

*HORIZON INFRASTRUCTURE LIMITED*



**29<sup>th</sup> Annual Report**  
**2011-2012**

<b>ANNUAL GENERAL MEETING</b>	
<b>DATE</b>	: September 28, 2012
<b>DAY</b>	: Friday
<b>TIME</b>	: 2.00 p.m.
<b>PLACE</b>	: Bombay Club Suite, Royal Bombay Yacht Club, Chhatrapati Shivaji Maharaj Marg, Apollo Bunder, Near Taj Mahal Hotel, Mumbai 400 001.

#### **BOARD OF DIRECTORS**

Mr. C. S. Sanghavi	Whole-time Director
Mr. Nikhil Gandhi	Director
Mr. Bhavesh Gandhi	Director
Mr. M. P. Vora	Director
Mr. S. A. Peeran	Director
Mr. J. Alexander*	Director
Mr. V. Ramanan**	Director

(\* Appointed w.e.f. August 3, 2012)

(\*\*Appointed w.e.f. August 14, 2012)

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#### **COMPANY SECRETARY**

Mr. Neeraj Rai

#### **AUDITORS**

Bharat Shah & Associates  
Chartered Accountants  
Mumbai - 400 009.

#### **BANKER**

IDBI Bank Limited

#### **REGISTERED & CORPORATE OFFICE**

SKIL House,  
209, Bank Street Cross Lane,  
Fort, Mumbai 400 023.

#### **REGISTRAR & SHARE TRANSFER AGENTS**

Link Intime India Private Limited  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (West),  
Mumbai 400 078.

Tel. No. : +91-22-25963838

Fax No. : +91-22-25946969

E-mail : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)



## NOTICE

Notice is hereby given that the 29<sup>th</sup> Annual General Meeting of the Company will be held on Friday, September 28, 2012 at 2.00 p.m. at Bombay Club Suite, Royal Bombay Yacht Club, Chhatrapati Shivaji Maharaj Marg, Apollo Bunder, Near Taj Mahal Hotel, Mumbai - 400 001 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2012 and the Profit and Loss Account for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares for the financial year ended March 31, 2012.
3. To appoint a Director in place of Mr. Bhavesh Gandhi, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. C.S. Sanghavi, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors of the Company and to fix their remuneration by passing with or without modification(s), the following resolution as an Ordinary Resolution:  
“**Resolved That** M/s. Bharat Shah & Associates, Chartered Accountants, Mumbai, bearing ICAI Registration No. 101249W, retiring Auditors of the Company be and are hereby re-appointed as the 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 of the Company on such remuneration as may be fixed by the Board of Directors of the Company.”

### SPECIAL BUSINESS:

6. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
“**Resolved That** Mr. J. Alexander, who was appointed as an Additional Director on the Board of the Company, in terms of Section 260 of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) ('the Act') read with Articles of Association of the Company, with effect from August 3, 2012 by the Board of Directors and who holds office upto the date of this Annual General Meeting and is eligible for appointment as a Director of the Company and in respect of whom a notice has been received in writing under Section 257 of the Act, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”
7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
“**Resolved That** Mr. V. Ramanan, who was appointed as an Additional Director on the Board of the Company, in terms of Section 260 of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) ('the Act') read with Articles of Association of the Company, with effect from August 14, 2012 by the Board of Directors and who holds office upto the date of this Annual General Meeting and is eligible for appointment as a Director of the Company and in respect of whom a notice has been received in writing under Section 257 of the Act, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”
8. To consider, and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
“**Resolved That** pursuant to provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 ('the Act') or any amendments thereto and subject to the provisions of Memorandum and Articles of Association of the Company and subject to the approval of the Central Government, if required and subject to such other approvals as may be necessary, the Company hereby approves the re-appointment of Mr. M. P. Vora as Managing Director of the Company for period upto May 31, 2012 upon the terms and conditions including remuneration as set out in the agreement which is also hereby approved with liberty to the Board to alter and vary the terms and conditions of the said Agreement, as may be agreed to between the Board and Mr. M. P. Vora.”  
“**Resolved Further That** any one of the Directors and Company Secretary be and are hereby severally authorised to take such steps and do all other acts, deeds and things as may be necessary or desirable to give effect to this resolution.”
9. To consider, and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
“**Resolved That** pursuant to provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 ('the Act') or any amendments thereto and subject to the provisions of Memorandum and Articles of Association of the Company and subject to the approval of the Central Government, if required and subject to such other approvals as may be necessary, the Company hereby approves the re-appointment of Mr. C.S. Sanghavi as Whole-time Director of the Company for a period of 1 (one) year commencing from August 27, 2012 as per the terms and conditions agreed between the Board and Mr. C.S. Sanghavi.”  
“**Resolved Further That** any one of the Directors and Company Secretary be and are hereby severally authorised to take such steps and do all other acts, deeds and things as may be necessary or desirable to give effect to this resolution.”

### Registered Office:

SKIL House,  
209, Bank Street Cross Lane,  
Fort, Mumbai 400 023.

**Place:** Mumbai

**Date:** August 14, 2012

**By Order of the Board of Directors**

**Neeraj Rai**  
**Company Secretary**



**NOTES:**

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF /HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING.**
- 2) Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a duly certified copy of Board Resolution on the letterhead of the Company, signed by one of the Directors or Company Secretary or any other authorized signatory and/ or duly notarized Power of Attorney, authorizing their representatives to attend and vote on their behalf at the Meeting.
- 3) Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 is annexed hereto.
- 4) The members / proxies are requested to bring their copy of Annual Report and duly filled Attendance Slips for attending the Meeting.
- 5) The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, September 26, 2012 to Friday, September 28, 2012 (both days inclusive) for determining the shareholders entitlement for dividend, if any.
- 6) The Dividend on equity shares as recommended by the Directors for the year ended March 31, 2012, if declared at the meeting, will be paid on or after October 4, 2012:
  - (i) To those members whose names appear on the Company's register of members, after giving effect to all valid share transfers in physical form lodged with M/s Link Intime India Private Limited, Registrar and Share Transfer Agent of the Company on or before September 26, 2012.
  - (ii) In respect of shares held in electronic form, to those "deemed members" whose names appear in the statements of beneficial ownership furnished by National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') as at the opening hours of September 26, 2012.
- 7) The Company will disburse dividend vide ECS to those shareholders whose requisite particulars are available and to other shareholders vide dividend warrants. The intimation of dividend pay out / dispatch will be sent within the statutory period.
- 8) Members holding shares in physical form are requested to immediately notify change in their address, if any, to the Registrars and Share Transfer Agents, M/s. Link Intime India Private Limited, C – 13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai – 400 078, quoting their Folio Number(s).
- 9) Members desirous of obtaining any information concerning the accounts of the Company are requested to address their queries to the Company Secretary at least seven days in advance of the meeting so that the information required can be readily available at the meeting.
- 10) Notes on Directors seeking appointment/re-appointment as required under Clause 49 of the Listing Agreement are included in this notice.
- 11) All documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company during anytime between 10:00 a. m. to 12:00 noon on all days except Saturdays, Sundays and public holidays, upto the date of the Annual General Meeting.
- 12) The Members are requested to approach the Company for consolidation of folios, if shareholdings are under multiple folios;
- 13) Members are requested to quote the Ledger Folio or Client ID and DP ID Numbers in all Communications with the Company.

**Registered Office:**

SKIL House,  
209, Bank Street Cross Lane,  
Fort, Mumbai 400 023.

**Place:** Mumbai

**Date:** August 14, 2012

**By Order of the Board of Directors**

**Neeraj Rai**  
**Company Secretary**

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO Section 173(2) OF THE COMPANIES ACT, 1956****ITEM NO.6**

Mr. J. Alexander was appointed as an Additional Director with effect from August 3, 2012 by the Board of Directors. He holds office in such capacity upto the date of this Annual General Meeting ('AGM') of the Company in terms of Section 260 of the Companies Act, 1956 ('the Act').

The Company has received a notice in writing under Section 257 of the Act from a Member of the Company along with a refundable deposit of ₹ 500 signifying an intention to propose Mr. J. Alexander as a candidate for the office of director.

Mr. J. Alexander is M.A. (English Language & Literature), Ph. d. (Philosophy) and he is a retired Indian Administrative Services (IAS) officer. Mr. J. Alexander has held important positions in his long professional career in IAS.

The Directors recommend this resolution for approval as an Ordinary Resolution.

None of the Director except Mr. J. Alexander is in any way concerned or interested in the above resolution.

**ITEM NO.7**

Mr. V. Ramanan was appointed as an Additional Director with effect from August 14, 2012 by the Board of Directors. He holds office in such capacity upto the date of this AGM of the Company in term of Section 260 of the Act.

The Company has received a notice in writing under Section 257 of the Act from a Member of the Company along with a refundable deposit of ₹ 500 signifying an intention to propose Mr. V. Ramanan as a candidate for the office of director.

Mr. V. Ramanan is a Bachelor in Commerce and he has held important positions in his long career with Indian Bank and he retired as a Senior General Manager of India Bank.

The Directors recommend this resolution for approval as an Ordinary Resolution.

None of the Director except Mr. V. Ramanan is in any way concerned or interested in the above resolution.

**ITEM NO. 8:**

The tenure of Mr. M.P. Vora, Managing Director of the Company was completed on February 13, 2012. Therefore, the Board of Directors extended his terms as Managing Director upto May 31, 2012 which was subject to approval of the Members. Although the extended tenure of Mr. M.P. Vora, Managing Director was completed on May 31, 2012, the approval of members is sought pursuant to the provisions of the Act for the extended period from February 14, 2012 to May 31, 2012.

**Statement pursuant to Clause B (iv) of Part II of Schedule XIII to the Companies Act, 1956:**

S. N.	Description	Information
<b>1. General Information</b>		
a)	Nature of industry	Infrastructure
b)	Date or expected date of commencement of commercial production	Not Applicable
c)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
d)	Financial performance based on given indicators(as on March 31, 2011)	Turnover: ₹ 28572.35 Lacs Profit after tax: ₹ 582.09 Lacs
e)	Export performance and net foreign exchange collaborations	Nil
f)	Foreign investments or collaborators, if any	Nil
<b>2. Information about the Appointee</b>		
a)	Background details	Mr. M. P. Vora holds graduate degree in Commerce as well as Arts and holds a Diploma in Mechanical Engineering, apart from being a Certified Associate of the Indian Institute of Bankers. He started his career as a banker. He has 28 years of banking experience and has held executive positions on the operational as well as on the administrative field. He also has 20 years of experience in infrastructure development & operations and its business development & financing.
b)	Past remuneration	Remuneration of ₹ 4 Lacs per month
c)	Recognition or awards	Nil
d)	Job profile and his suitability	Mr. M.P. Vora is having 20 years of experience in the field of infrastructure development & operations and in business development & financing. He has functioned in corporate world as a senior corporate advisor and as a director in various companies and in various other fields like setting up of infrastructure projects, port development, special economic zones/free trade and warehousing zones, railways & roads, IT/ITES, tourism, healthcare & education projects. He applies his banking & infrastructure development experience for the benefit of our Company.



e)	Remuneration proposed	Remuneration of ₹ 4 Lacs per month
f)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The remuneration of Mr. M.P. Vora is in consonance with the given criteria.
g)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	None
<b>3. Other Information</b>		
a)	Reasons of loss or inadequate profits	During the Financial Year ended on March 31, 2011 Company has paid ₹ 2,770.90 Lacs towards Interest on loan availed from Central Bank of India.
b)	Steps taken or proposed to be taken for improvement	Considering various projects in hand and in pipeline, the responsibilities involved in executing these Projects are voluminous right from bidding process of the project, financial closure to execution of the Projects. To implement these kinds of projects, experienced professionals from the industry are required. Competition in this sector is not restricted at national level but from various MNCs as well.
c)	Expected increase in productivity and profits in measurable terms	The Management is exploring the opportunity to increase the size of the business and activities.

#### 4. Disclosures

- Mr. M.P. Vora, the only managerial personal, was paid monthly remuneration of ₹ 4 Lakhs (inclusive of all perquisites and allowances).
- The disclosures regarding remuneration of the Directors has been mentioned in the Corporate Governance Report as a part of the Annual Report.

The proposed resolution and this explanatory statement may be treated as an abstract of the terms and conditions of the appointment of Mr. M.P. Vora as Managing Director in terms of Section 302 of Companies Act, 1956.

The Board of Directors recommend the resolution for approval of members.

None of the Directors is interested in the aforesaid resolution except Mr. M.P. Vora.

#### ITEM NO. 9:

The tenure of Mr. C.S. Sanghavi, Whole-time Director of the Company was valid upto August 26, 2012. Therefore, the Board of Directors in their meeting held on August 14, 2012 extended the terms of Mr. C.S. Sanghavi, Whole-time Director for a further period of 1(one) year i.e. upto August 26, 2013. Mr. C. S. Sanghavi is BE and FIE and is having 36 years of experience in the Development Work, out of which, he has worked for 26 years with CIDCO and retired as a Chief Engineer & G.M. (Tech); GM (SEZ) CIDCO.

The terms of appointment of Mr. C. S. Sanghavi are as follows:

- Mr. C. S. Sanghavi, so long as he functions as such, shall not be paid any sitting fees for attending meeting of the Board of Directors or Committee thereof.
- Mr. C. S. Sanghavi as the Whole-time Director shall attend to the work of the Company faithfully, diligently and honestly and to the best of his ability and power, manage and conduct the business and affairs of the Company, do and execute all such acts, deeds, matters and things for carrying out such objects as may from time to time be assigned or entrusted to him by the Board or the Committee thereof.

Mr. C. S. Sanghavi is presently employed as head infrastructure and development in Horizon Country Wide Logistics Limited (HCWLL). He presently draws remuneration from HCWLL. Since Mr. C. S. Sanghavi draws remuneration from HCWLL, it is not intended to remunerate him from the Company.

The approval of the Members is sought for re-appointment of Mr. C.S. Sanghavi as a Whole-time Director of the Company on the terms and conditions as agreed between the Board and Mr. C.S. Sanghavi.

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

None of the Directors is interested in the aforesaid resolution except Mr. C. S. Sanghavi.

#### Registered Office:

SKIL House,  
209, Bank Street Cross Lane,  
Fort, Mumbai 400 023.

Place: Mumbai

Date: August 14, 2012

By Order of the Board of Directors

Neeraj Rai  
Company Secretary



**Profile of Directors being Appointed/Re-appointed under Clause 49 of the Listing Agreement:**

<b>Name</b>	<b>: Mr. Bhavesh Gandhi</b>	<b>Mr. J. Alexander</b>
<b>Designation</b>	<b>: Non – Executive and Non - Independent</b>	<b>Non – Executive and Independent</b>
<b>Date of Birth</b>	<b>: January 21, 1966</b>	<b>August 8, 1938</b>
<b>Date of Appointment</b>	<b>: August 1, 1994</b>	<b>August 3, 2012</b>
<b>Other Directorships</b>	<b>: 1. SKIL Infrastructure Limited</b> <b>2. Pipavav Defence and Offshore Engineering Company Limited</b> <b>3. Donyi Polo Petrochemicals Limited</b> <b>4. Mumbai SEZ Limited</b> <b>5. Energy India Corporation Limited</b> <b>6. Awaita Properties Private Limited</b> <b>7. E Complex Private Limited</b> <b>8. Navi Mumbai SEZ Private Limited</b> <b>9. Urban Infrastructure Holdings Private Limited</b> <b>10. SKIL Shipyard Holdings Private Limited</b> <b>11. Bombay Chamber of Commerce &amp; Industry</b> <b>12. Nayroh Lifestyle and Leisure Infrastructure Limited</b>	<b>1. SKIL Karnataka Infrastructure Limited</b> <b>2. Chemm Finance Limited</b> <b>3. Namtech Electronic Devices Limited</b> <b>4. Namtech Tai Limited</b> <b>5. JPT Securities Limited</b> <b>6. Symphony TV &amp; Entertainments Private Limited</b> <b>7. Lakeside Medical Centre Private Limited</b> <b>8. Stumpp, Schuele &amp; Somappa Private Limited</b> <b>9. Karanja Infrastructure Private Limited</b> <b>10. Transaction Analysts (India) Private Limited</b> <b>11. Esmario Export Enterprises Private Limited</b> <b>12. Varahi Infrastructure Private Limited</b> <b>13. Mahakaleshwar Knowledge Infrastructure Private Limited</b>
<b>Committee Chairmanships</b>	<b>: Nil</b>	<b>Nil</b>
<b>Committee Memberships</b>	<b>: Member in Audit Committee of (i) E Complex Private Limited (ii) Donyi Polo Petrochemicals Limited (iii) Pipavav Defence and Offshore Engineering Company Limited</b> <b>Member in Shareholder's Grievance Committee of Pipavav Defence and Offshore Engineering Company Limited</b>	<b>Nil</b>
<b>Number of shares held in the Company</b>	<b>: 1,175,000</b>	<b>Nil</b>
<b>Inter-se relationship with other directors</b>	<b>: Brother of Mr. Nikhil Gandhi</b>	<b>None</b>

<b>Name</b>	<b>: Mr. C.S. Sanghavi</b>	<b>Mr. V. Ramanan</b>
<b>Designation</b>	<b>: Executive and Non Independent</b>	<b>Non – Executive and Independent</b>
<b>Date of Birth</b>	<b>: May 12, 1949</b>	<b>June 6, 1949</b>
<b>Date of Appointment</b>	<b>: August 27, 2009</b>	<b>August 14, 2012</b>
<b>Other Directorships</b>	<b>: 1. Varahi Infrastructure Private Limited</b> <b>2. Metrotech Technology Park Private Limited</b> <b>3. Mahakaleshwar Knowledge Infrastructure Private Limited</b>	<b>1. Metrotech Technology Park Private Limited</b> <b>2. Mahakaleshwar Knowledge Infrastructure Private Limited</b>
<b>Committee Chairmanships</b>	<b>: Nil</b>	<b>Nil</b>
<b>Committee Memberships</b>	<b>: Nil</b>	<b>Nil</b>
<b>Number of shares held in the Company</b>	<b>: Nil</b>	<b>Nil</b>
<b>Inter-se relationship with other directors</b>	<b>: None</b>	<b>None</b>



## DIRECTORS' REPORT

**Dear Members,**

Your Directors have pleasure in presenting the 29<sup>th</sup> Annual Report of the Company together with the Audited Statement of Accounts for the year ended March 31, 2012.

### FINANCIAL RESULTS:

The performance of your Company on standalone basis for the financial year ended March 31, 2012 as compared to the previous period is summarised below:

(₹ in Lacs)

Particular	2011-2012	2010-2011
Net Income	33406.76	28572.35
Less Expenditure	32356.68	27669.79
Profit before Depreciation & Taxation	1050.09	902.57
Less Depreciation	25.26	29.50
Operating Profit	1024.83	873.07
Provision for Tax / Deferred Tax	354.04	290.98
Profit after Tax	670.78	582.09
Balance carried forward to Balance Sheet	1992.04	1446.13

### DIVIDEND:

Your Directors recommend for approval of the members at the ensuing Annual General Meeting payment of final dividend of 10% per equity share (₹ 1/- per equity share) for the financial year ended March 31, 2012.

### REVIEW OF OPERATIONS:

During the financial year under review, the Company has earned a total income of ₹ 33406.76 lacs as against ₹ 28572.35 lacs for the previous year, thereby recording an increase of 16.92% as compared to the previous year.

The Profit After Tax as on March 31, 2012 amounted to ₹ 670.78 lacs as against ₹ 582.09 lacs for the previous financial year.

The Company continues to carry out infrastructure activities in various parts of the country.

### SUBSIDIARY COMPANIES:

The Subsidiaries of your Company as on March 31, 2012 were:

- Mahakaleshwar Knowledge Infrastructure Private Limited
- Metrotech Technology Park Private Limited
- Varahi Infrastructure Private Limited

As per the provisions of Section 212 of Companies Act, 1956 ('the Act'), the holding Company is required to attach the Balance Sheet of all the subsidiary companies in the Annual Report of the Holding Company.

Pursuant to the General Circular No. (s) 2/2011 and 3/2011 dated February 8, 2011 and February 21, 2011 issued by the Ministry of Corporate Affairs, Government of India, the Board of Directors of your Company have given their consent for not attaching the balance sheets of all its subsidiaries along-with the Annual Report of the Company.

As the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet, the Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the registered office of the Company and that of the respective subsidiary companies. The Audited Consolidated Financial Statements of your Company along-with the Auditors' Report have been annexed to this Annual Report. Further, The Financial information for each subsidiary, as per the requirement of the said Circular, is annexed to the Consolidated Financial Statements.



### **DIRECTORS:**

During the year under review, Mr. J. Alexander and Mr. V. Ramanan have been appointed as Additional Directors of the Company by the Board of Directors on August 3, 2012 and August 14, 2012 respectively, who shall hold office upto the date of the ensuing Annual General Meeting.

The Company has received notices in writing from members under Section 257 of the Companies Act, 1956 alongwith a refundable deposit of Rs 500/- each, proposing the candidature of Mr. J. Alexander and Mr. V. Ramanan for the office of Director of the Company. Taking into consideration the vast experience and expertise of Mr. J. Alexander and Mr. V. Ramanan, the Board recommends their appointment as a Director of the Company at the ensuing Annual General Meeting.

Mr. Bhavesh Gandhi, and Mr. C.S. Sanghavi, Directors of the Company, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment.

A brief profile of all these Directors containing details of their qualifications, expertise, other directorships, committee memberships etc. have been given in the notice of the ensuing Annual General Meeting.

Tenure of Mr. M.P. Vora, as Managing Director of the Company was completed on May 31, 2012. However, he continues to be the director of the Company. Further, Mr. S. Sundar, Mr. Dinkar Samant, Mr. Ajai Vikram Singh, Mr. A. Prasad and Mr. K.R. Chabria resigned with effect from June 25, 2012, April 27, 2012, June 25, 2012, July 19, 2012 and July 23, 2012 respectively.

The Board places on record its appreciation for the valuable contributions made by the Directors during their tenure.

### **FIXED DEPOSITS:**

The Company has not accepted any deposits from the public or shareholders during the year.

### **CORPORATE GOVERNANCE:**

As required by Clause 49 of the Listing Agreements entered into by your Company with the National Stock Exchange of India Limited and The Calcutta Stock Exchange Limited, a detailed Report on Corporate Governance is included in the Annual Report. The Company has obtained a Certificate from Mr. Virendra G. Bhatt, Practising Company Secretary regarding compliance of the conditions of Corporate Governance, as stipulated in Clause 49 of the Listing Agreement which is annexed to this Report.

### **MANAGEMENT DISCUSSION AND ANALYSIS:**

A report on Management Discussion and Analysis as required under Clause 49 of the Listing Agreement is also annexed to this Report.

### **LISTING AGREEMENT COMPLIANCES:**

The Company's equity shares are listed on the National Stock Exchange of India Limited ('NSE') and on The Calcutta Stock Exchange Limited ('CSE').

The Company has paid the annual listing fees for the year 2012-13 and has complied with the conditions of the Listing Agreement.

### **DIRECTORS' RESPONSIBILITY STATEMENT:**

Your Directors further report that:

In terms of Section 217(2AA) of the Companies Act, 1956, the Directors would like to state that:

- 1) in the preparation of the annual accounts for the financial year ended March 31, 2012, the applicable accounting standards have been followed alongwith proper explanation relating to the material departures;
- 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, 2012 and of the profit or loss of the Company for that 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.

**AUDITORS:**

M/s Bharat Shah & Associates, Chartered Accountants, the Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and being eligible, have expressed their willingness to continue.

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

**AUDITOR'S REPORT:**

The Auditor's Report to the Shareholders on the Accounts of the Company for the financial year ended March 31, 2012, is self-explanatory.

**INTERNAL AUDITORS:**

M/s. RSVA & Co. Chartered Accountants, Mumbai have been appointed as Internal Auditors for conducting internal audit of the Company. The Internal Auditors independently evaluate the internal controls systems, monitor implementation of the accounting systems & procedures and statutory compliances. The Audit Committee periodically reviews the reports of the Internal Auditors.

**AUDIT COMMITTEE:**

The composition of the Audit Committee is in compliance with Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. The Audit Committee was re-constituted on August 3, 2012 and further on August 14, 2012. The present Audit Committee comprises of Mr. J. Alexander as Chairman and Mr. S. A. Peeran, Mr. V. Ramanan and Mr. C.S. Sanghavi as Members. The Audit Committee has reviewed the Annual Accounts for the year ended March 31, 2012, annexed to this Report.

**PARTICULARS OF EMPLOYEES:**

During the financial year under review, none of the employees of the company is covered under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particular of Employees) Rules, 1975.

**PERSONNEL:**

The personnel relations of the Company remained cordial and peaceful throughout the year.

**ENERGY / TECHNOLOGY / FOREIGN EXCHANGE:**

Information in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, 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 provided hereunder:

Conservation of Energy: Not Applicable

Technology absorption: Nil

Foreign Exchange Earnings: Nil

Foreign outgo during the year under review is ₹ 91.44 Lacs.

**GREEN INITIATIVES IN CORPORATE GOVERNANCE:**

The 'Green Initiative in Corporate Governance' programme was introduced by the Ministry of Corporate Affairs vide Circulars 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011, respectively, whereby Companies are permitted to send notices, documents including Annual Report, etc. in electronic mode. This reduces paper consumption to a great extent and allows Members to contribute towards a Greener Environment.

In this regard, Company had already issued a letter to all the Members giving them an advance opportunity to register their email address (and changes therein from time to time) with the Company so that the documents can be sent to them in the electronic mode. Accordingly, the Company has arranged to send the soft copies of these documents to the e-mail address of Members, wherever applicable. In case any of the Members would like to receive physical copies of these documents, the same shall be forwarded, free of cost, on written request to the Registrar and Share Transfer Agent of the Company i.e., Link Intime India Private Limited.

**APPRECIATION:**

Your Directors thank all the employees of the Company, the Bankers, the Clients, and Vendors and the Governmental Authorities for their support during the year under review and look forward to their continued support in the future.

**For and on behalf of the Board**

**Place:** Mumbai  
**Date:** August 14, 2012

C.S. Sanghavi  
**Director**

J. Alexander  
**Director**

## REPORT ON CORPORATE GOVERNANCE

In compliance with the Corporate Governance requirements as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges a report on Corporate Governance is set out below.

### 1. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

The Company's philosophy on the Code of Corporate Governance envisions attainment of the highest levels of integrity, professionalism, transparency, accountability and fairness in respect of Company's operations, actions and achievement of highest internal standards in its governance. It aims to enhance shareholders' value and achieve the high standards of governance practices by putting in place a sound internal control system, timely disclosures and accurate information dissemination, for understanding risk profile and monitoring at every stage of the Company's operations.

### 2. BOARD OF DIRECTORS ('BOARD'):

#### (i) Composition and Category of the Board & Number of other Directorship and Membership on other Board Committees:

The composition of the Board is in conformity with Clause 49 of the Listing Agreement. As on March 31, 2012 the Board comprised of Ten Directors. Out of these, three are Executive Directors and the other seven are Non-Executive Directors including five Independent Directors.

As mandated by Clause 49 of the Listing Agreement none of the Directors of the Board is a member of more than 10 Committees or Chairman of more than 5 Committees. All the Directors have made requisite disclosures regarding board and committee memberships held by them in other companies and the same have been duly recorded by the Board in its meetings from time to time. None of the Directors of the Company are inter-se related to each other except Mr. Nikhil Gandhi and Mr. Bhavesh Gandhi who are brothers.

A detailed chart showing the names and categories of the Directors on the Board, number of other Directorships in Indian Public Limited Companies and Membership of the Committees of the Boards of such companies is given below. Other Directorships excludes Alternate Directorships, Indian Private Limited Companies, Section 25 Companies and Foreign Companies. Memberships/ Chairmanship of Board Committees include only Audit Committee and Shareholders'/ Investors' Grievance Committee:

Name	Category of Directorship	Designation	Other Directorships as on March 31, 2012	Memberships/ Chairmanship in Committees of Board of other Public Companies as on March 31, 2012	
				Chairman	Member
Mr. S. Sundar	Non-Executive, Independent	Chairman	5	-	1
Mr. M. P. Vora	Executive, Non independent	Managing Director	-	-	-
Mr. C. S. Sanghavi	Executive, Non independent	Whole-time Director	-	-	-
Mr. Dinkar Samant	Executive, Non independent	Whole-time Director	-	-	-
Mr. Nikhil Gandhi	Promoter, Non Executive, Non independent	Director	10	1	6
Mr. Bhavesh Gandhi	Promoter, Non Executive Non independent	Director	5	-	4
Mr. Ajai Vikram Singh	Non Executive, Independent	Director	1	-	1
Mr. A. Prasad	Non Executive, Independent	Director	-	-	-
Mr. S. A. Peeran	Non Executive, Independent	Director	-	-	-
Mr. K. R. Chabria	Non Executive, Independent	Director	1	-	-

#### (ii) Meetings and Attendance during the year ended March 31, 2012:

During the year 4 (four) Board Meetings were held on May 30, 2011, August 12, 2011, November 10, 2011 and February 8, 2012. The attendance of each Director at the said Board Meetings and at the 28<sup>th</sup> Annual General Meeting held on August 12, 2011, is given below:

Name	No. of Board Meetings held during the year	No. of Board Meetings attended	Attendance at the last AGM
Mr. S. Sundar	4	3	Y
Mr. C. S. Sanghavi	4	4	Y
Mr. Dinkar Samant	4	3	Y
Mr. M. P. Vora	4	4	Y
Mr. Nikhil Gandhi	4	3	N
Mr. Bhavesh Gandhi	4	0	N
Mr. Ajai Vikram Singh	4	2	N
Mr. A. Prasad	4	3	N*
Mr. S. A. Peeran	4	3	Y
Mr. K. R. Chabria	4	3	Y*

\*Mr. A. Prasad, Chairman of the Audit Committee, could not attend the AGM due to unforeseen exigencies. Mr. K. R. Chabria was nominated as representative by the Audit Committee to attend the AGM on its behalf.



### 3. AUDIT COMMITTEE:

The Audit Committee of the Company is constituted in accordance with the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

#### (i) Brief description of terms of reference:

The terms of reference of the Audit Committee, inter alia, include the following:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible information is disclosed.
2. Recommending to the Board the appointment, re-appointment and removal of the statutory auditors, fixation of audit fee and also approval for payment for other services.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
9. Discussion with internal auditors any significant findings and follow up there on.
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non- payment of declared dividends) and creditors.
13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
14. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
16. Carrying out any other function as may from time to time be required under any statutory, contractual or other regulatory requirement.

#### Review of information by Audit Committee:

1. Management Discussion & Analysis of financial condition and results of operations.
2. Statement of significant related party transactions, submitted by management.
3. Management letters/letters of internal control weaknesses issued by the statutory auditors.
4. Internal audit reports relating to internal control weaknesses and
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

Further, Audit committee has been granted powers as prescribed under Clause 49 (II)(C) of the Listing Agreement.

#### (ii) Composition:

As on March 31, 2012, the Audit Committee comprises of four Directors. viz. Mr. A. Prasad (Chairman), Mr. S.A. Peeran, Mr. K.R. Chabria and Mr. M.P. Vora.

**(iii) Meetings and Attendance during the year ended March 31, 2012:**

The Committee met four times during the year 2011-2012 on May 30, 2011, August 11, 2011, November 10, 2011 and February 7, 2012. Required quorum was present at all the meetings.

The details of the members of the committee attendance at the above meetings are given below:

Sr. No.	Name of Member	Meetings	
		Held	Attended
1.	Mr. A. Prasad	4	3
2.	Mr. S. A. Peeran	4	2
3.	Mr. K. R. Chabria	4	3
4.	Mr. M. P. Vora	4	4

The Meetings of the Audit Committee were attended as Invitees by the Chief Financial Officer, Statutory Auditors, Internal Auditors and senior officials as and when necessary. The Company Secretary of the Company is the secretary to the Committee.

**4. COMPENSATION / REMUNERATION COMMITTEE:****(i) Brief descriptions of terms of reference:**

- 1) Recommending to the Board, the remuneration packages of the Company's Managing Director /Joint Managing Director /Deputy Managing Director /Whole Time Director /Executive Director, including all elements of remuneration package (i.e., salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.).
- (2) Implementing, supervising and administering any share or stock option policy or any other scheme formulated by the Company.
- (3) Establishing and administering any employee compensation and benefit plans.
- (4) Carrying out other functions as may from time to time be required under any statutory, contractual or other regulatory requirement.

**(ii) Composition:**

As on March 31, 2012, the Compensation / Remuneration Committee comprises of three Directors. viz. Mr. S. Sundar (Chairman), Mr. Nikhil Gandhi and Mr. K.R. Chabria.

**(iii) Meetings and Attendance during the year ended March 31, 2012:**

During the year under review, no Committee meeting was held.

**(iv) Remuneration Policy:**

The Company's remuneration policy is driven by the success and performance of the individual employee and the Company. Through its Compensation programme, the Company endeavours to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, benefits and Economic Value Analysis based variable pay. Individual performance pay is determined by business performance and the performance of individuals measured through the annual appraisal process.

**(v) Remuneration to the Directors for the financial year 2011-2012:**

The Non-Executive Independent Directors are paid sitting fees of ₹ 5000/- for attending each Meeting of the Board of Directors and ₹ 2500/- the Board Committees, which is within the limits prescribed under the Companies Act, 1956. Remuneration has been paid to Mr. M.P. Vora as per the Agreement entered with him. Details of the remuneration paid to the Directors of the Company during the year ended March 31, 2012, are as follows:

(Amount in ₹)

Sr. No.	Name of Director	Sitting Fees	Salary & Perquisites	Total
1.	Mr. S. Sundar	15000/-	-	15000/-
2.	Mr. M. P. Vora	-	4800000/-	4800000/-
3.	Mr. C. S. Sanghavi	-	-	-
4.	Mr. Dinkar Samant	-	-	-
5.	Mr. Nikhil Gandhi	-	-	-
6.	Mr. Bhavesh Gandhi	-	-	-
7.	Mr. Ajai Vikram Singh	10000/-	-	10000/-
8.	Mr. A. Prasad	22500/-	-	22500/-
9.	Mr. S.A. Peeran	20000/-	-	20000/-
10.	Mr. K. R. Chabria	22500/-	-	22500/-



The Company does not have any Employee Stock Option Scheme (ESOS).

**Shareholding of Non-Executive Directors as on March 31, 2012:**

None of the Non-Executive Directors held any Equity Shares in the Company except Mr. Nikhil Gandhi and Mr. Bhavesh Gandhi who holds 11,75,000 Equity Shares, each.

**5. SHAREHOLDERS / INVESTORS' GRIEVANCE COMMITTEE:**

The Company has constituted a Shareholders/ Investors Grievance Committee to look into the expeditious redressal of complaints of the investors such as transfer or credit of shares, non receipt of dividend / notices / annual reports and other matters encompassing the Shareholders/ Investors' related issues

**(i) The Composition of Shareholders / Investors' Grievance Committee is as follows:**

As on March 31, 2012, the Shareholders / Investors' Grievance Committee comprises of four Directors. viz. Mr. K.R. Chabria (Chairman), Mr. S.A. Peeran, Mr. A. Prasad and Mr. Dinkar Samant.

**(ii) The Name and Designation of Compliance Officer:**

Name of the Compliance Officer	Designation
Mr. Neeraj Rai	Company Secretary

**(iii) Details of shareholders complaints received and resolved during the year ended March 31, 2012:**

Pending as on April 1, 2011	Received during the year	Resolved during the year	Pending as on March 31, 2012
Nil	Nil	Nil	Nil

**6. GENERAL BODY MEETINGS:**

**(i) Location and time of last three Annual General Meetings:**

Year	Location	Date	Time
2010-2011	Babasaheb Dahanukar Hall, Oricon House, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai 400 001.	12.08.2011	3.00 p.m.
2009-2010	M. C. Ghia Hall, 2nd Floor, Bhogilal Hargovindas Building, 18/20, K. Dubhash Marg, Kala Ghoda, Mumbai 400 001.	11.08.2010	3.00 p.m.
2008-2009	M. C. Ghia Hall, 2nd Floor, Bhogilal Hargovindas Building, 18/20, K. Dubhash Marg, Kala Ghoda, Mumbai -400 001.	27.08.2009	3.30 p.m.

**(ii) Special Resolutions passed during the last three years: No**

**(iii) Special Resolution passed during the Financial Year 2011-12 through the Postal Ballot: No**

**(iv) Person who conducted the postal ballot exercise: Not Applicable**

**(v) Whether any special resolution is proposed to be conducted through postal ballot: No**

**(vi) Procedure for postal ballot: Not Applicable as no Special Resolution was passed through Postal Ballot during the last year.**

**7. DISCLOSURES:**

**(i) Related Party Transactions:**

Transactions with related parties entered into by the Company in the normal course of business were placed before the Audit Committee. Details of related party transactions are included at Note No. 27 & 28 in Notes to Accounts of consolidated & standalone financial statement, respectively.

**(ii) Details of non-compliance:**

There were no cases of non-compliance with Stock Exchanges or SEBI regulations, nor any cases of penalties or strictures imposed by any Stock Exchanges or SEBI or any other statutory authority for any matter related to the capital markets, during the last three years.

**(iii) Whistle Blower Policy:**

Your Company at present does not have a Whistle Blower Policy. However any employee, if he / she desires, has free access to meet or communicate with the Audit Committee and report any matter of concern.

**(iv) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this Clause:**

There has been complete compliance with mandatory requirements of Clause 49 of the Listing Agreement relating to Corporate Governance. As a part of adoption of Non-mandatory requirements, the Company has set up a Remuneration Committee details of which have been provided in this Report.



**8. MEANS OF COMMUNICATION:**

In accordance with Clause 54 of the Listing Agreement, the Company has maintained a functional website at [www.horizoninfra.com](http://www.horizoninfra.com). containing basic information about the Company viz. financial information, shareholding pattern, compliance with corporate governance, etc. The contents of the said website are updated from time to time.

The quarterly, half yearly and Annual financial results are sent to the Stock Exchange in terms of the requirement of Clause 41 of the Listing Agreement and are published in Free Press Journal (English) and Navshakti (Marathi) , which are national and local dailies respectively and also displayed on the Company's website [www.horizoninfra.com](http://www.horizoninfra.com). for the benefit of the public at large.

**9. GENERAL SHAREHOLDER INFORMATION:****(i) 29<sup>th</sup> Annual General Meeting:**

Date:	Friday, September 28, 2012
Time:	2:00 p.m.
Venue:	Bombay Club Suite, Royal Bombay Yacht Club, Chhatrapati Shivaji Maharaj Marg, Apollo Bunder, Near Taj Mahal Hotel, Mumbai - 400 001.

**(ii) Financial Calendar for the year 2012-13 (tentative):**

Tentative Schedule		Tentative Dates
1.	Financial reporting for the quarter ended June 30, 2012	On or before August 14, 2012
2.	Financial reporting for the quarter ended September 30, 2012	On or before November 14, 2012
3.	Financial reporting for the quarter ended December 31, 2012	On or before February 14, 2013
4.	Financial reporting for the year ended March 31, 2013	On or before May 30, 2013
5.	Annual General Meeting for the year ending March 31, 2013	On or before September 30, 2013

**(iii) Date of Book Closure:**

The Register of Members and the Share Transfer books of the Company will remain closed from Wednesday, September 26, 2012 to Friday, September 28, 2012 (both days inclusive).

**(iv) Dividend Payment Date:**

The Dividend on equity shares as recommended by the Directors for the year ended March 31, 2012, is declare at the meeting, will be paid from October 4, 2012 onwards.

**(v) Listing on Stock Exchange:**

The Equity Shares of the Company are listed with National Stock Exchange of India Limited ('NSE') and The Calcutta Stock Exchange Limited ('CSE'). The Company has paid annual listing fees for the year 2012-2013 to the Stock Exchanges.

The Company has paid custodial fees for the year 2012-2013 to National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') on the basis of number of beneficial accounts maintained by them as on March 31, 2012.

**(vi) Stock Code/ ISIN Number:**

- (a) National Stock Exchange of India Limited: Scrip Code - HORIZONINF
- (b) The Calcutta Stock Exchange Limited: Scrip Code - 18039
- (c) Demat ISIN Number – for NSDL / CDSL: ISIN INE429F01012



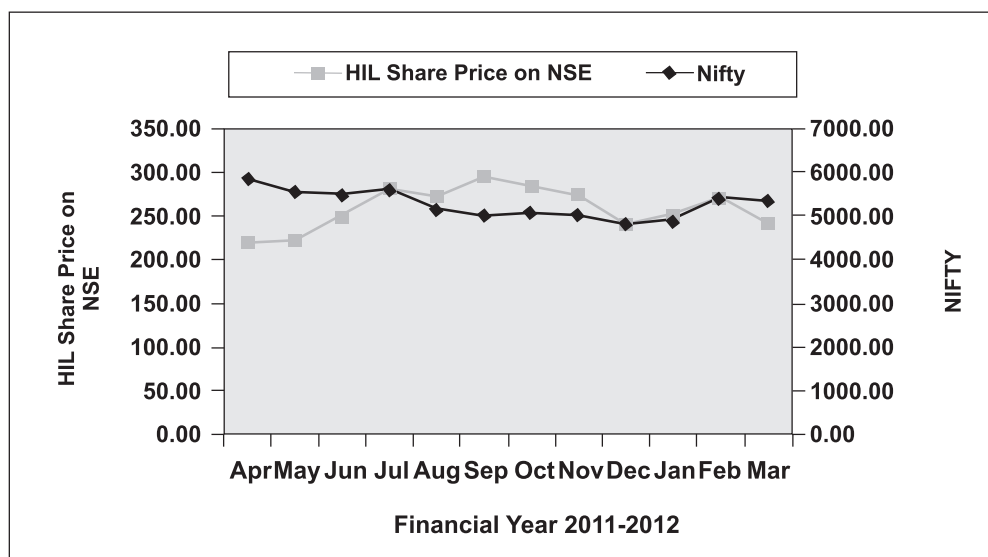
**(vii) Stock Market price data relating to Equity Shares listed in NSE and CSE:**

High and low of market prices of the Company's Equity Shares traded on NSE during the financial year were as follows:

Month & Year	High (₹)	Low (₹)
April 2011	245.00	193.80
May 2011	240.00	203.15
June 2011	268.50	227.05
July 2011	295.40	266.05
August 2011	286.80	255.55
September 2011	330.40	259.05
October 2011	297.50	270.00
November 2011	294.50	252.35
December 2011	268.50	213.45
January 2012	283.10	217.30
February 2012	286.85	251.85
March 2012	271.30	212.50

There was no trading at The Calcutta Stock Exchange Limited during the financial year.

**(viii) Stock Performance in comparison to NSE**



**(ix) Registrar & Transfer Agents**

Link Intime India Private Limited,  
C – 13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (West),  
Mumbai 400 078.

Ph. : +91-22-2596 3838

Fax : +91-22-2594 6969

**(x) Share Transfer System**

The Company has appointed Link Intime India Private Limited as its Registrar & Share Transfer Agents. All share transfer and related operations are conducted by Link Intime India Private Limited.

**(xi) (a) Distribution of Shareholding as on March 31, 2012**

No. of Shares	No. of Shareholders	% of Shareholders	Shares	% to Total
1 – 500	1963	90.01	105253	0.98
501 – 1000	88	4.04	72699	0.68
1001 – 2000	46	2.11	69592	0.65
2001 – 3000	15	0.69	39385	0.37
3001 – 4000	9	0.41	32327	0.30
4001 – 5000	2	0.09	8700	0.08
5001 – 10000	12	0.55	84224	0.78
10001 & above	46	2.11	10327820	96.16
Total	2181	100.00	10740000	100.00

**(b) Shareholding Pattern (categories of shareholders) as on March 31, 2012:**

Category	No. of Shares held	% of Total shareholding
Promoters	5623589	52.36
Bodies Corporate	3842208	35.77
Others	1274203	11.87
Total	10740000	100.00

**(xii) Dematerialization of Shares and Liquidity:**

As on March 31, 2012, 8937799 equity shares i.e., 83.22% (approx) of the total equity shares of the Company are in electronic form with NSDL and CDSL. The Promoters hold their entire equity shareholding in the Company in dematerialized form. The Equity Shares of the Company are traded on NSE which ensures good liquidity for the investors.

**(xiii) Outstanding GDRs/ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity:** Not applicable**(xiv) Location of Works:**

During the financial the Company has executed work contracts in various parts of country particularly in the states of: Maharashtra, Andhra Pradesh, Madhya Pradesh, Uttarakhand, Tamilnadu and West Bengal.

**(xv) Address for Investor Correspondence:**

For transfer/dematerialization of Shares, payment of dividend on shares, corporate actions or change of address or any query relating to the shares of the Company or any other query, the shareholders are requested to contact:

Registrar & Share Transfer Agents:

Link Intime India Private Limited

C – 13, Pannalal Silk Mills Compound,

L.B.S. Marg, Bhandup (West),

Mumbai 400 078

Ph. : +91-22-2596 3838;

Fax : +91-22-2594 6969

E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

**10. CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT OF THE COMPANY:**

In accordance with the requirement of Corporate Governance the Board of Directors of the Company has formulated a code of conduct for Directors and Senior Management of the Company, the Compliance of which has been affirmed by all Board Members and Senior Management Personnel. The required declaration to the effect signed by the Whole-time Director is annexed to the Annual Report.

**11. CEO AND CFO CERTIFICATION:**

In accordance with requirement of Corporate Governance Clause 49(V) of the Listing Agreement, the Board of Directors of the Company have been furnished with the requisite certificate from the Whole-time Director and Chief Financial Officer (CFO) of the Company, which is annexed to the Annual Report.



## Certificate of Corporate Governance

To,  
The Members of  
HORIZON INFRASTRUCTURE LIMITED

We have examined the compliance of Corporate Governance by HORIZON INFRASTRUCTURE LIMITED for the year ended March 31, 2012 as stipulated in Clause 49 of the Listing Agreement of the Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the company's management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the Compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor expression of Corporate Governance as stipulated in the above-mentioned Listing Agreements.

In our opinion and to the best of our information and according to the explanation given to us and based on the representations, made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We further state that such compliance is neither an assurance to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Place:** Mumbai

**Date:** August 14, 2012

**Virendra Bhatt**  
**Practicing Company Secretary**

**A.C.S No: 1157, C.P No: 124**

## Certificate of Compliance with Code of Conduct

This is to affirm that the Board of Directors of Horizon Infrastructure Limited has adopted a Code of Conduct for its Board Members and Senior Management Personnel in compliance with the provisions of Clause 49 (1)(d) of the Listing Agreement with the Stock Exchanges and Board Members and Senior Management Personnel of the Company have confirmed the compliance of provisions of the said code for the financial year ended March 31, 2012.

**Place :** New Delhi

**Date :** May 30, 2012

**C. S. Sanghavi**  
**Whole-time Director**

## Certificate of Whole-time Director and Chief Financial Officer on Financial Statements under Clause 49 of the Listing Agreement

We, C.S. Sanghavi, Whole-time Director and Rakesh Verma, Chief Financial Officer of Horizon infrastructure Limited, to the best of our knowledge and belief certify that:

- (a) We have reviewed the financial statements, along with the Cash flow statements of Horizon Infrastructure Limited for the year ended March 31, 2012 and to the best of our knowledge and belief that:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year under review which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, and steps taken or proposed to be taken for rectifying these deficiencies.
- (d) We have indicated to the Auditors and the Audit committee:
  - (i) There were no significant changes in internal control over financial reporting during the year;
  - (ii) There were no significant changes made in the accounting policies made during the year and that the same have been disclosed to the notes to the financial statements; and
  - (iii) There were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee who have a significant role in the Company's internal control systems over financial reporting;

**Place:** New Delhi

**Date:** May 30, 2012

**C.S. Sanghavi**  
**Whole-time Director**

**Rakesh Verma**  
**Chief Financial Officer**

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDIAN ECONOMY OVERVIEW

The Indian economy is estimated to grow by 6.9 per cent in 2011-12, after having grown at the rate of 8.4 per cent in each of the two preceding years. This indicates a slowdown compared not just to the previous two years but 2003 to 2011 (except 2008-9). At the same time, sight must not be lost of the fact that, by any cross-country comparison, India remains among the front-runners. With agriculture and services continuing to perform well, India's slowdown can be attributed almost entirely to weakening industrial growth. Monetary policy was tightened by the Reserve Bank of India (RBI) during the year to control inflation and curb inflationary expectations.

The global economic environment, which has been tenuous at best throughout the year, turned sharply adverse in September 2011 owing to the turmoil in the eurozone. However, for the Indian economy, the outlook for growth and price stability at this juncture looks more promising.

(Source: Economic Survey 2011-12)

### OUTLOOK AND PROSPECTS

The globalization of India has given rise to new opportunities but it has also brought with it new challenges and responsibilities. It means that the global economy can no longer be viewed from a spectator's standpoint. The global economic outlook is still very uncertain, with the risks of renewed recession in advanced economies and widespread financial crisis growing. Further deterioration of the economic crisis cannot be ruled out and it will not be good news for emerging economies including India. However, it is expected that the current scenario will be a temporary scenario and considering the strong fundamentals India enjoys, along with improvement in domestic issues, India is well positioned to outperform fellow Asian powerhouse China in terms of GDP growth in 2012-2013. Both of these countries still remain amongst the top performers in the group of 25, so called Rapid Growth Markets (RGMs), which also includes Brazil and Russia.

(Source: DBFS Equities Research/India/General dated December 19, 2011)

### RISKS AND CONCERNS

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

- **Increased cost of Infrastructure financing for the company:** The RBI has successively raised rates in the past few months resulting in an increase in cost of borrowing for the company. To fuel growth, borrowing levels have also been rising causing an overall increase in interest cost and debt levels. To effectively manage these costs, the company ensures adequate cushioning in price bids of contracts.
- **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.
- **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.
- **Liquidity risk:** The Company is into a highly capital intensive industry segment. Non availability of funds or increased cost of funding will result in pressurized margins. The Company requires a large amount of long term/short term funds to meet its requirement for various Infrastructure/Construction projects. To manage this, the Company proactively manages the debt levels from banks to provide adequate liquidity for its operations.
- **Slowdown in Government Spending:** The Company's business is highly dependent on government regulations and policies. Any adverse change or regulation can adversely impact the Company's plans. 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 slowdown in the infrastructure spends in select sectors.

### EMERGING BUSINESS OPPORTUNITIES

#### Tourism Sector:

Tourism, being one of the largest industries, plays a key role in achieving the socio-economic goals of the development plans of a nation. It is an important service-oriented sector which has made rapid strides globally in terms of gross revenue and foreign exchange earnings. It is a composite of service providers, both public and private, which includes travel agents and tour operators; air, rail and sea transportation operators; guides; owners of hotels, guest houses and inns, restaurants and shops; etc. They are involved in meeting the diverse interests and requirements of domestic and international tourists. The tourism industry provides incentives to foster the quality of environment, generates more employment opportunities (particularly in remote and backward areas) as well as develops necessary infrastructure facilities like roads, telecom and medical services, in the economy.

In India, tourism industry holds special position as it not only have potential to grow at a high rate, but also stimulate other economic sectors through its backward and forward linkages and cross-sectional synergies with sectors like agriculture, horticulture, poultry, handicrafts, transport, construction, etc. The travel and tourism sector contributes to the national integration; preserves natural and cultural environments, as well as enriches social and cultural lives of the people. It has the capacity to create substantial job opportunities, particularly for unskilled and semi-skilled workers as well as to alleviate the poverty in the country. Therefore, it has been regarded as the core sector of the Indian economy. India offers various categories of tourism products, such as adventure tourism; medical tourism (ayurveda and other forms of Indian medications), eco-tourism; rural tourism; cruise tourism; meetings, incentives, conferences, and exhibitions (MICE) tourism; etc.

Thus, Indian travel and tourism industry has been on rise and is gaining popularity amongst travellers all over the world. It is an engine of growth for Indian economy and helps to promote sustained development of infrastructure, such as airports, railways and roads, leading to connectivity of various tourist destinations. Besides, improvement and expansion of existing and new tourism products such as cultural and heritage tourism, rural tourism, adventure tourism, health and healing tourism, etc; promotion of 'Incredible India' campaigns; as well as active participation of State Governments therein establishes India's competitive advantage in the sector. This has enhanced the foreign exchange earnings of the country as well as improved its trade relations with other nations. All such measures and incentives, undertaken by public and private sectors, are a source of several investment opportunities in the industry. (Source: <http://business.gov.in>)



Your company is pursuing opportunities for creating high end health and wellness tourism facilities in the states of Himachal Pradesh and Maharashtra.

#### **Knowledge Sector:**

The Indian education system, one of the largest in the world, is divided into two major segments - core and non-core businesses. While, the core group has schools and higher education, the non-core business consists of pre-schools, vocational training and coaching classes.

The education sector in India is also considered as one of the major areas for investments as the entire education system is going through a process of overhaul, according to a report 'Emerging Opportunities for Private and Foreign Participants in Higher Education' by PricewaterhouseCoopers (PwC).

According to a report 'Education in India: Securing the demographic dividend,' published by Grant Thornton, the primary and secondary education, or Kindergarten-12th grade (K12) sector is expected to reach US\$ 50 billion in 2015 from US\$ 24.5 billion in 2008, growing at an estimated Compound Annual Growth Rate (CAGR) of 14 per cent.

Further, according to the report '40 million by 2020: Preparing for a new paradigm in Indian Higher Education' released by Ernst & Young, the higher education sector in India is expected to witness a growth of 18.0 per cent CAGR till 2020. At present, the sector witnesses spends of more than INR 46,200 crore (US\$ 10.4 billion), which is estimated to grow at an average rate of more than 18.0 per cent to over INR 232,500 crore (US\$ 52.5 billion) in 10 years.

The country's fast-growing education sector holds a potential to attract a US\$ 100 billion investment over the next five years driven by demand for skilled professionals and need for infrastructure development, according to experts, such as KPMG. (Source: [www.oifc.in/Sectors/Education](http://www.oifc.in/Sectors/Education))

Your company is pursuing opportunities for establishing a Knowledge Park in Maharashtra in collaboration with reputed educational institutions and universities.

#### **EPC Contracts:**

Engineering, Procurement and Construction (EPC) contracts are ubiquitous across India today.

EPC is today highly dependent on the infrastructure sector in general and the PPP model in particular to overcome resource constraints and budgetary limitations. Furthermore, with government agencies gradually handing over asset ownership and development responsibilities to private parties, there is increasing reliance on the private sector for the growth of the EPC sector. With the increasing need for accelerating infrastructure development to fuel India's economic growth, there can be no doubt that the EPC sector is in an advantageous position.

Your Company has now ventured into EPC contracting as the future of the EPC industry is expected to be bright and challenging. Challenges are inevitable in the current EPC market scenario, but the approach to management of such challenges will be the key to continued success.

#### **COMPANY'S OVERVIEW**

The envisaged GDP by Government of India need to be supported by way of creation of further infrastructural facility. The avenues are abundant and the Company is trying to capitalize the opportunities available through all the concerns.

Your Company is pursuing growth opportunities, which are strategic to its intents and operations. Your Company has set vision to be a trusted market leader in providing infrastructure solutions. With this vision, your Company is all set for exponential growth and geared up to take the challenges.

Your Company has successfully maintained its operating efficiencies and has constantly improved its financial performance.

#### **DISCUSSION ON RESULTS OF OPERATIONS**

The Company has registered total income of ₹ 32,002.97 lacs for the financial year under review reflecting a growth of 21.85 % over the preceding financial year. Profit After Tax was registered at ₹ 670.79 lacs for the year under review as compared to ₹ 582.09 lacs in the previous financial year, showing a growth of 15.24%.

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Your Company's strategy is to integrate the social, economic and environmental agenda in the fabric of its business and operations. The reasons for growing the business sustainably are compelling and your Company sees no conflict between promoting sustainable development and business growth. Your Company's vision is to increase the positive impact in the social agenda by improving health and well being, reduce the environmental impact from greenhouse gases, water and waste and work towards prosperity of the nation.

#### **HUMAN RESOURCES**

Human Resources continue to be one of the biggest assets of the Company. The growth and sustained leadership of the Company is largely a function of the competence and quality of its human resource. The Company has always aimed to create a workplace where every employee can achieve his optimum potential. The Company has a performance-rewarding culture throughout, enabling it to create leaders out of its own employees.

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Your Company believes that internal control is a necessary concomitant of the principle of governance that freedom of management should be exercised within a framework of appropriate checks and balances. Your Company remains committed to ensuring an effective internal control environment that provides assurance on the efficiency of operations and security of assets.

The Company conducts audit through an independent internal auditor and reports significant observations along with "Action Taken Reports" to the Audit Committee on a quarterly basis. The views of the Statutory Auditors are also taken into account to ascertain the adequacy of the internal control system.

#### **CAUTIONARY STATEMENT**

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations are "forward looking statements". Actual Results might differ from those anticipated because of changing ground realities, government policies, economic and political developments, market conditions, etc.



## AUDITOR'S REPORT

### Auditors' Report to the Members of Horizon Infrastructure Limited

1. We have audited the attached Balance Sheet of **Horizon Infrastructure Limited** as at March 31, 2012, Profit & Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We 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 mis-statement. 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 issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956 (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.
4. In accordance with the provision of Section 227 of the Companies Act, 1956, we report as under:
  - a. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books :
  - c. The Balance Sheet, Profit & Loss Account & Cash Flow Statement referred to in this Report is in agreement with the books of accounts ;
  - d. In our opinion, the Balance Sheet & Profit & Loss Account & Cash Flow Statement dealt with by this report compiled with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956. ;
  - e. On the basis of written representations from the directors, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2012 from being appointed as a director under Section 274(1)(g) of the Companies Act, 1956.
  - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in 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, 2012.
    - (ii) In the case of Profit & Loss Account of the Profit of the Company for the year ended on that date.And;
    - (iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**For BHARAT SHAH & ASSOCIATES,**  
Chartered Accountant  
(FRN No. 101249W)

**(BHARAT A. SHAH)**  
**PROPRIETOR**  
Membership No.32281

**Place:** Camp New Delhi  
**Dated:** May 31, 2012



## ANNEXURE TO AUDITORS' REPORT

(Referred to in paragraph 3 of the Auditors' Report of even date)

1. (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) All the fixed assets has been physically verified by the management during the year which in our opinion is reasonable having regard to the size of the company and nature of its fixed assets and no material discrepancies were noticed on such physical verification.  
(c) In our opinion and according to the information and explanations given to us, the company has not disposed off any fixed assets during the year.
2. (a) The inventories have been physically verified during the period by the management. In our opinion, the frequency of verification is reasonable.  
(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) In our opinion and according to the information and explanation given to us, the company is Maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt within the books of accounts.
3. In respect of Loans Secured or Unsecured, Granted or taken by the Company to/from Companies, Firms or Other Parties Covered in Register maintained under Section 301 of the Companies Act, 1956.  
(a) The Company has given loan to its three Subsidiaries. In respect of said Loan, the maximum Amount Outstanding at any time during the year is ₹ 2,07,40,60,044/- and the year end balance is ₹ 5,81,97,915/-.  
(b) In our opinion and according to the Information and Explanations given to us, the Rate of Interest & other terms & conditions for such Loans are not Prima Facie Prejudicial to the Interest of the Company considering the Long Term Business interest of the Company.  
(c) The said loan is repayable on demand and there is no repayment Schedule.  
(d) As the said loan is repayable on demand and therefore the question of overdue amount does not arise.  
(e) The company has taken loan from two companies covered u/s 301 of Companies Act, 1956. The maximum amount outstanding balances are ₹ 53,66,73,165/- and yearend balances are ₹ 48,61,14,756/-.  
(f) In our opinion and according to Information and Explanation given to us, interest and other terms & conditions are not prima facie prejudicial to the interest of the company.  
(g) The said loan is repayable on demand.
4. 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.
5. (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.  
(b) In our opinion and according to the information and explanations given to us, the transaction in pursuance of contract or agreement, entered in the register maintained under Section 301 of the Companies Act, 1956, & exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time, where such market prices are available.
6. The Company has not accepted any deposits from the public to which provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rule 1975 apply.
7. In our opinion, the Company has an internal audit system commensurate with size and nature of its business.
8. We have been informed by the management that the Central Government has not prescribed maintenance of cost records for the Company under Section 209(1)(d) of the Companies Act, 1956.

## Annual Report 2011-12

9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the company is generally regular in depositing the undisputed statutory dues including provident fund, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable with the appropriate authorities, According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March 2012, for the period of more than six months from the date becoming payable except a TDS from works contract ₹ 49,38,368/-.
- (b) According to the information and explanations given to us there are outstanding dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excess Duty and cess on account of any dispute are as follows:-

Sr. No.	Name of the Statute	Nature of Demand	Amount	Period for which Amount Related	Forum where Dispute is Pending
1	Income Tax Act, 1961	Income Tax Assessment Dues	₹ 15,06,632	Financial Year 2008-09	Commissioner of Income tax Appeals (Appeal-I) Mumbai

10. The Company does not have accumulated loss as at March 31, 2012 and has not incurred any cash losses during the financial year covered by our Audit and in the preceding financial year.
11. According to the records of the company examined by us and the information and explanations given to us, the company has generally not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debenture and other securities.
13. The provision of any special statute applicable to chit fund /nidhi /mutual benefit fund / societies are not applicable to the company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. The Company has given corporate guarantee for loans taken by subsidiary company from bank during the year. According to information and explanation given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the Company.
16. In our opinion, the term loan has been applied for the purpose for which it was raised.
17. According to the information and explanations given to us and an overall examination of the balance sheet of the company, we report that no funds raised on a short term basis have been used for long term investment.
18. 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.
19. According to the records of the company examined by us and the information and explanations given to us, the Company has not created securities in respect of debentures.
20. The Company has not raised any money by public issues during the year.
21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

**For BHARAT SHAH & ASSOCIATES,**  
Chartered Accountant  
(FRN No. 101249W)

**(BHARAT A. SHAH)**  
**PROPRIETOR**  
Membership No.32281

**Place:** Camp New Delhi  
**Dated:** May 31, 2012



## BALANCE SHEET AS AT MARCH 31, 2012

	Note No.	Current Year ₹	Previous Year ₹
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS FUNDS</b>			
Share Capital	2	107,400,000	107,400,000
Reserves and Surplus	3	210,703,882	156,113,075
		318,103,882	263,513,075
<b>NON CURRENT LIABILITIES</b>			
Long-Term Borrowings	4	402,852,494	2,005,213,990
Long-Term Provisions		-	-
		402,852,494	2,005,213,990
<b>CURRENT LIABILITIES</b>			
Short-Term Borrowings	5	499,012,623	400,000,000
Trade Payables	6	1,995,513,545	51,590,389
Other Current Liabilities	7	1,492,227,328	1,352,777,226
Short-Term Provisions	8	47,995,348	48,083,349
		4,034,748,843	1,852,450,964
<b>TOTAL</b>		<b>4,755,705,220</b>	<b>4,121,178,029</b>
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Fixed Assets	9		
-Tangible Assets		7,330,058	9,293,859
-Capital Work in Progress		147,093,990	128,946,666
		154,424,048	138,240,525
Non-Current Investments	10	212,085,059	193,610,229
Deferred Tax Assets	11	1,124,368	1,015,711
Long Term Loans & Advances	12	1,150,000,000	1,150,000,000
Other Non - Current Assets	13	5,199,726	6,099,643
<b>CURRENT ASSETS</b>			
Trade Receivables	14	2,331,224,557	179,915,436
Cash and Cash Equivalents	15	1,963,317	26,319,373
Short-Term Loans & Advances	16	899,684,145	2,425,977,112
		3,232,872,019	2,632,211,921
<b>TOTAL</b>		<b>4,755,705,220</b>	<b>4,121,178,029</b>
<b>Significant Accounting Policies</b>	1		
<b>Notes to Accounts</b>	2 to 32		

AS PER OUR REPORT OF EVEN DATE  
**For BHARAT SHAH & ASSOCIATES**  
Chartered Accountants  
Firm Reg No. 101249W

**FOR AND ON BEHALF OF THE BOARD**

**S.Sundar**  
Chairman

**(BHARAT A. SHAH)**  
**PROPRIETOR**  
Membership No. 32281

**M.P. Vora**  
Managing Director

**Place :** Camp New Delhi  
**Dated :** May 31, 2012

**Neeraj Rai**  
**Company Secretary**

**Rakesh Verma**  
**Chief Financial Officer**

**C.S. Sanghavi**  
**Director**

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2012**

	<b>Note No.</b>	<b>Current Year ₹</b>	<b>Previous Year ₹</b>
<b>INCOME</b>			
Revenue from Operations	17	3,200,297,421	2,626,378,953
Other Income	18	140,379,010	230,856,424
<b>TOTAL</b>		<b>3,340,676,431</b>	<b>2,857,235,377</b>
<b>EXPENDITURE</b>			
Construction & Operating Expenses	19	3,054,161,759	2,464,421,938
Employee Benefits Expenses	20	14,626,165	11,937,386
Finance Cost	21	146,443,274	277,090,479
Depreciation and Amortisation Expenses	9	2,526,352	2,950,124
Other Expenses	22	20,436,383	13,528,816
<b>TOTAL</b>		<b>3,238,193,933</b>	<b>2,769,928,743</b>
<b>Profit / (Loss) before Exceptional and Extraordinary Items and Tax</b>		<b>102,482,498</b>	<b>87,306,634</b>
<b>Exceptional Items</b>		-	-
<b>Profit / (Loss) before Extraordinary Items and Tax</b>		<b>102,482,498</b>	<b>87,306,634</b>
Extraordinary Items		-	-
<b>Profit / (Loss) before Tax</b>		<b>102,482,498</b>	<b>87,306,634</b>
<b>Tax Expenses:</b>			
Current Tax		35,513,051	29,298,924
Deferred Tax		(108,657)	(200,940)
<b>Profit / (Loss) for the period from Continuing Operations</b>		<b>67,078,104</b>	<b>58,208,650</b>
<b>Profit / (Loss) for the period from Discontinuing Operations</b>		-	-
<b>Profit / (Loss) for the period from Discontinuing Operations (After Tax)</b>		-	-
<b>Profit / (Loss) for the period</b>		<b>67,078,104</b>	<b>58,208,650</b>
Earnings Per Share of Rs.10/- each (Refer Note No.26)			
- Basic & Diluted		<b>6.25</b>	<b>5.42</b>
<b>Significant Accounting Policies</b>	1		
<b>Notes to Accounts</b>	2 to 32		

AS PER OUR REPORT OF EVEN DATE  
**For BHARAT SHAH & ASSOCIATES**  
Chartered Accountants  
Firm Reg No. 101249W

**(BHARAT A. SHAH)**  
**PROPRIETOR**  
Membership No. 32281

**Place :** Camp New Delhi  
**Dated :** May 31, 2012

**Neeraj Rai**  
**Company Secretary**

**Rakesh Verma**  
**Chief Financial Officer**

**FOR AND ON BEHALF OF THE BOARD**  
  
**S.Sundar**  
**Chairman**

**M.P. Vora**  
**Managing Director**

**C.S. Sanghavi**  
**Director**



## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

	Current Year ₹	Previous Year ₹
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax and Extraordinary Items	102,482,498	87,306,635
<i>Adjustments for :-</i>		
Depreciation	2,526,352	2,950,124
Interest Paid	146,443,274	277,090,479
Interest Received	(140,379,010)	(230,856,424)
Miscellaneous Expenditure Written Off	899,917	899,917
<i>Operating Profit Before Working Capital Charges</i>	<u>111,973,031</u>	<u>137,390,730</u>
<i>Adjustments for :-</i>		
Trade & Other Receivables	(598,149,176)	(91,985,610)
Liabilities and Provisions	2,083,274,718	100,605,676
<i>Net Cash Flow From Operating Activities</i>	<u>1,597,098,573</u>	<u>146,010,796</u>
Direct Taxes Paid	(56,169,657)	(78,026,473)
Net Cash Flow From Operating Activities	1,540,928,916	67,984,323
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Movement in Investment Management Account	(18,474,830)	(6,653,000)
Purchase of Fixed Assets	(562,551)	(1,278,141)
Payment towards Capital Work in Progress	(18,147,324)	(7,592,367)
Interest Received	140,379,010	230,856,424
<i>Net Cash Flow From Investing Activities</i>	<u>103,194,305</u>	<u>215,332,916</u>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings	(1,503,348,873)	(2,378,531)
Interest Paid	(146,443,274)	(277,090,479)
Dividend Paid	(16,011,461)	(10,674,704)
Tax On dividend Paid	(2,675,670)	(1,783,780)
<i>Net Cash Used In Financing Activities</i>	<u>(1,668,479,278)</u>	<u>(291,927,494)</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	(24,356,057)	(8,610,254)
Cash & Cash Equivalents as at April 1, 2011 (Opening Balance)	26,319,373	34,929,627
Cash & Cash Equivalents as at March 31, 2012 (Closing Balance)	1,963,317	26,319,373

AS PER OUR REPORT OF EVEN DATE  
**For BHARAT SHAH & ASSOCIATES**  
Chartered Accountants  
Firm Reg No. 101249W

**FOR AND ON BEHALF OF THE BOARD**

**S.Sundar**  
Chairman

**(BHARAT A. SHAH)**  
**PROPRIETOR**  
Membership No. 32281

**M.P. Vora**  
Managing Director

**Place :** Camp New Delhi  
**Dated :** May 31, 2012

**Neeraj Rai**  
**Company Secretary**

**Rakesh Verma**  
**Chief Financial Officer**

**C.S. Sanghavi**  
**Director**



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31, 2012

### NOTE - 1

#### SIGNIFICANT ACCOUNTING POLICIES

##### 1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements are prepared as a going concern under historical cost convention on an accrual basis following the historical cost convention in accordance with generally accepted accounting principles "GAAP" and in compliance with the Accounting Standards referred in Section 211 (3C) and other requirements of the Companies Act, 1956.

##### 2. USE OF ESTIMATES

The preparation of financial statements in conformity with "GAAP" requires that the management of the company makes estimates & assumptions that affect the reported amounts of income & expenses of the period, the reported balances of assets & liabilities & the disclosures relating to contingent liabilities as of the date of the financial statements. Actual results could differ from estimates.

##### 3. FIXED ASSETS

Fixed Assets are stated at cost of acquisition including expenses incidental to their acquisition less accumulated depreciation & impairment.

##### 4. DEPRECIATION

Depreciation on Fixed Assets is provided on the Written Down Value Method, at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

##### 5. INVESTMENTS

Current investments are carried at the lower of cost & quoted/fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

##### 6. BORROWING COST:

Borrowing Cost that are directly attributable to the acquisition or construction of qualifying assets (net of income earned on temporary deployment of funds) are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial periods of time to get ready for intended use. All other borrowing costs are charged to revenue.

##### 7. REVENUE RECOGNITION

- i. Revenues are recognised when it is earned and no significant uncertainty exists as to its ultimate collection and includes, service tax, wherever applicable.
- ii. Interest income is recognised on a time proportion basis. Dividend is considered when the right to receive is established.

##### 8. INVENTORIES

Inventories are measured at cost. Cost is determined on weighted average basis.

##### 9. EMPLOYEE BENEFITS

- i. Short term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which relative service is rendered.
- ii. Post employment and other long term employee benefits are recognized as an expense in the profit & Loss account for the year in which the employee has rendered services. The expenses are recognized at the present value of the amount payable determined using the actuarial valuation techniques. Actuarial gain and losses in respect of post employment and other long term benefit are charged to profit & Loss Account

##### 10. IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

##### 11. FOREIGN CURRENCY TRANSACTIONS:

- i. Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of the transaction.
- ii. Monetary items denominated in foreign currencies at the year end are restated at year end rates.
- iii. Non monetary foreign currency items are carried at cost.
- iv. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit & Loss Account



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31, 2012

### 12. DERIVATIVE INSTRUMENTS:

Derivative financial instruments are initially recorded at their fair value on the date of the derivative transaction and are re-measured at their fair value at subsequent balance sheet dates. Changes in the fair value of derivatives are recorded in the Profit & Loss account.

### 13. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements

### 14. PROVISION FOR CURRENT AND DEFERRED TAX

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

### 15. PRELIMINARY AND ISSUE EXPENSES

Preliminary and Expenses related to issue of equity and equity related instruments are adjusted against Securities Premium Account.

	Current Year ₹	Previous Year ₹
<b>NOTE - 2</b>		
<b>SHARE CAPITAL</b>		
<b>(a) Authorised</b>		
7,50,00,000 Equity Shares of ₹ 10/- each (P.Y. 7,50,00,000)	750,000,000	750,000,000
	<b>750,000,000</b>	<b>750,000,000</b>
<b>(b) Issued, Subscribed and paid-up</b>		
10,740,000 Equity Shares of ₹ 10/- each, fully paid-up (P.Y. 10,740,000)	107,400,000	107,400,000
	<b>107,400,000</b>	<b>107,400,000</b>
<b>(c) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period</b>		
	<b>Current Year Equity Shares</b>	<b>Previous Year Equity Shares</b>
No. of shares at the beginning of the year	10,740,000	10,740,000
Add: Issue of Shares during the year by preferential Allotment	-	-
Less: Deduction during the year on account of Buyback, Redemption, Forfeiture, Reduction etc.	-	-
No. of shares at the end of the year.	<b>10,740,000</b>	<b>10,740,000</b>
<b>(d) Details of Shareholding</b>		
No. of Shares Held By		
Each Shareholder holding more than 5% shares		
Rupali B Gandhi	1,208,000	1,208,000
Nikhil P Gandhi	1,175,000	1,175,000
Bhaves P Gandhi	1,175,000	1,175,000
Neha N Gandhi	1,168,665	1,168,665
Krosslink Infrastructure Limited	1,274,834	1,274,834
	<b>6,001,499</b>	<b>6,001,499</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31, 2012

		Current Year ₹	Previous Year ₹
<b>NOTE - 3</b>			
<b>RESERVES AND SURPLUS</b>			
<b>Capital Reserve</b>			
Balance as per last Balance Sheet	11,500,000		11,500,000
		<b>11,500,000</b>	<b>11,500,000</b>
<b>Profit and Loss Account</b>			
Balance as per last Balance Sheet	144,613,075		105,190,094
Add/(Less): Prior Period Items	(5,000)		-
Add/(Less): Net profit after tax transferred from Profit and Loss A/c	67,078,104		58,208,651
Amount available for appropriation	211,686,179		163,398,745
Add/(Less): Appropriations			
Final Dividend	(10,740,000)		(16,110,000)
Dividend Tax	(1,742,297)		(2,675,670)
		<b>199,203,882</b>	<b>144,613,075</b>
		<b>210,703,882</b>	<b>156,113,075</b>

**NOTE-4****LONG TERM BORROWING  
SECURED LOAN**

Term loan		
-From Bank	40,00,00,000	2,00,00,00,000
-From Financial Institutions	-	-
-Vehicle Loans	28,52,494	52,13,990
	<b>40,28,52,494</b>	<b>2,00,52,13,990</b>

**Terms of Repayment of Loan, Nature of Security and continuing Default in repayment of loan and interest**

	Long Term Borrowings	Amount in ₹ Outstanding as on 31-3-12	Terms of Repayment	Security	Defaults
#	Term loan up to ₹ 60 Crore granted by IDBI Bank Limited	40,00,00,000	In 54 monthly Installments commencing from October 01,2012. (53 Installments of ₹ 1.11 Crore each and last installment of ₹ 1.17 Crore)	A first mortgage and charge on all immoveable and moveable properties of the Company, both present and future.	No Continuing Defaults

- # Above loan is guaranteed by two of the directors of the Company in their personal capacity and Unconditional and Irrevocable Corporate Guarantee of one of the Associate Company.
- ♦ Vehicles Loans amounting to ₹ 28,52,494/- are secured by way of the hypothecation of the specific vehicle financed. Repayment of vehicle loans are scheduled and deferred in monthly installment over the 5 year or 3 years as per the agreement.

**NOTE-5****SHORT TERM BORROWINGS  
SECURED LOAN**

-From Bank	9,90,12,623	-
<b>UNSECURED LOAN</b>		
<b>Term Loan</b>		
-From Bank	-	-
-From Related Party	40,00,00,000	40,00,00,000
	<b>49,90,12,623</b>	<b>40,00,00,000</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31, 2012

### Terms of Repayment of Loan, Nature of Security and Default in repayment of loan and interest

	Short Term Borrowings	Amount in ₹ Outstanding as on 31-03-12	Terms of Repayment	Security	Defaults
#	Working Capital - Cash Credit limit upto ₹ 15 Crore granted by IDBI Bank Limited	9,90,12,623	Bullet payment within 12 month from the date of first disbursement on Demand.	A first mortgage and charge on all immoveable and moveable properties of the Company, both present and future.	No Defaults.

# Above loan is guaranteed by two of the directors of the Company in their personal capacity and Unconditional and Irrevocable Corporate Guarantee of one of the Associate Company.

<b>Current Year</b>	<b>Previous Year</b>
₹	₹

#### NOTE - 6

##### TRADE PAYABLES

##### Sundry Creditors

For Goods & Services	1,995,513,545	51,590,389
Others	-	-
	<u>1,995,513,545</u>	<u>51,590,389</u>

The details of amounts outstanding to Micro, Small and Medium Enterprises under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

Sr. No.	Particulars	Current Year	Previous Year
a	Principal amount remaining unpaid	Nil	Nil
b	Interest due thereon	Nil	Nil
c	Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
d	Interest due and payable for the year of delay in payment	Nil	Nil
e	Interest accrued and remaining unpaid	Nil	Nil
f	Interest remaining due and payable even in succeeding years	Nil	Nil

<b>Current Year</b>	<b>Previous Year</b>
₹	₹

#### NOTE - 7

##### OTHER CURRENT LIABILITIES

Other Current Liabilities	1,150,000,000	1,150,000,000
Advance Received	294,596,004	189,830,911
Statutory Dues	47,389,095	12,802,626
Unpaid Dividend	242,229	143,689
	<u>1,492,227,328</u>	<u>1,352,777,226</u>

#### NOTE - 8

##### SHORT TERM PROVISIONS

Provision for Income Tax (Net)	35,513,051	29,297,679
Proposed Dividend	10,740,000	16,110,000
Provision for Dividend Distribution Tax	1,742,297	2,675,670
	<u>47,995,348</u>	<u>48,083,349</u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31, 2012

## NOTE - 9

## FIXED ASSETS

(Amount in ₹)								
PARTICULARS	GROSS BLOCK		DEPRECIATION		NET BLOCK			
	As at 01.04.2011	Additions	As at 31.03.2012	Up To 31.03.2011	For The Year	Up To 31.03.2012	As at 31.03.2012	As at 31.03.2011
<b>Tangible Assets</b>								
Air Conditioners Owned-	136,000	-	136,000	113,460	3,136	116,596	19,404	22,540
Computers Owned-	1,216,339	302,195	1,518,534	696,481	276,042	972,523	546,011	519,858
Furniture & Fixtures Owned-	601,828	-	601,828	557,505	8,024	565,529	36,299	44,323
Office Equipment Owned-	953,632	260,356	1,213,988	607,712	74,030	681,742	532,246	345,920
Vehicle Owned-	18,883,765	-	18,883,765	10,522,547	2,165,120	12,687,667	6,196,098	8,361,218
<b>Total</b>	<b>21,791,564</b>	<b>562,551</b>	<b>22,354,115</b>	<b>12,497,705</b>	<b>2,526,352</b>	<b>15,024,057</b>	<b>7,330,058</b>	<b>9,293,859</b>
<b>Previous Year</b>	<b>20,513,423</b>	<b>1,278,141</b>	<b>21,791,564</b>	<b>9,547,581</b>	<b>2,950,124</b>	<b>12,497,705</b>	<b>9,293,859</b>	

Current Year      Previous Year  
₹                              ₹

## NOTE - 10

## NON CURRENT INVESTMENTS

## (a) Long Term Investments (Trade)

## In Equity shares of Subsidiary Companies

## -Unquoted - Fully Paid-up

100,000	Metrotech Technology Park Private Limited	6,570,319	6,570,319
(100,000)			
10,000	Varahi Infrastructure Private Limited	100,000	100,000
(10,000)			
2,502,783	Mahakaleshwar Knowledge Infrastructure Private Limited	25,027,830	6,553,000
(655,300)			

**(A)**      **31,698,149**      **13,223,319**

## In Equity Shares of Associate Companies

## -Unquoted Fully Paid up

17,687,941	Gujarat Positra Port Company Limited	176,879,410	176,879,410
(17,687,941)			

**(B)**      **176,879,410**      **176,879,410**

## Long Term Investments (Others)

## In Equity Shares of Other Companies

## - Unquoted Fully Paid Up

701,500	Donyi Polo Petrochemicals Limited	3,507,500	3,507,500
(701,500)			

**(C)**      **3,507,500**      **3,507,500**

**Total (A+B+C)**      **212,085,059**      **193,610,229**

## (b) Aggregate Value of: -

## -Quoted Investments

-Book Value	-	-
-Market Value	-	-

## -Unquoted Investments

-Book Value	212,085,059	193,610,229
-Market Value	-	-



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31, 2012

	Current Year	Previous Year
	₹	₹
<b>NOTE - 11</b>		
<b>DEFERRED TAX LIABILITY / (ASSET)</b>		
As required by Accounting Standard 22 on "Accounting for Taxes on Income" Deferred Tax comprises of the following items:		
Deferred Tax Liabilities	-	-
Deferred Tax Assets		
-Related to Fixed Assets	1,124,368	1,015,711
	<u>1,124,368</u>	<u>1,015,711</u>
<b>NOTE - 12</b>		
<b>LONG TERM LOANS &amp; ADVANCES</b>		
Advances recoverable in cash or kind or for value to be received (Unsecured, Considered Good)		
Advances Paid	1,150,000,000	1,150,000,000
	<u>1,150,000,000</u>	<u>1,150,000,000</u>
<b>NOTE - 13</b>		
<b>OTHER NON CURRENT ASSETS</b>		
Preliminary Expenses	5,199,726	6,099,643
	<u>5,199,726</u>	<u>6,099,643</u>
<b>NOTE - 14</b>		
<b>TRADE RECEIVABLES</b>		
(Unsecured & Considered Good)		
Outstanding for more than Six months	360,390,931	51,038,531
Others	1,970,833,626	128,876,905
	<u>2,331,224,557</u>	<u>179,915,436</u>
<b>NOTE - 15</b>		
<b>CASH &amp; CASH EQUIVALENTS</b>		
Cash on hand	310,895	302,596
Balance with Banks:	1,652,422	26,016,777
	<u>1,963,317</u>	<u>26,319,373</u>
<b>NOTE - 16</b>		
<b>SHORT TERM LOANS &amp; ADVANCES</b>		
(a) Advances recoverable in cash or kind or for value to be received*		
(Unsecured and Considered Good)		
-Related Parties*	58,197,915	2,055,813,274
-Directors and Other Officers <sup>#</sup>	1,360,244	-
-Others	708,180,971	265,124,170
Deposits		
-Related Parties	-	-
-Others	4,838,369	4,800,000
Advance Income Tax ( Net )	127,106,646	100,239,668
	<u>899,684,145</u>	<u>2,425,977,112</u>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31, 2012

		Current Year	Previous Year
		₹	₹
(b)	<b>*Loans and advances to Related Parties</b>		
	<b>Advance Recoverable in cash or kind:</b>		
	<b>Relationship</b>		
	Metrotech Technology Park Private Limited	55,803,720	55,486,553
	Varahi Infrastructure Private Limited	2,394,195	373,175
	Mahakaleshwar Knowledge Infrastructure Private Limited	-	1,999,953,546
		<b>58,197,915</b>	<b>2,055,813,274</b>
(c)	<b>#Loans and advances to Directors and other Officers</b>		
	<b>Designation</b>		
	Mr. M. P. Vora	700,000	-
	Mr. Rakesh Verma	660,000	-
	Mr. Neeraj Rai	244	-
		<b>1,360,244</b>	<b>-</b>
<b>NOTE - 17</b>			
<b>REVENUE FROM OPERATIONS</b>			
<b>Other Operating Revenue</b>			
Income from Operations			
		3,200,297,421	2,626,378,953
		<b>3,200,297,421</b>	<b>2,626,378,953</b>
<b>NOTE - 18</b>			
<b>OTHER INCOME</b>			
Interest Income			
		140,379,010	230,856,424
		<b>140,379,010</b>	<b>230,856,424</b>
<b>NOTE - 19</b>			
<b>CONSTRUCTION &amp; OPERATING EXPENSES</b>			
Contract Expenses and Hire Charges			
		3,054,161,759	2,464,421,938
		<b>3,054,161,759</b>	<b>2,464,421,938</b>
<b>NOTE - 20</b>			
<b>EMPLOYEE BENEFITS EXPENSES</b>			
Salary & Wages			
		14,619,305	11,897,597
Staff Welfare			
		6,860	39,789
		<b>14,626,165</b>	<b>11,937,386</b>
<b>NOTE - 21</b>			
<b>FINANCE COST</b>			
Interest Expenses			
		146,443,274	277,090,479
		<b>146,443,274</b>	<b>277,090,479</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31, 2012

	Current Year	Previous Year
	₹	₹
<b>NOTE - 22</b>		
<b>OTHER EXPENSES</b>		
<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>		
Administrative Expenses	218,203	176,727
Auditors Remuneration	551,500	937,550
Bank Charges & Commission	36,675	430,525
Business Promotion Expenses	274,968	1,204,775
Car Insurance	184,916	-
Consultancy Charges	124,088	-
Donation	-	60,000
Electricity Charges	448,562	31,117
General Office Expenses	1,191,248	378,535
Legal & Professional Fees	2,108,205	1,415,445
Manpower Expenses	231,004	417,502
Motor Car Expenses	309,203	786,352
NSDL/Listing / ROC Fees	186,695	142,378
Preliminary & Pre-Operative	899,917	899,917
Printing & Stationery	250,027	109,216
Rent	6,168,156	3,637,110
Repairs & Maintenance	749,353	383,799
Security Charges	136,500	-
Sitting Fees to Directors	90,000	145,000
Sundry Balances W/off	4,100,000	-
Telephone & Internet Expenses	512,716	304,506
Tender Fees	-	600,000
Travelling Expenses	1,664,447	1,468,362
	<b>20,436,383</b>	<b>13,528,816</b>

### NOTE-23

#### PRELIMINARY EXPENSES :

Preliminary expenses are amortized over a period of 10 years.

### NOTE-24

#### EXPENDITURE IN FOREIGN CURRENCY

Traveling Expenses	1,04,260	-
Advance for Professional Fees	90,39,270	-
	<b>91,43,530</b>	-

### NOTE-25

#### REMUNERATION TO AUDITORS:

For Statutory Audit	4,00,000	4,00,000
For Tax Audit	50,000	50,000
For Income-Tax Matters	50,000	4,00,000
Service Tax	51,500	87,550
Reimbursement of Expenses	-	-
	<b>5,51,500</b>	<b>9,37,550</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31, 2012****NOTE-26****EARNING PER SHARE**

	<b>Current Year</b>	<b>Previous Year</b>
Net profit after tax available for equity share holders.	6,70,78,104	5,82,08,650
Weighted average (Number of Equity shares)	10740000	10740000
Basic and Diluted Earning per share.	<b>6.25</b>	<b>5.42</b>

**NOTE-27****SEGMENT INFORMATION**

The Company is mainly engaged in Infrastructure activity in India. All activities of the company revolve around this main business.

As such there are no separate reportable segments as per Accounting Standard on segment reporting (AS – 17)

**NOTE-28****RELATED PARTY TRANSACTION**

As per Accounting Standard 18, disclosures of the transactions with related parties as defined in the Accounting Standard are given below.

**(i) List of related parties with whom transaction has taken place.**

<b>Sr. No.</b>	<b>Name of the related party</b>	<b>Nature of relationship</b>
1	Metrotech Technologies Park Private Limited	Wholly Owned Subsidiary
2	Mahakaleshwar Knowledge Infrastructure Private Limited	Subsidiary
3	Varahi Infrastructure Private Limited	Wholly Owned Subsidiary
4	Awaita Properties Private Limited	Associate
5	SKIL Himachal Infrastructure & Tourism Limited	Associate
6	Grevek Investment & Finance Private Limited	Associate
7	SKIL Infrastructure Limited	Associate

**(ii) Transaction during the year with related parties.****a) Transaction with Subsidiary.**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
		₹	₹
1	Metrotech Technologies Private Limited		
	Advances (Dr)	3,17,167	30,64,006
2	Mahakaleshwar Knowledge Infrastructure Private Limited		
	Advance Given (Dr)	-	50,17,70,797
	Interest Received	13,93,18,252	7,76,25,000
	Advance Received back (Cr)	2,08,60,68,303	-
3	Varahi Infrastructure Private Limited		
	Advances (Dr)	20,21,020	3,73,175

**b) Transaction with Associate.**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
		₹	₹
1	Awaita Properties Private Limited		
	Rent	11,72,616	46,90,512
2	SKIL Himachal Infrastructure & Tourism Limited		
	Advance Given (Dr)	60,00,000	100,00,000
3	SKIL Infrastructure Limited		
	Advance Received (Cr)	-	7,40,00,000
4	Grevek Investment & Finance Private Limited		
	Advance received (Cr)	95,87,000	8,63,59,908



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31, 2012

### NOTE-29

There are no outstanding dues to small-scale industrial undertakings in excess of ₹ 1 Lacs which are outstanding for a period more than one month.

### NOTE-30

#### CAPITAL WORK IN PROGRESS

	Amount in ₹
Opening Balance	12,89,46,666
Add - Addition during the year	1,81,47,324
Closing Balance	14,70,93,990

### NOTE-31

There is no other information which is required to be disclosed under para (3) & (4) of part II of Schedule VI of Companies Act, 1956.

### NOTE-32

Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

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AS PER OUR REPORT OF EVEN DATE

**For BHARAT SHAH & ASSOCIATES**

Chartered Accountants  
Firm Reg No. 101249W

**FOR AND ON BEHALF OF THE BOARD**

**S.Sundar**  
**Chairman**

**(BHARAT A. SHAH)**

**PROPRIETOR**

Membership No. 32281

**M.P. Vora**  
**Managing Director**

**Place :** Camp New Delhi

**Dated :** May 31, 2012

**Neeraj Rai**  
**Company Secretary**

**Rakesh Verma**  
**Chief Financial Officer**

**C.S. Sanghavi**  
**Director**

## **AUDITOR'S REPORT TO THE BOARD OF DIRECTORS ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HORIZON INFRASTRUCTURE LIMITED**

1. We have audited the attached Consolidated Balance Sheet of **Horizon Infrastructure Limited** and its subsidiaries (the HIL Group) as at March 31, 2012 and also the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management and have been prepared by the 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 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 mis-statement. 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 report that consolidated financial statements have been prepared by the Horizon Infrastructure Limited's management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated Financial Statements and Accounting Standards (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.
4. Based on our and on the other financial information of the component, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India.
  - a) In the case of the Consolidated Balance Sheet, of the state of affairs of the HIL Group as at March 31, 2012.
  - b) In the case of the Consolidated Profit and Loss Account, of the loss for the year ended on that date; and
  - c) In the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

**For BHARAT SHAH & ASSOCIATES,**

Chartered Accountant  
(FRN No. 101249W)

**(BHARAT A. SHAH)**

**PROPRIETOR**

Membership No.32281

**Place:** Camp New Delhi

**Dated:** May 31, 2012



## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2012

	Note No.	Current Year ₹	Previous Year ₹
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS FUNDS</b>			
Share Capital	2	107,400,000	107,400,000
Reserves and Surplus	3	<u>(9,888,109)</u>	<u>73,197,388</u>
		97,511,891	180,597,388
Share Application Money Pending Allotment		-	30,000
Minority Interest on Consolidation		4,286,827	3,318,009
<b>NON CURRENT LIABILITIES</b>			
Long-Term Borrowings	4	<u>2,402,852,494</u>	<u>2,005,213,990</u>
		2,402,852,494	2,005,213,990
<b>CURRENT LIABILITIES</b>			
Short-Term Borrowings	5	499,012,623	400,000,000
Trade Payables	6	1,995,986,353	51,862,965
Other Current Liabilities	7	1,927,174,842	1,823,730,349
Short-Term Provisions	8	<u>47,995,348</u>	<u>48,083,349</u>
		4,470,169,165	2,323,676,663
<b>TOTAL</b>		<b><u>6,974,820,378</u></b>	<b><u>4,512,836,050</u></b>
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Fixed Assets	9		
-Tangible Assets		1,815,324,976	1,817,454,002
-Capital Work in Progress		<u>797,216,845</u>	<u>592,085,852</u>
		2,612,541,821	2,409,539,854
Goodwill on Consolidation		8,496,657	8,496,657
Non-Current Investments	10	180,386,910	180,386,910
Deferred Tax Assets	11	1,124,368	1,015,711
Other Non - Current Assets	12	7,151,782	6,514,756
<b>CURRENT ASSETS</b>			
Trade Receivables	13	2,331,224,557	179,915,436
Cash and Cash Equivalents	14	5,732,860	30,352,977
Short-Term Loans & Advances	15	<u>1,828,161,423</u>	<u>1,696,613,749</u>
		4,165,118,840	1,906,882,162
<b>TOTAL</b>		<b><u>6,974,820,378</u></b>	<b><u>4,512,836,050</u></b>
<b>Significant Accounting Policies</b>	1		
<b>Notes to Accounts</b>	2 to 29		

AS PER OUR REPORT OF EVEN DATE  
**For BHARAT SHAH & ASSOCIATES**  
Chartered Accountants  
Firm Reg No. 101249W

**FOR AND ON BEHALF OF THE BOARD**

**S.Sundar**  
Chairman

**(BHARAT A. SHAH)**  
**PROPRIETOR**  
Membership No. 32281

**M.P. Vora**  
Managing Director

**Place :** Camp New Delhi  
**Dated :** May 31, 2012

**Neeraj Rai**  
**Company Secretary**

**Rakesh Verma**  
**Chief Financial Officer**

**C.S. Sanghavi**  
**Director**



**CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2012**

	<b>Note No.</b>	<b>Current Year ₹</b>	<b>Previous Year ₹</b>
<b>INCOME</b>			
Revenue from Operations	16	3,200,297,421	2,626,378,953
Other Income	17	1,060,758	146,482,284
<b>TOTAL</b>		<b>3,201,358,179</b>	<b>2,772,861,237</b>
<b>EXPENDITURE</b>			
Construction & Operating Expenses	18	3,054,161,759	2,464,421,938
Employee Benefits Expenses	19	14,626,165	11,937,386
Finance Cost	20	146,443,274	277,091,031
Depreciation and Amortisation Expenses	9	2,691,577	3,140,965
Other Expenses	21	20,678,907	13,816,100
<b>TOTAL</b>		<b>3,238,601,682</b>	<b>277,407,420</b>
<b>Profit / (Loss) before Exceptional and Extraordinary Items and Tax</b>		<b>(37,243,503)</b>	<b>2,453,818</b>
<b>Exceptional Items</b>		-	-
<b>Profit / (Loss) before Extraordinary Items and Tax</b>		<b>(37,243,503)</b>	<b>2,453,818</b>
Extraordinary Items		-	-
<b>Profit / (Loss) before Tax</b>		<b>(37,243,503)</b>	<b>2,453,818</b>
<b>Tax Expenses:</b>			
Current Tax		35,513,051	29,298,924
Income Tax of earlier year			
Deferred Tax		(108,657)	(200,940)
		<b>(72,647,897)</b>	<b>(26,644,166)</b>
Minority Interest		(44,512)	3,024,999
Adjustment for New Subsidiary		-	(2,792,454)
<b>Profit / (Loss) for the period from Continuing Operations</b>		<b>(72,603,385)</b>	<b>(26,411,621)</b>
<b>Profit / (Loss) for the period from Discontinuing Operations</b>		-	-
<b>Profit / (Loss) for the period</b>		<b>(72,603,385)</b>	<b>(26,411,621)</b>
Earnings Per Share of ₹ 10/- each (Refer Note No.25)			
- Basic & Diluted		<b>(6.76)</b>	<b>(2.46)</b>
<b>Significant Accounting Policies</b>	1		
<b>Notes to Accounts</b>	2 to 29		

AS PER OUR REPORT OF EVEN DATE

**For BHARAT SHAH & ASSOCIATES**

Chartered Accountants

Firm Reg No. 101249W

FOR AND ON BEHALF OF THE BOARD

**S.Sundar****Chairman****(BHARAT A. SHAH)****PROPRIETOR**

Membership No. 32281

**M.P. Vora****Managing Director****Place :** Camp New Delhi**Dated :** May 31, 2012**Neeraj Rai**  
**Company Secretary****Rakesh Verma**  
**Chief Financial Officer****C.S. Sanghavi**  
**Director**



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

	Current Year ₹	Previous Year ₹
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax and Extraordinary Items	(37,243,503)	2,453,818
<i>Adjustments for :-</i>		
Depreciation	2,691,577	3,140,965
Interest Paid	146,443,274	277,091,031
Interest Received	(1,060,758)	(146,482,284)
Dividend Received	-	-
Profit on sale of Investments	-	-
Miscellaneous Expenditure Written Off	902,357	902,357
<i>Operating Profit Before Working Capital Charges</i>	<u>111,732,947</u>	<u>137,105,887</u>
<i>Adjustments for :-</i>		
Trade & Other Receivables	(2,255,989,817)	599,579,925
Liabilities and Provisions	2,050,556,395	543,939,523
<i>Net Cash Flow From Operating Activities</i>	<u>(93,700,475)</u>	<u>1,280,625,335</u>
Direct Taxes Paid	(56,169,657)	(78,026,473)
Net Prior Year Adjustments on Account of New Subsidiaries	-	594,722
<i>Net Cash Flow From Operating Activities</i>	<u>(149,870,132)</u>	<u>1,203,193,584</u>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(562,551)	(1,094,878,009)
Payment towards Capital Work in Progress	(205,130,993)	
Preliminary and Preoperative Expenses	(1,539,383)	(399,839)
Interest Received	1,060,758	146,482,284
<i>Net Cash Flow From Investing Activities</i>	<u>(206,172,169)</u>	<u>(948,795,564)</u>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings	496,651,127	(2,378,531)
Proceeds from Share Application Money	-	27,940,000
Proceeds from Share Premium	-	2,133,330
Interest Paid	(146,443,274)	(277,091,031)
Dividend Paid	(16,110,000)	(10,740,000)
Tax On dividend Paid	(2,675,670)	(1,783,780)
<i>Net Cash Used In Financing Activities</i>	<u>331,422,183</u>	<u>(261,920,012)</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	(24,620,118)	(7,521,992)
Cash & Cash Equivalents as at April 1, 2011 (Opening Balance)	30,352,977	37,874,968
Cash & Cash Equivalents as at March 31, 2012 (Closing Balance)	5,732,860	30,352,976

AS PER OUR REPORT OF EVEN DATE

**For BHARAT SHAH & ASSOCIATES**

Chartered Accountants  
Firm Reg No. 101249W

FOR AND ON BEHALF OF THE BOARD

**S.Sundar**  
Chairman

**(BHARAT A. SHAH)**

**PROPRIETOR**

Membership No. 32281

**M.P. Vora**  
Managing Director

**Place :** Camp New Delhi  
**Dated :** May 31, 2012

**Neeraj Rai**  
Company Secretary

**Rakesh Verma**  
Chief Financial Officer

**C.S. Sanghavi**  
Director

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31, 2012****NOTE-1****SIGNIFICANT ACCOUNTING POLICIES:****A. GENERAL**

- (i) The Consolidated Financial Statements are prepared in accordance with Accounting Standard (AS) 21 on Consolidated Financial Statements and (AS) 23 on Accounting for Investments in Associates in Consolidated Financial Statements issued by the Institute of Chartered Accountants of India. The Consolidated Financial Statements comprise the financial statement of Horizon Infrastructure Limited (the Company) and its subsidiary. The Company and its subsidiary constitute the HIL Group. Reference in this notes to the 'Company' or HIL shall mean to include Horizon Infrastructure Limited or any of its subsidiary consolidated in these financial statements unless otherwise stated.

The list of Subsidiary Companies which is included in consolidation and the Parent Company's holdings therein are as under:

Sr. No.	Name of the Company	Percentage of Holding
1	Metrotech Technology Park Private Limited	100.00%
2	Varahi Infrastructure Private Limited	100.00%
3	Mahakaleshwar Knowledge Infrastructure Private Limited	84.96%

- (ii) The Company maintains its accounts on accrual basis following the historical cost convention in accordance with generally accepted accounting principles "GAAP" & in compliance with the Accounting Standards referred in Section 211 (3C) & other requirements of the Companies Act 1956 and Accounting Standard Rules, 2006.
- (iii) The preparation of financial statements in conformity with "GAAP" requires that the management of the company makes estimates & assumptions that affect the reported amounts of income & expenses of the period, the reported balances of assets & liabilities & the disclosures relating to contingent liabilities as of the date of the financial statements. Actual results could differ from estimates.
- (iv) The financial statements of the Company and its subsidiary Company have been consolidated on a line – by – line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating intra – group balances and intra – group transactions resulting in unrealized profits or unrealized cash losses.
- (v) The Consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the company's separate financial statements.
- (vi) The excess of cost of investment in the Subsidiary Companies over the Company's portion of equity of the Subsidiary at the date of investment made is recognized in the financial statements as goodwill. The excess of Company's portion of equity of the Subsidiary over the cost of the investment therein is treated as Capital Reserve.

**B. VALUATION OF FIXED ASSETS & DEPRECIATION**

- a) Fixed Assets are depreciated on the Written Down Value Method at the rates specified in Schedule XIV of the Companies Act, 1956.
- b) Fixed Assets are valued at cost of acquisition inclusive of inward freight, duties, taxes and incidental expenses, less accumulated depreciation.
- c) Expenditure related to and incurred during implementation of projects are included under Capital Work-in-progress and the same are capitalized under the appropriate heads on completion of the projects.

**C. INVESTMENTS**

Current investments are carried at the lower of cost & quoted/fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

**D. TURNOVER**

Turnover includes sales of goods and services inclusive of applicable taxes and net of trade discounts.

**E. INVENTORIES**

Inventories are measured at cost. Cost is determined on weighted average basis.

**F. EMPLOYEE BENEFITS**

- i) Short term employee benefits are recognized as an expenses in the profit and loss account of the year in which the related services is rendered.
- ii) Post employment and other long term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expenses are recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account.

**G. PROVISION FOR CURRENT AND DEFERRED TAXES.**

Provision for Current Tax is made after taking into consideration benefits admissible under the provisions of Income Tax Act, 1961.

Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rules and laws that are enacted or substantially enacted as on the balance sheet date.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31, 2012

		Current Year ₹	Previous Year ₹
<b>NOTE - 2</b>			
<b>SHARE CAPITAL</b>			
<b>(a) Authorised</b>			
7,50,00,000 (P.Y. 7,50,00,000) Equity Shares of ₹ 10/- each		750,000,000	750,000,000
		<b>750,000,000</b>	<b>750,000,000</b>
<b>(b) Issued, Subscribed and paidup</b>			
10,740,000 (P.Y. 10,740,000) Equity Shares of ₹ 10/- each, fully paidup		107,400,000	107,400,000
		<b>107,400,000</b>	<b>107,400,000</b>
<b>(c) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period</b>			
	<b>Equity Shares</b>	<b>Equity Shares</b>	
No. of shares at the beginning of the year	10,740,000	10,740,000	
Add: Issue of Shares during the year by preferential Allotement	-	-	
Less: Deduction during the year on account of Buyback, Redemption, Forfeiture, Reduction etc.	-	-	
No. of shares at the end of the year.	10,740,000	10,740,000	
<b>(d) Details of Shareholding</b>			
No. of Shares Held By			
Each Shareholder holding more than 5% shares			
Rupali B Gandhi	1,208,000	1,208,000	
Nikhil P Gandhi	1,175,000	1,175,000	
Bhaves P Gandhi	1,175,000	1,175,000	
Neha N Gandhi	1,168,665	1,168,665	
Krosslink Infrastructure Limited	1,274,834	1,274,834	
	<b>6,001,499</b>	<b>6,001,499</b>	
<b>NOTE - 3</b>			
<b>RESERVES AND SURPLUS</b>			
<b>Capital Reserve</b>			
Balance as per last Balance Sheet	11,500,000	11,500,000	
		<b>11,500,000</b>	11,500,000
Share Premium			
Opening Balance	2,133,330		2,133,330
Add: During the year	2,026,660		-
	4,159,990		2,133,330
Less: Share Issue Related Expenses	21,475		-
		<b>4,138,515</b>	2,133,330
<b>Profit and Loss Account</b>			
Balance as per last Balance Sheet	59,564,058		104,773,129
Add/(Less): Prior Period Items	(5,000)		(11,780)
Add/(Less): Net loss after tax transferred from Profit and Loss A/c	(72,603,385)		(26,411,621)
Amount available for appropriation	13,044,327		78,349,728
Add/(Less): Appropriations			
Final Dividend	(10,740,000)		(16,110,000)
Dividend Tax	(1,742,297)		(2,675,670)
		<b>(25,526,624)</b>	<b>59,564,058</b>
		<b>(9,888,109)</b>	<b>73,197,388</b>
<b>NOTE-4</b>			
<b>LONG TERM BORROWING</b>			
<b>SECURED LOAN</b>			
Term loan			
- From Bank	2,40,00,00,000	2,00,00,00,000	
- From Financial Institutions	-	-	
Vehicle Loans	28,52,494	52,13,990	
	<b>2,40,28,52,494</b>	<b>2,00,52,13,990</b>	

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31, 2012****Terms of Repayment of Loan, Nature of Security and continuing Default in repayment of loan and interest**

	<b>Long Term Borrowings</b>	<b>Amount in ₹ Outstanding as on 31-03-12</b>	<b>Terms of Repayment</b>	<b>Security</b>	<b>Defaults</b>
#	Term loan up to ₹ 60 Crore granted by IDBI Bank Limited	40,00,00,000	In 54 monthly Installments commencing from October 01,2012. (53 Installments of ₹ 1.11 Crore each and last installment of ₹ 1.17 Crore)	A first mortgage and charge on all immoveable and moveable properties of the Company, both present and future.	No Continuing Defaults
\$	Term loan up to ₹ 245 Crore granted by Central Bank Of India	2,00,00,00,000	In 20 equal quarterly Installments commencing after implementation period of 36 months & moratorium period of 18 months. (20 Installments of ₹ 12.25 Crore each )	First pari-passu charge by way of equitable mortgage of N.A. Land of Approx 200 acres located at survey no.1/A, 4/A,11/1A,21/1A,118,177,178,179 AND 308 at villages Virani, Boregaon and Ambeghar near Pen. Dist. Raigad and block assets thereon owned by Mahakaleshwar Knowledge Infrastructure Private Limited. Hypothecation of Plant & Machinery and Equipments. (UPTO 50%)	No Continuing Defaults

# This loan is guaranteed by two of the directors of the Company in their personal capacity and Unconditional and Irrevocable Corporate Guarantee of one of the Associate Company.

\$ This Loan is also made by giving Collateral Security of 25,02,783 equity shares of Mahakaleshwar Knowledge Infrastructure Private Limited held by Horizon Infrastructure Limited.

♦ Vehicles Loans amounting to ₹ 28,52,494/- are secured by way of the hypothecation of the specific vehicle financed. Repayment of vehicle loans are scheduled and deferred in monthly installment over the 5 year or 3 years as per the agreement.

**NOTE-5****SHORT TERM BORROWINGS****SECURED LOAN**

-From Bank

9,90,12,623

-

**UNSECURED LOAN****Term Loan**

-From Bank

-

-

-From Related Party

40,00,00,000

40,00,00,000

**49,90,12,623**

**40,00,00,000**

**Terms of Repayment of Loan, Nature of Security and Default in repayment of loan and interest**

	<b>Short Term Borrowings</b>	<b>Amount in ₹ Outstanding as on 31-3-12</b>	<b>Terms of Repayment</b>	<b>Security</b>	<b>Defaults</b>
#	Working Capital - Cash Credit limit upto ₹ 15 Crore granted by IDBI Bank Limited	9,90,12,623	Bullet payment within 12 month from the date of first disbursement on Demand.	A first mortgage and charge on all immoveable and moveable properties of the Company, both present and future.	No Defaults.

# Above loan is guaranteed by two of the directors of the Company in their personal capacity and Unconditional and Irrevocable Corporate Guarantee of one of the Associate Company.

**Current Year**      **Previous Year**  
₹                              ₹

**NOTE - 6****TRADE PAYABLES****Sundry Creditors**

For Goods & Services

1,995,986,353

51,862,965

Others

-

-

**Total**      **1,995,986,353**

**51,862,965**



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31, 2012

The details of amounts outstanding to Micro, Small and Medium Enterprises under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

S. N.	Particulars	Current Year	Previous Year
		₹	₹
a	Principal amount remaining unpaid	Nil	Nil
b	Interest due thereon	Nil	Nil
c	Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
d	Interest due and payable for the year of delay in payment	Nil	Nil
e	Interest accrued and remaining unpaid	Nil	Nil
f	Interest remaining due and payable even in succeeding years	Nil	Nil

### NOTE - 7

#### OTHER CURRENT LIABILITIES

Other Current Liabilities	1,150,000,000	1,150,000,000
Advance Received	715,563,155	643,340,912
Statutory Dues	61,369,458	30,245,748
Unpaid Dividend	242,229	143,689
	<b>1,927,174,842</b>	<b>1,823,730,349</b>

### NOTE - 8

#### SHORT TERM PROVISIONS

Provision for Income Tax (Net)	35,513,051	29,297,679
Proposed Dividend	10,740,000	16,110,000
Provision for Dividend Distribution Tax	1,742,297	2,675,670
	<b>47,995,348</b>	<b>48,083,349</b>

### NOTE - 9

#### FIXED ASSETS

(Amount in ₹)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 01.04.2011	Additions	As at 31.03.2012	Up To 31.03.2011	For The Year	Up To 31.03.2012	As at 31.03.2012	As at 31.03.2011
<b>Tangible Assets</b>								
<b>Owned-</b>								
Land	1,775,582,131	-	1,775,582,131	-	-	-	1,775,582,131	1,775,582,131
Property at Kufri	31,716,300	-	31,716,300	-	-	-	31,716,300	31,716,300
Air Conditioners	136,000	-	136,000	113,460	3,136	116,596	19,404	22,540
Computers	1,333,766	302,195	1,635,961	771,634	292,952	1,064,586	571,375	562,132
Electric Installation	146,620	-	146,620	37,953	15,116	53,069	93,551	108,667
Furniture & Fixtures	1,574,412	-	1,574,412	877,718	126,103	1,003,821	570,591	696,694
Office Equipment	953,632	260,356	1,213,988	607,712	74,030	681,742	532,246	345,920
Vehicle	18,943,091	-	18,943,091	10,523,473	2,180,240	12,703,713	6,239,378	8,419,618
<b>Total</b>	<b>1,830,385,952</b>	<b>562,551</b>	<b>1,830,948,503</b>	<b>12,931,950</b>	<b>2,691,577</b>	<b>15,623,527</b>	<b>1,815,324,976</b>	<b>1,817,454,002</b>
<b>Previous Year</b>	<b>1,823,211,485</b>	<b>7,174,467</b>	<b>680,385,952</b>	<b>9,790,985</b>	<b>3,140,965</b>	<b>12,931,950</b>	<b>1,817,454,002</b>	

### NOTE - 10

#### NON CURRENT INVESTMENTS

##### Long Term Investments (Trade)

##### In Equity Shares of Associate Companies

##### -Unquoted Fully Paid up

17,687,941 Gujarat Positra Port Company Limited (17,687,941)	176,879,410	176,879,410
-----------------------------------------------------------------	-------------	-------------

##### Long Term Investments (Others)

##### In Equity Shares of Other Companies

##### - Unquoted Fully Paid Up

701,500 Donyi Polo Petrochemicals Limited (701,500)	3,507,500	3,507,500
--------------------------------------------------------	-----------	-----------

**180,386,910** **180,386,910**



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31, 2012

	Current Year ₹	Previous Year ₹
Aggregate Value of: -		
<b>-Quoted Investments</b>		
-Book Value	-	-
-Market Value	-	-
<b>-Unquoted Investments</b>		
-Book Value	180,386,910	180,386,910
-Market Value	-	-
<b>NOTE - 11</b>		
<b>DEFERRED TAX LIABILITY / (ASSET)</b>		
As required by Accounting Standard 22 on "Accounting for Taxes on Income" Deferred Tax comprises of the following items:		
Deferred Tax Liabilities	-	-
Deferred Tax Assets		
-Related to Fixed Assets	1,124,368	1,015,711
	<b>1,124,368</b>	<b>1,015,711</b>
<b>NOTE - 12</b>		
<b>OTHER NON CURRENT ASSETS</b>		
Preliminary Expenses	5,207,046	6,109,403
Preoperative Expenses	1,944,736	405,353
	<b>7,151,782</b>	<b>6,514,756</b>
<b>NOTE - 13</b>		
<b>TRADE RECEIVABLES</b>		
(Unsecured & Considered Good)		
Outstanding for more than Six months	360,390,931	51,038,531
Others	1,970,833,626	128,876,905
	<b>2,331,224,557</b>	<b>179,915,436</b>
<b>NOTE - 14</b>		
<b>CASH &amp; CASH EQUIVALENTS</b>		
Cash on hand	1,951,502	1,967,819
Balance with Banks:	3,781,358	28,385,158
	<b>5,732,860</b>	<b>30,352,977</b>
<b>NOTE - 15</b>		
<b>SHORT TERM LOANS &amp; ADVANCES</b>		
(a) Advances recoverable in cash or kind or for value to be received (Unsecured and Considered Good)		
-Related Parties*	218,846,140	558,443,140
-Directors and Other Officers#	1,360,244	-
-Others	1,475,793,742	1,032,914,659
Deposits		
-Related Parties	-	-
-Others	5,043,049	5,004,680
Advance Income Tax ( Net )	127,118,248	100,251,270
	<b>1,828,161,423</b>	<b>1,696,613,749</b>
(b) <b>*Loans and advances to Related Parties</b>		
<b>Advance Recoverable in cash or kind:</b>		
Grevek Investment & Finance Private Limited	Associate	
	218,846,140	558,443,140
	<b>218,846,140</b>	<b>558,443,140</b>
(c) <b>#Loans and advances to Directors and other Officers</b>		
Mr. M. P. Vora	Managing Director	700,000
Mr. Rakesh Verma	Chief Financial Officer	660,000
Mr. Neeraj Rai	Company Secretary	244
	<b>1,360,244</b>	<b>-</b>
<b>NOTE - 16</b>		
<b>REVENUE FROM OPERATIONS</b>		
<b>Other Operating Revenue</b>		
Income from Operations	3,200,297,421	2,626,378,953
	<b>3,200,297,421</b>	<b>2,626,378,953</b>



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31, 2012

	Current Year ₹	Previous Year ₹
<b>NOTE - 17</b>		
<b>OTHER INCOME</b>		
Interest Income Received	1,060,758	146,482,284
	<b>1,060,758</b>	<b>146,482,284</b>
<b>NOTE - 18</b>		
<b>CONSTRUCTION &amp; OPERATING EXPENSES</b>		
Contract Expenses and Hire Charges	3,054,161,759	2,464,421,938
	<b>3,054,161,759</b>	<b>2,464,421,938</b>
<b>NOTE - 19</b>		
<b>EMPLOYEE BENEFITS EXPENSES</b>		
Salary & Wages	14,619,305	11,897,597
Staff Welfare	6,860	39,789
	<b>14,626,165</b>	<b>11,937,386</b>
<b>NOTE - 20</b>		
<b>FINANCE COST</b>		
Interest Expenses	146,443,274	277,091,031
	<b>146,443,274</b>	<b>277,091,031</b>
<b>NOTE - 21</b>		
<b>OTHER EXPENSES</b>		
<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>		
Administrative Expenses	218,203	176,727
Auditors Remuneration	628,710	1,014,760
Bank Charges & Commission	66,032	433,649
Business Promotion Expenses	274,968	1,204,775
Car Insurance	184,916	-
Consultancy Charges	124,088	-
Donation	21,000	60,000
Electricity Charges	448,562	31,117
General Office Expenses	1,224,330	409,235
Legal & Professional Fees	2,125,338	1,425,200
Manpower Expenses	231,004	417,502
Motor Car Expenses	315,934	786,352
NSDL/Listing / ROC Fees	201,366	161,278
Preliminary & Pre-Operative	902,357	902,357
Printing & Stationery	250,927	120,686
Rent	6,168,156	3,637,110
Repairs & Maintenance	749,353	383,799
Security Charges	136,500	-
Sitting Fees to Directors	130,000	170,000
Sundry Balances W/off	4,100,000	-
Telephone & Internet Expenses	512,716	305,906
Tender Fees	-	600,000
Travelling Expenses	1,664,447	1,575,647
	<b>20,678,907</b>	<b>13,816,100</b>
<b>NOTE-22</b>		
<b>PRELIMINARY EXPENSES</b>		
Preliminary expenses are amortized over a period of 10 years.		
<b>NOTE-23</b>		
<b>EXPENDITURE IN FOREIGN CURRENCY</b>		
Traveling Expenses	1,04,260	-
Advance for Professional Fees	90,39,270	-
	<b>91,43,530</b>	-
<b>NOTE -24</b>		
<b>REMUNERATION TO AUDITORS</b>		
For Statutory Audit	4,45,000	4,45,000
For Tax Audit	50,000	50,000
For Income-Tax Matters	75,000	4,25,000
Service Tax	58,710	94,760
	<b>6,28,710</b>	<b>10,14,760</b>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31, 2012****NOTE-25****EARNING PER SHARE**

	<b>Current Year</b>	<b>Previous Year</b>
Net profit/(Loss) after tax available for equity share holders.	(7,26,03,385)	(2,64,11,621)
Weighted average (Number of Equity shares)	10740000	10740000
Basic and Diluted Earning per share in Rupees	(6.76)	(2.46)

**NOTE-26****SEGMENT INFORMATION**

The company is mainly engaged in Infrastructure activity in India. All activities of the company revolve around this main business.

As such there are no separate reportable segments as per Accounting Standard on segment reporting (AS – 17)

**NOTE-27****RELATED PARTY TRANSACTIONS**

As per Accounting Standard 18, disclosures of the transactions with related parties as defined in the Accounting Standard are given below.

**(i) List of related parties with whom transaction has taken place.**

<b>Sr. No.</b>	<b>Name of the related party</b>	<b>Nature of relationship</b>
1	Awaita Properties Private Limited	Associate
2	SKIL Himachal Infrastructure & Tourism Limited	Associate
3	SKIL Infrastructure Limited	Associate
4	Grevek Investment & Finance Private Limited	Associate

**(ii) Transaction during the year with related parties.****a) Transaction with Associate.**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Current Year ₹</b>	<b>Previous Year ₹</b>
1	Awaita Properties Private Limited		
	-Rent	11,72,616	46,90,512
2	SKIL Himachal Infrastructure & Tourism Limited		
	-Advance Given	60,00,000	1,00,00,000
3	SKIL Infrastructure Limited		
	-Advance Received(Cr)	-	7,40,00,000
4	Grevek Investment & Finance Private Limited		
	-Advance received (Cr)	95,87,000	8,63,59,908

**NOTE-28**

There are no outstanding dues to small-scale industrial undertakings in excess of ₹ 1 Lac which are outstanding for a period more than one month.

**NOTE-29**

Previous year's figures have been reworked, regrouped, rearranged & reclassified wherever necessary.

AS PER OUR REPORT OF EVEN DATE

**For BHARAT SHAH & ASSOCIATES**

Chartered Accountants  
Firm Reg No. 101249W

**FOR AND ON BEHALF OF THE BOARD**

**S.Sundar**  
**Chairman**

**(BHARAT A. SHAH)**  
**PROPRIETOR**  
Membership No. 32281

**M.P. Vora**  
**Managing Director**

**Place :** Camp New Delhi  
**Dated :** May 31, 2012

**Neeraj Rai**  
**Company Secretary**

**Rakesh Verma**  
**Chief Financial Officer**

**C.S. Sanghavi**  
**Director**



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31, 2012

**Summary of financial information of subsidiary companies for the year ended March 31, 2012.**

(Amount in ₹)

S. N.	Name of the Subsidiary	Mahakaleshwar Knowledge Infrastructure Private Limited	Metrotech Technology Park Private Limited	Varahi Infrastructure Private Limited
1.	Financial Year ending on	March 31, 2012	March 31, 2012	March 31, 2012
2.	Share Capital (Paid-up)	29,457,830	1,000,000	100,000
3.	Reserve & Surplus	628,332	(544,316)	(52,266)
4.	Total Assets	3,701,507,494	56,351,089	2,463,989
5.	Total Liabilities	3,701,507,494	56,351,089	2,463,989
6.	Details of Investment (Except in subsidiaries)	-	-	-
7.	Turnover	-	-	-
8.	Profit/(Loss) Before Tax	(295,958)	(82,692)	(29,099)
9.	Provision for Taxation	-	-	-
10.	Profit/(Loss) after for Taxation	(295,958)	(82,692)	(29,099)
11.	Proposed Dividend	-	-	-



### **ATTENDANCE SLIP**

#### **Horizon Infrastructure Limited**

SKIL House, 209, Bank Street Cross Lane, Fort, Mumbai 400 023.

(Please complete this Attendance Slip and hand it over at the entrance of the meeting hall)

I hereby record my presence at the Annual General Meeting of the Shareholders of the Company being held on Friday, September 28, 2012 at 2.00 p.m. at Bombay Club Suite, Royal Bombay Yacht Club, Chhatrapati Shivaji Maharaj Marg, Apollo Bunder, Opp. Gateway of India, Near Taj Mahal Hotel, Mumbai - 400 001.

Folio No. \_\_\_\_\_ No. of Shares held \_\_\_\_\_

DP Id. \_\_\_\_\_ Client Id. \_\_\_\_\_

Name of the Shareholder: \_\_\_\_\_  
(1st name)

\_\_\_\_\_  
(Joint Holder)

Name of Proxy \_\_\_\_\_  
(To be filled in case of the proxy attends instead of shareholder)

Signature of Shareholder/Proxy\* \_\_\_\_\_

\* Strike out whichever is not applicable

----- TEAR HERE -----



### **PROXY FORM**

#### **Horizon Infrastructure Limited**

SKIL House, 209, Bank Street Cross Lane, Fort, Mumbai 400 023.

Folio No. \_\_\_\_\_ No. of Shares held \_\_\_\_\_

DP Id. \_\_\_\_\_ Client Id. \_\_\_\_\_

I/We \_\_\_\_\_  
of \_\_\_\_\_ being a member/members of Horizon Infrastructure Limited  
hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or falling him/  
her \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy  
to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Friday, September 28,  
2012 or any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012

Affix a  
₹ 1/-  
Revenue  
Stamp

Note : The proxy form must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a shareholder of the Company.





Book-Post

If undelivered, please return to:

**Link Intime India Private Limited**  
(Unit - Horizon Infrastructure Limited)  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (West),  
Mumbai - 400 078