000
Mr. V.V. Rama Raju	Vice President	35,000
Mr. B. Narasimha Rao	Vice President	35,000
Mr. I.K. Pantulu	Sr.Vice President	12,956
Mr. C. S. Raju	Vice President	11,086
Mr. Y.V.K. Prasad	Vice President	10,000
Mr. Kumar Subramanian	Vice President	10,000
Mr. H. Krishnan	Vice President	7,645
Mr. P. Ajit Singh	Associate Vice President	4,587
Mr. T. Nagarjuna	Vice President	3,822

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

Name and Designation	No. of Options
P.K. Madhav, Whole-time Director & CEO	45,000
S. Mohan Gurunath, Head (Strategic Business)	45,000
Mallik Penmetsa, Sr. Vice President	45,000
Dr. Srinivas Reddy, Head (Corporate Strategy)	45,000
Srinivas Sagi, Vice President	35,000
Sudheer Mareddy, Executive Vice President	35,000
B. Narasimha Rao, Vice President	35,000
V.V.Rama Raju, Vice President	35,000



- (III) 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

**C. Weighted average exercise price of options granted during the year whose**

(a)	Exercise price equals market price	370.00
(b)	Exercise price is greater than market price	NA
(c)	Exercise price is less than market price	NA

Weighted average fair value of options granted during the year whose.

(a)	Exercise price equals market price	98.77
(b)	Exercise price is greater than market price	NA
(c)	Exercise price is less than market price	NA

- D.** The stock-based compensation cost calculated as per the intrinsic value method for the financial year 2007-08 is Nil. If the stock-based compensation cost was calculated as per the fair value method prescribed by SEBI, the total cost to be recognized in the financial statements for the year 2007-08 would be Rs. 25.18 Million. The effect of adopting the fair value method on the net income and earnings per share is presented below:

Pro Forma Adjusted Net Income and Earnings Per Share

Particulars	(Rs. in Million)
Net Income as reported	996.36
Add: Intrinsic Value Compensation Cost	-
Less: Fair Value Compensation Cost	25.18
Adjusted Pro Forma Net Income	971.18
Earnings Per Share (Rs): Basic	
As Reported	18.44
Adjusted Pro Forma	17.97
Earnings Per Share (Rs): Diluted	
As Reported	18.44
Adjusted Pro Forma	17.97

- E.** 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	April 14, 2007
1. Risk Free Interest Rate	7.74% - 7.76%
2. Expected Life	2.50 - 5.50 Years
3. Expected Volatility	0.00%
4. Dividend Yield	0.00%
5. Price of the underlying share in market at the time of the option grant. (Rs.)	370.00

**16. HEALTH, SAFETY & ENVIRONMENT**

Maytas Infra 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.

**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.

**17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUT GO**

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:

**A. 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.

**B. 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.

**C. Foreign Exchange Earnings & Outgo:**

	(Rs. Million)
Earned	Nil
Outgo	936.70

**18. 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 for continued enriched relationships in the years to come.

for and on behalf of the Board

P K Madhav B Teja Raju  
Whole-time Director & CEO Vice Chairman

Place: Hyderabad  
Date : June 30, 2008

# Management Discussion and Analysis

India's infrastructure has been expanding at a rapid pace to support the economic growth rate of around 9 per cent.

With increasing budgeted outlays over the years and greater involvement of the private sector, the infrastructure sector has been expanding to support the economic growth of the country. However, World Development Indicators published by the World Bank indicate that India lags far behind the developed as well as developing nations in terms of infrastructure development. This is also reflected in India's infrastructure spending, which accounts for just 5% of GDP, little more than half as compared to 9% by China.

Thus, to sustain this growth in infrastructure, according to the Planning Commission, the investment required is USD 494 billion during the Eleventh Plan period (2007-12). This will increase the share of infrastructure investment to 9 per cent of GDP from 5 per cent in 2006-07.

The Indian Government has already opened up a number of infrastructure segments to private players besides permitting FDI into various sectors and has taken initiatives like introduction of model concession agreements, taking up new projects like the National Highway Development Project and National Maritime Development Programme among others.

## A) Industry Structure and Developments

The Indian economy steadily rolls on, recording higher growth rates compared to its global counterparts. The GDP has witnessed a sustained growth rate of close to 8 % over the last three years and the economy is en route to achieving a double digit growth rate. The economic indicators did show some signs of moderation, although the overall growth story appears to remain intact. Economist Intelligence Unit (EIU) has also forecast average GDP growth of 7.5 per cent for financial year 2008-09.

## B) Opportunities

The Eleventh Five Year Plan (2007-2012) offers immense opportunities in the Infrastructure space -

- Additional power generation of about 70,000 MW.
- Constructing Dedicated Freight Corridors between Mumbai-Delhi and Ludhiana-Kolkata.
- Capacity addition of 485 million MT in Major Ports, 345 million MT in Minor Ports.
- Modernisation and Redevelopment of 21 railway stations.
- Developing 16 million hectares through major, medium and minor irrigation works.
- Modernisation and Redevelopment of 4 metro and 37 non-metro airports.
- Six-laning 6,500 km of Golden Quadrilateral and selected National Highways.
- Constructing 1,65,244 km of new rural roads, and renewing and upgrading existing 1,92,464 km covering 78,304 rural habitations.

## Challenges

The unprecedented and sudden growth in infrastructure projects has brought to the fore the acute shortfall in construction manpower, as well engineerial and managerial talent. Your

Company has initiated specific strategies to bridge the gap in the availability of skilled construction manpower by setting up Maytas Construction Skills Training Institute. The shortfall in engineering and supervisory talent has been addressed by accelerated talent acquisition and innovative training programs. The short fall in project management personnel has been addressed by the continuous learning programmes launched through Maytas Centre for Learning and Leadership Development.

## C) Outlook

Going forward, the Company intends targeting big ticket projects across different geographies. Also, the strategic roadmap envisions broadening the horizon of verticals in which the Company operates.

The Company already has strong presence in the traditional infrastructure sectors like roads, irrigation, bridges etc and has made significant progress in ports, airport, oil & gas, and power sectors.

The Company is also considering more complex projects in the industrial construction business which encompasses sectors like petrochemicals, oil & gas, signaling and telecommunication for the railways etc.

The Company continuously seeks to forge alliances with other companies to obtain the relevant knowhow and gain access to superior technology. Besides the organic growth route, inorganic opportunities may be sought if the resulting synergies enhance the pre-qualification capabilities and execution skills of the Company.

## D) Risk and Concerns

While, the Indian infrastructure industry has tremendous scope, it is also beset with a few risks:

- a) Increased cost of Infrastructure financing for the company. This is being addressed by adopting a judicious mix of debt and equity. A constant churning of the debt portfolio also ensures optimization of the cost of capital.
- b) Increasing Competition. To mitigate this, your Company ensures that it is constantly moving up the value chain by taking up contracts of larger ticket size and greater complexity, thus ensuring that it is operating amidst fewer players.
- c) 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.
- d) 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.

- e) The Company requires employs with correct skill sets for the execution of its projects and if it is unable to recruit and retain the employees, it may adversely affect the business.

The Company lays considerable emphasis on training and leadership development. A good incentive scheme and a stock option scheme ensure that a proper reward system is in place. A good succession planning process is at the root of the HR policies.

It also runs a training institute for construction workmen to ensure that there is uninterrupted flow of skilled workmen to the various sites.

- f) Escalating raw material prices have been witnessed over the last couple of months.

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.

- g) Liquidity risk: The Company requires a large amount of long term/short term funds to meet its requirement for various Infrastructure / Construction projects.

The Company has a good credit rating and is able to mobilize the required funds for all its projects.

- h) 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 its healthy growth rate even if there is a slow down in the infrastructure spend in select sectors.

#### E) Internal control system and their adequacy

The company has put in place adequate and effective internal control systems to ensure that 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.

#### F) Discussion on Financial Performance with respect to Operational Performance

During the year under review your Company has secured contracts for Roads & Bridges, Buildings, Power, Irrigation and Railway projects. These contracts have been secured on stand alone basis and on Joint Venture basis with leading construction companies.

##### Order Book as on May 31, 2008:

Sector	Orders on hand (Rs.in Million)
Irrigation	20877.80
Roads and Bridges	15068.40
Buildings and Structures	9885.70
Power	14257.60
Oil and Gas	428.20
Railways	1795.60
<b>Total</b>	<b>62313.30</b>

#### Accounting Policies:

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 and Generally Accepted Accounting Principles (GAAP) in India. The significant accounting policies followed by the company are stated in Schedule 24 - Notes to Accounts forming part of the Annual Report.

#### Performance:

During the financial year 2007-08, the Company has achieved an impressive financial performance and growth as compared to the previous financial year 2006-07. All the numbers mentioned below are on a stand alone basis.

- Turnover:** The Company has achieved a significant growth of 172% in its turnover Rs.16373.54 Million for the financial year as against Rs.6010.06 Million of the previous year.
- Profit before interest, depreciation and tax:** The Company has earned a P B I T of Rs.2303.22 Million as against Rs.1043.25 Million in the previous year thus registering a growth of 121%.
- Profit after tax:** Profit after tax has increased by 88 % from Rs 531.20 million to Rs 996.36 million in 2007-08.
- Earnings per share:** EPS has increased from Rs. 10.62 to Rs.18.44 registering a growth of 74%
- Share Capital:** The Company with an opening equity share capital of Rs 500 Million raised an amount of Rs. 3274.50 Million (inclusive of premium of Rs 3186.00 Million) through a public issue of 8.85 Million shares of Rs. 10 each at a premium of Rs 360/-
- Net worth:** During the year the Company's networth increased from Rs. 2652.63 Million to Rs. 6528.44 Million, primarily on account of receipt of share premium amount, and through internal generation of profits.
- Debt:** The Company's growth requirements has necessitated enhancement in debt component to Rs. 9356.97 million as against Rs.2594.98 Million at the end of the previous year. The increase was due to project specific term loans and machinery loans.
- Fixed Assets:** The Company has enhanced its fixed asset base (Gross Block) from Rs.1507.47 Million to Rs. 4326.64 Million in 2007-08 to support its growing operations.
- Investments:** The Company's has increased its investments to Rs.2562.31 Million from Rs. 1690.10 Million as at the end of the previous year which is mainly on account of equity contribution into SPVs for execution of various infrastructure projects.

#### Material Developments in Human Resources / Industrial Relations front, including number of People Employed.

The Company has drawn up plans to attract and retain talent at all levels. Its campus recruitment programmes ensure that adequate number of fresh engineers are inducted into the Company. Being a preferred employer, the Company is also able to attract the required number of middle and senior level managers. The Company also keeps an eye on the attrition levels and draws up appropriate plans to ensure the employees at all levels find an environment that encourages performance, and transparency in performance appraisal.

#### 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.

Source : Planning Commission Report and Government Data.



# Report on Corporate Governance

## 1. COMPANY'S PHILOSOPHY

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

### A. Composition of the Board

As on March 31, 2008 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 three are Independent Directors. All important strategic policy matters are deliberated at the Board meetings where the role of Independent Directors is crucial. The Board believes that its current composition is appropriate. 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, 2008 is as follows:

Sl. No.	Name of the Director	Category	Number of Other Directorships held in other Public Limited Companies	Number of Committee* Chairmanships/memberships held in other Public Limited Companies
1.	R.C.Sinha	Independent and Non Executive Chairman	6	NIL
2.	B. Teja Raju	Executive Vice Chairman	10	NIL
3.	C.S.Mohan	Independent Director	NIL	NIL
4.	Dr. R.P.Raju	Independent Director	NIL	NIL
5.	PK.Madhav	Executive Director	NIL	NIL
6.	C.S.Bansal	Executive Director	NIL	NIL

\*Committee means Audit Committee and Shareholders'/Investors' Grievance Committee only.

### B. Board Meetings

During the year under review six Board Meetings were held on April 14, 2007, May 14, 2007, August 9, 2007, August 21, 2007, December 27, 2007 and January 30, 2008.

### C. Directors' Attendance Record

The attendance of directors at the Board meetings held during the financial year ended March 31, 2008 and at the previous Annual General Meeting held on August 31, 2007 is as under.

Sl.No.	Name of the Director	Board Meetings held during the period of Directorships	Number of Board Meetings attended during the year	Whether present at the previous AGM
1.	R.C.Sinha	6	3	No
2.	B. Teja Raju	6	6	Yes
3.	C.S.Mohan	6	4	No
4.	Dr. R.P.Raju	6	3	No
5.	PK.Madhav	6	5	Yes
6.	C.S.Bansal	1	1	NA

Note : The Company's shares were listed w.e.f. 25.10.2007

#### **D. Directors' compensation and disclosures**

Sitting fees at the rate of Rs.20,000/- per meeting for attendance at the meetings of the Board or any committee thereof for non-executive directors as per the Articles of Association of the Company is paid. Further, reimbursement of actual travel and out of pocket expenses incurred for attending such meetings is also made. Other than the above there is no other component of remuneration to non-executive directors.

Remuneration paid to executive directors is disclosed in the notes on Accounts forming part of this Annual Report.

#### **E. Brief Profile of the Directors**

Brief resume of all the Directors, nature of their expertise in specific functional areas are provided below:

R.C. Sinha is an independent Director and Chairman of the Company. He joined the Board in December 2006. He holds a law degree from the Delhi University and has a post-graduate diploma in urban development from the London University. He joined the Indian Administrative Service in 1962. From 1975 to 1982 he served as the Deputy Secretary and as the Director in the Ministry of Surface Transport and as an Executive Director, Association of State Road Transport Undertaking. From 1984 to June 1985 he served as the Secretary, Rural Development, Government of Maharashtra. From June 1985 to 1990 he served as the Joint Secretary in the Ministry of Information & Broadcasting, in-charge of radio and television. From 1990 to 1994 he was the Vice Chairman and Managing Director, City & Industries Development Corporation, Maharashtra. From 1994 to 1996 he was the Additional Chief Secretary, Urban Development and prior to that he was Additional Chief Secretary, Revenues & Forest Department, Government of Maharashtra. From 1997 to 2000 he served as the Vice Chairman and Managing Director of the Maharashtra State Road Development Corporation Limited (MSRDC). From 2000 to 2004 he served with the Government of Andhra Pradesh in the capacity of Director General, National Academy of Construction (N.A.C), Hyderabad as the Special Chief Secretary. From August 2003 to May 2004 he served as Senior Advisor to the Government of Goa as the Special Chief Secretary. He has been the Vice Chairman and Managing Director of the Maharashtra Airport Development Company Limited since 2004.

B. Teja Raju is the Vice Chairman of the Company. He joined the Board in July, 2001. He holds a bachelor's degree in Computer Science and Engineering from PSG College of Technology, Coimbatore and a master's degree in Electronic Commerce from Carnegie Mellon University, Pittsburgh, USA. He has over six years of experience in Maytas Infra Limited in the construction and infrastructure development industry and is an active member of the Young Entrepreneurs Organisation.

C.S. Mohan is an independent director on the Board of the Company. He joined the Board in January 2007. He holds a graduate degree in metallurgical engineering from the Banaras Hindu University. He has post graduate diplomas in business management from the Institute of Management Studies, New Delhi and in international trade from the Board of Trade, Government of Australia. He has also completed the Advanced Management Program and the International Senior Management Program from Harvard Business School. He is presently working as an international management

consultant in the fields of information technology and infrastructure for the past ten years. He was Chairman and Managing Director of the National Mineral Development Corporation (NMDC) for five years. He worked with Steel Authority of India Limited (SAIL) for 32 years in the fields of production, engineering, research and development, marketing, international trade and general management.

Dr. R.P. Raju is an independent director on the Board of the Company. He joined the Board in January 2007. He holds a bachelor's degree in medicine from Rangaraya Medical College, Kakinada and a graduate degree from Madras Medical College, Chennai. He has over 32 years of experience in medical practice, planning, management and administration. He is a member of the American College of Radiology, the American Medical Association, the American College of Radiation Oncology and the American Cancer Society.

P.K. Madhav is the whole time director and 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, from 1975 to 1978 he worked with IDL Chemicals, Hyderabad as Deputy Manager – Finance. 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.

C.S.Bansal is 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. Shri C.S.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, Shri C.S.Bansal was associated with organizations such as Tata Motors, INDAL, Usha Beltron/Martin, Alstom Projects and Easa Saleh Al Gurg Group-Dubai. Shri C.S.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.

#### **F. 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.

#### **3. AUDIT COMMITTEE**

In terms of Clause 49 of the Listing Agreement with the Stock Exchanges the Audit Committee was constituted. The Audit Committee consists of three Directors of which two are the Independent Directors. 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 and legal requirements and associated matters. The minutes of the Audit Committee meetings are reviewed and noted by the Board.

#### (a) Constitution

Sl. No	Name of the Member	Category	Position
1.	C.S.Mohan	Independent Director	Chairman
2.	Dr. R.P.Raju	Independent Director	Member
3.	P.K.Madhav	Executive Director	Member

The composition of the Audit Committee meets the requirement of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchanges.

J. Veerraju, Company Secretary acts as Secretary to the Committee.

#### (b) Meetings and Attendance:

During the year under review three Audit Committee Meetings were held on August 7, 2007, December 27, 2007 and January 30, 2008.

Sl.No	Name of the Member	No of Meetings held	No if Meetings Attended
1.	C.S.Mohan	3	3
2.	Dr. R.P.Raju	3	2
3.	P.K.Madhav	3	2

Note : The Company's shares were listed w.e.f. 25.10.2007

#### (c) The terms of reference of the Audit Committee

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

- Regular review of accounts, accounting policies and disclosures.
- Review of major accounting entries based on exercise of judgment by the management and review of significant adjustments arising out of audit.
- Review of qualifications in the draft audit report.
- Establishing and reviewing 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, conducting discussions with the independent auditors to ascertain any area of concern.
- Establishing the scope and frequency of the internal audit, reviewing the findings of the internal auditors and ensuring the adequacy of internal control systems.
- Examining reasons for substantial defaults in payment to depositors, debenture holders, shareholders and creditors.
- Examining matters relating to the Director's Responsibility Statement for compliance with Accounting Standards and accounting policies.

- Overseeing compliance with Stock Exchange legal requirements, concerning financial statements, to the extent applicable.
- Examining 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.
- Appointing and fixing 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.

#### 4. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Board has constituted the Shareholder's/Investor's Grievances Committee. During the year under review the Committee met twice on December 27, 2007 and January 30, 2008. The composition of the Committee and the attendance at the meetings of the members of the Committee are given hereunder. The minutes of the Shareholder's/Investor's Grievances Committee meetings are reviewed and noted by the Board.

#### (a) Constitution

Sl. No	Name of the Member	Category	Position
1.	Dr. R.P.Raju	Independent Director	Chairman
2.	B. Teja Raju	Executive Director	Member
3.	P.K.Madhav	Executive Director	Member

The composition of the Committee meets the requirement of Clause 49 of the Listing Agreement with the Stock Exchanges.

J.Veerraju, Company Secretary acts as Compliance Officer and Secretary to the Committee.

#### (b) Meetings and Attendance

Sl. No	Name of the Member	No of Meetings held	No of Meetings Attended
1.	Dr. R.P.Raju	2	2
2.	B. Teja Raju	2	2
3.	P.K.Madhav	2	1

Note : The Company's shares were listed w.e.f. 25.10.2007

#### (c) Terms of Reference

The principal responsibilities and functions of the Shareholders' / Investors' Grievance Committee include the following:

- Oversight and review of all matters connected with the transfer of securities of the Company.
- Approval and issue of duplicate share certificates of the Company.
- Monitoring redressal of investors / shareholders grievances related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend etc. if any.

- (iv) Oversight of the performance of Registrars and Transfer Agents of the Company.
- (v) Recommending methods to upgrade the standard of services to the investors.
- (vi) Monitoring implementation of the Company's Code of Conduct for Prohibition of Insider Trading.
- (vii) Carrying out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

## 5. REMUNERATION COMMITTEE

Although not mandated under Clause 49 of the Listing Agreement, the Company has a Remuneration Committee comprising three Independent Directors. The Remuneration Committee met twice during the year on April 14, 2007 and January 30, 2008. The composition of the Committee and the attendance at the meetings of the members of the Committee are given hereunder. The minutes of the Remuneration Committee meetings are reviewed and noted by the Board.

The Remuneration Committee's goal is to ensure that the Company attracts and retains highly qualified employees in accordance with its business plans, that the Company fulfils its ethical and legal responsibilities to its employees, and that management compensation is appropriate.

The present composition of the Remuneration Committee is as follows:

### a) Constitution

Sl. No.	Name of the Member	Category	Position
1.	R. C.Sinha	Independent Director	Chairman
2.	C.S.Mohan	Independent Director	Member
3.	Dr. R.P.Raju	Independent Director	Member

J. Veerajay, Company Secretary acts as Secretary to the Committee.

### b) Meetings and Attendance

Sl. No.	Name of the Member	No of Meetings held	No of Meetings Attended
1.	R. C.Sinha	2	1
2.	C.S.Mohan	2	1
3.	Dr. R.P.Raju	2	2

### c) Terms of Reference

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

- (i) Determining the remuneration, reviewing performance and deciding the variable pay of Executive Directors.
- (ii) Establishing and administering employee compensation and benefit plans.
- (iii) Determining the number of stock options to be granted under the Company's Employees Stock Option Schemes and administering any stock option plan.
- (iv) Such other matters as may from time to time be required under any statutory, contractual or other regulatory requirement.

## 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 have not been any occasion of non-compliance by the Company and 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 and robust 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 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 Director's 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](mailto: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. 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	Venue	Time
2006 – 07	August 31, 2007	Registered Office, 6-3-1186/5/A, III Floor Amogh Plaza, Begumpet, Hyderabad – 500 016	11.00 A.M.
2005 – 06	Sept 30, 2006	Registered Office, 6-3-1186/5/A, III Floor Amogh Plaza, Begumpet, Hyderabad – 500 016	03.00 P.M.
2004 – 05	Sept 30, 2005	Registered Office, 6-3-1186/5/A, III Floor Amogh Plaza, Begumpet, Hyderabad – 500 016	03.00 P.M.

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:

Day, Date & Time	Venue	Special Resolutions
On Friday, March 30, 2007 at 11.00 A.M.	Registered Office, 6-3-1186/5/A, III Floor Amogh Plaza, Begumpet, Hyderabad - 500 016	<ol style="list-style-type: none"> <li>Issue of 88,50,000 Equity Shares Under Initial Public Offer(IPO)</li> <li>Issue of Shares to the employees of the Company under Employee Stock Option (ESOP) Guidelines.</li> <li>Make investment, give loans and provide guarantees/securities.</li> </ol>
On Wednesday, 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 Shri B Teja Raju from Managing Director to Vice Chairman
On Saturday, December 30, 2006 at 2.30 P.M.	Registered Office, 6-3-1186/5/A, III Floor Amogh Plaza, Begumpet, Hyderabad - 500 016	<ol style="list-style-type: none"> <li>Conversion from Private Limited Company to Public Limited Company</li> <li>Appointment of Shri P.K. Madhav as Whole Time Director of the Company for a period of 5 years w.e.f. November 1, 2006</li> </ol>
On Saturday, June 18, 2005 at 11.00 A.M.	Registered Office, 6-3-1186/5/A, III Floor Amogh Plaza, Begumpet, Hyderabad – 500 016	<ol style="list-style-type: none"> <li>Re-appointment of Shri B. Teja Raju as Managing Director of the Company for a period of 5 years w.e.f. April 1, 2005</li> <li>Re-appointment of Shri B. Suryanarayana Raju as a Whole time Director of the Company for a period of 5 years w.e.f. April 1, 2005</li> </ol>
On Thursday, April 1, 2004 at 11.00 A.M.	Registered Office, 6-3-1186/5/A, III Floor Amogh Plaza, Begumpet, Hyderabad – 500 016	Alteration of Articles of Association of the Company

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

## 10. GENERAL INFORMATION TO SHAREHOLDERS

### a) Date, time and Venue of the 20th AGM:

Tuesday, September 30, 2008 at 11.00 a.m. at Sri Satya Sai Nigamagaram, 8-3-987/2, Srinagar Colony, Hyderabad-500073

### b) Book Closure Date

The Register of Members and Share Transfer Books of the Company will be closed from September 23, 2008 to September 30, 2008 (both days inclusive) for the purpose of 20th Annual General Meeting.

### c) Dividend Payment Date

On or after September 30, 2008



#### d) 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 2008-09 is given below:

Particulars	Tentative Schedule
Results for quarter ending June 30, 2008	July 2008
Results for quarter ending Sept 30, 2008	October 2008
Results for quarter ending Dec 31, 2008	January 2009
Results for year ending March 31, 2009	June 2009

#### e) Listing on Stock Exchanges

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

Name	Address	Scrip Code
The National Stock Exchange of India Limited (NSE)	Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400051	MAYTASINFR
The Bombay Stock Exchange Limited (BSE)	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 2008-09. The Company has paid Annual Custodial Fees for the year 2008-09 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

#### f) 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.

#### g) 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.

#### h) Corporate Identity Number (CIN)

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

#### i) Distribution of shareholding as on March 31, 2008

Category (Amount)	No. of Sh holders	% of Sh holders	Total Shares	Amount	% of Amount
1 - 5000	38092	99.412796	839444	8394440	1.426413%
5001 - 10000	99	0.258371	71559	715590	0.121596%
10001 - 20000	44	0.114832	63211	632110	0.107410%
20001 - 30000	11	0.028708	26822	268220	0.045577%
30001 - 40000	7	0.018269	22918	229180	0.038943%
40001 - 50000	6	0.015659	27734	277340	0.047127%
50001 - 100000	11	0.028708	80962	809620	0.137573%
100001 & Above	47	0.122661	57717350	577173500	98.075361%
<b>TOTAL</b>	<b>38317</b>	<b>100.00 %</b>	<b>58850000</b>	<b>588500000</b>	<b>100.00%</b>

#### j) 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, 2008. The distribution of shareholdings in category wise is as under

Category	No. Share holders	No of Shares	% to total Equity
Physical	10	12809310	21.77
NSDL	28666	45703340	77.66
CDSL	9641	337350	0.57

ISIN: INE 369I01014

#### k) 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.

#### l) Investor Safeguards

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

- 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.
- Encash Dividends in time  
Encash your dividends promptly to avoid hassles of revalidation.
- 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.
- Confidentiality of Security Details  
Do not hand over signed blank transfer deed / delivery instruction slips to any unknown person.
- 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.



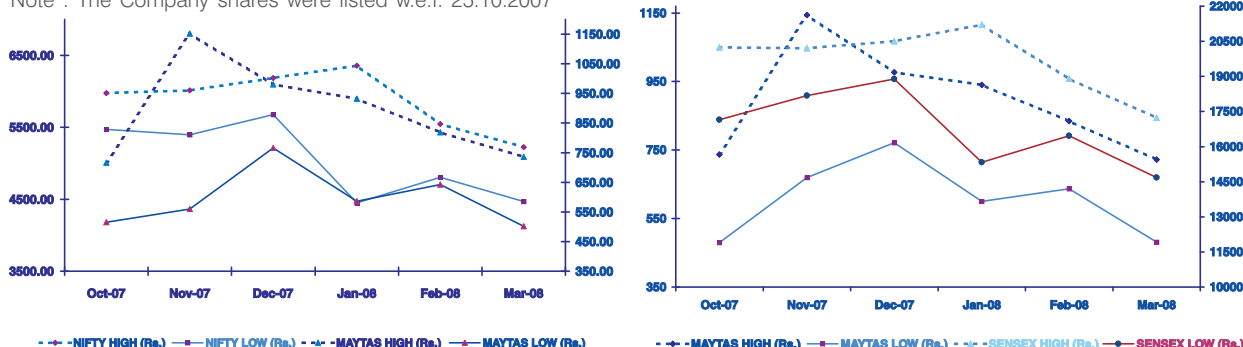
m) Shareholding Pattern as on March 31, 2008

Category	Share holders		Shares	
	Numbers	%	Numbers	% to the total paid-up capital
Promoters	3	0.01	11990000	20.37
Promoter Group	4	0.01	9575200	16.27
FII's	20	0.05	3195769	5.43
Mutual Funds	18	0.05	3700930	6.29
Public Financial Institutions/SFCs/ Insurance Companies	1	0.00	2133	0.00
Bodies Corporate	423	1.10	16709410	28.39
NRIs	167	0.44	9881	0.02
Public	37681	98.34	13666677	23.22
Total	38317	100.00	58850000	100.00

n) Share Price Volume Data

Month	NSE					BSE				
	Price High (Rs.)	Price Low (Rs.)	Volume	S & P CNX NIFTY High	S & P CNX NIFTY Low	Price High (Rs.)	Price Low (Rs.)	Volume	Sensex High	Sensex Low
Oct-07	716.00	515.00	24016644	5976.00	5469.30	736.65	480.00	14438478	20238.16	17144.58
Nov-07	1151.80	560.00	9574415	6011.95	5394.35	1144.25	670.00	6065856	20204.21	18182.83
Dec-07	980.00	765.90	1419344	6185.40	5676.70	977.00	771.30	661689	20498.11	18886.40
Jan-08	932.00	585.95	683496	6357.10	4448.50	940.00	600.20	258409	21206.77	15332.42
Feb-08	819.00	642.00	256015	5545.20	4803.60	834.95	637.00	237775	18895.34	16457.74
Mar-08	736.00	501.25	532612	5222.80	4468.55	722.00	481.00	203032	17227.56	14677.24

Note : The Company shares were listed w.e.f. 25.10.2007



o) Compliance Certificate of the Auditors

Certificate from the Joint Auditors of the company, M/s Krishna & Prasad, Chartered Accountants and M/s. S R Batliboi & Associates, Chartered Accountants confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed hereinafter.

p) Registrar & 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

q) 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

Company Secretary & Compliance Officer  
Mr. Veerajulu Jampana  
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  
E-mail id: 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, 2008.

Place : Hyderabad  
Date : June 30, 2008.

PK.Madhav  
Whole time Director & CEO

## 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, 2008, 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.

(P.K.Madhav)  
Chief Executive Officer

(V. V. Rama Raju)  
Chief Financial Officer

Place : Hyderabad  
Date : June 30, 2008

## Auditors' 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, 2008, 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.

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 **Krishna & Prasad**  
Chartered Accountants

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

per **B Vijaya Prasad**  
Partner  
Membership No. 18791

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

Place : Hyderabad  
Date : June 30, 2008

## Auditors' Report

**To**  
**The Members of Maytas Infra Limited**

1. We have audited the attached Balance Sheet of Maytas Infra Limited as at March 31, 2008 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. The accompanying financial statements include the Company's share of profits aggregating to Rs.137.12 million (March 31, 2007 – Rs.76.16 million) 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 were audited by other firms of professional accountants. We have relied on the audit reports provided by these firms.
4. 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.
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 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, 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, 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2008 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, 2008;
  - b. in the case of the Profit and Loss Account, of the profit 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 Krishna & Prasad**  
Chartered Accountants

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

per **B Vijaya Prasad**  
Partner  
Membership No.: 18791

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

Place : Hyderabad  
Date : June 30, 2008

Place : Hyderabad  
Date : June 30, 2008

# Annexure to the Auditors' Report

## Annexure referred to in paragraph 4 of our report of even date

Re: Maytas Infra Limited

- |   |  |
|---|--|
| <p>i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.</p> <p>(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.</p> <p>(c) There was no substantial disposal of fixed assets during the year.</p>  | <p>(e) The Company had accepted loans from two companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 430.36 million and the aggregate balance of loans taken from such parties as at March 31, 2008 was Rs. 0.10 million.</p>   |
| <p>ii) (a) Management has conducted physical verification of inventory at reasonable intervals during the year.</p> <p>(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.</p> <p>(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.</p>  | <p>(f) In our opinion, and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.</p> <p>(g) In respect of loans taken, repayment of the principal amount is as stipulated and payment of interest have been regular.</p>   |
| <p>iii) (a) The Company has granted unsecured interest free loans to nineteen companies listed 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.639.11 million and the aggregate balance as at March 31, 2008 was Rs.348.21 million</p> <p>(b) <i>According to the information and explanations given to us, other than loans referred in clause iii (a) above there are no loans granted that are prima facie prejudicial to the interests of the Company.</i></p> <p>(c) The loans granted are repayable on demand. As informed, the Company has not demanded repayment of any such loan during the year, thus, there has been no default on the part of the parties to whom the money has been lent.</p> <p>(d) The loans granted are re-payable on demand. As informed, the Company has not demanded repayment of the loans during the year, thus, there is no overdue amount of loan granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.</p> | <p>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 and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.</p> <p>v) (a) According to the information and explanations provided by Management, we are of the opinion that the 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 section 301 have been so entered.</p> <p>(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.</p> <p>vi) The Company has not accepted any deposits from the public.</p> <p>vii) The Company has an internal audit system, <i>the scope and coverage of which, in our opinion requires to be enlarged to be commensurate with the size and nature of its business.</i></p> <p>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.</p> |

## Annexure to the Auditors' Report

- ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess have been regularly deposited with the appropriate authorities *except for slight delays in some cases*.
- (b) According to the information and explanations given to us, no undisputed dues 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 statutory dues which were outstanding, at the year end for a period of more than six months from the date they became payable.
- (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. million)	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Income tax and interest	5.61	AY 2005-06	CIT Appeals, Hyderabad

- x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- xi) Based on our audit procedures and as per the information and explanations given by Management, 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) 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) 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) *The Company has given a guarantee in respect of loans taken by others from bank in respect of which it has not charged any commission nor was any adequate explanation provided to us of the benefit to the Company for giving such guarantee.* There are no other guarantees given by the Company for loans taken by others from bank or financial institutions.
- xvi) Based on information and explanations given to us by Management, term loans were applied for the purpose for which the loans were obtained.
- 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) We have verified that the end use of money raised by public issue is as disclosed in the notes to the financial statements.
- 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 Management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

**for Krishna & Prasad**  
Chartered Accountants

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

per **B Vijaya Prasad**  
Partner  
Membership No.: 18791

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

Place : Hyderabad  
Date : June 30, 2008

Place : Hyderabad  
Date : June 30, 2008

## Balance Sheet as at March 31, 2008

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

	Schedule	As at March 31, 2008		As at March 31, 2007	
<b>SOURCES OF FUNDS</b>					
<b>Shareholders' Funds</b>					
Share capital	1	588.50	6,528.44	500.00	2,652.63
Reserves and surplus	2	5,939.94		2,152.63	
<b>Loan Funds</b>					
Secured loans	3	7,566.66	9,356.97	2,553.62	2,594.98
Unsecured loans	4	1,790.31		41.36	
Deferred tax liability (net)	5		-		56.38
Total			15,885.41		5,303.99
<b>APPLICATION OF FUNDS</b>					
<b>Fixed Assets</b>					
Gross block	6	4,316.57	4,244.85	1,507.10	1,645.98
Less: Accumulated Depreciation		633.72		251.16	
Net block		3,682.85		1,255.94	
Capital work-in-progress (including capital advances)		562.00		390.04	
Intangible Assets (net)	7		2.31		0.11
Investments	8		2,562.31		1,690.10
Deferred Tax Asset (net)	5		6.43		-
<b>Current Assets,</b>					
<b>Loans and Advances</b>					
Inventories	9	2,268.80		873.40	
Sundry debtors	10	6,498.30		2,283.78	
Cash and bank balances	11	2,846.82		548.10	
Other current assets	12	134.85		21.88	
Loans and advances	13	3,977.16		2,269.26	
		15,725.93		5,996.42	
<b>Less: Current Liabilities and Provisions</b>					
Liabilities	14	6,513.36		3,964.44	
Provisions	15	143.06		64.18	
		6,656.42		4,028.62	
Net Current Assets			9,069.51		1,967.80
Total			15,885.41		5,303.99
Notes to Accounts	24				

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

for Krishna & Prasad  
Chartered Accountants

for S R Batliboi & Associates  
Chartered Accountants

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

per B Vijaya Prasad  
Partner  
Membership No.: 18791

per Ali Nyaz  
Partner  
Membership No.: 200427

B Teja Raju  
Vice Chairman

P K Madhav  
Whole time Director

VVR Raju  
Chief Financial Officer

J Veerraju  
Company Secretary

Place : Hyderabad  
Date : June 30, 2008

Place : Hyderabad  
Date : June 30, 2008

Place : Hyderabad  
Date : June 30, 2008



## Profit and Loss Account for the year ended March 31, 2008

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

	Schedule	For the year ended March 31, 2008	For the year ended March 31, 2007
<b>Income</b>			
Contract revenues	16	16,373.54	6,010.06
Other income	17	90.89	3.53
Accretion/(Decretion) to Work-in-progress	18	1,178.83	357.67
		<b>17,643.26</b>	<b>6,371.26</b>
<b>Expenditure</b>			
Material consumed	19	7,155.49	1,717.07
Personnel expenses	20	696.85	207.64
Contract expenses	21	7,018.14	3,325.68
Administrative and Selling expenses	22	606.68	153.78
Financial expenses (net)	23	566.76	141.75
Depreciation/Amortisation	6	390.91	113.10
		<b>16,434.83</b>	<b>5,659.02</b>
Add : Company's share in Profit/(Loss) in integrated Joint Ventures		137.12	76.16
<b>Profit before tax</b>		<b>1,345.55</b>	<b>788.40</b>
Provision for taxation			
- Current tax		395.42	210.00
- Deferred tax		(60.37)	30.28
- Deferred taxes of earlier years		-	11.21
- Fringe benefit tax		10.60	4.50
- Taxes for earlier years		3.54	1.21
		<b>349.19</b>	<b>257.20</b>
<b>Profit after tax</b>		<b>996.36</b>	<b>531.20</b>
Add: Balance brought forward from previous years		2,087.40	2,064.70
<b>Appropriations</b>			
Transfer to general reserve		50.00	450.00
Proposed dividend		88.28	50.00
Dividend tax		15.00	8.50
		<b>2,930.48</b>	<b>2,087.40</b>
<b>Surplus carried to Balance Sheet</b>			
<b>Earnings per share (in Rupees)</b> (Refer note 23 of Schedule 24)			
Basic		18.44	10.62
Diluted		18.44	10.62
Nominal value		10.00	10.00
<b>Notes to Accounts</b>	<b>24</b>		

The schedules referred to above 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 **Krishna & Prasad**  
Chartered Accountants

per **B Vijaya Prasad**  
Partner  
Membership No.: 18791

Place : Hyderabad  
Date : June 30, 2008

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

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

Place : Hyderabad  
Date : June 30, 2008

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

**B Teja Raju**  
Vice Chairman

**VVR Raju**  
Chief Financial Officer

Place : Hyderabad  
Date : June 30, 2008

**P K Madhav**  
Whole time Director

**J Veerraju**  
Company Secretary

## Cash Flow Statement for the year ended March 31, 2008

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

	2007-2008	2006-2007
<b>A. Cash flow from operating activities</b>		
Net profit before taxation	1,345.55	788.40
Adjustments for:		
Share of Joint Venture profits	(137.12)	(76.16)
Depreciation	390.91	113.10
Un realised (gain)/loss on foreign exchange (net)	(75.20)	0.03
Loss on derivatives	89.28	-
Liabilities no longer required written back	(0.93)	-
Provision for retirement benefits	26.94	4.50
Interest income	(99.87)	(47.13)
Income from Mutual Funds	(18.70)	-
(Profit)/Loss on sale of fixed assets	0.58	0.29
Interest expense	564.75	162.39
<b>Operating profit before working capital changes</b>	<b>2,086.19</b>	<b>945.42</b>
Movements in working capital :		
Decrease / (Increase) in sundry debtors	(4,214.52)	(1,483.59)
Decrease / (Increase) in inventories	(1,395.40)	(772.11)
Decrease / (Increase) in loans and advances	(888.70)	(530.18)
Decrease / (Increase) in other current assets	(91.50)	(18.23)
Increase / (Decrease) in current liabilities	2,379.29	1,411.82
<b>Cash generated from/(used in) operations</b>	<b>(2,124.64)</b>	<b>(446.88)</b>
Direct taxes paid (net of refunds)	(565.14)	(203.27)
<b>Net cash used in operating activities (A)</b>	<b>(2,689.78)</b>	<b>(650.14)</b>
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets	(2,957.26)	(1,254.46)
Proceeds from sale of fixed assets	0.12	1.27
Purchase of Investments in associates	(541.72)	(665.60)
Purchase of investment in subsidiaries	(138.70)	-
Advance to subsidiaries	71.54	-
Invested as share application money	(622.96)	(165.39)
Invested as debenture application money	(149.08)	-
Sale of investments	-	0.28
Short term deposits (net)	(102.88)	(27.02)
Interest received	78.41	28.91
Income from mutual funds received	18.70	-
<b>Net cash used in investing activities (B)</b>	<b>(4,343.83)</b>	<b>(2,082.01)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from issuance of share capital	3,274.50	-
Public issue expenses	(287.06)	-
Proceeds from long-term borrowings	8,027.19	3,161.12
Short term borrowings (net)	1,322.99	683.49
Repayment of long-term borrowings	(2,512.99)	(651.81)
Interest paid	(536.68)	(143.57)
Dividends paid	(50.00)	(10.00)
Tax on dividend paid	(8.50)	(1.40)
<b>Net cash from financing activities (C)</b>	<b>9,229.45</b>	<b>3,037.83</b>
<b>Net Increase/(Decrease) in cash and cash equivalents (A + B + C)</b>	<b>2,195.84</b>	<b>305.68</b>
<b>Cash and cash equivalents as at April 01, 2007</b>	<b>375.49</b>	<b>69.81</b>
<b>Cash and cash equivalents as at March 31, 2008</b>	<b>2,571.33</b>	<b>375.49</b>
<b>Notes to the Cash Flow Statement</b>		
Cash and Cash equivalents include :		
Cash and bank balances considered for cash flow	2,571.33	375.49
Add: Fixed deposits considered as investments	28.02	26.48
Add: Margin money deposits considered as investments	247.47	146.13
<b>Cash and cash equivalents as per Balance Sheet</b>	<b>2,846.82</b>	<b>548.10</b>

This is the consolidated cash flow statement referred in our report of even date.

for Krishna & Prasad  
Chartered Accountants

per B Vijaya Prasad  
Partner  
Membership No.: 18791

Place : Hyderabad  
Date : June 30, 2008

for S R Batliboi & Associates  
Chartered Accountants

per Ali Nyaz  
Partner  
Membership No.: 200427

Place : Hyderabad  
Date : June 30, 2008

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

B Teja Raju  
Vice Chairman

VVR Raju  
Chief Financial Officer

Place : Hyderabad  
Date : June 30, 2008

P K Madhav  
Whole time Director

J Veerraju  
Company Secretary

## Schedules to Balance Sheet

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

	As at March 31, 2008		As at March 31, 2007	
<b>Schedule 1 : Share Capital</b> (Refer note 5 of Schedule 24)				
<b>Authorised</b> 75,000,000 (March 31, 2007 : 75,000,000) equity shares of Rs.10 each		750.00		750.00
<b>Issued, subscribed and paid up</b> 58,850,000 (March 31, 2007 : 50,000,000 ) equity shares of Rs.10 each fully paid		588.50		500.00
Note: Of the above equity shares, 40,000,000 equity shares of Rs.10 each were allotted as fully paid bonus shares by capitalisation of General Reserve in earlier years.				
<b>Schedule 2 : Reserves and Surplus</b>				
<b>General Reserve</b>				
Balance as per last Balance Sheet	65.23		15.23	
Add: Transferred from Profit and Loss Account	50.00		450.00	
	115.23		465.23	
Less: Issue of bonus shares	-		400.00	
Less: Adjustment for employee benefits provision (net of tax Rs. 2.43 Million) (Refer note 8 of Schedule 24)	4.71		-	
		110.52		65.23
<b>Securities Premium Account</b> (Refer note 5 of Schedule 24)				
Received during the year from public issue	3,186.00		-	
Less : Utilisation towards share issue expenses	287.06		-	
		2,898.94		-
Profit and Loss Account balance		2,930.48		2,087.40
		5,939.94		2,152.63
<b>Schedule 3 : Secured Loans</b> (Refer note 6 of Schedule 24)				
<b>From Banks</b>				
Foreign currency loans (Repayable within one year Rs. 540.17 Million (March 31, 2007 : Rs. 126.94 Million))		1,631.29		576.75
Term loans (Repayable within one year Rs. 2,228.40 Million (March 31, 2007 : Rs. 825.62 Million))		3,528.53		834.29
Working capital loans		2,258.44		935.46
<b>From others</b>				
Term loans (Repayable within one year Rs. 78.82 Million (March 31, 2007 : Rs.79.27 Million))		119.49		198.77
Vehicle loans (Repayable within one year Rs.12.16 Million (March 31, 2007 : Rs.1.34 Million))		28.91		4.89
Interest accrued and due		-		3.46
		7,566.66		2,553.62

## Schedules to Balance Sheet

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

	As at March 31, 2008		As at March 31, 2007	
<b>Schedule 4 : Unsecured Loans</b> (Refer note 7 of Schedule 24)				
From				
Banks		1,750.00		-
(Repayable within one year Rs.1,750.00 Million (March 31, 2007 : Rs.Nil))				
Others		0.63		0.63
Finance lease obligation		39.68		40.73
		<b>1,790.31</b>		<b>41.36</b>
<b>Schedule 5 : Deferred tax liability (net)</b>				
Deferred tax liability				
Differences in depreciation as per tax books and financial books		96.67		58.31
Deferred tax assets				
Effect of lease accounting		(11.52)		-
Effect of retirement benefit expenditure debited to profit and loss account in the current year but allowed for tax purposes in the following years		(13.52) (78.06)		(1.93) -
Effect of public issue expenses		<b>(6.43)</b>		<b>56.38</b>

## Schedules to Balance Sheet

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

### Schedule 6 : Fixed Assets

Description	Gross Block			Depreciation				Net Block	
	As at April 1, 2007	Additions during the year	Deletions during the year	As at March 31, 2008	As at April 1, 2007	For the year	On Sales / Adjustments	As at March 31, 2008	As at March 31, 2007
Land	31.02	32.32	-	63.34	-	-	-	63.34	31.02
Buildings	1.68	-	-	1.68	0.01	0.03	-	1.64	1.67
Temporary erections - Site offices	77.72	95.18	-	172.90	17.08	59.65	-	96.17	60.64
Lease hold improvements *	40.90	-	-	40.90	0.68	4.09	-	36.13	40.22
Plant and machinery - Construction equipment	1,223.39	2,564.25	-	3,787.64	183.28	280.92	-	3,323.44	1,040.11
Office equipment	17.58	17.17	-	34.75	4.00	2.73	-	28.02	13.58
Tools and implements	11.66	17.24	-	28.90	11.66	17.24	-	28.90	-
Computers	24.66	28.96	-	53.62	6.90	6.44	-	40.28	17.76
Furniture and fixtures	17.20	8.82	-	26.02	7.39	5.45	-	13.18	9.81
Vehicles	61.29	47.08	1.55	106.82	20.16	6.86	0.85	80.65	41.13
<b>Grand Total</b>	<b>1,507.10</b>	<b>2,811.02</b>	<b>1.55</b>	<b>4,316.57</b>	<b>251.16</b>	<b>383.41</b>	<b>0.85</b>	<b>633.72</b>	<b>1,255.94</b>
Previous Year	560.22	955.53	8.63	1,507.12	145.39	112.84	7.06	1,255.95	
Capital work in progress including capital advances#								<b>562.00</b>	390.04

\* Note : Lease hold improvements represent fixtures taken on finance lease.

# includes capital advances of Rs. 459.02 Million(March 2007: Rs. 207.04 Million)

### Schedule 7 : Intangible assets

Description	Gross Block			Amortisation				Net Block	
	As at April 1, 2007	Additions during the year	Deletions during the year	As at March 31, 2008	As at April 1, 2007	For the year	On Sales / Adjustments	As at March 31, 2008	As at March 31, 2007
Computer software	0.37	9.70	-	10.07	0.26	7.50	-	7.76	0.11
<b>Grand Total</b>	<b>0.37</b>	<b>9.70</b>	<b>-</b>	<b>10.07</b>	<b>0.26</b>	<b>7.50</b>	<b>-</b>	<b>7.76</b>	<b>0.11</b>
Previous Year	-	0.37	-	0.37	-	0.26	-	0.26	0.11

## Schedules to Balance Sheet

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

	Face Value (Rs.)	As at March 31, 2008		As at March 31, 2007
		Number	Amount	Amount
<b>Schedule 8 : Investments (Unquoted)-Trade</b>				
<b>Long term (At cost)</b>				
<b>A. Equity shares (fully paid up)</b>				
1. Gautami Power Limited*	10	74,487,217	744.87	744.87
2. SSJV Projects Private Limited ^	10	100	0.00	0.00
<b>A</b>			<b>744.87</b>	<b>744.87</b>
<b>B. In subsidiaries - Equity shares (fully paid up)</b>				
1. Infratrade FZE UAE	AED 1,00,000	1	1.22	1.22
2. Maytas Infra Assets Limited	10	50,000	0.50	-
3. Maytas Mineral Resources Limited	10	50,000	0.50	-
4. Pondichery Tindivanam Tollway Limited	10	1,466,963	137.70	-
<b>B</b>			<b>139.92</b>	<b>1.22</b>
<b>C. In associates/joint ventures</b>				
<b>in Equity shares (fully paid up)</b>				
1. Brindavan Infrastructure Company Limited**	10	9,999,925	100.00	100.00
2. KVK Power & Infrastructure Private Limited	10	4,000,000	40.00	40.00
3. Bangalore Elevated Tollway Limited (1,287,800 shares invested during the year)	10	4,270,320	419.81	291.03
4. Western UP Tollway Limited	10	2,458,500	225.60	225.60
5. Dhabhi Maytas Contracting LLC	AED 1000	147	1.80	1.80
6. KVK Nilachal Power Private Limited (965,000 shares invested during the year)	10	1,215,000	99.00	2.50
7. Himachal Sorang Power Private Limited *** (87,690 shares invested during the year)	10	90,990	8.80	0.03
8. S V Power Private Limited (29,45,509 shares invested during the year)	10	3,195,509	290.30	2.50
9. Cyberabad Expressways Limited	10	990,000	9.90	-
10. Hyderabad Expressways Limited	10	990,000	9.90	-
11. Gulbarga Airport Developers Private Limited	10	3,700	0.04	-
12. Shimoga Airport Developers Private Limited	10	3,700	0.04	-
<b>in Preference shares (fully paid up)</b>				
1. Brindavan Infrastructure Company Limited**	100	500,000	50.00	50.00
<b>in partnership firms/ AOP#</b>				
1. Maytas - NCC (JV) - AOP			352.23	178.11
2. NCC - Maytas (JV) - AOP			18.21	18.27
3. NEC - NCC - Maytas (JV) - AOP			10.48	7.42
4. IJM - SCL (partnership firm) @			2.75	2.87
5. NCC - Maytas (JV) - AOP			31.10	23.88
6. Maytas CTR (JV)			4.03	-
7. Maytas Rithwik (JV)			0.69	-
8. NCC Maytas ZVS (JV)			2.84	-
<b>C</b>			<b>1,677.52</b>	<b>944.01</b>
<b>A+B+C</b>			<b>2,562.31</b>	<b>1,690.10</b>
<b>Current investments</b>				
<b>(At lower of cost and market value)</b>				
1. Maytas (Singapore ) Holding Pte Limited ^	S\$ 1	1	0.00	0.00
			<b>2,562.31</b>	<b>1,690.10</b>

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

\* The shares are subject to Non-disposal undertaking furnished in favour of Power Finance Corporation. Further, shares to the extent of 38,124,162 have been pledged with the said corporation for the term loan availed by Gautami Power Limited.

\*\* The 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 25,430 have been pledged in favour of Axis Bank for the term loan availed by Himachal Sorang Power Private Limited.

@ Partnership with M/s. IJM Corporation, Bhd for execution of Mumbai - Pune express highway in Maharashtra on 50:50 basis. Total capital of the firm : Rs. 50 Million. (The disclosures given are based on audited financial statements of the partnership firm).

^ investment value is less than Rs. 0.01 Million



## Schedules to Balance Sheet

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

	As at March 31, 2008		As at March 31, 2007	
<b>Schedule 9 : Inventories</b>				
Stock- in-trade		695.69		479.12
Work-in-progress		1,573.11		394.28
		<b>2,268.80</b>		<b>873.40</b>
<b>Schedule 10 - Sundry Debtors - (Unsecured, considered good)</b> (Refer note 9 of Schedule 24)				
Debts outstanding for a period exceeding six months*		1,099.75		394.65
Other debts #		5,398.55		1,889.13
* includes retention money : Rs. 524.39 Million (March 31, 2007 : Rs. 195.44 Million)				
# includes retention money : Rs. 725.62 Million (March 31, 2007 : Rs. 263.76 Million)				
		<b>6,498.30</b>		<b>2,283.78</b>
<b>Schedule 11 : Cash and Bank balances</b>				
Cash on hand		2.92		1.59
Balances with scheduled banks				
- on current accounts ^		934.07		335.76
- on margin money deposits*		247.47		146.13
- on deposits ^		1,661.02		26.48
Balances with non scheduled banks				
- on current accounts with Manvi Pattana Souharda Sahakara Bank Niyamitha (maximum amount outstanding during the year Rs. 0.63 Million (March 31, 2007 : Rs.7.60 Million))		0.63		0.03
Cheques in transit		0.71		38.11
* lodged with authorities				
^ (includes unutilised monies of the public issue) (Refer note 5 of schedule 24)				
		<b>2,846.82</b>		<b>548.10</b>
<b>Schedule 12 : Other Current Assets</b>				
Unbilled revenue		91.50		-
Interest accrued on deposits		43.35		21.88
		<b>134.85</b>		<b>21.88</b>
<b>Schedule 13 : Loans and Advances (Unsecured, considered good)</b> (Refer note 10 of Schedule 24)				
Advances to Subsidiaries**		17.20		72.42
Dues from Joint Ventures		420.11		372.34
Advances recoverable in cash or kind or for value to be received*		1,879.87		810.35
Inter corporate loans		1,020.45		251.45
Other receivables		-		431.86
Deposits - others		206.37		88.61
Unamortised exchange premium		-		3.98
Sales tax deducted at source (net of provision)		80.96		111.72
Service tax		71.01		0.92
Advance tax (net of provision)		281.19		125.61
*includes share application money to associates aggregating to Rs.776.04 Million (March 31, 2007: Rs.169.40 Million) and debenture application money aggregating to Rs.149.08 Million (March 31, 2007: Nil) towards various investments proposed to be made by the Company .				
**includes share application money aggregating to Rs.16.32 Million (March 31, 2007: Rs. Nil)				
		<b>3,977.16</b>		<b>2,269.26</b>
<b>Schedule 14 : Liabilities</b>				
Sundry creditors other than Micro and Small enterprises*		1,324.36		689.48
Dues to Joint ventures		170.68		54.52
Advances from customers		172.29		2.85
Mobilisation advance		2,172.94		1,707.88
Book Overdraft		29.29		-
Dues to Sub-Contractors		2,021.72		1,100.18
Other liabilities		135.23		158.34
Security deposits payable		443.42		235.83
Interest accrued but not due		43.43		15.36
*(Refer note 13 of schedule 24)				
		<b>6,513.36</b>		<b>3,964.44</b>
<b>Schedule 15 : Provisions</b>				
Proposed dividend		88.28		50.00
Dividend tax		15.00		8.50
For retirement benefits (Refer note 8 of Schedule 24)				
- Gratuity	16.29		3.20	
- Leave encashment	23.49	39.78	2.48	5.68
		<b>143.06</b>		<b>64.18</b>

## Schedules to Profit and Loss Account

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

	For the year ended March 31, 2008	For the year ended March 31, 2007
<b>Schedule 16 : Contract Revenues</b>		
Revenue from contracts	16,244.17	5,896.89
Equipment hire charges	129.37	113.17
	<b>16,373.54</b>	<b>6,010.06</b>
<b>Schedule 17 : Other income</b>		
Gain on foreign currency fluctuation (net)	59.78	-
Liabilities no longer required written back	0.93	-
Income from mutual funds (non-trade investments)	18.70	-
Miscellaneous receipts	11.48	3.53
	<b>90.89</b>	<b>3.53</b>
<b>Schedule 18 : Accretion/ (Decretion) in work-in-progress</b>		
Opening work-in-progress	394.28	36.61
Closing work-in-progress	1,573.11	394.28
	<b>1,178.83</b>	<b>357.67</b>
<b>Schedule 19 : Material consumed</b>		
Opening stock	479.12	64.68
Add: Purchases	7,372.06	2,131.51
	7,851.18	2,196.19
Less: Closing stock	695.69	479.12
	<b>7,155.49</b>	<b>1,717.07</b>
<b>Schedule 20 : Personnel expenses</b>		
Salaries, bonus and other allowances	609.52	184.80
Contribution to provident fund and others	24.46	7.35
Retirement benefits	29.12	5.68
Staff welfare expenses	33.75	9.81
	<b>696.85</b>	<b>207.64</b>
<b>Schedule 21 : Contract expenses</b>		
Site expenses	113.47	41.03
Subcontractor expenses	6,122.40	2,945.83
Hire Charges	125.94	74.97
Freight and transportation	58.42	12.23
Wages and benefits to workers	108.76	43.44
Insurance	31.70	17.28
Insurance - others	12.92	2.50
Power and fuel	16.84	7.90
Repairs and maintenance		
Plant and machinery	23.33	49.12
Others	13.89	9.20
Sales tax	304.37	90.68
Service tax	86.10	31.50
	<b>7,018.14</b>	<b>3,325.68</b>

## Schedules to Profit and Loss Account

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

	For the year ended March 31, 2008		For the year ended March 31, 2007	
<b>Schedule 22 : Administration and Selling expenses</b>				
Rent		60.76		23.91
Rates and taxes		16.98		5.05
Office maintenance		46.82		15.37
Communication expenses		23.27		9.96
Printing and stationary		15.24		6.69
Legal and professional charges		135.94		26.39
Loss on sale of assets		0.58		0.29
Loss on exchange fluctuation (net)		-		3.20
Loss on derivatives		147.64		-
Tender expenses		16.15		10.01
Business promotion		11.26		4.88
Donations		3.40		0.90
Travelling and conveyance		99.47		37.44
Auditors' remuneration (Refer note 22 of Schedule 24)		8.17		3.57
Directors sitting fees		0.36		-
Membership and subscription		2.52		0.62
Staff recruitment expenses		13.91		2.48
Miscellaneous expenses		4.21		3.02
		<b>606.68</b>		<b>153.78</b>
<b>Schedule 23 : Financial expenses (net)</b>				
Interest on fixed period loans	381.98		90.64	
Interest on others	182.77		70.97	
Lease finance charges	4.58		0.78	
Bank charges	97.30		26.50	
		666.63		188.89
Less : Interest received				
Deposits	85.76		35.14	
(Tax deducted at source : Rs. 16.27 Million (March 31, 2007 : Rs.10.15 Million))				
Income tax refunds	1.48		-	
Loans to Joint ventures	12.63		12.00	
(Tax deducted at source : Rs.2.86 Million (March 31, 2007 :Rs.2.69 Million))				
		99.87		47.14
		<b>566.76</b>		<b>141.75</b>

## Schedule 24:

Notes annexed to and forming part of the accounts as at and for the year ended March 31, 2008  
(All amounts in Rs. Million except for share data or as otherwise stated)

### 1. Nature of operations

Maytas Infra Limited (the 'Company') is a Company registered under Indian Companies Act, 1956. The Company is primarily engaged in the business of construction of roads, irrigation projects, buildings, industrial structures, oil & gas infrastructure, railway infrastructure, power transmission & distribution lines including rural electrification, power plants 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 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and except for the changes therein discussed below, 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. Change in Accounting policies

##### Accounting for Derivatives

As per the ICAI Announcement, 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. In the previous year, no gains/losses were recognized. Had the previous year policy been followed, the profit after tax would have been higher by Rs. 89.28 million and current liabilities would have been lower by Rs. 89.28 million.

##### Adoption of Accounting Standard (AS) 15 (Revised) Employee Benefits

Till March 31, 2007, the Company was providing for gratuity and leave encashment based on actuarial valuation done as per Accounting Standard (AS) 15 "Retirement Benefits". In current year, the Company has adopted the notified Accounting Standard (AS) 15 (Revised) "Employee Benefits" which is mandatory from accounting periods commencing on or after December 7, 2006. Accordingly, the Company has provided for gratuity and leave encashment based on actuarial valuation done as per projected unit credit

method. Further, in accordance with the transitional provision in the revised accounting standard, Rs. 4.71 million (net off tax Rs. 2.43 million) has been adjusted to the General Reserve.

#### d. 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. Percentage of completion is determined on the basis of surveys performed. However, profit is not recognized unless there is reasonable progress on the contract. 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. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- iii. Dividend is recognised as and when the right to receive payment is established by the Balance Sheet date. Dividend from subsidiaries is recognised even if same are declared after the Balance Sheet date but pertains to period on or before the date of Balance Sheet.
- iv. Income from currency swaps and other similar instruments are recorded upon settlement or termination of the relevant contracts.
- v. Revenue from hire charges is accounted for in accordance with the terms of agreements with the customers.
- vi. Income from 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 Interests in Joint Ventures" notified by Companies Accounting Standards Rules, 2006 and Company's share in profit/loss of the respective entities is recognized on accrual basis.

#### e. 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

## Schedule 24:

Notes annexed to and forming part of the accounts as at and for the year ended March 31, 2008  
(All amounts in Rs. Million except for share data or as otherwise stated)

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.

- ii. Expenditure directly relating to construction activity is capitalised. Indirect expenditure is capitalized to the extent those relate to the construction activity or is incidental thereto. Income earned during construction period is deducted from the total expenditure relating to construction activity.
- iii. Assets retired from active use and held for disposal are stated at their estimated net realisable values or net book values, whichever is lower.
- iv. Assets acquired under finance lease are depreciated on straight line basis over the lease term.
- v. 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.
- vi. 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.

The useful lives determined are as follows:

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 projects.
- vii. Assets costing five thousand rupees or less are fully depreciated in the year of purchase.

### f. Intangible assets

#### Software Licenses

Computer software license cost is expensed in the year of purchase, except for enterprise wide/project based software licence cost which is amortized over a period of three years.

### g. 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.

### 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 realisable 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 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 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 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 realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

## Schedule 24:

Notes annexed to and forming part of the accounts as at and for the year ended March 31, 2008  
(All amounts in Rs. Million except for share data or as otherwise stated)

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised 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 realised.

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

#### *Conversion*

Foreign currency monetary items are reported using the year-end rates. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.

#### *Exchange differences*

Exchange differences arising on the settlement of monetary items or on reporting 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 recognised as income or as expenses in the year in which they arise. Exchange differences arising in respect of fixed assets acquired from outside India before accounting period commencing on or after December 7, 2006 are capitalized as part of fixed assets. 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.

#### *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 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 of that year.

### l. 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 capitalised.

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.

### m. Accounting for joint ventures

Accounting for joint ventures undertaken by the Company has been done as follows:

#### *Jointly Controlled Operations:*

Company's share of revenues, expenses, assets and liabilities are included in the financial statements as Revenues, Expenses, Assets and Liabilities respectively.

#### *Jointly Controlled Entities:*

Investments in Jointly Controlled Entities, are accounted for in accordance with the requirements of AS-27 "Financial Reporting of Interests in Joint Ventures" notified by the Companies Accounting Standards Rules, 2006. The net investment in the integrated Joint ventures is reflected as investment, loans and advances or current liabilities.

### n. Earnings per share

Basic earnings per share is 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 like bonus issue.



## Schedule 24:

Notes annexed to and forming part of the accounts as at and for the year ended March 31, 2008  
(All amounts in Rs. Million except for share data or as otherwise stated)

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 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 their 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 Statement comprise cash at bank and in hand and short-term investments with an original maturity period of three months or less.

### r. Derivative Instruments

As per the ICAI Announcement, 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.

### s. 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. 330.13 million (March 31, 2007: Rs. 348.12 million).

### 4. Contingent liabilities not provided for

	As at March 31, 2008	As at March 31, 2007
a. Claims against the Company not acknowledged as debts	14.20	14.20
b. Outstanding bank guarantees (excluding performance obligations)	4,065.50	1,758.80
c. Guarantees issued by bankers, financial institutions on behalf of the Company towards performance obligations	2,874.60	1,601.00
d. Outstanding letters of credit	626.28	281.56
e. Direct and Indirect taxes	120.36	95.75
f. Corporate guarantee given	100.00	100.00

### 5. 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.

#### b. Details of utilisation of proceeds raised through public issue during the year:

As on March 31, 2008 the company has utilized Rs. 1,766.16 million for the purposes listed in the prospectus out of the issue proceeds of Rs. 3,274.50 million. The funds utilized by the Company as against stated objectives in the prospectus is tabulated below:

Particulars	Projected utilization as per Prospectus dated October 11, 2007	Actual utilization up to March 31, 2008
Investment in Associates	1,894.00	398.60
Purchase of Construction Equipment	332.90	332.90
General Corporate Expenses	747.60	747.60
Issue Expenses	300.00	287.06
<b>Total Amount</b>	<b>3,274.50</b>	<b>1,766.16</b>

## Schedule 24:

Notes annexed to and forming part of the accounts as at and for the year ended March 31, 2008  
(All amounts in Rs. Million except for share data or as otherwise stated)

The unutilized monies out of the issue being Rs. 1,508.34 Million have been temporarily placed in Current Accounts and Fixed Deposits with Banks.

### c. Employee stock option scheme

The Company instituted a cash settlement Employee Stock Option Plan "ESOP-2007" as per the special resolution passed at the Extraordinary General Meeting held on March 30, 2007. This scheme has been formulated in accordance with the provisions of Section 81(1A) and any other provision of the Companies Act, 1956 and subject to the provisions of the Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Compensation committee on April 14, 2007 granted options of 644,967 Equity Shares of the Company to eligible employees. Each option comprises of one underlying Equity Share of Rs.10/- each fully paid up. The said options vest on an annual basis at 20%, 20%, 30% and 30% over a period of four years and shall be capable of being exercised within a period of three years from date of vesting. The options are granted at an exercise price equal to the issue price of the Company's shares determined through an Initial Public Offer being Rs. 370. The Company follows intrinsic value method and since the net asset value of the stock on the grant date is lower than the exercise price, the intrinsic value of the option is nil, accordingly no compensation expense accounted.

The Details of Options outstanding are:

Particulars	2007-08 Nos.
Options Outstanding at the beginning of the year	-
Granted during the year	644,967
Vested/exercisable during the year	-
Exercised during the year	-
Forfeited during the year subject to reissue	86,918
Options outstanding at the end of the year	558,049
Exercisable at the end of the year	-
Weighted average remaining contractual life in years	6.04
Weighted average exercise price (Rs.)	370
Weighted average fair value of the options granted (Rs.)	98.77

### Disclosures as per Fair value method

The Company's net profit and earnings per share would have been as under, had the compensation cost for employees' stock options been recognized based on the fair value at the date of grant in accordance with "Black Scholes" model.

Particulars	2007-08
<b>1 Profit after taxation</b>	
As reported in Profit and Loss Account	996.36
Less: Employee stock compensation under fair value method	25.18
Profit after taxation as per Fair Value method	971.18

<b>2 Earnings per share</b>	
<b>Basic</b>	
No. of shares	54,038,115
EPS as reported (in Rs.)	18.44
EPS as per Fair Value method (in Rs.)	17.97
<b>Diluted</b>	
No. of shares	54,038,115
EPS as reported (in Rs.)	18.44
EPS as per Fair Value method (in Rs.)	17.97

The following assumptions were used for calculation of fair value of grants:

Particulars	ESOP 2007
Risk-free interest rate	7.74% - 7.76%
Expected life of options	2.5 to 5.5 years
Expected volatility	Nil
Dividend yield	Nil

### 6. Secured Loans

- Term loans availed in respect of specific projects are secured by a first charge on the present and future movable assets and current assets related to the project.
- All term loan facilities from various banks are secured by a pari passu charge on the movable and current assets of the Company and are guaranteed by the Vice Chairman of the Company.
- Working capital facilities are secured by pari passu charge on the current assets of the Company.
- Term loans aggregating to Rs. 2,966.91 million (March 31, 2007: Rs. 967.19 million); working capital loans Rs. 2,258.44 million (March 31, 2007: Rs. 693.58 million) and foreign currency loans Rs. 1,231.59 million (March 31, 2007: Rs. 126.94 million) are personally guaranteed by the Vice chairman of the Company.
- Vehicle loans are secured by way of hypothecation of the vehicles.
- Foreign currency loans are secured by exclusive charge on the equipment financed through such loans.

### 7. Unsecured Loans

Unsecured loans from banks aggregating to Rs. 800 million (March 31, 2007 - Rs. Nil) are personally guaranteed by the Vice Chairman.

### 8. Retirement benefits

The Company has adopted the Revised Accounting Standard 15 "Employee Benefits", effective April 01, 2007. Pursuant to such adoption, the transitional obligation of Rs. 2.69 million (net of deferred tax Rs.1.39 million) for Gratuity Plan and Leave Encashment Rs. 2.02 million (net of deferred tax Rs. 1.04 million) has been adjusted to General Reserve. Since this being the first year of adoption of revised Accounting Standard 15 "Employee Benefits" corresponding previous year figures are not furnished.

## Schedule 24:

Notes annexed to and forming part of the accounts as at and for the year ended March 31, 2008  
(All amounts in Rs. Million except for share data or as otherwise stated)

**a) Disclosures related to Defined Contribution Plan**

Provident fund contribution recognized as expense in the Profit and Loss Account Rs. 23.94 million (March 31, 2007: Rs. 7.31 million)

**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 summarise 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)**

	2007-08
Current service cost	8.41
Interest cost on benefit obligation	0.58
Net actuarial( gain) / loss recognised in the year	0.01
Past service cost	-
<b>Net benefit expense</b>	<b>9.00</b>

**Balance Sheet**

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

	2007-08
Opening defined benefit obligation	7.28
Interest cost	0.58

Current service cost	8.41
Benefits paid	-
Actuarial (gain)/loss on obligation	0.02
<b>Closing defined benefit obligation</b>	<b>16.29</b>

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

	2007-08	
Discount rate	8.00%	
Increase in Compensation cost	6.00%	
Employee Turnover	Age (Years)	Rate
	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.

### 9. Sundry Debtors

- Sundry debtors as at March 31, 2008 include certain claims aggregating to Rs. 119.73 million (March 31, 2007 - Rs. 144.75 million), recognized in the earlier years based on the terms and conditions implicit in the respective contracts. 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.
- Sundry debtors as at March 31, 2008 include debt amounting to Rs. 4.08 million (March 31, 2007: Rs Nil) due from Maytas Hill County SEZ Private Limited in which Director of the Company is a Director.

### 10. Loans and Advances

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

Name of the party	March 31, 2008	March 31, 2007	Maximum amount outstanding during the year 2007-08 2006-07	
Continental Thermites Private Limited	-	0.01	<b>0.01</b>	0.01
Maytas Infrasy Private Limited	-	0.03	<b>0.03</b>	0.03
Maytas Infratech Private Limited	-	34.78	<b>34.78</b>	34.78
Maytas Projects Private Limited	-	36.77	<b>36.77</b>	36.77
Maytas Estates Private Limited (formerly known as Maytas Properties Private Limited)	<b>0.94</b>	0.43	<b>1.01</b>	122.95
Samrat Marine Products Private Limited	-	2.42	<b>2.42</b>	2.42
SRSR Advisory Services Private Limited	-	0.03	<b>0.03</b>	0.03
SSJV Projects Private Limited	<b>94.95</b>	44.95	<b>94.95</b>	44.95
Himachal Sorang Power Private Limited	<b>151.47</b>	61.68	<b>159.12</b>	61.68
Maytas Hill County SEZ Private Limited	<b>4.74</b>	-	<b>4.74</b>	-
Gulbarga Airport Developers Private Limited	<b>3.57</b>	-	<b>3.57</b>	-
Shimoga Airport Developers Private Limited	<b>3.57</b>	-	<b>3.57</b>	-
Maytas Holdings Private Limited	<b>15.14</b>	14.14	<b>15.14</b>	14.14
Vajra Seaport Private Limited	<b>169.36</b>	-	<b>169.36</b>	-

## Schedule 24:

Notes annexed to and forming part of the accounts as at and for the year ended March 31, 2008  
(All amounts in Rs. Million except for share data or as otherwise stated)

- b. Dues from joint ventures include an amount of Rs.119.97 Million (March 31, 2007 – Rs. 118.28 Million) 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 party	March 31, 2008	March 31, 2007	Maximum amount outstanding during the year	
			2007-08	2006-07
B Teja Raju	-	-	2.07	-
P K Madhav	-	-	0.50	-

11. 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 for "Construction Contracts"

	2007-08	2006-07
Contract revenue recognized for the year	16,244.17	5,896.88
Contract cost incurred and recognised profits (less recognised losses) for contracts in progress upto the reporting date	22,277.83	5,331.38
Advances received for contracts in progress	1,532.97	1,706.08
Amount of retention for contracts in progress	1,066.79	392.34
Gross amount due from customers for contract work	1,573.11	394.28
Gross amount due to customers for contract work	-	-

12. Remuneration to whole-time directors (included in Schedule 20)

	2007-08	2006-07
Salary	6.35	4.26
Contribution to provident fund	0.61	0.50
<b>Total</b>	<b>6.96</b>	<b>4.76</b>

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

13. The Company has not dealt with any party as defined under the provisions of Micro, Small and Medium Enterprises Development Act, 2006.

14. 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
- 2 Pondicherry Tindivanam Tollway Limited
- 3 Maytas Mineral Resources Limited
- 4 Maytas Infra Assets Limited
- 5 Maytas (Singapore) Holding Pte Limited

### Joint Ventures

- 1 Maytas-SNC (JV)
- 2 NCC-Maytas (JV) (Pocharam)
- 3 IJM-SCL (JV)
- 4 Himachal (JV)
- 5 NEC-NCC-Maytas(JV)
- 6 Maytas-Shankaranarayana (JV)
- 7 Maytas-NCC (JV)

- 8 NCC-Maytas (JV) (KSHIP-U1)
- 9 Maytas-CTR (JV)
- 10 Maytas-Rithwik (JV)
- 11 NCC-Maytas-ZVS (JV)
- 12 Maytas-NCC-SSJV Consortium

### Associates

- 1 Bangalore Elevated Tollway Limited
- 2 Brindavan Infrastructure Company Limited
- 3 Himachal Sorang Power Private Limited
- 4 Western UP Tollway Limited
- 5 KVK Power & Infrastructure Private Limited
- 6 KVK Nilachal Power Private Limited
- 7 S V Power Private Limited
- 8 Dhahi Maytas Contracting LLC
- 9 Cyberabad Expressways Limited
- 10 Hyderabad Expressways Limited
- 11 Gulbarga Airport Developers Private Limited
- 12 Shimoga Airport Developers Private Limited

## Schedule 24:

Notes annexed to and forming part of the accounts as at and for the year ended March 31, 2008  
(All amounts in Rs. Million except for share data or as otherwise stated)

### 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 Hillcountry SEZ Private Limited
- 4 Maytas Hillcountry 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)

### 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 24:

Notes annexed to and forming part of the accounts as at and for the year ended March 31, 2008  
(All amounts in Rs. Million except for share data or as otherwise stated)

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

	2007-08	2006-07
<b>A. Subsidiaries</b>		
<b>1. Infra Trade FZE</b>		
Finance (including loans, share application money and equity contributions)	17.13	1.22
Expenses Reimbursable	-	0.00
<b>2. Pondicherry Tindivanam Tollway Limited</b>		
Finance (including loans, share application money and equity contributions)	137.72	-
Expenses Reimbursable	(0.17)	-
<b>3. Maytas Mineral Resources Limited</b>		
Finance (including loans, share application money and equity contributions)	4.80	-
Expenses Reimbursable	0.64	-
<b>4. Maytas Infra Assets Limited</b>		
Finance (including loans, share application money and equity contributions)	12.50	-
Expenses Reimbursable	0.24	-
<b>5. Maytas (Singapore) Holding Pte Limited</b>		
Finance (including loans, share application money and equity contributions)	141.84	-
<b>B. Joint ventures (JV)</b>		
<b>1. IJM-SCL (JV)</b>		
Share of profit/(loss) from joint venture	(1.18)	(7.93)
Expenses Reimbursable	0.01	-
<b>2. Himachal (JV)</b>		
Share of profit / (loss) from joint venture	(15.89)	12.79
<b>3. NEC - NCC - Maytas (JV)</b>		
Share of profit/(loss) from joint venture	3.06	0.28
Expenses Reimbursable	6.97	-
Finance (including loans, share application money and equity contributions)	-	(5.09)
<b>4. Maytas - Shankaranarayana (JV)</b>		
Share of profit/(loss) from joint venture	(35.83)	2.48
Expenses Reimbursable	9.53	2.42
Finance (including loans, share application money and equity contributions)	85.03	125.29
Income from equipment hire	28.68	14.77
<b>5. Maytas - NCC (JV)</b>		
Share of profit / (loss) from joint venture	174.12	71.75
Expenses Reimbursable	13.80	(10.93)
Finance (including loans, share application money and equity contributions)	(219.77)	51.22
Contract revenue	1,500.21	326.38
Income from equipment hire	100.35	98.40
Interest Income	12.63	-
Mobilisation advance received	75.62	-
<b>6. NCC - Maytas (JV)</b>		
Share of profit / (loss) from joint venture	(0.05)	0.68
Expenses Reimbursable	0.35	20.62
Contract revenues	-	24.30



## Schedule 24:

Notes annexed to and forming part of the accounts as at and for the year ended March 31, 2008  
(All amounts in Rs. Million except for share data or as otherwise stated)

	2007-08	2006-07
<b>7. NCC - Maytas (JV) (Pocharam)</b>		
Share of profit / (loss) from joint venture	7.22	(1.55)
Expenses Reimbursable	0.34	0.78
Finance (including loans, share application money and equity contributions)	2.00	1.41
Purchase of assets	-	11.23
<b>8. Maytas SNC (JV)</b>		
Share of profit/ (loss) from joint venture	(1.36)	(2.34)
<b>9. Maytas CTR (JV)</b>		
Share of profit / (loss) from joint venture	4.04	-
Expenses Reimbursable	(0.06)	-
Finance (including loans, share application money and equity contributions)	(1.05)	-
<b>10. Maytas - Rithwik (JV)</b>		
Share of profit / (loss) from joint venture	0.69	-
Mobilisation advance received	119.19	-
Income from equipment hire	0.34	-
<b>11. NCC - Maytas - ZVS (JV)</b>		
Share of profit / (loss) from joint venture	2.84	-
<b>12. Maytas - NCC SSJV Consortium</b>		
Share of profit / (loss) from joint venture	(0.54)	-
Finance (including loans, share application money and equity contributions)	(27.50)	-
<b>C. Associates</b>		
<b>1. Bangalore Elevated Tollway Limited</b>		
Finance (including loans, share application money and equity contributions)	122.78	295.89
Contract revenues	584.42	787.63
<b>2. Brindavan Infrastructure Company Limited</b>		
Finance (including loans, share application money and equity contributions)	28.00	0.22
Expenses Reimbursable	0.30	0.01
Interest Income	1.42	-
<b>3. Himachal Sorang Power Private Limited</b>		
Finance (including loans, share and debenture application money and equity contributions)	105.10	60.27
Expenses Reimbursable	6.69	-
<b>4. Western UP Tollway Limited</b>		
Finance (including loans, share application money and equity contributions)	-	228.05
Contract revenues	227.86	66.65
Mobilisation advance received	6.53	-
<b>5. KVK Power and Infrastructure Private Limited</b>		
Finance (including loans, share application money and equity contributions)	-	45.50
<b>6. Dhahi Maytas Contracting LLC</b>		
Finance (including loans, share application money and equity contributions)	3.70	7.97
Expenses Reimbursable	0.88	-

## Schedule 24:

Notes annexed to and forming part of the accounts as at and for the year ended March 31, 2008  
(All amounts in Rs. Million except for share data or as otherwise stated)

	2007-08	2006-07
<b>7. KVK Nilachal Power Private Limited</b>		
Finance (including loans, share application money and equity contributions)	96.50	45.60
Expenses Reimbursable	3.11	0.07
<b>8. SV Power Private Limited</b>		
Finance (including loans, share application money and equity contributions)	287.99	2.50
Expenses Reimbursable	0.86	-
Mobilisation advance received	140.00	-
<b>9. Cyberabad Expressways Limited</b>		
Finance (including loans, share application money and equity contributions)	168.74	-
Expenses Reimbursable	14.97	-
Contract revenue	882.73	-
<b>10. Hyderabad Expressways Limited</b>		
Finance (including loans, share application money and equity contributions)	171.50	-
Expenses Reimbursable	6.00	-
Contract revenue	5.00	-
<b>11. Gulbarga Airport Developers Private Limited</b>		
Finance (including loans, share application money and equity contributions)	0.10	-
Expenses Reimbursable	3.46	-
<b>12. Shimoga Airport Developers Private Limited</b>		
Finance (including loans, share application money and equity contributions)	0.10	-
Expenses Reimbursable	3.46	-
<b>D. Enterprises over which shareholders, key management personnel or their relatives exercise significant influence</b>		
<b>1. Maytas Holdings Private Limited</b>		
Finance (including loans, share application money and equity contributions)	1.00	12.50
Expenses Reimbursable	-	2.64
<b>2. Maytas Properties Limited</b>		
Finance (including loans, share application money and equity contributions)	(130.00)	(450.00)
Expenses Reimbursable	0.07	-
Contract Revenue	1,786.18	686.60
Mobilisation advance received	(158.77)	428.87
Interest Expense	8.12	-
<b>3. Maytas Hillcountry SEZ Private Limited</b>		
Finance (including loans, share application money and equity contributions)	4.74	-
Contract revenues	4.66	-
Mobilisation advance received	3.83	-
Rent	4.92	-
<b>4. Maytas Hillcountry Developers Private Limited</b>		
Contract revenues	239.14	-
<b>5. Maytas Estates Private Limited</b>		
Expenses Reimbursable	0.51	0.02
<b>6. Veeyes Investments Private Limited</b>		
Dividend	7.88	1.05
<b>7. Elem Investments Private Limited</b>		
Dividend	7.88	1.05
Sale of Investments	-	50.00

## Schedule 24:

Notes annexed to and forming part of the accounts as at and for the year ended March 31, 2008  
(All amounts in Rs. Million except for share data or as otherwise stated)

	2007-08	2006-07
<b>8. SNR Investments Private Limited</b>		
Dividend	7.88	1.05
Finance (including loans, share application money and equity contributions)	-	2.60
<b>9. Higrace Investments Private Limited</b>		
Dividend	7.88	1.05
Sale of investments	-	50.00
<b>10. Fincity Investments Private Limited</b>		
Dividend	7.88	1.05
Sale of investments	-	45.00
Finance (including loans, share application money and equity contributions)	-	23.10
<b>E. Key Management Personnel</b>		
<b>1. B Teja Raju</b>		
Managerial remuneration	1.81	1.81
Expenses Reimbursable	5.15	(0.19)
Dividend	2.24	0.30
Guarantees given	7,256.94	1,787.71
<b>2. P K Madhav</b>		
Managerial remuneration	2.81	1.17
Expenses Reimbursable	2.06	(0.27)
<b>F. Relatives of key management personnel</b>		
<b>1. Hema Madhav</b>		
Rent	1.79	1.52
<b>2. B Nandini Raju</b>		
Dividend	3.86	0.51
<b>3. B Ramalinga Raju</b>		
Repayment of/(Receipt) against loans/expenses	-	21.00
Dividend	7.28	1.10
<b>4. B Rama Raju</b>		
Dividend	2.23	0.30

## Schedule 24:

Notes annexed to and forming part of the accounts as at and for the year ended March 31, 2008  
(All amounts in Rs. Million except for share data or as otherwise stated)

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

	March 31, 2008	March 31, 2007
<b>A. Subsidiaries</b>		
1. Infra Trade FZE	1.22	1.22
2. Pondichery Tindivanam Tollway Limited	137.54	-
3. Maytas Mineral Resources Limited	5.44	-
4. Maytas Infra Assets Limited	12.74	-
5. Maytas (Singapore) Pte. Limited	0.00	0.69
<b>B. Joint ventures</b>		
1. IJM - SCL (JV)	119.97	121.15
2. Himachal (JV)	(33.99)	(18.10)
3. NEC - NCC - Maytas (JV)	5.84	3.09
4. Maytas - Shankaranarayana (JV)	231.17	147.62
5. Maytas - NCC (JV)	627.59	299.82
6. NCC - Maytas (JV)	2.97	2.51
7. NCC - Maytas (JV) (Pocharam)	8.10	10.18
8. Maytas SNC (JV)	(4.00)	(2.64)
9. Maytas - CTR (JV)	2.92	-
10. Maytas - Rithwik (JV)	(58.16)	-
11. NCC - Maytas - ZVS (JV)	1.04	-
12. Maytas -NCC SSJV Consortium	(28.04)	-
<b>C. Associates</b>		
1. Bangalore Elevated Toll way Limited	309.82	298.29
2. Brindavan Infrastructure Company Limited	164.40	150.00
3. Himachal Sorang Power Private Limited	160.28	61.71
4. Western UP Tollway Limited	(0.58)	231.22
5. KVK Power and Infrastructure Private Limited	85.50	85.50
6. Dhabhi Maytas Contracting LLC	12.56	7.97
7. KVK Nilachal Power Private Limited	144.61	45.67
8. S V Power Private Limited	150.49	2.50
9. Cyberabad Expressways Limited	266.03	-
10. Hyderabad Expressways Limited	176.93	-
11. Gulbarga Airport Developers Private Limited	3.56	-
12. Shimoga Airport Developers Private Limited	3.56	-
<b>D. Enterprises over which shareholders, key management personnel and their relatives exercise significant influence</b>		
1. Veeyes Investment Private Limited	(0.09)	(0.10)
2. Maytas Holdings Private Limited	15.14	14.14
3. Maytas Properties Limited	404.20	(442.65)
4. Maytas Hillcounty SEZ Private Limited	4.68	-
5. Maytas Estates Private Limited	0.94	0.43
6. Maytas Hillcounty Developers Private Limited	225.27	-
<b>E. Key Management Personnel</b>		
1. B Teja Raju	(1.04)	(0.19)
2. P K Madhav	(0.37)	(0.27)

## Schedule 24:

Notes annexed to and forming part of the accounts as at and for the year ended March 31, 2008  
(All amounts in Rs. Million except for share data or as otherwise stated)

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

Loans and advances in the nature of loans to subsidiaries, associates and companies in which directors are interested:

	Closing balance as at March 31,		Maximum outstanding amount during the year ended March 31,	
	2008	2007	2008	2007
<b>Names of subsidiaries</b>				
Infra trade FZE, UAE	0.01	0.01	17.13	0.01
Maytas Mineral Resources Limited	4.94	-	10.06	-
Maytas Infra Assets Limited	12.24	-	12.24	-
Pondicherry Tindivanam Tollway Limited	0.02	-	144.48	-
<b>Names of Associates</b>				
Bangalore Elevated Tollway Limited	1.26	7.26	122.78	269.49
Brindavan Infrastructure Company Limited	14.40	-	28.17	0.23
Himachal Sorang Power Private Limited	151.47	61.68	159.12	61.68
Western UP Tollway Limited	5.62	5.62	5.62	225.87
KVK Power and Infrastructure Private Limited	45.50	45.50	45.50	45.50
Dhabi Maytas Contracting LLC	10.76	6.17	10.89	6.17
KVK Nilachal Power Private Limited	45.61	43.17	87.67	45.60
S V Power Private Limited	0.19	-	160.19	2.50
Cyberabad Expressways Limited	173.06	-	177.59	-
Hyderabad Expressways Limited	167.03	-	178.00	-
Gulbarga Airport Developers Private Limited	3.57	-	3.57	-
Shimoga Airport Developers Private Limited	3.57	-	3.57	-
<b>Names of Companies in which director is interested</b>				
Gauthami Power Limited	187.49	0.05	187.49	28.53
Maytas Hill county SEZ Private Limited	4.74	-	4.74	-
Maytas Holdings Private Limited	15.14	14.14	15.14	14.16
Maytas Properties Limited	404.20	(442.65)	300.00	(442.65)
Maytas Estates Private Limited	0.94	0.43	1.01	122.91
SSJV Projects Private Limited	94.95	44.95	94.95	44.95
Vajra Seaports Private Limited	169.36	-	169.36	-

### 15. Leases

**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, 2008	As at March 31, 2007
<b>Minimum lease payments</b>		
Not later than one year	49.10	9.87
Later than one year but not later than five years	122.51	43.16
Later than five years	77.26	72.78

Particulars	2007-08	2006-07
Lease payments recognized in the Profit and Loss account for the year	60.76	23.91

**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.

## Schedule 24:

Notes annexed to and forming part of the accounts as at and for the year ended March 31, 2008  
(All amounts in Rs. Million except for share data or as otherwise stated)

Particulars	As at March 31, 2008	As at March 31, 2007
Total minimum lease payments at the year end	5.64	0.94
Less: Amount representing finance charges	4.58	0.77
Present value of minimum lease payments (Rate of interest 12%)	1.06	0.17
<b>Minimum lease payments</b>		
Not later than one year [Present value Rs. 1.18 Million (March 31, 2007: Rs. 1.05 Million)]	5.64	5.64
Later than one year but not later than five years [Present value Rs. 11.61 Million (March 31, 2007: Rs. 8.05 Million)]	27.12	24.66
Later than five years [Present value Rs. 26.88 Million (March 31, 2007: Rs. 31.62 Million)]	33.49	41.59

### 16. Derivative instruments and unhedged foreign currency exposure

- a. Particulars of derivative instruments outstanding as at Balance Sheet date:

Particulars	Purpose	Notional Amount in Million
Currency and Interest rate swap	Hedge against exposure to principal and interest outflow on ECB loan.	USD 30.00
Structured Cross currency Swap	Hedge against exposure of buyers credit underlying	USD 6.90

- b. Particulars of unhedged foreign currency exposure as at the Balance Sheet date:

Particulars	Amount in Million	Closing Exchange rate	Rs. Million
Import Creditors	Euro 1.56	63.09	98.89
Import Creditors	USD 2.54	39.97	101.49
Branch balance	AED 3.55	10.92	38.77
Investments	AED 0.25	10.92	3.02
Advances	AED 0.92	10.92	10.76

### 17. 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 24:

### Notes annexed to and forming part of the accounts as at and for the year ended March 31, 2008

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

#### 18. Interest in joint ventures:

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

Name of joint venture entity	Share	Assets	Liabilities	Income	Expenditure	Tax	Profit/ (Loss) after tax
Maytas NCC JV-Irrigation	50%	1,068.50	860.63	2,396.73	2,129.44	93.17	174.13
Maytas-SNC JV	40%	658.95	479.21	1,514.12	1,354.16	88.22	71.75
		32.26	16.62	51.90	53.20	0.06	(1.36)
		16.71	20.31	15.25	17.57	0.02	(2.34)
NEC-NCC-Maytas JV	25%	77.60	38.92	121.22	116.58	1.58	3.06
		54.45	43.48	100.07	96.01	3.77	0.29
Himachal JV	45%	976.39	1,041.39	328.80	363.10	(18.41)	(15.89)
		729.36	778.47	356.53	343.72	0.01	12.80
IJM-SCL JV	50%	200.20	122.95	1.43	2.58	0.03	(1.18)
		201.87	123.44	-	7.93	-	(7.93)
Maytas-Shankaranarayana JV	50%	106.95	10.16	67.53	103.22	0.15	(35.84)
		87.56	14.63	68.74	66.16	0.11	2.48
NCC-Maytas JV - U1	50%	9.02	9.01	-	0.05	-	(0.05)
		13.82	13.82	20.19	19.16	0.35	0.68
NCC-Maytas JV - (Pocharam)	50%	15.65	6.92	16.12	5.30	3.60	7.23
		20.82	12.24	7.56	8.00	1.06	(1.55)
Maytas-CTR JV	70%	22.02	17.99	43.55	37.44	2.08	4.03
		-	-	-	-	-	-
Maytas-Rithwik JV	50%	56.94	148.09	112.21	109.64	1.88	0.69
		-	-	-	-	-	-
NCC-Maytas-ZVS JV	40.75%	111.31	110.27	71.69	67.38	1.46	2.84
		-	-	-	-	-	-
Maytas NCC SSJV Consortium	33.34%	183.47	184.01	10.58	11.12	-	(0.54)
		-	-	-	-	-	-

The joint ventures above do not have any contingent liabilities and capital commitments outstanding as at March 31, 2008  
Previous year figures have been disclosed in italics. All the aforesaid entities are incorporated in India

b) The Company has formed a Joint Venture Maytas-KBL JV in India, which is in the nature of jointly controlled operations. 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 and therefore does not require separate disclosure. However, joint venture partners are jointly and severally liable to client for any claims in this projects.

## Schedule 24:

Notes annexed to and forming part of the accounts as at and for the year ended March 31, 2008  
(All amounts in Rs. Million except for share data or as otherwise stated)

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

### 19. CIF value of imports

	2007-08	2006-07
Capital goods	518.06	155.52

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

	2007-08	2006-07
Professional charges	131.42	2.97
Membership and subscription	3.23	-
Travelling expenses	10.19	4.66
Interest Charges	143.78	-
<b>Total</b>	<b>288.62</b>	<b>7.63</b>

### 21. Imported and indigenous materials consumed

Particulars		2007-08		2006-07
	%	Value	%	Value
Imported	2	130.02	-	-
Indigenous	98	7,025.48	100	1,717.07
<b>Total</b>	<b>100</b>	<b>7,155.50</b>	<b>100</b>	<b>1,717.07</b>

### 22. Auditors' remuneration

Particulars	2007-08	2006-07
a) Statutory audit	5.00	3.37
b) Limited review	1.50	-
c) Tax audit*	0.30	0.17
d) Certification*	0.35	0.02
e) Consolidation of financial statements	1.00	0.01
f) Out of pocket expenses	0.02	-
<b>Total</b>	<b>8.17</b>	<b>3.57</b>

Note: Remuneration towards other audit services during the current year of Rs. 12.36 Million is charged to securities premium account being public issue expenses.

\* Amount payable to M/s. Krishna & Prasad, Chartered Accountants for tax audit and certification.

### 23. Earnings per share

Earnings per share is computed based on the following:

Particulars	2007-08	2006-07
i) Profit after taxation considered for calculation of basic and diluted earnings per share	<b>996.36</b>	531.20
ii) Weighted average number of Equity Shares considered for calculation of basic and diluted earnings per share	<b>54,038,115</b>	50,000,000

## Schedule 24:

Notes annexed to and forming part of the accounts as at and for the year ended March 31, 2008  
(All amounts in Rs. Million except for share data or as otherwise stated)

### 24. Mutual fund transactions

During the year the Company has purchased and sold the following investments in Mutual Funds

Name of the Mutual Fund	Purchased		Sold	
	No.of.Units	Amount	No.of.Units *	Amount
Grindlays Mutual Fund	24,988,755.06	250.00	25,092,358.00	251.06
HDFC Mutual Fund	20,934,057.71	210.00	21,206,945.39	212.74
Templeton Mutual Fund	24,167,665.59	250.00	24,289,311.62	251.25
ICICI Prudential Flexible Income Plan	23,647,965.61	250.00	23,973,663.49	253.49
Kotak Flexi Debt Fund	49,884,982.10	500.00	50,347,959.72	505.05
Reliance Liquid Plus Fund	249,727.67	250.00	251,915.34	252.19
ING Mutual Plus Fund	12,995,711.41	130.00	13,126,650.58	131.31
DSP Cash Plus Fund	149,985.00	150.00	150,952.55	150.97
Fidelity Mutual Fund	9,999,700.00	100.00	10,063,155.81	100.65
		<b>2,090.00</b>		<b>2,108.71</b>

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

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

In terms of our report of even date.

for Krishna & Prasad  
Chartered Accountants

per **B Vijaya Prasad**  
Partner  
Membership No.: 18791

Place : Hyderabad  
Date : June 30, 2008

for S R Batliboi & Associates  
Chartered Accountants

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

Place : Hyderabad  
Date : June 30, 2008

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

**B Teja Raju**  
Vice Chairman

**P K Madhav**  
Whole time Director

**VVR Raju**  
Chief Financial Officer

**J Veerraju**  
Company Secretary

Place : Hyderabad  
Date : June 30, 2008

## Balance Sheet Abstract and Company's General Business Profile

### I. Registration Details

Registration No. : L45201AP1988PLC008624 State Code : 01  
Balance Sheet Date : 31/03/2008

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

Public Issue : 88500 Rights Issue : Nil  
Bonus Issue : Nil Private Placement : Nil

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

Total Liabilities : 15885417 Total Assets : 15885417

#### Source of Funds

Paid Up Capital : 588500 Reserves & Surplus : 5939938  
Secured Loans : 7566677 Unsecured Loans : 1790302

#### Application of Funds

Net Fixed Assets : 4247158 Investments : 2562311  
Net Current Assets : 9069524 Misc Expenditure : Nil  
Accumulated Losses : Nil Deferred tax asset : 6424

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

Turn Over : 17780379 Total Expenditure : 16434835  
Profit/Loss Before Tax : 1345544 Profit/Loss after Tax : 996356  
Earnings per Share (Rs): 18 - 44 Dividend (%) : 15

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

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. Million except for share data or as otherwise stated)

Particulars	Name of the Subsidiary Companies			
	Infra Trade FZE	Maytas Mineral Resources Limited	Maytas Infra Assets Limited	Pondichery Tindivanam Tollway Limited
1. Financial Year of the Subsidiary ended on	31.03.2008	31.03.2008	31.03.2008	31.03.2008
2. Shares of subsidiary company held on the above date and extent of holding				
(i) No. of Equity Shares	1	50,000	50,000	1,466,963
(ii) Face value in Currency	DHM 100,000 each	Rs. 10/- each	Rs. 10/- each	Rs. 10/- each
(iii) Extent of holding	100%	100%	100%	51%
3. Net aggregate amount of profits/(losses) of the subsidiary for the above financial year so as they concern members of Maytas Infra Limited				
(i) Dealt with in accounts of Maytas Infra Limited	(1.06)	(5.81)	(4.27)	NIL
(ii) Not dealt with in accounts of Maytas Infra Limited	NIL	NIL	NIL	NIL
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	NIL	N.A.	N.A.	N.A.
(ii) Not dealt with in a/cs of Maytas Infra Limited	NIL	N.A.	N.A.	N.A.

# Auditors' Report

## The Board of Directors

### Maytas Infra Limited

1. We have audited the attached consolidated Balance Sheet of Maytas Infra Limited (the Company), its subsidiaries, joint ventures and associates ("Maytas"), as at March 31, 2008, 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 Maytas 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. 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. We did not audit the financial statements of certain subsidiaries and joint ventures whose financial statements reflect total assets of Rs.373.65 million as at March 31, 2008, the total revenue of Rs. 2,368.41 million and net cash flows amounting to Rs. 178.52 million 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 is based solely on the report of other auditors.
4. Without qualifying our opinion, we draw attention to Note 4 to Schedule 24 of consolidated financial statements. In the absence of detailed information regarding certain claims recognized in the financial statements of one of the joint ventures, Management has not made any adjustments to its consolidated results in respect of such income.
5. *As more fully explained in note 3 to Schedule 24 of consolidated financial statements, the Company has accounted for certain investments in joint venture companies using the equity method of accounting, since Management is of the opinion that, although the Company together with its co-venturers exercises joint control over such investees, such investments are, by intent and purpose, more in the nature of investments in associate enterprises as defined in Accounting Standard 23 notified by the Companies (Accounting Standards) Rules, 2006. Had the Company accounted for such investments as investments in jointly controlled entities, the consolidated assets, liabilities, income and expenses included in accompanying financial statements would have included the Company's proportionate share in the assets, liabilities, income and expenses in such investee companies and the reported consolidated profit before tax would have been lower by Rs. 350.70 million. This has also resulted in issuance of a qualified opinion on the consolidated financial statements for the year ended March 31, 2007.*
6. We report that *except as stated in Paragraph 5 above* 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 by the Companies (Accounting Standards) Rules, 2006.
7. 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 matters discussed in paragraph 5 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 Maytas as at March 31, 2008;
  - (b) in the case of the consolidated Profit and Loss Account, of the profit 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 Krishna & Prasad  
Chartered Accountants

for S R Batliboi & Associates,  
Chartered Accountants

per B Vijaya Prasad  
Partner  
Membership No.: 18791

per Ali Nyaz  
Partner  
Membership No.: 200427

Place : Hyderabad  
Date : June 30, 2008

Hyderabad  
June 30, 2008



## Consolidated Balance Sheet as at March 31, 2008

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

	Schedule	As at March 31, 2008		As at March 31, 2007	
<b>SOURCES OF FUNDS</b>					
<b>Shareholders' Funds</b>					
Share capital	1	588.50		500.00	
Reserves and surplus	2	5,796.13		2,097.71	
			6,384.63		2,597.71
			131.98		-
<b>Minority interest</b>					
<b>Loan Funds</b>					
Secured loans	3	7,846.12		2,569.30	
Unsecured loans	4	1,889.62		73.07	
			9,735.74		2,642.37
			-		55.42
<b>Deferred tax liability (net)</b>	5				
<b>Total</b>			<b>16,252.35</b>		<b>5,295.50</b>
<b>APPLICATION OF FUNDS</b>					
<b>Fixed Assets</b>	6				
Gross block		4,789.54		1,975.94	
Less: Accumulated depreciation		736.09		341.04	
Net block		4,053.45		1,634.90	
Capital work-in-progress (including capital advances)		820.12		390.78	
Incidental expenditure during construction period		33.75		-	
			4,907.32		2,025.68
<b>Intangible assets (net)</b>	7		2.31		0.11
<b>Investments</b>	8		1,887.34		1,407.05
<b>Deferred tax asset (net)</b>	5		5.40		-
<b>Current Assets, Loans and Advances</b>					
Inventories	9	2,780.07		1,175.18	
Sundry debtors	10	7,566.86		2,887.86	
Cash and bank balances	11	3,346.43		805.65	
Other current assets	12	134.87		21.88	
Loans and advances	13	4,515.38		2,331.82	
		<b>18,343.61</b>		<b>7,222.39</b>	
<b>Less: Current Liabilities and Provisions</b>					
Liabilities	14	8,750.39		5,287.70	
Provisions	15	143.32		72.03	
		<b>8,893.71</b>		<b>5,359.73</b>	
<b>Net Current Assets</b>			9,449.90		1,862.66
<b>Miscellaneous expenditure</b> (to the extent not written off)			0.08		-
<b>Total</b>			<b>16,252.35</b>		<b>5,295.50</b>
<b>Notes to Accounts</b>	24				

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

for Krishna & Prasad  
Chartered Accountants

per B Vijaya Prasad  
Partner  
Membership No.: 18791

Place : Hyderabad  
Date : June 30, 2008

for S R Batliboi & Associates  
Chartered Accountants

per Ali Nyaz  
Partner  
Membership No.: 200427

Place : Hyderabad  
Date : June 30, 2008

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

B Teja Raju  
Vice Chairman

VVR Raju  
Chief Financial Officer

Place : Hyderabad  
Date : June 30, 2008

P K Madhav  
Whole time Director

J Veerraju  
Company Secretary

## Consolidated Profit and Loss Account for the year ended March 31, 2008

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

	Schedule	For the year ended March 31, 2008	For the year ended March 31, 2007
<b>Income</b>			
Contract revenues	16	18,739.39	7,820.48
Other income	17	92.18	3.95
Accretion/(Decretion) to Work-in-progress	18	1,335.95	497.39
		<b>20,167.52</b>	<b>8,321.82</b>
<b>Expenditure</b>			
Material consumed	19	7,708.06	2,131.70
Personnel expenses	20	776.23	251.66
Contract expenses	21	8,525.97	4,526.74
Administrative and Selling expenses	22	654.72	195.89
Financial expenses (net)	23	677.28	172.93
Depreciation/Amortisation	6	403.38	155.98
Preliminary expenses written off		-	0.39
		<b>18,745.64</b>	<b>7,435.29</b>
Add : Income from Associates (net off prior period items Rs. 9.36 Million)		(61.07)	(48.04)
<b>Profit before tax</b> (Refer note 1.a of Schedule 24)		<b>1,360.81</b>	<b>838.49</b>
Provision for taxation			
- Current tax		496.97	266.49
- Deferred tax		(58.40)	29.45
- Deferred taxes of earlier years		-	11.21
- Fringe benefit tax		11.21	4.84
- Taxes for earlier years		3.53	38.77
		<b>453.31</b>	<b>350.76</b>
<b>Profit after tax</b>		<b>907.50</b>	<b>487.73</b>
Add: Balance brought forward from previous years		2,038.96	2,059.73
Appropriations			
Transfer to general reserve		50.00	450.00
Proposed dividend		88.28	50.00
Dividend tax		15.00	8.50
<b>Surplus carried to Balance Sheet</b>		<b>2,793.18</b>	<b>2,038.96</b>
<b>Earnings per share</b> (in Rupees) (Refer note 20 of Schedule 24)			
Basic		16.79	9.75
Diluted		16.79	9.75
Nominal value		10.00	10.00
<b>Notes to Accounts</b>	<b>24</b>		

The schedules referred to above 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 Krishna & Prasad  
Chartered Accountants

per B Vijaya Prasad  
Partner  
Membership No.: 18791

Place : Hyderabad  
Date : June 30, 2008

for S R Batliboi & Associates  
Chartered Accountants

per Ali Nyaz  
Partner  
Membership No.: 200427

Place : Hyderabad  
Date : June 30, 2008

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

B Teja Raju  
Vice Chairman

VVR Raju  
Chief Financial Officer

Place : Hyderabad  
Date : June 30, 2008

P K Madhav  
Whole time Director

J Veerraju  
Company Secretary

## Consolidated Cash Flow Statement for the year ended on March 31, 2008

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

	2007-2008	2006-2007
<b>A. Cash flow from operating activities</b>		
Net profit before taxation	1,360.81	838.49
Adjustments for:		
Depreciation	403.38	155.97
Un realised (gain) / loss on foreign exchange (net)	(76.15)	(0.00)
Loss on derivatives	89.28	-
Liabilities no longer required written back	(0.93)	-
Provision for retirement benefits	26.94	4.50
Interest income	(93.61)	(48.24)
Income from mutual funds	(18.70)	(0.03)
Dividend income	(0.02)	-
(Profit)/Loss on sale of fixed assets	0.58	0.30
Interest expense	658.94	183.37
(Profit)/Loss from associates	61.07	48.04
<b>Operating profit before working capital changes</b>	<b>2,411.59</b>	<b>1,182.40</b>
Movements in working capital :		
Decrease / (Increase) in sundry debtors	(4,679.00)	(885.94)
Decrease / (Increase) in inventories	(1,604.89)	(1,588.22)
Decrease / (Increase) in loans and advances	(1,290.58)	(448.16)
Decrease / (Increase) in other current assets	(91.50)	-
Increase / (Decrease) in current liabilities	3,136.04	150.22
<b>Cash generated from operations</b>	<b>(2,118.33)</b>	<b>(1,589.71)</b>
Direct taxes paid (net of refunds)	(656.67)	(218.17)
<b>Net cash used in operating activities (A)</b>	<b>(2,775.00)</b>	<b>(1,807.88)</b>
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets	(3,253.89)	(1,291.66)
Proceeds from sale of fixed assets	1.49	12.99
Purchase of investments	(541.36)	(666.86)
Invested as share application money	(606.64)	(165.39)
Invested as debenture application money	(149.08)	-
Sale of investments	-	1.51
Short term deposits (net)	(102.88)	(23.33)
Interest received	72.11	18.01
Income from mutual funds received	18.70	-
Dividend income received	0.02	0.03
<b>Net cash used in investing activities (B)</b>	<b>(4,561.52)</b>	<b>(2,114.70)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from issuance of share capital	3,274.50	-
Public issue expenses	(287.06)	-
Proceeds from long-term borrowings	8,359.51	4,458.46
Short term borrowings (net)	1,322.99	683.49
Repayment of long-term borrowings	(2,512.98)	(611.08)
Proceeds from contribution to share capital by minority share holders	131.98	-
Interest paid	(456.02)	(152.55)
Dividend paid	(50.00)	(10.00)
Tax on Dividend paid	(8.50)	(1.40)
<b>Net cash from financing activities (C)</b>	<b>9,774.42</b>	<b>4,366.92</b>
<b>Net Increase/(Decrease) in cash and cash equivalents (A + B + C)</b>	<b>2,437.89</b>	<b>444.35</b>
<b>Cash and cash equivalents as at April 01, 2007</b>	<b>632.32</b>	<b>187.97</b>
<b>Cash and cash equivalents as at March 31, 2008</b>	<b>3,070.21</b>	<b>632.32</b>
<b>Notes to the cash flow statement</b>		
Cash and cash equivalents include :		
Cash and bank balances considered for cashflow	3,070.21	632.32
Add: Fixed deposits considered as investments	28.74	27.20
Add: Margin money deposits considered as investments	247.48	146.13
<b>Cash and cash equivalents as per Balance Sheet</b>	<b>3,346.43</b>	<b>805.65</b>

This is the consolidated cash flow statement referred in our report of even date.

for Krishna & Prasad  
Chartered Accountants

for S R Batliboi & Associates  
Chartered Accountants

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

per B Vijaya Prasad  
Partner  
Membership No.: 18791

per Ali Nyaz  
Partner  
Membership No.: 200427

B Teja Raju  
Vice Chairman

P K Madhav  
Whole time Director

VVR Raju  
Chief Financial Officer  
Place : Hyderabad  
Date : June 30, 2008

J Veerajay  
Company Secretary

Place : Hyderabad  
Date : June 30, 2008

Place : Hyderabad  
Date : June 30, 2008

## Schedules to Consolidated Balance Sheet

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

	As at March 31, 2008		As at March 31, 2007	
<b>Schedule 1 : Share Capital (Refer note 7 of Schedule 24 )</b>				
<b>Authorised</b>				
75,000,000 (March 31, 2007 : 75,000,000) equity shares of Rs.10 each		750.00		750.00
<b>Issued, subscribed and paid up</b>				
58,850,000 (March 31, 2007 : 50,000,000 ) equity shares of Rs.10 each fully paid		588.50		500.00
Note: Of the above equity shares, 40,000,000 equity shares of Rs.10 each were allotted as fully paid bonus shares by capitalisation of General Reserve in earlier years.				
<b>Schedule 2 : Reserves and surplus</b>				
<b>General Reserve</b>				
Balance as per last Balance Sheet	58.78		8.78	
Add: Transferred from Profit and Loss Account	50.00		450.00	
	108.78		458.78	
Less: Issue of bonus shares	-		400.00	
Less: Adjustment for employee benefits provision (net of tax Rs. 2.43 Million) (Refer note 10 of Schedule 24)	4.71		-	
		104.07		58.78
Securities Premium Account (Refer note 7 of Schedule 24)				
Received during the year from public issue	3,186.00		-	
Less : Utilisation towards share issue expenses	287.06		-	
		2,898.94		-
Foreign currency translation reserve				
As per last Balance Sheet	(0.03)		-	
Add: Current year translation adjustment	(0.03)		(0.03)	
		(0.06)		(0.03)
Profit and Loss Account balance		2,793.18		2,038.96
		<b>5,796.13</b>		<b>2,097.71</b>
<b>Schedule 3 : Secured Loans</b> (Refer note 8 of Schedule 24)				
From Banks				
Foreign currency loans		1,631.29		576.75
(Repayable within one year Rs. 540.17 Million (March 31, 2007 : Rs. 126.94 Million))				
Term loans		3,807.99		849.92
(Repayable within one year Rs. 2,228.40 Million (March 31, 2007 : Rs. 825.62 Million))				
Working capital loans		2,258.44		935.46
From others				
Term loans		119.49		198.82
(Repayable within one year Rs. 78.82 Million (March 31, 2007 : Rs.79.27 Million))				
Vehicle loans		28.91		4.89
(Repayable within one year Rs.12.16 Million (March 31, 2007 : Rs.1.34 Million))				
Interest accrued and due		-		3.46
		<b>7,846.12</b>		<b>2,569.30</b>

## Schedules to Consolidated Balance Sheet

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

	As at March 31, 2008	As at March 31, 2007
<b>Schedule 4 : Unsecured Loans</b>		
<i>(Refer note 9 of Schedule 24)</i>		
From		
Banks	1,750.00	-
(Repayable within one year Rs.1,750.00 Million (March 31, 2007 : Rs.Nil))		
Others	99.94	32.34
Finance lease obligation	39.68	40.73
	<b>1,889.62</b>	<b>73.07</b>
<b>Schedule 5 : Deferred tax liability / (asset) (net)</b>		
Deferred tax liability		
Differences in depreciation as per tax books and financial books	97.70	58.31
Deferred tax assets		
Effect of lease accounting	(11.52)	-
Effect of retirement benefit expenditure debited to Profit and Loss Account in the current year but allowed for tax purposes in the following years	(13.52)	(2.89)
Effect of public issue expenses	(78.06)	-
	<b>(5.40)</b>	<b>55.42</b>

## Schedules to Consolidated Balance Sheet

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

### Schedule 6 : Fixed Assets

Description	Gross Block				Depreciation				Net Block	
	As at April 1, 2007	Additions during the year	Deletions during the year	As at March 31, 2008	As at April 1, 2007	For the year	On Sales / Adjustments	As at March 31, 2008	As at March 31, 2008	As at March 31, 2007
Land	31.02	32.32	-	63.34	-	-	-	-	63.34	31.02
Buildings	1.68	-	-	1.68	0.01	0.03	-	0.04	1.64	1.67
Temporary erections - Site offices	92.38	98.77	-	191.15	19.23	61.51	-	80.74	110.41	73.14
Lease hold improvements *	40.90	-	-	40.90	0.68	4.09	-	4.77	36.13	40.22
Plant and machinery - Construction equipment	1,667.74	2,564.99	1.36	4,231.37	268.41	290.36	-	558.77	3,672.60	1,399.33
Office equipment	19.29	17.38	-	36.67	4.62	2.96	-	7.58	29.09	14.67
Tools and implements	13.59	17.73	-	31.32	12.14	17.56	-	29.70	1.62	1.45
Computers	25.20	29.08	0.00	54.28	7.03	6.55	-	13.58	40.70	18.18
Furniture and fixtures	20.84	9.05	-	29.89	8.31	5.75	-	14.06	15.83	12.54
Vehicles	63.30	47.19	1.55	108.94	20.61	7.07	0.83	26.85	82.09	42.69
<b>Grand Total</b>	<b>1,975.94</b>	<b>2,816.51</b>	<b>2.91</b>	<b>4,789.54</b>	<b>341.04</b>	<b>395.88</b>	<b>0.83</b>	<b>736.09</b>	<b>4,053.45</b>	<b>1,634.91</b>
Previous Year	1,040.38	968.54	32.98	1,975.94	205.02	155.72	19.70	341.04	1,634.90	
Capital work in progress including capital advances#									<b>820.12</b>	390.78

\* Note : Leasehold improvements represent fixtures taken on finance lease.

# includes capital advances of Rs. 694.96 Million (March 31, 2007: Rs. 207.04 Million)

### Schedule 7 : Intangible Assets

Description	Gross Block				Amortisation				Net Block	
	As at April 1, 2007	Additions during the year	Deletions during the year	As at March 31, 2008	As at April 1, 2007	For the year	On Sales / Adjustments	As at March 31, 2008	As at March 31, 2008	As at March 31, 2007
Computer software	0.37	9.70	-	10.07	0.26	7.50	-	7.76	2.31	0.11
<b>Grand Total</b>	<b>0.37</b>	<b>9.70</b>	<b>-</b>	<b>10.07</b>	<b>0.26</b>	<b>7.50</b>	<b>-</b>	<b>7.76</b>	<b>2.31</b>	<b>0.11</b>
Previous Year	-	0.37	-	0.37	-	0.26	-	0.26	0.11	



## Schedules to Consolidated Balance Sheet

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

	Face Value (Rs.)	As at March 31, 2008		As at March 31, 2007
		Number	Amount	Amount
Schedule 8 : Investments (Unquoted) - Trade				
Long term (At cost)				
A. Equity shares (fully paid up)				
1. Gautami Power Limited*	10	74,487,217	744.87	744.87
2. SSJV Projects Private Limited @	10	100	0.00	0.00
B. Investments in associates				
in Equity shares (fully paid up)				
1. Brindavan Infrastructure Company Limited** Add: Profit/ (Loss) for the current year	10	9,999,925	158.64 10.21	100.00 58.64
2. KVK Power & Infrastructure Private Limited Add: Opening balance of accumulated balances Add: Profit/ (Loss) for the current year	10	4,000,000	168.85 39.31 -	158.64 40.00 (0.19)
			(0.06)	(0.50)
3. Bangalore Elevated Tollway Limited Add: Opening balance of accumulated balances Add: Profit/ (Loss) for the current year	10	4,270,320	39.25 318.05 -	39.31 291.03 (1.49)
			(57.94)	(100.27)
4. Western UP Tollway Limited Add: Opening balance of accumulated balances Add: Profit/ (Loss) for the current year	10	2,458,500	260.11 223.42 -	189.27 225.60 (0.33)
			(3.31)	(1.85)
5. Dhabi Maytas Contracting LLC Add: Opening balance of accumulated balances Add: Profit/ (Loss) for the current year	AED 1000	147	220.11 - -	223.42 1.80 -
			-	(1.80)
6. KVK Nilachal Power Private Limited Add: Opening balance of accumulated balances Add: Profit/ (Loss) for the current year	10	1,215,000	- 96.50 -	- 2.50 (1.12)
			-	(1.38)
7. Himachal Sorang Power Private Limited*** Add: Opening balance of accumulated balances	10	90,990	96.50 8.78 -	- 0.03 (0.02)
8. S V Power Private Limited Add: Opening balance of accumulated balances Add: Profit/ (Loss) for the current year	10	3,195,509	8.78 288.96 -	0.01 2.50 (0.44)
			-	(0.90)
9. Cyberabad Expressways Limited Add: Profit/ (Loss) for the current year	10	990,000	288.96 9.90 (9.90)	1.16 - -
10. Hyderabad Expressways Limited Add: Profit/ (Loss) for the current year	10	990,000	- 9.90 (0.03)	- - -
11. Gulbarga Airport Developers Private Limited Add: Profit/ (Loss) for the current year	10	3,700	9.87 0.04 (0.02)	- - -
12. Shimoga Airport Developers Private Limited Add: Profit/ (Loss) for the current year	10	3,700	0.02 0.04 (0.02)	- - -
			0.02	-

## Schedules to Consolidated Balance Sheet

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

	Face Value (Rs.)	As at March 31, 2008 Number	Amount	As at March 31, 2007 Amount
<b>Schedule 8 : Investments (contd.)</b>				
in Preference shares (fully paid up)				
1. Brindavan Infrastructure Company Limited**	100	500,000	50.00	50.00
<b>Current investments</b>				
<b>Trade - Unquoted</b>				
1. Maytas (Singapore ) Holding Pte Limited @	S\$ 1	1	0.00	0.00
<b>Non-trade - Quoted</b>				
1. 36513 units of Rs. 10 each fully paid up of Franklin Templeton Mutual Fund	10	36,513	-	0.37
			1,887.34	1,407.05
Aggregate value of unquoted investments			1,887.34	1,407.68
Aggregate value of quoted investments			-	0.37
Market value of quoted investment			-	0.37

\* The shares are subject to Non-disposal undertaking furnished in favour of Power Finance Corporation. Further, shares to the extent of 38,124,162 have been pledged with the said corporation for the term loan availed by Gautami Power Limited.

\*\* The 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 25,430 have been pledged in favour of Axis Bank for the term loan availed by Himachal Sorang Power Private Limited.

@ investment value is less than Rs. 0.01 Million

	As at March 31, 2008	As at March 31, 2007
<b>Schedule 9 : Inventories</b>		
Stock- in-trade	823.67	554.73
Work-in-progress	1,956.40	620.45
	<b>2,780.07</b>	<b>1,175.18</b>
<b>Schedule 10 : Sundry Debtors - (Unsecured, considered good)</b>		
<i>(Refer note 11 of Schedule 24)</i>		
Debts outstanding for a period exceeding six months*	1,534.59	590.33
Other debts #	6,032.27	2,297.53
* includes retention money : Rs. 524.39 Million (March 31, 2007 : Rs. 174.71 Million)		
# includes retention money : Rs. 834.05 Million (March 31, 2007 : Rs. 265.82 Million)		
	<b>7,566.86</b>	<b>2,887.86</b>
<b>Schedule 11 : Cash and Bank balances</b>		
Cash on hand	4.19	3.36
Balances with scheduled banks		
- on current accounts ^	1,413.68	590.82
- on margin money deposits*	247.48	146.13
- on deposits ^	1,679.74	27.20
Balances with non scheduled banks		
- on current accounts with Manvi Pattana Souharda Sahakara bank Niyamitha (maximum amount outstanding during the year Rs. 0.63 Million (March 31, 2007 : Rs.7.60 Million))	0.63	0.03
Cheques in transit	0.71	38.11
* lodged with authorities		
^ includes unutilised monies of the public issue <i>(Refer note 7 of schedule 24)</i>	<b>3,346.43</b>	<b>805.65</b>

## Schedules to Consolidated Balance Sheet

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

	As at March 31, 2008		As at March 31, 2007	
<b>Schedule 12 : Other Current Assets</b>				
Unbilled revenue		91.50		-
Interest accrued on deposits		43.37		21.88
		<b>134.87</b>		<b>21.88</b>
<b>Schedule 13 : Loans and Advances (Unsecured, considered good)</b> (Refer note 12 of Schedule 24)				
Dues from Joint Ventures		228.28		187.05
Advances recoverable in cash or kind or for value to be received*		2,551.29		1,062.72
Inter corporate loans		1,020.45		251.45
Other receivables		-		432.76
Deposits - others		275.73		128.47
Unamortised exchange premium		-		3.98
Sales tax deducted at source (net of provision)		88.62		121.66
Service tax		71.34		0.92
Advance tax (net of provision)		279.67		142.81
*includes share application money in associates aggregating to Rs.776.04 Million (March 31, 2007: Rs.169.40 Million) and debenture application money aggregating to Rs.149.08 Million (March 31, 2007: Nil) towards various investments proposed to be made by the Company .				
		<b>4,515.38</b>		<b>2,331.82</b>
<b>Schedule 14 : Liabilities</b>				
Sundry creditors		2,315.53		1,240.75
Dues to Joint ventures		72.35		18.16
Advances from customers		288.18		10.57
Mobilisation advance		2,928.06		2,321.31
Bank Overdraft		29.29		-
Dues to Sub-Contractors		2,043.14		1,110.63
Other liabilities		410.23		331.85
Security deposits payable		445.33		239.07
Interest accrued but not due		218.28		15.36
		<b>8,750.39</b>		<b>5,287.70</b>
<b>Schedule 15 : Provisions</b>				
Proposed dividend		88.28		50.00
Dividend tax		15.00		8.50
Taxation (net of advance tax)		-		7.72
For fringe benefit tax (net of advance payments)		0.26		0.12
For retirement benefits (Refer note 10 of Schedule 24)				
- Gratuity	16.29		3.21	
- Leave encashment	23.49	39.78	2.48	5.69
		<b>143.32</b>		<b>72.03</b>

## Schedules to Consolidated Profit and Loss Account

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

	For the year ended March 31, 2008	For the year ended March 31, 2007
<b>Schedule 16 : Contract Revenues</b>		
Revenue from contracts	18,674.71	7,763.89
Equipment hire charges	64.68	56.59
	<b>18,739.39</b>	<b>7,820.48</b>
<b>Schedule 17 : Other Income</b>		
Gain on foreign currency fluctuation (net)	60.73	-
Liabilities no longer required written back	0.93	-
Income from mutual funds (non-trade investments)	18.70	-
Dividend income	0.02	0.03
Miscellaneous receipts	11.80	3.92
	<b>92.18</b>	<b>3.95</b>
<b>Schedule 18 : Accretion / (Decretion) in work-in-progress</b>		
Opening work-in-progress	620.45	123.06
Closing work-in-progress	1,956.40	620.45
	<b>1,335.95</b>	<b>497.39</b>
<b>Schedule 19 : Material consumed</b>		
Opening stock	554.73	166.18
Add: Purchases	7,977.00	2,520.25
	8,531.73	2,686.43
Less: Closing stock	823.67	554.73
	<b>7,708.06</b>	<b>2,131.70</b>
<b>Schedule 20 : Personnel expenses</b>		
Salaries, bonus and other allowances	684.78	225.76
Contribution to provident fund and others	25.57	8.24
Retirement benefits	29.12	5.68
Staff welfare expenses	36.76	11.98
	<b>776.23</b>	<b>251.66</b>
<b>Schedule 21 : Contract expenses</b>		
Site expenses	258.53	12.29
Subcontractor expenses	7,320.78	4,050.01
Hire charges	164.83	77.83
Freight and transportation	64.50	6.46
Wages and benefits to workers	150.23	59.48
Insurance	37.30	25.11
Insurance - others	12.92	2.50
Power and fuel	16.84	34.77
Repairs and maintenance		
Plant and machinery	35.25	75.84
Others	22.76	9.95
Sales tax	346.07	140.97
Service tax	95.96	31.53
	<b>8,525.97</b>	<b>4,526.74</b>

## Schedules to Consolidated Profit and Loss Account

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

	For the year ended March 31, 2008		For the year ended March 31, 2007	
<b>Schedule 22 : Administration and Selling expenses</b>				
Rent		61.76		24.25
Rates and taxes		21.16		6.96
Office maintenance		53.74		24.48
Communication expenses		25.06		11.11
Printing and stationary		16.34		7.48
Legal and professional charges		157.98		45.75
Loss on sale of assets		0.58		0.30
Loss on exchange fluctuation (net)		-		6.03
Loss on derivatives		147.64		-
Tender expenses		16.61		10.19
Business promotion		11.65		5.20
Donations		4.21		0.96
Travelling and conveyance		106.60		42.13
Auditors' remuneration (Refer note 19 of Schedule 24)		8.91		3.88
Directors sitting fees		0.36		-
Membership and subscription		2.52		0.62
Staff recruitment expenses		14.00		2.48
Miscellaneous expenses		5.60		4.07
		<b>654.72</b>		<b>195.89</b>
<b>Schedule 23 : Financial expenses (net)</b>				
Interest on fixed period loans	465.61		97.09	
Interest on others	193.33		79.51	
Lease finance charges	4.58		0.78	
Bank charges	107.37		37.79	
		770.89		215.17
Less : Interest received				
Deposits	85.81		36.24	
(Tax deducted at source : Rs. 16.27 Million (March 31, 2007 : Rs.10.15 Million))				
Income tax refunds	1.48		-	
Loans to Joint ventures	6.32		6.00	
(Tax deducted at source : Rs.2.86 Million (March 31, 2007 :Rs.2.69 Million))		93.61		42.24
		<b>677.28</b>		<b>172.93</b>

## Schedule 24:

Notes annexed to and forming part of the Consolidated accounts as at and for the year ended March 31, 2008  
(All amounts in Rs. Million except for share data or as otherwise stated)

### 1. Statement of significant accounting policies

#### a. Basis of consolidation

The Consolidated Financial Statements of Maytas Infra Limited ("Maytas" or "the Parent Company") together with its subsidiaries, associates and joint venture entities (collectively termed as "the Company" or "the Consolidated Entities") are prepared under historical cost convention on accrual basis to comply in all material respects with the mandatory Accounting Standards ("AS") notified by Companies Accounting Standards Rules, 2006 using uniform accounting policy for like transactions and other events in similar circumstances. The accounting policies have been consistently applied by the Company and, except for the changes therein discussed below, are consistent with those used in the previous year.

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 Investments in Associates in Consolidated Financial Statements" under equity method and AS 27 "Financial Reporting of Interests in Joint Ventures" using proportionate consolidation method.

All material inter-company balances and inter-company transactions and resulting unrealized profits or losses are eliminated on consolidation.

The Joint Ventures which are in the form of "Jointly Controlled Entities" are consolidated using the proportionate consolidation method.

The Consolidated Financial Statements for the year ended March 31, 2008 have been prepared on the basis of the financial statements of the following subsidiaries, associates and joint venture entities:

Name of the Consolidated Entities		Country of Incorporation	% of Interest as at March 31,	
			2008	2007
Subsidiaries				
1	Infra Trade FZE	UAE	100%	100%
2	Pondicherry Tindivanam Tollway Limited#	India	51%	-
3	Maytas Mineral Resources Limited	India	100%	-
4	Maytas Infra Assets Limited	India	100%	-
5	Maytas (Singapore) Pte. Limited*	Singapore	100%	100%
Joint Ventures Entities				
1	Maytas-SNC (JV)	India	40%	40%
2	NCC-Maytas (JV) (Pocharam)	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) (KSHIP-U1)	India	50%	50%
9	Maytas-CTR (JV)	India	70%	-
10	Maytas-Rithwik (JV)	India	50%	-
11	NCC-Maytas-ZVS (JV)	India	40.75%	-
12	Maytas-NCC-SSJV Consortium	India	33.34%	-
Associates				
1	Bangalore Elevated Tollway Limited	India	33%	33%
2	Brindavan Infrastructure Company Limited	India	33.33%	33.33%
3	Himachal Sorang Power Private Limited	India	33%	33%
4	Western UP Tollway Limited	India	30%	30%
5	KVK Power and Infrastructure Company Private Limited	India	50%	50%
6	KVK Nilachal Power Private Limited	India	50%	50%
7	S V Power Private Limited	India	50%	50%
8	Dhabi Maytas Contracting LLC	UAE	49%	49%
9	Cyberabad Expressways Limited	India	50%	-
10	Hyderabad Expressways Limited	India	50%	-
11	Gulbarga Airport Developers Private Limited	India	37%	-
12	Shimoga Airport Developers Private Limited	India	37%	-

\* Not considered for consolidation as the control is temporary.

# 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.

## Schedule 24:

Notes annexed to and forming part of the Consolidated accounts as at and for the year ended March 31, 2008  
(All amounts in Rs. Million except for share data or as otherwise stated)

### 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. Change in Accounting Policy

#### Accounting for Derivatives

As per the ICAI Announcement, 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 consolidated income statement. Net gains are ignored. In the previous year, no gains/losses were recognized. Had the previous year policy been followed, the profit after tax would have been higher by Rs. 89.28 million and current liabilities would have been lower by Rs. 89.28 million.

#### Adoption of Accounting Standard (AS) 15 (Revised) Employee Benefits

Till March 31, 2007, the Company was providing for gratuity and leave encashment based on actuarial valuation done as per Accounting Standard (AS) 15 "Retirement Benefits". In current year, the Company has adopted the notified Accounting Standard (AS) 15 (Revised) "Employee Benefits" which is mandatory from accounting periods commencing on or after from December 7, 2006. Accordingly, the Company has provided for gratuity and leave encashment based on actuarial valuation done as per projected unit credit method. Further, in accordance with the transitional provision in the revised accounting standard, Rs. 4.71 million (net off tax Rs. 2.43 million) has been adjusted to the General Reserve.

### d. 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. Percentage of completion is determined on the basis of surveys performed. However, profit is not recognized unless there is reasonable progress on the contract. 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. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

iii. Dividend is recognised as and when the right to receive payment is established by the Balance Sheet date.

iv. Income from currency swaps and other similar instruments are recorded upon settlement or termination of the relevant contracts.

v. Revenue from hire charges is accounted for in accordance with the terms of agreements with the customers.

### e. 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 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.

ii. Expenditure directly relating to construction activity is capitalised. Indirect expenditure is capitalised to the extent those relate to the construction activity or is incidental thereto. Income earned during construction period is deducted from the total expenditure relating to construction activity.

iii. Assets retired from active use and held for disposal are stated at their estimated net realisable values or net book values, whichever is lower.

iv. Assets acquired under finance lease are depreciated on straight line basis over the lease term.

v. Depreciation is provided on straight line method, based on useful life of the assets as estimated by the Management which generally coincides with rates prescribed under Schedule XIV to the Companies Act, 1956 in Maytas.

vi. 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 of Maytas.

The useful lives determined are as follows:

a. Tools and implements are depreciated fully in the year of purchase.

b. Plant and machinery – construction equipment at project sites consisting of shuttering/scaffolding material is depreciated over a period of six years.

c. Temporary erections in the nature of site offices are depreciated over the period of the respective project.

vii. Assets costing five thousand rupees or less are fully depreciated in the year of purchase.

### f. Intangible assets

#### Software Licenses

Computer software licenses are expensed in the year of purchase, except for enterprise wide/project based software licence cost which is amortized over a period of 3 years.



## Schedule 24:

Notes annexed to and forming part of the Consolidated accounts as at and for the year ended March 31, 2008  
(All amounts in Rs. Million except for share data or as otherwise stated)

### 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 recognise 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 realisable 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 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 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 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.

### 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 tax authorities in accordance with the domestic tax laws of the countries in which the consolidated entities operate. 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 countries of operation are not set off against each other as the company does not have a legal right to do so. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised 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 realised.

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

#### Conversion

Foreign currency monetary items are reported using the year-end rates. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.

#### Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting 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 recognised as income or as expenses in the year in which they arise. Exchange differences arising in respect of fixed assets acquired from outside India before accounting period commencing on or after December 7, 2006 are capitalized as part of fixed assets. 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.

#### 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 of that year.

#### Foreign currency translation

In translating the financial statements of a non-integral foreign operation for incorporation in financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate; income and expense items of the non-integral foreign operation are translated at exchange rates at the dates of the transactions; and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

## Schedule 24:

Notes annexed to and forming part of the Consolidated accounts as at and for the year ended March 31, 2008  
(All amounts in Rs. Million except for share data or as otherwise stated)

### I. 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 term, 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 capitalised.

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 term, 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.

### m. Earnings per share

Basic earnings per share is 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 are adjusted for events like bonus issue.

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.

### 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.

### p. 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.

### q. Derivative Instruments

As per the ICAI Announcement, 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.

### 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 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.

## 2. Uniform accounting policies

As per the requirements of AS-21, AS-23, 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 parent to the extent practicable. The following accounting policies followed by various consolidated entities is not aligned with those of the Parent Company:

- Depreciation in certain consolidated joint venture entities is provided on written down value method as compared to straight line method followed in the books of Parent Company. The Company has not ascertained the impact of such differential accounting policy on the consolidated profits for the year ended and financial position of the Company as at March 31, 2008.
- 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, 2008 has been considered for consolidation.

The proportion of net block of the joint ventures as compared to the Company's net block is 9 % of the consolidated net block.

- Maytas-Shankaranarayana Joint Venture
- Himachal Joint Venture
- IJM-SCL Joint Venture
- Maytas -SNC Tailpond Joint Venture

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.

## Schedule 24:

Notes annexed to and forming part of the Consolidated accounts as at and for the year ended March 31, 2008  
(All amounts in Rs. Million except for share data or as otherwise stated)

### 3. Investments in Associates

Management has considered investments made by the Parent Company in certain Joint Ventures where joint control exists as Associates as defined under AS -23 "Accounting for Investments in Associates in Consolidated Financial Statements" notified by the Companies Accounting Standard Rules, 2006 and accordingly consolidated the results of such Associates under Equity Method as the management believes that the related contractual arrangements are by intent and purpose in the nature of investments in "Associates" as per AS 23.

and the cumulative balance of such claims is Rs. 1,403.10 million (Parent Company's share – Rs. 631.39 million) as at the balance sheet date towards such claims recognised. In the absence of detailed information on the nature of such claims, the parent company in its consolidated financial statements has not made any further adjustment to its income or sundry debtors in relation to such claims.

### 4. Himachal Joint Venture

The financial statements of Himachal Joint Venture include income recognised in current year in respect of claims of Rs. 554.27 million (Parent Company's share - Rs. 249.42 million)

### 5. Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 5,378.44 million (March 31, 2007 : Rs. 2,613.02 million)

### 6. Contingent liabilities not provided for

	March 31, 2008	March 31, 2007
i. Claims against the Company not acknowledged as debts	25.09	25.09
ii. Outstanding bank guarantees (excluding performance obligations)	4,065.50	1,758.80
iii. Guarantees issued by bankers, financial institutions on behalf of the Company toward performance obligations	2,924.43	1,601.00
iv. Outstanding letter of credit	780.65	281.56
v. Direct and Indirect taxes	120.36	95.75
vi. Corporate guarantee given	100.00	100.00

### 7. Share Capital

#### a) Initial Public offer:

The Parent 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 ROC. These shares were listed in BSE and NSE w.e.f. October 25, 2007.

#### b) Details of Utilisation of Proceeds raised through Public Issue during the year:

As on March 31, 2008 the Company has utilized Rs. 1,766.16 millions for the purposes listed in the prospectus out of the issue proceeds of Rs.3,274.50 millions. The funds utilized by the company as against stated objectives in the prospectus is tabulated below:

Particulars	Projected utilization as per Prospectus dated October 11, 2007	Actual utilization as at March 31, 2008
Investment in Associates	1,894.00	398.60
Purchase of Construction Equipment	332.90	332.90
General Corporate Expenses	747.60	747.60
Issue Expenses	300.00	287.06
<b>Total Amount</b>	<b>3,274.50</b>	<b>1,766.16</b>

The unutilized monies out of the issue being Rs. 1,508.34 Million have been temporarily placed in Current Accounts and Fixed Deposits with Banks.

## Schedule 24:

Notes annexed to and forming part of the Consolidated accounts as at and for the year ended March 31, 2008  
(All amounts in Rs. Million except for share data or as otherwise stated)

### c) Employee stock option scheme

The Parent Company instituted a cash settlement Employee Stock Option Plan "ESOP-2007" as per the special resolution passed at the Extra ordinary General Meeting held on March 30, 2007. This scheme has been formulated in accordance with the provisions of Section 81(1A) and any other provisions of the Companies Act, 1956 and subject to the provisions of the Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Compensation committee on April 14, 2007 granted

options of 644,967 Equity Shares of the Company to eligible employees. Each option comprises of one underlying Equity Share of Rs.10/- each fully paid up. The said options vest on an annual basis at 20%, 20%, 30% and 30% over a period of four years and shall be capable of being exercised within a period of three years from date of vesting. The options are granted at an exercise price equal to the issue price of the Company's shares determined through an Initial Public Offer being Rs. 370. The Company follows intrinsic value method and since the net asset value of the stock on the grant date is lower than the exercise price, the intrinsic value of the option is nil, accordingly no compensation expense accounted.

The Details of Options outstanding are:

Particulars	2007 - 08 Nos.
Options Outstanding at the beginning of the year	-
Granted during the year	644,967
Vested/exercisable during the year	-
Exercised during the year	-
Forfeited during the year subject to reissue	86,918
Options outstanding at the end of the year	558,049
Exercisable at the end of the year	-
Weighted average remaining contractual life in years	6.04
Weighted average exercise price (Rs.)	370
Weighted average fair value of the options granted (Rs.)	98.77

### Disclosures as per Fair value method

The Company's net profit and earnings per share would have been as under, had the compensation cost for employees' stock options been recognized based on the fair value at the date of grant in accordance with "Black Scholes" model.

Particulars	2007 - 08
<b>1 Profit after taxation</b>	
- As reported in Profit and Loss Account	907.50
Less: Employee stock compensation under fair value method	25.18
- Profit after taxation as per Fair Value method	882.32
<b>2 Earnings per share</b>	
<b>Basic</b>	
- No. of shares	54,038,115
- EPS as reported (in Rs.)	16.79
- EPS as per Fair Value method (in Rs.)	16.33
<b>Diluted</b>	
- No. of shares	54,038,115
- EPS as reported (in Rs.)	16.79
- EPS as per Fair Value method (in Rs.)	16.33

The following assumptions were used for calculation of fair value of grants:

Particulars	ESOP 2007
Risk-free interest rate	7.74% - 7.76%
Expected life of options	2.5 to 5.5 years
Expected volatility	Nil
Dividend yield	Nil

## Schedule 24:

Notes annexed to and forming part of the Consolidated accounts as at and for the year ended March 31, 2008  
(All amounts in Rs. Million except for share data or as otherwise stated)

### 8. Secured Loans

- a. Term loans availed in respect of specific projects are secured by a first charge on the present and future movable assets and current assets related to the project.
- b. All term loan facilities from various banks are secured by a pari passu charge on the movable and current assets of the Company and are guaranteed by the Vice Chairman of the Parent Company.
- c. Working capital facilities are secured by pari passu charge on the current assets of the Company.
- d. Term loans aggregating to Rs. 2,966.91 million (March 31, 2007: Rs. 967.19 million); working capital loans Rs. 2,258.44 million (March 31, 2007: Rs. 693.58 million) and foreign currency loans Rs. 1,231.59 million (March 31, 2007: Rs. 126.94 million) are personally guaranteed by the Vice Chairman of the Parent Company.
- e. Vehicle loans are secured by way of hypothecation of the vehicles.
- f. Foreign currency loans are secured by exclusive charge on the equipment financed through such loans.

### 9. Unsecured Loans

Unsecured loans from banks aggregating to Rs. 800 million (March 31, 2007: Rs. Nil) are personally guaranteed by the Vice Chairman of the Parent Company.

### 10. Retirement benefits

The parent company has adopted the Revised Accounting Standard 15 "Employee Benefits", effective April 01, 2007. Pursuant to such adoption, the transitional obligation of Rs. 2.69 million (net of deferred tax Rs.1.39 million) for Gratuity Plan and Leave Encashment Rs. 2.02 million (net of deferred tax Rs. 1.04 million) has been adjusted to general reserve. Since this being the first year of adoption of revised Accounting Standard 15 "Employee Benefits" corresponding previous year figures are not furnished.

#### a) Disclosures related to Defined Contribution Plan

Provident fund contribution recognized as expense in the Profit and Loss Account Rs. 23.94 million (March 31, 2007: Rs. 7.31 million)

#### b) Disclosures related to Defined Benefit Plan

The parent 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 summarise the components of net benefit expense recognised in the Consolidated Profit and Loss Account and amounts recognised in the Consolidated Balance Sheet for the respective plans.

#### Consolidated Profit and Loss Account Net employee benefit expense (recognised in Employee cost)

	2007-08
Current service cost	8.41
Interest cost on benefit obligation	0.58
Net actuarial( gain) / loss recognised in the year	0.01
Past service cost	-
<b>Net benefit expense</b>	<b>9.00</b>

#### Consolidated Balance Sheet Changes in the present value of the defined benefit obligation

	2007-08
Opening defined benefit obligation	7.28
Interest cost	0.58
Current service cost	8.41
Benefits paid	-
Actuarial (gain)/loss on obligation	0.02
<b>Closing defined benefit obligation</b>	<b>16.29</b>

## Schedule 24:

Notes annexed to and forming part of the Consolidated accounts as at and for the year ended March 31, 2008  
(All amounts in Rs. Million except for share data or as otherwise stated)

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

	2007-08
Discount rate	8.00%
Increase in Compensation cost	6.00%
Employee Turnover	
	Age (Years) Rate
	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. Sundry Debtors

- a. Sundry debtors as at March 31, 2008 include certain claims aggregating to Rs.119.73 million (March 31, 2007: Rs.144.75 million), recognized in the earlier years based on the terms and conditions implicit in the respective contracts. 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.
- b. Sundry debtors as at March 31, 2008 include debt amounting to Rs 4.08 million (March 31, 2007: Rs Nil) due from Maytas Hill County SEZ Private Limited in which Director of the Company is a Director.

### 12. 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, 2008	March 31, 2007	Maximum amount outstanding during the year	
			2007-08	2006-07
Continental Thermites Private Limited	-	0.01	0.01	0.01
Maytas Infrasy Private Limited	-	0.03	0.03	0.03
Maytas Infratech Private Limited	-	34.78	34.78	34.78
Maytas Projects Private Limited	-	36.77	36.77	36.77
Maytas Estates Private Limited	0.94	0.43	1.01	122.95
(formerly known as Maytas Properties Private Limited)				
Samrat Marine Products Private Limited	-	2.42	2.42	2.42
SRSR Advisory Services Private Limited	-	0.03	0.03	0.03
SSJV Projects Private Limited	94.95	44.95	94.95	44.95
Himachal Sorang Power Private Limited	151.47	61.68	159.12	61.68
Maytas Hill County SEZ Private Limited	4.74	-	4.74	-
Gulbarga Airport Developers Private Limited	3.57	-	3.57	-
Shimoga Airport Developers Private Limited	3.57	-	3.57	-
Maytas Holdings Private Limited	15.14	14.14	15.14	14.14
Vajra Seaport Private Limited	169.36	-	169.36	-

#### b. Dues from directors of the Company

Name of the Party	March 31, 2008	March 31, 2007	Maximum amount outstanding during the year	
			2007-08	2006-07
B Teja Raju	-	-	2.07	-
P K Madhav	-	-	0.50	-

## Schedule 24:

Notes annexed to and forming part of the Consolidated accounts as at and for the year ended March 31, 2008  
(All amounts in Rs. Million except for share data or as otherwise stated)

**13. In terms of the disclosures required to be made under the Accounting Standard (AS) 7 (revised 2002) issued by the Institute of Chartered Accountants of India for "Construction Contracts":**

	2007-08	2006-07
Contract revenue recognized for the year	18,674.71	7,763.89
Contract cost incurred and recognised profits (less recognised losses) for contracts in progress	30,409.26	7,169.06
Advances received for contracts in progress	2,318.40	2,225.21
Amount of retention for contracts in progress	1,166.39	451.03
Gross amount due from customers for contract work	1,956.39	620.45
Gross amount due to customers for contract work	-	-

**14. Remuneration to whole-time directors (included in Schedule 20)**

	2007-08	2006-07
Salary	6.35	4.26
Contribution to provident fund	0.61	0.50
<b>Total</b>	<b>6.96</b>	<b>4.76</b>

**Note:**

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



## Schedule 24:

Notes annexed to and forming part of the Consolidated accounts as at and for the year ended March 31, 2008  
(All amounts in Rs. Million except for share data or as otherwise stated)

### 15. Related party transactions (not disclosed elsewhere in these financial statements)

#### a) Names of related parties and description of relationship

##### Joint Ventures

- 1 Maytas-SNC (JV)
- 2 NCC-Maytas (JV) (Pocharam)
- 3 IJM-SCL (JV)
- 4 Himachal (JV)
- 5 NEC-NCC-Maytas(JV)
- 6 Maytas-Shankaranarayana (JV)
- 7 Maytas-NCC (JV)
- 8 NCC-Maytas (JV) (KSHIP-U1)
- 9 Maytas-CTR (JV)
- 10 Maytas-Rithwik (JV)
- 11 NCC-Maytas-ZVS (JV)
- 12 Maytas-NCC-SSJV Consortium

##### Associates

- 1 Bangalore Elevated Tollway Limited
- 2 Brindavan Infrastructure Company Limited
- 3 Himachal Sorang Power Private Limited
- 4 Western UP Tollway Limited
- 5 KVK Power and Infrastructure Company Private Limited
- 6 KVK Nilachal Power Private Limited
- 7 S V Power Private Limited
- 8 Dhabhi Maytas Contracting LLC
- 9 Cyberabad Expressways Limited
- 10 Hyderabad Expressways Limited
- 11 Gulbarga Airport Developers Private Limited
- 12 Shimoga Airport Developers Private Limited

##### 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)

##### 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 24:

Notes annexed to and forming part of the Consolidated accounts as at and for the year ended March 31, 2008  
(All amounts in Rs. Million except for share data or as otherwise stated)

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

	2007-08	2006-07
<b>A. Joint ventures (JV)</b>		
<b>1. IJM - SCL (JV)</b>		
Share of profit/(loss) from joint venture	(1.18)	(2.97)
Expenses Reimbursable	0.00	-
<b>2. Himachal (JV)</b>		
Share of profit/(loss) from joint venture	(19.42)	15.64
<b>3. NEC - NCC - Maytas (JV)</b>		
Share of profit/(loss) from joint venture	9.17	0.86
Expenses Reimbursable	5.22	-
Finance (including loans, share application money and equity contributions)	-	(3.81)
<b>4. Maytas - Shankaranarayana (JV)</b>		
Share of profit/(loss) from joint venture	(35.83)	2.48
Expenses Reimbursable	4.76	1.21
Finance (including loans, share application money and equity contributions)	42.51	62.64
Income from equipment hire	14.34	7.38
<b>5. Maytas - NCC (JV)</b>		
Share of profit/(loss) from joint venture	174.12	71.75
Expenses Reimbursable	6.89	(5.46)
Finance (including loans, share application money and equity contributions)	(109.88)	25.61
Contract revenue	750.10	163.19
Income from equipment hire	50.17	49.20
Interest Income	6.31	-
Mobilisation advance received	37.81	-
<b>6. NCC - Maytas (JV)</b>		
Share of profit/(loss) from joint venture	(0.05)	0.68
Expenses Reimbursable	0.17	10.31
Contract revenues	-	12.14
<b>7. NCC - Maytas (JV) (Pocharam)</b>		
Share of profit/(loss) from joint venture	7.22	(1.54)
Expenses Reimbursable	0.16	0.38
Finance (including loans, share application money and equity contributions)	1.00	0.70
Purchase of assets	-	(5.61)
<b>8. Maytas SNC Tailpond</b>		
Share of Profit/(Loss) from joint venture	(2.03)	(3.50)
<b>9. Maytas CTR (JV)</b>		
Share of profit/(loss) from joint venture	1.72	-
Expenses Reimbursable	(0.02)	-
Finance (including loans, share application money and equity contributions)	(0.31)	-
<b>10. Maytas - Rithwik (JV)</b>		
Share of profit/(loss) from joint venture	0.69	-
Mobilisation advance received	59.60	-
Income from equipment hire	0.16	-

## Schedule 24:

Notes annexed to and forming part of the Consolidated accounts as at and for the year ended March 31, 2008  
(All amounts in Rs. Million except for share data or as otherwise stated)

	2007-08	2006-07
<b>11. NCC - Maytas - ZVS (JV)</b>		
Share of profit/(loss) from joint venture	4.12	-
<b>12. Maytas - NCC SSJV Consortium</b>		
Share of profit/(loss) from joint venture	(1.08)	-
Finance (including loans, share application money and equity contributions)	(18.33)	-
<b>B. Associates</b>		
<b>1. Bangalore Elevated Tollway Limited</b>		
Finance (including loans, share application money and equity contributions)	122.78	295.89
Contract revenues	584.42	787.63
<b>2. Brindavan Infrastructure Company Limited</b>		
Finance (including loans, share application money and equity contributions)	28.00	0.22
Expenses Reimbursable	0.30	0.01
Interest Income	1.42	-
<b>3. Himachal Sorang Power Private Limited</b>		
Finance (including loans, share application money and equity contributions)	105.10	60.27
Expenses Reimbursable	6.69	-
<b>4. Western UP Tollway Limited</b>		
Finance (including loans, share application money and equity contributions)	-	228.05
Contract revenues	227.86	66.65
Mobilisation advance received	6.53	-
<b>5. KVK Power and Infrastructure Private Limited</b>		
Finance (including loans, share application money and equity contributions)	-	45.50
<b>6. Dhahi Maytas Contracting LLC</b>		
Finance (including loans, share application money and equity contributions)	3.70	7.97
Expenses Reimbursable	0.88	-
<b>7. KVK Nilachal Power Private Limited</b>		
Finance (including loans, share application money and equity contributions)	96.50	45.60
Expenses Reimbursable	3.11	0.07
<b>8. SV Power Private Limited</b>		
Finance (including loans, share application money and equity contributions)	287.99	2.50
Expenses Reimbursable	0.86	-
Mobilisation advance received	140.00	-

## Schedule 24:

Notes annexed to and forming part of the Consolidated accounts as at and for the year ended March 31, 2008  
(All amounts in Rs. Million except for share data or as otherwise stated)

	2007-08	2006-07
<b>9. Cyberabad Expressways Limited</b>		
Finance (including loans, share application money and equity contributions)	168.74	-
Expenses Reimbursable	14.97	-
Contract revenue	882.73	-
<b>10. Hyderabad Expressways Limited</b>		
Finance (including loans, share application money and equity contributions)	171.50	-
Expenses Reimbursable	6.00	-
Contract revenue	5.00	-
<b>11. Gulbarga Airport Developers Private Limited</b>		
Finance (including loans, share application money and equity contributions)	0.10	-
Expenses Reimbursable	3.46	-
<b>12. Shimoga Airport Developers Private Limited</b>		
Finance (including loans, share application money and equity contributions)	0.10	-
Expenses Reimbursable	3.46	-
<b>C. Enterprises over which shareholders, key management personnel or their relatives exercise significant influence</b>		
<b>1. Maytas Holdings Private Limited</b>		
Finance (including loans, share application money and equity contributions)	1.00	12.50
Expenses Reimbursable	-	2.64
<b>2. Maytas Properties Limited</b>		
Finance (including loans, share application money and equity contributions)	(130.00)	(450.00)
Expenses Reimbursable	0.07	-
Contract Revenue	1,786.18	686.60
Mobilisation advance received	(158.77)	428.87
Interest Expense	8.12	-
<b>3. Maytas Hillcountry SEZ Private Limited</b>		
Finance (including loans, share application money and equity contributions)	4.74	-
Contract revenues	4.66	-
Mobilisation advance received	3.83	-
Rent	4.92	-
<b>4. Maytas Hillcountry Developers Private Limited</b>		
Contract revenues	239.14	-
<b>5. Maytas Estates Private Limited</b>		
Expenses Reimbursable	0.51	0.02
<b>6. Veeyes Investments Private Limited</b>		
Dividend	7.88	1.05
<b>7. Elem Investments Private Limited</b>		
Dividend	7.88	1.05
Sale of Investments	-	50.00

## Schedule 24:

Notes annexed to and forming part of the Consolidated accounts as at and for the year ended March 31, 2008  
(All amounts in Rs. Million except for share data or as otherwise stated)

	2007-08	2006-07
<b>8. SNR Investments Private Limited</b>		
Dividend	7.88	1.05
Finance (including loans, share application money and equity contributions)	-	2.60
<b>9. Higrace Investments Private Limited</b>		
Dividend	7.88	1.05
Sale of investments	-	50.00
<b>10. Fincity Investments Private Limited</b>		
Dividend	7.88	1.05
Sale of investments	-	45.00
Finance (including loans, share application money and equity contributions)	-	23.10
<b>D. Key Management Personnel</b>		
<b>1. B Teja Raju</b>		
Managerial remuneration	1.81	1.81
Expenses Reimbursable	5.15	(0.19)
Dividend	2.24	0.30
Guarantees given	7,256.94	1,787.71
<b>2. P K Madhav</b>		
Managerial remuneration	2.81	1.17
Expenses Reimbursable	2.06	(0.27)
<b>E. Relatives of key management personnel</b>		
<b>1. Hema Madhav</b>		
Rent	1.79	1.52
<b>2. B Nandini Raju</b>		
Dividend	3.86	0.51
<b>3. B Ramalinga Raju</b>		
Repayment of/(Receipt) against loans/expenses	-	21.00
Dividend	7.28	1.10
<b>4. B Rama Raju (son of B.Ramalinga Raju)</b>		
Dividend	2.23	0.30

## Schedule 24:

Notes annexed to and forming part of the Consolidated accounts as at and for the year ended March 31, 2008  
(All amounts in Rs. Million except for share data or as otherwise stated)

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

	March 31, 2008	March 31, 2007
<b>A. Joint ventures</b>		
1. IJM - SCL (JV)	59.98	60.57
2. Himachal (JV)	(18.69)	(9.95)
3. NEC - NCC - Maytas (JV)	4.37	2.31
4. Maytas - Shankaranarayana (JV)	115.58	73.80
5. Maytas - NCC (JV)	313.79	149.90
6. NCC - Maytas (JV)	1.48	1.25
7. NCC - Maytas (JV) (Pocharam)	4.05	5.08
8. Maytas - SNC (JV)	(2.40)	(1.58)
9. Maytas - CTR (JV)	0.88	-
10. Maytas - Rithwik (JV)	(29.08)	-
11. NCC - Maytas - ZVS (JV)	0.62	-
12. Maytas -NCC SSJV Consortium	(18.69)	-
<b>B. Associates</b>		
1. Bangalore Elevated Tollway Limited	309.82	298.29
2. Brindavan Infrastructure Company Limited	164.40	150.00
3. Himachal Sorang Power Private Limited	160.28	61.71
4. Western UP Tollway Limited	(0.58)	231.22
5. KVK Power and Infrastructure Private Limited	85.50	85.50
6. Dhabhi Maytas Contracting LLC	12.56	7.97
7. KVK Nilachal Power Private Limited	144.61	45.67
8. S V Power Private Limited	150.49	2.50
9. Cyberabad Expressways Limited	266.03	-
10. Hyderabad Expressways Limited	176.93	-
11. Gulbarga Airport Developers Private Limited	3.56	-
12. Shimoga Airport Developers Private Limited	3.56	-
<b>C. Enterprises over which shareholders, key management personnel and their relatives exercise significant influence</b>		
1. Veeyes Investment Private Limited	(0.09)	(0.10)
2. Maytas Holdings Private Limited	15.14	14.14
3. Maytas Properties Limited	404.20	(442.65)
4. Maytas Hillcounty SEZ Private Limited	4.68	-
5. Maytas Estates Private Limited	0.94	0.43
6. Maytas Hillcounty Developers Private Limited	225.27	-
<b>D. Key Management Personnel</b>		
1. B Teja Raju	(1.04)	(0.19)
2. P K Madhav	(0.37)	(0.27)

## Schedule 24:

Notes annexed to and forming part of the Consolidated accounts as at and for the year ended March 31, 2008  
(All amounts in Rs. Million except for share data or as otherwise stated)

### 16. Leases

**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, 2008	March 31, 2007
<b>Minimum lease payments</b>		
Not later than one year	49.10	9.87
Later than one year but not later than five years	122.51	43.16
Later than five years	77.26	72.78

Particulars	2007-08	2006-07
Lease payments recognized in the Profit and Loss Account for the year	60.76	23.91

**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	March 31, 2008	March 31, 2007
Total minimum lease payments at the year end	5.64	0.94
Less: Amount representing finance charges	4.58	0.77
Present value of minimum lease payments (Rate of interest 12%)	1.06	0.17
<b>Minimum lease payments</b>		
Not later than one year		
[Present value Rs. 1.18 million (March 31, 2007: Rs. 1.05 million)]	5.64	5.64
Later than one year but not later than five years		
[Present value Rs.11.60 million (March 31, 2007: Rs. 8.04 million)]	27.12	24.66
Later than five years		
[Present value Rs.26.88 million (March 31, 2007: Rs. 31.62 million)]	33.49	41.59

### 17. Disclosure regarding Derivative instruments

#### a. Particulars of derivative instruments outstanding as at Balance Sheet date

Particulars	Purpose	Notional Amount in Million
Currency and Interest rate swap	Hedge against exposure to principal and interest outflow on ECB loan.	USD 30.00
Structured Cross currency Swap	Hedge against exposure of buyers credit underlying.	USD 6.90



## Schedule 24:

Notes annexed to and forming part of the Consolidated accounts as at and for the year ended March 31, 2008  
(All amounts in Rs. Million except for share data or as otherwise stated)

### b. Particulars of unhedged foreign currency exposure as at the Balance Sheet date:

Particulars	Amount in Million	Closing Exchange rate	Rs. Million
Import Creditors	Euro 1.56	63.09	98.89
Import Creditors	USD 2.54	39.97	101.49
Branch balance	AED 3.55	10.92	38.77
Investments	AED 0.25	10.92	3.02
Advances	AED 0.92	10.92	10.76

### 18. 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.

### 19. Auditors' remuneration for the Parent Company

Particulars	2007-08	2006-07
a) Statutory audit	5.00	3.37
b) Limited review	1.50	-
c) Tax audit*	0.30	0.17
d) Certification*	0.35	0.02
e) Consolidation of financial statements	1.00	0.01
f) Out of pocket expenses	0.02	-
<b>Total</b>	<b>8.17</b>	<b>3.57</b>

Note :

Remuneration towards other audit services during the current year of Rs. 12.36 million is charged to securities premium account being public issue expenses.

\* Amount payable to M/s. Krishna & Prasad, Chartered Accountants for tax audit and certification.

### 20. Earnings Per Share

Earnings per share is computed based on the following:

Particulars	2007-08	2006-07
i) Profit after taxation considered for calculation of basic and diluted earnings per share	<b>907.50</b>	487.73
ii) Weighted average number of Equity Shares considered for calculation of basic and diluted earnings per share	<b>54,038,115</b>	50,000,000

## Schedule 24:

Notes annexed to and forming part of the Consolidated accounts as at and for the year ended March 31, 2008  
(All amounts in Rs. Million except for share data or as otherwise stated)

### 21. Mutual Funds

Name of the Mutual Fund	Purchased		Sold	
	No.of.Units	Amount	No.of.Units*	Amount
Grindlays Mutual Fund	24,988,755.06	250.00	25,092,358.00	251.06
HDFC Mutual Fund	20,934,057.71	210.00	21,206,945.39	212.74
Templeton Mutual Fund	24,167,665.59	250.00	24,289,311.62	251.25
ICICI Prudential Flexible Income Plan	23,647,965.61	250.00	23,973,663.49	253.49
Kotak Flexi Debt Fund	49,884,982.10	500.00	50,347,959.72	505.05
Reliance Liquid Plus Fund	249,727.67	250.00	251,915.34	252.19
ING Mutual Plus Fund	12,995,711.41	130.00	13,126,650.58	131.31
DSP Cash Plus Fund	149,985.00	150.00	150,952.55	150.97
Fidelity Mutual Fund	9,999,700.00	100.00	10,063,155.81	100.65
		<b>2,090.00</b>		<b>2,108.71</b>

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

### 22. Details of company's share in Joint Ventures included in the Consolidated Financial Statements are as follows:

Particulars	March 31,2008	March 31,2007
<b>Sources of funds</b>		
Reserves and surplus	302.06	183.35
<b>Loan funds</b>		
Secured loans	4.05	15.68
Unsecured loans	99.31	760.40
Deferred tax liability (net)	1.03	-
<b>Application of funds</b>		
Fixed assets (net block)	370.51	378.96
Capital work in progress (including capital advances)	1.57	0.74
Investments	-	0.36
<b>Current Assets, Loans and Advances</b>		
Inventories	511.26	301.77
Cash and bank balances	206.27	256.37
Sundry debtors	1,068.46	604.08
Loans and advances	828.12	247.85
	<b>2,614.11</b>	<b>1,410.07</b>
<b>Less: Current liabilities and Provisions</b>		
Liabilities	2,554.71	630.55
Provisions	0.03	7.84
<b>Net Current Assets</b>	<b>59.37</b>	<b>771.68</b>

## Schedule 24:

Notes annexed to and forming part of the Consolidated accounts as at and for the year ended March 31, 2008  
(All amounts in Rs. Million except for share data or as otherwise stated)

Particulars	For the year ended March 31, 2008	For the year ended March 31, 2007
<b>Income</b>		
Contract revenues	3,180.65	2,044.47
Other income	1.19	1.51
Accretion to Work in progress	157.12	139.72
	<b>3,338.96</b>	<b>2,185.70</b>
<b>Expenditure</b>		
Material consumed	552.55	459.22
Personnel expenses	79.37	44.03
Contract expenses	2,324.43	1,198.58
Administrative and Selling expenses	36.91	-
Financial expenses	110.53	32.27
Depreciation	12.46	42.87
	<b>3,116.25</b>	<b>1,776.97</b>
<b>Profit before tax</b>	<b>222.71</b>	<b>408.73</b>
Provision for taxation		
- Current tax	101.54	56.49
- Fringe benefit tax	0.48	0.34
- Deferred tax	1.98	(0.83)
- Taxes for earlier years	-	37.55
	<b>104.00</b>	<b>93.55</b>
<b>Profit after tax</b>	<b>118.71</b>	<b>315.18</b>

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

In terms of our report of even date

for Krishna & Prasad  
Chartered Accountants

per **B Vijaya Prasad**  
Partner  
Membership No.: 18791

Place : Hyderabad  
Date : June 30, 2008

for S R Batliboi & Associates  
Chartered Accountants

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

Place : Hyderabad  
Date : June 30, 2008

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

**B Teja Raju**  
Vice Chairman

**P K Madhav**  
Whole time Director

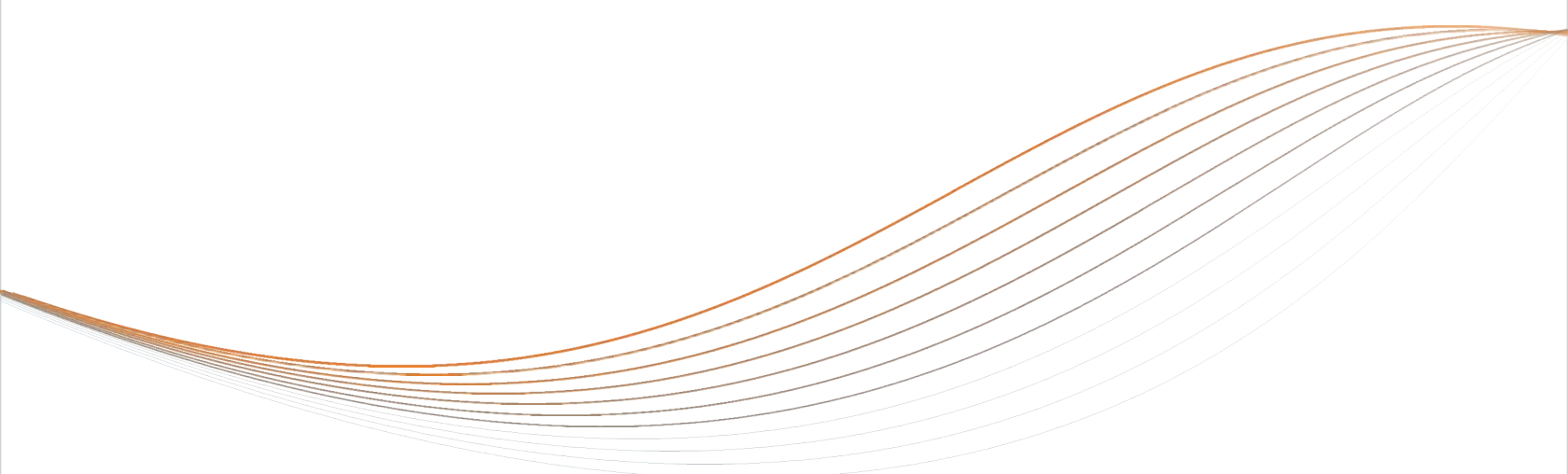
**VVR Raju**  
Chief Financial Officer

**J Veerraju**  
Company Secretary

Place : Hyderabad  
Date : June 30, 2008

# Infratrade FZE

Independent Auditors' Report  
and  
Financial Statements



# Independent Auditors' Report

To  
The Owner,  
M/s. Infratrade FZE,  
P. O. Box: 10559,  
Ras Al Khaimah - United Arab Emirates.

We have audited the accompanying financial statements of **Infratrade FZE, Ras Al Khaimah - United Arab Emirates**, which comprise the Balance Sheet as at March 31, 2008 and the statements of income and statement of changes in owners' equity for the year then ended and a summary of significant accounting policies and other explanatory notes.

## Management Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

## Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance, whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Infratrade FZE, Ras Al Khaimah - United Arab Emirates as of March 31, 2008**, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Also, in our opinion, there were no contraventions during the year of any relevant Law which might have naturally affected the financial position of the Establishment or the result of its operations.

**(M. KRISHNAMURTHY)**

Managing Partner

**HORWATHMAK**

Auditors & Business Advisors

Abu Dhabi - United Arab Emirates

Date: April 16, 2008

## Balance Sheet as at March 31, 2008

(In UAE DIRHAMS)

	Notes	2008	2007
<b>Assets</b>			
<b>Current assets</b>			
Cash in hand and banks	3	459,627	100,150
<b>Total Assets</b>		<b>459,627</b>	<b>100,150</b>
<b>Liabilities and Owners' Equity</b>			
<b>Current liabilities</b>			
Due to related parties	4	476,478	-
Accrued liabilities	5	9,500	32,708
<b>Total Current Liabilities</b>		<b>485,978</b>	<b>32,708</b>
<b>Financed by</b>			
Capital account		100,000	100,000
Retained earnings		(126,351)	(32,558)
		<b>(26,351)</b>	<b>67,442</b>
<b>Total Liabilities and Owners' Equity</b>		<b>459,627</b>	<b>100,150</b>

The accompanying notes form an integral part of these financial statements.  
The report of the Auditors' is set out in the previous page.

The financial statements were approved on April 16, 2008 and signed by:

Owner

## Profit and Loss Account for the year ended March 31, 2008

(In UAE DIRHAMS)

	Notes	2008	2007
<b>Revenue</b>		0	0
General Administrative expenses	6	(93,793)	(32,558)
<b>Total</b>		<b>(93,793)</b>	<b>(32,558)</b>

The establishment has no commercial operation during the year.

The accompanying notes form an integral part of these financial statements.  
The report of the Auditors' is set out in the previous page.

The financial statements were approved on April 16, 2008 and signed by:

Owner

## Statement of Changes in Owners' Equity for the year ended March 31, 2008

(In UAE DIRHAMS)

	Share Capital	Retained Earnings	Total
Capital Introduced	100,000	-	100,000
Loss for the period	-	(32,558)	(32,558)
<b>Balance as on March 31, 2007</b>	<b>100,000</b>	<b>(32,558)</b>	<b>67,442</b>
Balance as on April 1, 2007	100,000	(32,558)	67,442
Loss for the period	-	(93,793)	(93,793)
<b>Balance as on March 31, 2008</b>	<b>100,000</b>	<b>(126,351)</b>	<b>(26,351)</b>

The accompanying notes form an integral part of these financial statements.  
The Report of the Auditors' is set out in the previous page.

# Notes to the Financial Statements for the year ended March 31, 2008 (In UAE DIRHAMS)

## 1. Legal status and business activities

Infratrade FZE, a free zone establishment registered with Ras Al Khaimah Free Zone Authority, UAE on March 21, 2007. The registered office of the establishment is situated at P. O. Box No. 10559, RAK Free Trade Zone , UAE. The main activities of the establishment is trading in building and construction materials. The establishment is owned 100% by M/s. Maytas Infra Limited, a company established in India.

## 2. Summary of significant accounting policies

### a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), interpretations issued by International Financial Reporting Interpretations Committee (IFRIC), and applicable requirements of the U.A.E. Law. A summary of the significant accounting policies, which have been applied consistently, are set out below:

### b) Accounting convention

The financial statements have been prepared on the historical cost convention basis.

### c) Revenue recognition

The establishment has not yet commenced its operation and no revenue was recognised for this period.

### d) Provisions

Provisions are recognised when the establishment has a present obligation as a result of a past event, which it is probable will result in an outflow of economic benefits that can be reasonably estimated.

### e) Foreign currencies

Transactions denominated in foreign currencies are initially recorded at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in such currencies are translated at the rates prevailing on the balance sheet date. Gains and losses arising are included in the income statement.

### f) Financial expenses

Financial expenses are recognised in the income statement in the period in which they are incurred.

### g) Financial instruments

The financial instruments comprise financial assets and financial liabilities. Financial assets and financial liabilities are recognised on the balance sheet when the establishment has become a party to the contractual provisions of the instrument. A financial asset is any asset that is cash, a contractual right to receive cash or other financial asset, a contractual right to exchange financial instruments under condition that are potentially favourable or an equity instrument. A financial liability is any liability that is a contractual obligation to deliver cash or other financial asset, or to exchange financial instruments under conditions that are potentially unfavourable.

### h) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand, balances with banks and deposits at banks within a maturity date of three months or less from the date of deposit, free of encumbrances.

## 3. Cash on hand and in bank

	for the year ended 31.03. 2008	for the period from 17.03.2007 to 31.03. 2007
Bank balance - Current account	459,627	100,150
	459,627	100,150



## Notes to the Financial Statements for the year ended March 31, 2008

(In UAE DIRHAMS)

### 4. Related parties transactions

The establishment in the ordinary course of business deals with other business enterprises that fall within the definition of related party. The establishment believes that the terms of such transactions are not significantly different from those that could have been obtained from third parties.

	for the year ended 31.03. 2008	for the period from 17.03.2007 to 31.03. 2007
<b>Due to related parties</b>		
Maytas Properties	476,478	-
	476,478	-

### 5. Accrued liabilities

	for the year ended 31.03. 2008	for the period from 17.03.2007 to 31.03. 2007
Accrued expenses	9,000	-
Others	500	500
	9,500	500

### 6. General Administrative expenses

	for the year ended 31.03. 2008	for the period from 17.03.2007 to 31.03. 2007
Legal and professional expenses	27,658	32,558
Others	66,135	-
	93,793	32,558

The establishment has not yet commenced its operations, hence no revenue is considered. All the cost incurred for the formation of the establishment and other running expenses are grouped as General Administrative expenses.

### 7. Financial instruments

Financial instruments of the establishment comprise of cash at banks, receivables, and trade payables.

**Fair value** : Management estimates that the fair value of the establishment's financial instruments as represented in the accompanying financial statements approximate their carrying values.

**Credit risk** : Credit risk is limited to the carrying value of the financial assets referred to above.

**Currency risk** : There are no significant exchange risks as all other financial assets and financial liabilities are denominated in Dirhams of United Arab Emirates ("DH") or US Dollars to which the conversion of Dirhams into US Dollar does not materially fluctuate.

**Interest rate risk** : The bank credit is at floating rates of interest at levels which are generally obtained.

### 8. Contingent liabilities

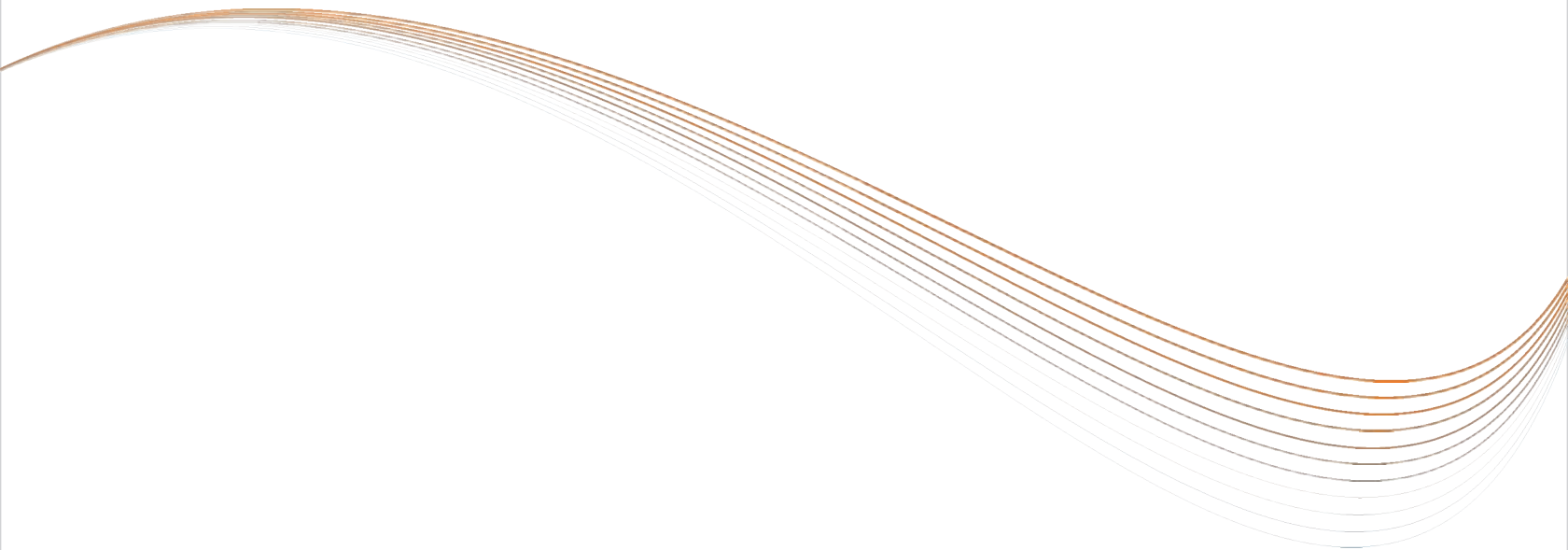
Except the ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known contingent liability or capital commitments as of the balance sheet date.

### 9. Comparative amounts

The current year figures relate to a period of 12 months where as the previous year's figures are for a period from 17.3.2007 to 31.3.2007

# Maytas Infra Assets Limited

Directors' Report,  
Auditors' Report and  
Financial Statements



# Directors' Report

To  
The Members of  
**Maytas Infra Assets Limited**

Your Directors are pleased to present the First Annual Report together with the Audited Accounts for the period commencing February 12, 2008 (being the date of incorporation) to March 31, 2008.

## 1. Status

The company is a wholly-owned subsidiary of Maytas Infra Limited.

## 2. Operations

Your company is pursuing opportunities in infrastructure projects as part of its main objects.

The loss for the period February 12, 2008 to March 31, 2008 amounting to Rs. 4.27 million has been carried to the Balance Sheet.

## 3. Capital Structure

The Authorized Share Capital of the Company is Rs. 20.00 million divided into 20,00,000 Equity Shares of Rs.10/- each. The Paid-up Capital was Rs. 0.50 million as on March 31, 2008.

## 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 B Teja Raju, Sri S Mohan Gurunath and Sri B Narasimha Rao, Directors hold office till the forthcoming annual general meeting in terms of the Articles of Association of the company and the company has received notices under Section 257 of the Companies Act, 1956, in writing proposing their candidature for the office of Director of the company liable to retire by rotation.

## 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, 2008 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:

	Rs. in Million
Earned	Nil
Outgo	0.26

## 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 Infra Assets Limited**

Place : Hyderabad  
Date : June 30, 2008

**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, 2008 and also the Profit and Loss account and the cash flow statement for the period from February 12, 2008 to March 31, 2008 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. 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 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, 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, 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2008 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, 2008;
    - b) in the case of the Profit and Loss account, of the loss for the period ended on that date; and
    - c) in the case of Cash Flow statement, of the cash flows for the period ended on that date.

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

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

Place : Hyderabad  
Date : June 30, 2008

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

## Re: Maytas Infra Assets Limited ('the Company')

- (i) The Company doesn't have fixed assets. Therefore, the provisions of clause 4(i) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (ii) The Company doesn't have inventory as on March 31, 2008. Therefore, the provisions of clause 4(ii) of the Companies (Auditor's Report) Order, 2003 (as amended) are 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, the provisions of clauses 4(iii)(b), 4(iii)(c) and 4(iii)(d) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (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, the provisions of clauses 4(iii)(f) and 4(iii)(g) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (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 and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) (a) According to the information and explanations provided by 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) None of the transactions made in pursuance of such contracts or arrangements exceed the value of Rupees five lakh in respect of any one such party in the financial year.
- (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) 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 *though there has been a slight delay in a few 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 explanations 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) The Company has no outstanding dues in respect of financial institution, bank or debenture holder.
- (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) 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) 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 period.
- (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 period.
- (xx) The Company has not raised any money through public issue.
- (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 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 : Hyderabad  
Date : June 30, 2008

## Balance Sheet as at March 31, 2008

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

	Schedule	As at March 31, 2008
<b>I. SOURCES OF FUNDS</b>		
<b>Shareholders' Funds</b>		
Share capital	1	0.50
Share application money pending allotment		12.00
<b>Total</b>		<b>12.50</b>
<b>II. APPLICATION OF FUNDS</b>		
<b>Current Assets, Loans and Advances</b>		
Cash and bank balances	2	0.22
Sundry debtors	3	0.10
Loans and advances	4	8.94
		9.26
<b>Less: Current Liabilities and Provisions</b>		
Liabilities	5	1.01
Provisions	6	0.02
		1.03
Net Current Assets		8.23
<b>Profit and Loss Account (Debit balance)</b>		4.27
<b>Total</b>		<b>12.50</b>
<b>Notes to Accounts</b>	9	

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: Hyderabad  
Date : June 30, 2008

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

**B Teja Raju**  
Director

**B Narasimha Rao**  
Director

Place: Hyderabad  
Date : June 30, 2008

## Profit and Loss Account for the period ended March 31, 2008

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

	Schedule	February 12, 2008 to March 31, 2008
<b>Income</b>		
Service income		0.10
		<b>0.10</b>
<b>Expenditure</b>		
Administrative and other expenses	7	4.10
Preliminary expenses written off		0.25
		<b>4.35</b>
<b>Profit/(Loss) before tax</b>		(4.25)
Provision for taxation		
- Fringe benefit tax		0.02
<b>Profit/(Loss) after taxation</b>		(4.27)
Profit/(Loss) carried to balance sheet		<b>(4.27)</b>
<b>Earnings per share (in Rupees)</b>	8	
(Face value of Rs.10 per share)		
- Basic		(85)
- Diluted		(85)
<b>Notes to Accounts</b>	9	

The Schedules referred to above and the notes to accounts form an integral part of the 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: Hyderabad  
Date : June 30, 2008

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

**B Teja Raju**  
Director

**B Narasimha Rao**  
Director

Place: Hyderabad  
Date : June 30, 2008

## Cash Flow Statement as at March 31, 2008

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

	For the period February 12, 2008 to March 31, 2008
<b>A. Cash flows from operating activities:</b>	
Profit/(loss) before taxation	(4.25)
Adjustments for:	
(Increase)/decrease in sundry debtors	(0.10)
(Increase)/decrease in loans and advances	(0.44)
Increase/(decrease) in current liabilities and provisions	1.01
<b>Cash used in operations</b>	<b>(3.78)</b>
Fringe benefit tax paid	-
<b>Net cash used in Operating activities</b>	<b>(3.78)</b>
<b>B. Cash flows from financing activities:</b>	
Receipt of share capital	0.50
Share application money received	3.50
<b>Net cash generated by financing activities</b>	<b>4.00</b>
<b>Net increase in cash and cash equivalents (A+B)</b>	<b>0.22</b>
Cash and cash equivalents at the end of the year	<b>0.22</b>
<b>Components of cash and cash equivalents</b>	
Cash on hand	0.00
With bank - on current accounts	0.22
	<b>0.22</b>

This is the Cash Flow Statement referred to in our report of even date.

for S R Batliboi & Associates  
Chartered Accountants

per Ali Nyaz  
Partner  
Membership No.: 200427

Place: Hyderabad  
Date : June 30, 2008

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

B Teja Raju  
Director

B Narasimha Rao  
Director

Place : Hyderabad  
Date : June 30, 2008



## Schedules to Balance Sheet

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

	As at March 31, 2008
<b>Schedule 1: Share Capital</b>	
<b>Authorised</b>	
2,000,000 equity shares of Rs.10 each	<b>20.00</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 and its nominees)	0.50
	<b>0.50</b>
<b>Schedule 2 : Cash and bank balances</b>	
Cash on hand	0.00
Balances with scheduled banks on : - Current accounts	0.22
	<b>0.22</b>
<b>Schedule 3 : Sundry debtors</b>	
(Unsecured, considered good)	
Debts outstanding for a period less than six months (Total amount is due from a Private company in which our Director is a Director)	0.10
	<b>0.10</b>
<b>Schedule 4: Loans and advances</b>	
(Unsecured, considered good)	
Advance recoverable in cash or in kind or for value to be received	8.94
	<b>8.94</b>
<b>Schedule 5: Liabilities</b>	
Dues to holding company	0.24
Sundry creditors	0.40
Other liabilities	0.37
	<b>1.01</b>
<b>Schedule 6: Provisions</b>	
Fringe benefit tax	0.02
	<b>0.02</b>

## Schedules to Profit and Loss Account

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

	for the period February 12, 2008 to March 31, 2008
<b>Schedule 7: Administrative and other expenses</b>	
Office Maintenance	0.01
Communication Expenses	0.15
Printing and Stationery	0.07
Legal and Professional Charges	3.24
Tender Expenses	0.24
Travelling and Conveyance	0.23
Auditor's remuneration - Statutory audit fees	0.06
Staff Recruitment Expenses	0.09
Miscellaneous expenses	0.01
	<b>4.10</b>
<b>Schedule 8: Earnings per Share</b>	
Net loss after tax considered for computation of	
Basic and Diluted Earnings per share	4.27
Weighted average number of shares outstanding during the year	50,000

## Schedule 9

Notes annexed to and forming part of the Accounts as at and for the period ended March 31, 2008  
(All amounts in Rs. Million except for share data or as otherwise stated)

### 1. Background

Maytas Infra Assets Limited ('MIAL' or 'the company') was incorporated in India on February 12, 2008 under the Companies Act, 1956, as a limited company.

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. 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) 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.

#### (d) 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.

#### (e) 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 services are recognised pro-rata over the period of the contract as and when services are rendered.

#### (f) 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.

#### (g) 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.

#### (h) 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.

## Schedule 9

Notes annexed to and forming part of the Accounts as at and for the period ended March 31, 2008  
(All amounts in Rs. Million except for share data or as otherwise stated)

3. The Company was incorporated on February 12, 2008. These financial statements relate to the period February 12, 2008 to March 31, 2008. This being first accounting period, previous year figures have not been disclosed.
4. **Capital commitments:** Estimated amount of Contracts (net of advances) remaining to be executed on capital account: Rs. Nil.
5. **Contingent liabilities:** There are no contingent liabilities as on March 31, 2008.

### 6. Related Party Transactions

The Company had following transactions with related parties during the Period:

Related parties	Nature of relationship	Nature of transaction	Transaction for the period 2007-08	Closing Balance as at March 31, 2008
Maytas Infra Limited	Holding Company	Reimbursement of expenses	0.24	0.24
		Share application money received	12.00	12.00
		Issue of equity shares	0.50	-

### 7. Expenditure in foreign currency (On cash basis)

	For the period ending March 31, 2008
Seminar and conference	0.26
<b>Total</b>	<b>0.26</b>

8. Based on the information available with the company no amounts are payable to enterprises covered under Micro, Small and Medium Enterprises Development Act, 2006.

### 9. 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 9

In terms of our report of even date

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

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

Place : Hyderabad  
Date : June 30, 2008

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

**B Teja Raju**  
Director

Place : Hyderabad  
Date : June 30, 2008

**B Narasimha Rao**  
Director

# 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 period commencing February 4, 2008 (being the date of incorporation) to March 31, 2008.

## 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 period February 4, 2008 to March 31, 2008 amounting to Rs. 5.81 Million has been carried to the Balance Sheet.

## 3. Capital Structure

The Authorized Share Capital of the Company is Rs. 50 Million divided into 5,000,000 Equity Shares of Rs.10/- each. The Paid-up Capital was Rs. 0.50 Million as on March 31, 2008.

## 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 and being eligible offers himself for reappointment.

## 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, 2008 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: (Rs. Million)	
Earned	Nil
Outgo	2.75

## 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**

**B.Teja Raju**  
Chairman

Date : June 30, 2008  
Place : Hyderabad

# 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, 2008 and also the Profit and Loss account and the cash flow statement for the period from February 4, 2008 to March 31, 2008 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. 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 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, 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, 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2008 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, 2008;
- b) in the case of the Profit and Loss account, of the loss for the period ended on that date; and
- c) in the case of Cash Flow Statement, of the cash flows for the period ended on that date.

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

Place : Hyderabad  
Date : June 30, 2008

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

# Annexure to the Auditors' Report

Annexure referred to in paragraph [3] of our report of even date

Re: Maytas Mineral Resources Limited ('the Company')

- (i) The Company doesn't have any fixed assets. Therefore, the provisions of clause 4(i) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (ii) The Company does not have any inventory as on March 31, 2008. Therefore, the provisions of clause 4(ii) of the Companies (Auditor's Report) Order, 2003 (as amended) are 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, the provisions of clauses 4(iii)(b), 4(iii)(c) and 4(iii)(d) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.  
(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, the provisions of clauses 4(iii)(f) and 4(iii)(g) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (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 and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) (a) According to the information and explanations provided by 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) 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) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.  
(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) The Company has no outstanding dues in respect of financial institution, bank or debenture holder.
- (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) 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) 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 period.
- (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 period.
- (xx) The Company has not raised any money through public issue.
- (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 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 : Hyderabad  
Date : June 30, 2008

## Balance Sheet as at March 31, 2008

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

	Schedule	As at March 31, 2008
<b>I. SOURCES OF FUNDS</b>		
<b>Shareholders' Funds</b>		
Share capital	1	0.50
Share application money pending allotment		4.30
<b>Total</b>		<b>4.80</b>
<b>II. APPLICATION OF FUNDS</b>		
<b>Current Assets, Loans and Advances</b>		
Cash and bank balances	2	1.34
Loans and advances	3	0.33
		<b>1.67</b>
<b>Less: Current Liabilities and Provisions</b>		
Liabilities	4	2.58
Provisions	5	0.10
		<b>2.68</b>
<b>Net Current Liability</b>		<b>1.01</b>
Profit and Loss Account (debit balance)		5.81
<b>Total</b>		<b>4.80</b>
<b>Notes to Accounts</b>	<b>8</b>	

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 : Hyderabad  
Date : June 30, 2008

for and on behalf of the Board of Directors of  
**Maytas Mineral Resources Limited**

**B Teja Raju**      **Dr K Srinivas Reddy**  
Chairman      Executive Director

Place : Hyderabad  
Date : June 30, 2008

## Profit and Loss Account for the period ended March 31, 2008

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

	Schedule	February 4, 2008 to March 31, 2008
<b>Expenditure</b>		
Administrative and other expenses	6	5.68
Preliminary expenses written off		0.03
		<b>5.71</b>
<b>Profit/(Loss) before tax</b>		<b>(5.71)</b>
Provision for taxation		
- Fringe benefit tax		0.10
<b>Loss after taxation</b>		<b>5.81</b>
<b>Loss carried to Balance Sheet</b>		<b>5.81</b>
<b>Earnings per share (in Rupees)</b>	7	
(Face value of Rs.10 per share)		
- Basic		(116)
- Diluted		(116)
<b>Notes to Accounts</b>	<b>8</b>	

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

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

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

Place : Hyderabad  
Date : June 30, 2008

for and on behalf of the Board of Directors of  
**Maytas Mineral Resources Limited**

**B Teja Raju**      **Dr K Srinivas Reddy**  
Chairman      Executive Director

Place : Hyderabad  
Date : June 30, 2008



## Cash Flow Statement as at March 31, 2008

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

		For the period February 04, 2008 to March 31, 2008
<b>A. Cash flows from operating activities:</b>		
Loss before taxation		(5.71)
Adjustment for:		
(Increase)/decrease in loans and advances		(0.33)
Increase/(decrease) in current liabilities and provisions		2.58
<b>Cash used in operations</b>		<b>(3.46)</b>
Fringe benefit tax paid		-
<b>Net cash used in operating activities</b>	<b>A</b>	<b>(3.46)</b>
<b>B. Cash Flows from financing activities:</b>		
Receipt of share capital		0.50
Share application money received		4.30
<b>Net cash generated by financing activities</b>	<b>B</b>	<b>4.80</b>
<b>Net increase in cash and cash equivalents</b>	<b>(A+B)</b>	<b>1.34</b>
Cash and cash equivalents at the end of the year		1.34
<b>Components of cash and cash equivalents</b>		
With bank - on current accounts		1.34
		1.34

This is the Cash Flow Statement referred to in our report of even date

for S R Batliboi & Associates  
Chartered Accountants

per Ali Nyaz  
Partner  
Membership No. 200427

Place: Hyderabad  
Date: June 30, 2008

for and on behalf of the Board of Directors of  
Maytas Mineral Resources Limited

B Teja Raju  
Chairman

Dr K Srinivas Reddy  
Executive Director

Place: Hyderabad  
Date: June 30, 2008

## Schedules to Balance Sheet

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

	As at March 31, 2008
<b>Schedule 1: Share Capital</b>	
<b>Authorised</b>	
5,000,000 equity shares of Rs.10 each	<b>50.00</b>
<b>Issued, subscribed and paid up</b>	
50,000 equity shares of Rs.10 each fully paid up	0.50
(The entire share capital is held by Maytas Infra Limited, the holding company )	<b>0.50</b>
<b>Schedule 2 : Cash and Bank balances</b>	
Balances with scheduled banks on :	
- Current accounts	1.34
	<b>1.34</b>
<b>Schedule 3: Loans and Advances</b>	
(unsecured, considered good)	
Advance recoverable in cash or in kind or for value to be received	0.33
	<b>0.33</b>
<b>Schedule 4: Liabilities</b>	
Dues to holding company	0.64
Sundry creditors	1.61
Other liabilities	0.33
	<b>2.58</b>
<b>Schedule 5: Provision</b>	
Fringe benefit tax	0.10
	<b>0.10</b>

## Schedules to Profit and Loss Account

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

	For the period February 04, 2008 to March 31, 2008
<b>Schedule 6: Administrative &amp; Other expenses</b>	
Rent	0.32
Rates and taxes	0.42
Office maintenance	0.10
Printing and stationery	0.02
Communication expenses	0.18
Travelling expenses	1.14
Business promotion expenses	0.03
Meeting and conference expenses	0.05
Tender expenses	0.05
Professional charges	3.12
Auditors' remuneration - Statutory audit fee	0.23
Loss on foreign exchange fluctuations	0.00
Bank charges	0.01
Miscellaneous expenses	0.01
	<b>5.68</b>
<b>Schedule 7: Earnings per share (EPS)</b>	
<b>Loss after taxation</b>	
As reported in Profit and Loss Account	<b>5.81</b>
<b>Basic</b>	
Weighted average number of shares	50,000
EPS (in Rs.)	(116)
<b>Diluted</b>	
Weighted average number of shares	50,000
EPS (in Rs.)	(116)

# Notes Annexed to and forming part of the Accounts as at and for the period ended March 31, 2008

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

## 1. Background

Maytas Mineral Resources Limited ('MMRL' or 'the Company') was incorporated in India on February 04, 2008 under the Companies Act, 1956, as a limited company.

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, 2008.

## 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.

As stated in Note 1, this is the first year of incorporation, and the Company is yet to commence commercial operations. The company is exploring mining opportunities in and outside India and has incurred Rs. 5.81 Million towards administrative expenses during the period from February 4, 2008 to March 31, 2008. These expenses have been charged to the Profit and Loss Account in accordance with the applicable Accounting Standards. Consequently, the Company has reported a net loss of Rs. 5.81 Million for the period ended March 31, 2008, which exceeds the paid up share capital and share application money. 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, and the mitigating factors such as continued financial support of the parent company, 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.

### (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) 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.

#### (d) 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.

#### (e) 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.

#### (f) 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 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.

#### (g) 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.

# Notes Annexed to and forming part of the Accounts as at and for the period ended March 31, 2008

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

3. The Company was incorporated on February 4, 2008. These financial statements relate to the period February 4, 2008 to March 31, 2008. This being first accounting period, previous year figures have not been disclosed.
4. **Capital Commitments**  
Estimated amount of contracts (net of advances) remaining to be executed on capital account: Rs. Nil.
5. **Related Party Transactions**  
The Company had following transactions with related parties during the period.

Related parties	Nature of relationship	Nature of transaction	Transaction for the period February 04, 2008 to March 31, 2008	Closing Balance as at March 31, 2008
Maytas Infra Limited	Holding Company	Reimbursement of expenses	0.64	0.64
		Share Application money received	4.30	4.30
		Issue of equity	0.50	-

6. **Expenditure in foreign currency (On cash basis)Annexure referred to in paragraph [3] of our report of even date**

	For the period ending March 31, 2008
Professional charges	2.30
Travel	0.17
Seminar	0.28
	2.75

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 8

In terms of our report of even date

for S R Batliboi & Associates  
Chartered Accountants

per Ali Nyaz  
Partner  
Membership No. 200427

Place: Hyderabad  
Date: June 30, 2008

for and on behalf of the Board of Directors of  
Maytas Mineral Resources Limited

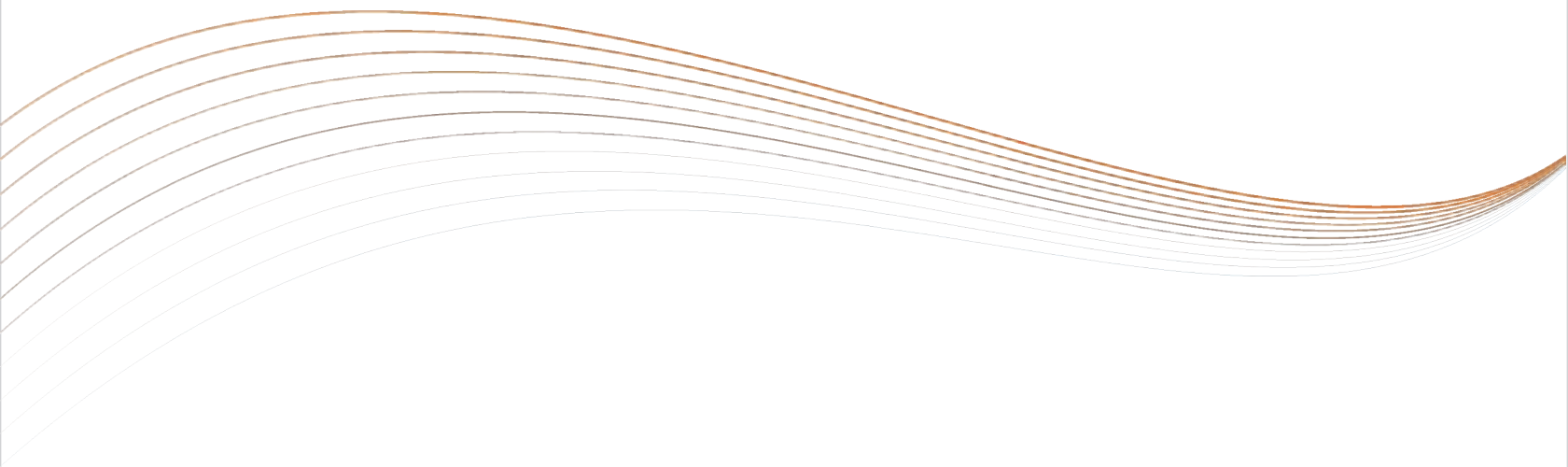
B Teja Raju  
Chairman

Dr K Srinivas Reddy  
Executive Director

Place: Hyderabad  
Date: June 30, 2008

# Pondicherry - Tindivanam Tollyway Limited

Directors' Report,  
Auditors' Report and  
Financial Statements



## Directors' Report

To,  
The Members of  
**Pondicherry – Tindivanam Tollway Limited**

Your Directors are pleased to present the First Annual Report together with the Audited Accounts for the period commencing March 27, 2007 (being the date of incorporation) to March 31, 2008.

### 1. Operations

Pondicherry – Tindivanam Tollway Limited was incorporated on 27.03.2007 as a Special Purpose Vehicle by Maytas Infra Limited and Nagarjuna Construction Company Ltd for the 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. This contract was awarded by National Highways Authority of India (NHAI) on Build, Operate and Transfer (BOT) basis. NHAI has given the Company a concession period of 30 years from 6 months of signing the Concession Agreement (Concession Agreement Date: 19.07.2007).

The EPC contract has been awarded to Nagarjuna Construction Company Limited (NCC) on 11th January, 2008. As there are no revenues during the construction period of 30 months, the total expenditure on construction shall be treated as capital expenditure. Hence, no Profit and Loss Account for the period 27-03-2007 to 31-03-2008 has been prepared.

### 2. Capital Structure

The Authorized Share Capital of the Company is Rs. 70 Million divided into 70,00,000 Equity Shares of Rs.10/- each. The Paid-up Capital was Rs. 28.76 Million as on March 31, 2008.

### 3. Fixed Deposits

The Company has not accepted any Fixed Deposits from the public.

### 4. 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.

### 5. 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.

### 6. 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**.

### 7. Auditors

M/s. M.Bhaskara Rao & Co. 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  
Pondicherry- Tindivanam Tollway Limited**

Place : Hyderabad  
Date : May 19, 2008

**B Teja Raju**  
Director

**A S N Raju**  
Director

## Auditors' Report

To,  
The Members of  
**Pondicherry – Tindivanam Tollway Limited**

1. We have audited the attached Balance Sheet of **Pondicherry – Tindivanam Tollway Limited** as at March 31, 2008 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, 2008;
  - (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, 2008 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2008 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 19, 2008

## Annexure to the Auditors' Report

(Referred to in paragraph 3 of our report of even date)

- (i) 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 fixed assets of the Company has been physically verified by the management during the year. In our opinion the periodicity of physical 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 observed on physical verification.
  - (c) There is no disposal of fixed assets during the year. Accordingly, the provisions of Clause 4 (i) (c) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (ii) In respect of its inventories:
 

The Company has no inventory; accordingly the provisions of Clause 4 (ii) (a), (b) and (c) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (iii) (a) According to the information and explanations given to us, 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, the provisions of Clause 4 (iii) (b), (c) and (d) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (b) According to the information and explanations given to us, 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, the provisions of clause 4(iii) (e), (f) and (g) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (iv) 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. There were no sale of goods and services. Further on the basis of our examination and information and explanations given to us, we have neither come across nor have been informed of any instance of any major weaknesses in the aforesaid internal control system.
- (v) 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) The particulars of contracts or arrangements referred to in section 301 that need to be entered in the register, maintained under the said section have been so entered.
  - (b) In our opinion, the transactions exceeding the value of Rs.5 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.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public. Accordingly, the provisions of clause 4(vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (vii) During the year, the Company had no internal audit system in vogue.
- (viii) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any of the products or activity of the company.
- (ix) In respect of statutory dues:
  - (a) According to the information and explanations given to us and according to the books and records as produced and examined by us in accordance with the generally accepted auditing practices in India, the Company is generally regular in depositing undisputed statutory dues including service tax, income tax, sales tax, customs duty, cess and other material

statutory dues, as applicable, with the appropriate authorities during the year. According to the information and explanations given to us and the records examined by us, provident fund, investor education and protection fund, employees' state insurance, excise duty and cess are not applicable to the company for the current year.

- (b) According to the information and explanations given to us, there are no arrears of outstanding statutory dues as mentioned above as at March 31, 2008 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us and according to the books and records as produced and examined by us in accordance with generally accepted auditing practices in India, there are no dues in respect of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess matters that have not been deposited on account of any dispute.
- (x) 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.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions and banks.
- (xii) 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 and debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiii) In our opinion, the Company is not a Chit Fund or a Nidhi or Mutual Benefits Fund/Society. Accordingly, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) 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. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xv) In our opinion and 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. Accordingly, the provisions of clause 4(xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xvi) 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 the purposes for which the loans were obtained.
- (xvii) According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, there are no funds raised on short-term basis, which have been used for long-term investments.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to companies and other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, no debentures have been issued by the Company. Accordingly the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xx) During the year covered by our audit report, the company has not raised any money by public issues.
- (xxi) 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 19, 2008



## Balance Sheet as at March 31, 2008

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

	Schedule	As at March 31, 2008	
SOURCES OF FUNDS			
Share Holders' Funds	A B	28.76	269.64 0.06
Share Capital		240.88	
Reserves and Surplus			
Share Application Money			
Loan Funds	C		
Secured Loans			275.40
Total			545.10
APPLICATION OF FUNDS			
Fixed Assets	D		290.41
Gross block		0.13	
Less: Depreciation		0.02	
Net block	0.11		
Capital work-in-progress	E	256.55	
Incidental expenditure during construction period (pending capitalization)			
	F	33.75	
Current Assets, Loans & Advances	G		
Cash and bank balances		286.76	
Loans and advances		0.57	
		287.33	
Less : Current Liabilities & Provisions	H		
Liabilities		32.56	
Provisions		0.16	
		32.72	
Net Current Assets			254.61
Miscellaneous Expenditure	I		0.08
(To the extent not written off or adjusted)			
Total			545.10
Accounting policies and Notes on Accounts	J		

As per our report attached

for M Bhaskara Rao & Co.  
Chartered Accountants

for and on behalf of the  
Board of Directors of  
Pondicherry-Tindivanam  
Tollway Limited

M V Ramana Murthy  
Partner  
Membership No. : 206439

B Teja Raju  
Director

A S N Raju  
Director

Place : Hyderabad  
Date : May 19, 2008

Place : Hyderabad  
Date : May 19, 2008

## Pondicherry – Tindivanam Tollway Limited Cash Flow Statement for the period ended March 31, 2008

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

	2007-08
<b>A. Cash flow from operating activities:</b>	
Net Profit before tax and extraordinary items	
Adjustment for	
Trade and other receivables	(0.56)
Trade and other payable	32.72
<b>Net cash from operating activities</b>	<b>32.16</b>
<b>B. Cash flow from investing activities:</b>	
Purchase of fixed assets	(0.13)
Capital work in progress	(272.94)
Miscellaneous expenditure	(0.09)
<b>Net cash flow used in investing activities</b>	<b>(273.16)</b>
<b>C. Cash flow from financing activities:</b>	
Proceeds from issue of share capital	269.70
Proceeds from term loans	275.40
Interest and other financial charges	(17.33)
<b>Net cash flow from financing activities</b>	<b>527.76</b>
<b>Net cash increase in cash and cash equivalents (A+B+C)</b>	<b>286.76</b>
<b>Cash and cash equivalents as at April 1, (Opening Balance)</b>	<b>-</b>
<b>Cash and cash equivalents as at March 31, (Closing Balance)</b>	<b>286.76</b>
<b>Net Cash Flow</b>	<b>286.76</b>

The cash flow statement is prepared in accordance with the indirect method stated in Accounting Standard(AS)-3 on Cash Flow Statement and presents the cash flow by operating, investing and financing activities. Cash and cash accruals comprise of cash on hand and balance with banks.

As per our report attached

for M Bhaskara Rao & Co.  
Chartered Accountants

for and on behalf of the  
Board of Directors of  
Pondicherry-Tindivanam  
Tollway Limited

M V Ramana Murthy  
Partner  
Membership No. : 206439

B Teja Raju  
Director

A S N Raju  
Director

Place : Hyderabad  
Date : May 19, 2008

Place : Hyderabad  
Date : May 19, 2008

## Schedules to Balance Sheet as at March 31, 2008

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

	As at March 31, 2008
<b>SCHEDULE - A</b>	
<b>Share Capital</b>	
<b>Authorised</b>	
7,000,000 Equity Shares of Rs.10/-each	70.00
<b>Issued and Subscribed</b>	
2,876,400 Equity Shares of Rs.10/-each fully paid (of the above 1,466,963 Shares are held by Maytas Infra Limited, the Holding Company and its nominees)	28.76
	<b>28.76</b>
<b>SCHEDULE - B</b>	
<b>Reserves and Surplus</b>	
Securities Premium received during the year.	240.88
	<b>240.88</b>
<b>SCHEDULE - C</b>	
<b>Secured Loans</b>	
From Axis Bank - Term Loan	275.40
	<b>275.40</b>

### SCHEDULE - D

#### Fixed Assets

S.No.	Name of the Asset	Gross Block (At Cost)			Depreciation			Net Block
		As at 27.03.2007	Additions During the year	As at 31.03.2008	Up to 27.03.2007	For the year	Up to 31.03.2008	As at 31.03.2008
1	Furniture & Fixtures	-	0.04	0.04	-	0.01	0.01	0.03
2	Computers	-	0.09	0.09	-	0.01	0.01	0.08
	<b>Total</b>	-	<b>0.13</b>	<b>0.13</b>	-	<b>0.02</b>	<b>0.02</b>	<b>0.11</b>

	As at March 31, 2008
<b>SCHEDULE - E</b>	
<b>Capital work-in-progress</b>	
EPC contract expenses	12.45
Mobilisation advance	222.40
Material advance	13.54
Consultancy and survey charges	8.16
	<b>256.55</b>
<b>SCHEDULE - F</b>	
<b>Incidental expenditure during construction period (pending capitalisation)</b>	
Salaries and other benefits	5.55
Rent, rates and taxes	2.09
Office maintenance	0.47
Travelling and conveyance charges	1.56
Electricity charges	0.09
Postage, telegrams and telephones	0.18
Printing and stationery	0.10
Insurance	2.04

## Schedules to Balance Sheet as at March 31, 2008

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

	As at March 31, 2008
Repairs and maintenance :	
Machinery	0.03
Other Assets	0.05
Legal and professional charges	1.68
Service tax	0.50
Business promotion expenses	1.19
Auditors' Remuneration:	
Statutory audit fees	0.08
Service tax	0.01
Miscellaneous expenses	0.48
Interest and financial charges:	
Interest on term loan	0.08
Interest to others	0.03
Bank charges	0.02
Debt syndication and security trustee fees	16.10
Bank guarantee commission	1.27
Depreciation	0.02
	<b>33.62</b>
Less : interest on fixed deposit with banks (0.03)	
(Tax deductions at source Rs. 0.01 Million)	
Provision for tax	0.01
Fringe benefit tax	0.15
	0.13
<b>Balance carried to Balance Sheet</b>	<b>33.75</b>
<b>SCHEDULE - G</b>	
<b>Current Assets, Loans and Advances</b>	
<b>Cash and Bank balances</b>	
Cash in hand	0.01
Balances with scheduled bank	
- in current account	268.75
- in deposit account	18.00
	<b>286.76</b>
<b>Loans and Advances</b>	
(Unsecured, considered good)	
Advances recoverable in cash or in kind or for value to be received	0.43
Rent deposit	0.05
Tax deducted at source	0.01
Interest accrued on fixed deposit	0.02
Advance fringe benefit tax	0.05
	<b>0.56</b>
<b>SCHEDULE - H</b>	
<b>Current Liabilities and Provisions</b>	
<b>Current Liabilities</b>	
Other liabilities	32.48
Interest accrued but not due	0.08
	<b>32.56</b>
<b>Provisions</b>	
Taxation	0.01
Fringe benefit tax	0.15
	<b>0.16</b>
<b>SCHEDULE - I</b>	
<b>Miscellaneous Expenditure</b>	
(To the extent not written off or adjusted)	
Preliminary expenses	
Incurred during the period	0.08
	<b>0.08</b>

## Schedule J

### Accounting Policies and Notes on Accounts

(All amounts in Rs. Million except for share data or as 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. 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 on completion of construction.

#### B. Notes on Accounts

##### 1. Contingent liabilities:

Performance Bank guarantees furnished by promoter companies – Rs.142.50 million.

2. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances Rs. 234.85 million) – Rs. 2,487.81 million.

##### 3. Share Capital

At the Extraordinary General Meeting of the Members of the Company held on January 31, 2008 the Authorized Share Capital of the Company has been increased from Rs.2.50 million divided into 250,000 equity shares of Rs.10/- each to Rs. 70.00 million divided into 7,000,000 equity shares of Rs.10/- each. The requisite filing fee of Rs.0.91 million is included under the head 'Rates and Taxes'. Further, the company has issued and allotted 2,676,400 Equity Shares of Rs.10/- each at a premium of Rs. 90/- per share to the existing members of the Company. The premium received has been shown as securities premium under the head "Reserves and Surplus".

##### 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. 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. The company has entered into a concession agreement with National Highways Authority of India, which specified a Thirty month construction period and Twenty Seven years and Six months of Operation and Maintenance period.

Presently the company is under construction period, accordingly, revenue expenditure of Rs 33.70 million upto March 31, 2008 has been carried forward under the head "Incidental Expenditure during construction period" and Capital Expenditure of Rs 256.50 million (excluding the incidental expenditure) upto March 31, 2008 is carried forward under the head "Capital work-in-progress".

## Schedule J

### Accounting Policies and Notes on Accounts

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

#### 6. Related Party Transactions

Following is the list of related parties and relationships:

S.No	Name of the Related Party	Relationship
1.	Maytas Infra Limited	Holding Company
2.	Nagarjuna Construction Company Limited	Associate
3.	NCC Infrastructure Holdings Limited	Associate

Related Party transactions during the period ended March 31, 2008 are as follows:

S. No	Particulars	Holding Company	Associates
1	Share Application Money pending allotment	0.02	0.04
2	Equity Contributions received	137.70	131.94
3	Advances granted / (received)	-	235.94
4	EPC Contract Expenses	12.45	-
5	Reimbursement of Expenses	6.92	6.37
	<b>Debit Balances outstanding as on 31.03.2008</b>		
6	Maytas Infra Limited	0.17	-
	<b>Credit Balances outstanding as on 31.03.2008</b>		
7	Nagarjuna Construction Company Limited	-	24.53
8	NCC Infrastructure Holdings Limited	-	6.37

Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year.

Particulars	2007-08
Nagarjuna Construction Company Limited - EPC contract	12.45

7. Provisions of Payment of Gratuity Act, 1972 and Employees Provident Fund and Miscellaneous Provisions Act, 1952 are not applicable to the Company at present.
8. The Company was incorporated on March 27, 2007 accordingly the accounts have been drawn for the period from March 27, 2007 to March 31, 2008. This being the first financial period no comparative figures are furnished.
9. 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.
10. Foreign Exchange Outgo / Earnings: Nil
11. 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.

Signature to Schedule A to J

for and on behalf of the Board of Directors of  
Pondicherry- Tindivanam Tollway Limited

B Teja Raju  
Director

A S N Raju  
Director

Place : Hyderabad  
Date : May 19, 2008

## 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 20th Annual General Meeting held on Tuesday, September 30, 2008 at 11.00 a.m. at Sri Satya 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 20th Annual General Meeting of the Company to be held on Tuesday, September 30, 2008 at 11.00 a.m. and at any adjournment thereof.

Signed this..... day of .....2008

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



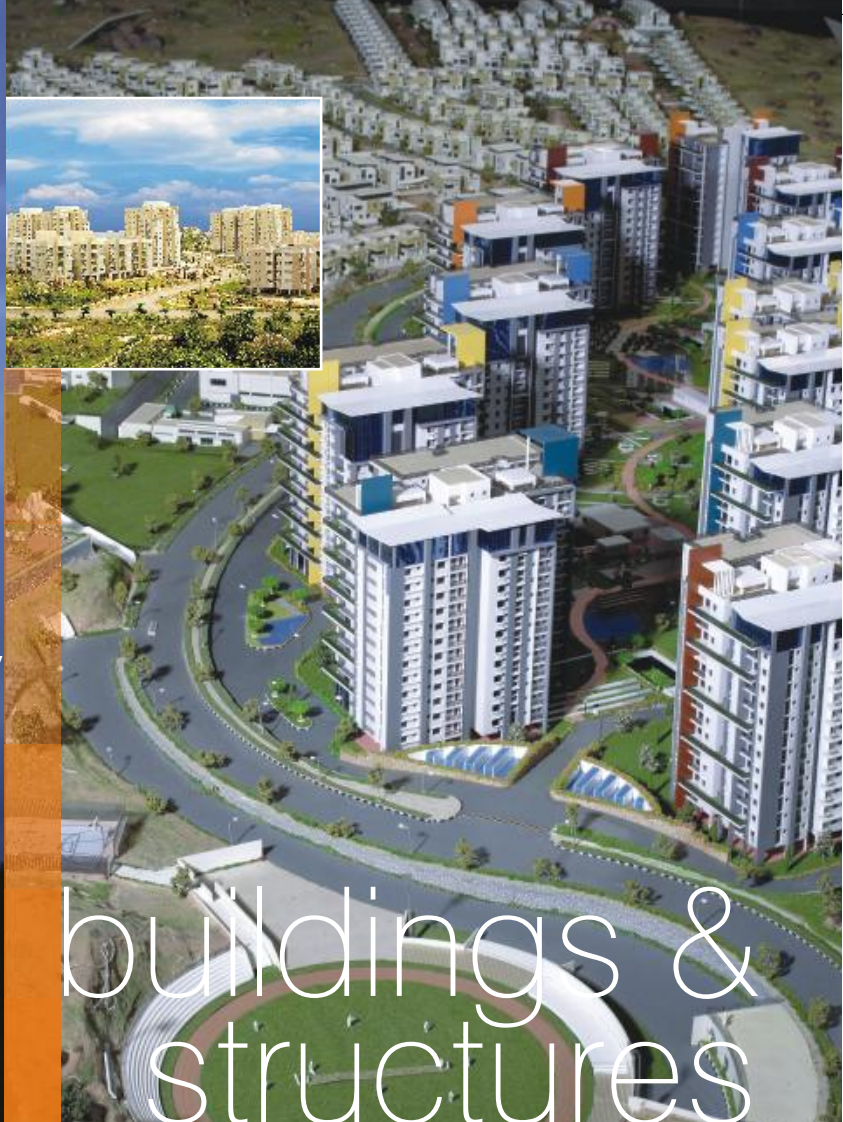




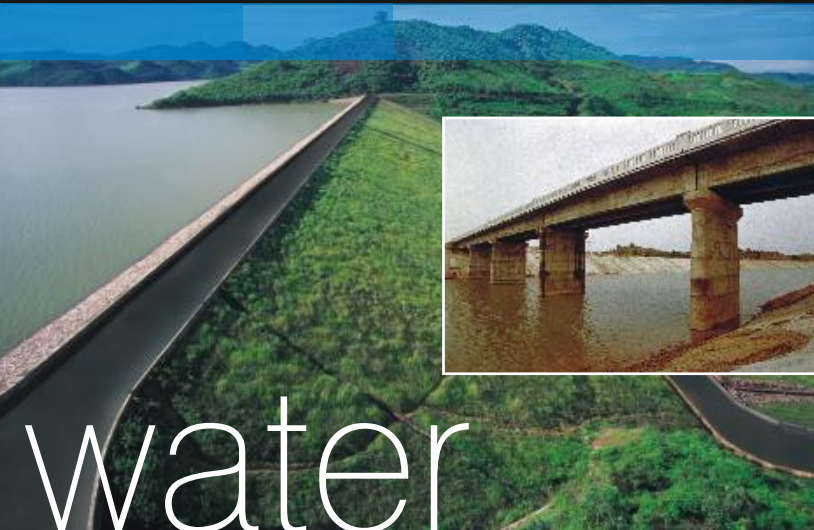
energy



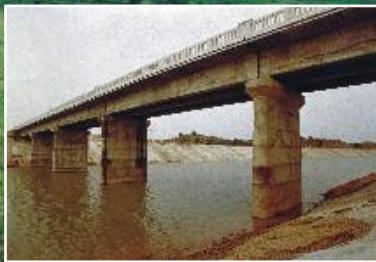
oil & gas



buildings & structures



water



transportation



ports



airports

Indicative Image



Maytas Infra Limited

#6-3-1186/5/A 3rd Floor

Amogh Plaza Begumpet

Hyderabad - 500 16 India

Tel: +91 40 4040 9333

Fax: +91 40 2340 1107

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

