

Date: 04.09.2020

The Secretary
BSE Limited
New Trading Wing,
Rotunda Building,
PJ Tower, Dalal Street,
Mumbai- 400001

The Manager
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block "G"
5th floor, Bandra Kurla Complex,
Bandra East,
Mumbai- 400051

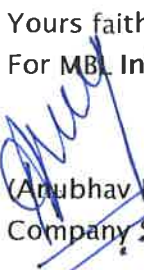
Sir,

**Annual Report for the F.Y. 2019-20 &
Notice of the Annual General Meeting ("AGM")**

Please find enclosed Annual Report of the Company for the F.Y. 2019-20 along with the Notice of the Annual General Meeting ("AGM"). These documents are also being sent through electronic mode to those Members whose e-mail addresses are registered with the Registrar and Transfer Agent/Depositories.

The Annual Report for the F.Y. 2019-20 and AGM Notice are available on the website of the Company www.mblinfra.com.

Please treat this as compliance with Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking you,
Yours faithfully,
For MBL Infrastructures Ltd.

(Anubhav Maheshwari)
Company Secretary

Encl: a/a

MBL Infrastructures Ltd.

Registered & Corporate Office : Bani Corporate One, Suite no. 303 & 308, 3rd Floor, Plot No. 5, Commercial Centre, Jasola, New Delhi-110 025
Tel. : +91-11-48593300 - 10, Fax : +91-11-48593320 Email : delhi@mblinfra.com Website : www.mblinfra.com, CIN-L27109DL1995PLC338407

MBL INFRASTRUCTURES LTD.

CIN L27109DL1995PLC338407

Regd. & Corp Off.: Baani Corporate One Tower, Suite No. 308, 3rd Floor,
Plot No. 5, District Commercial Centre, Jasola, New Delhi - 110 025
Tel : +91- 011 48593300, Fax : +011-48593320, email: cs@mblinfra.com,
Website: www.mblinfra.com

ANNUAL GENERAL MEETING NOTICE

Notice is hereby given that the Twenty Fifth Annual General Meeting of the Members of the Company will be held on Wednesday, 30th September, 2020 at 3.30 pm through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") facility, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt-
 - a. The Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2020 and the Reports of the Board of Directors and Auditors thereon.
 - b. The Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2020 and the Report of Auditors thereon.
2. To appoint a Director in place of Mr. Anjaneer Kumar Lakhota (DIN: 00357695), who retires by rotation and being eligible, offers himself for re appointment.

SPECIAL BUSINESS:

3. To consider, and if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 161 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Articles of Association of the Company, Mr. Ranjit Datta (DIN: 07121651) who was appointed as an additional and Independent Director of the Company w.e.f. 13.08.2020 to hold office upto the date of the Annual General Meeting and in respect of whom a notice has been received in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of a director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 consecutive years, from the date of appointment i.e. 13.08.2020 to 12.08.2025.

RESOLVED FURTHER THAT the Board of Directors (including its Committee thereof) of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary to give effect to the said resolution."

4. To consider, and if thought fit, to pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 read with other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or reenactment(s) thereof, for the time being in force) and Articles of Association of the Company, Mr. Surender Aggarwal (DIN: 07272927) who was appointed as an additional and Non Executive Non- Independent of the Company w.e.f. 13.08.2020 to hold office upto the date of the Annual General Meeting and in respect of whom a notice has been received in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of a director, be and is hereby appointed as Director of the Company.

RESOLVED FURTHER THAT the Board of Directors (including its Committee thereof) of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary to give effect to the said resolution."

5. To consider, and if thought fit, to pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and relevant rules prescribed thereunder (including any amendments, modification or variation thereof) payment of remuneration of Rs. 35,000/- (Rupees Thirty Five Thousand only) plus applicable taxes, reimbursement of out of pocket expenses and other incidental expenses, for conducting the audit of the Cost records of the Company for the financial year 2020-21 by M/s Dipak Lal & Associates, Cost Accountants (Firm Registration No. 101491) as Cost Auditors of the Company appointed by the Board of Directors be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors (including its Committee thereof) of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary to give effect to the said resolution."

By order of the Board
For MBL Infrastructures Ltd.

Date: 3rd September, 2020

Place: New Delhi

Anubhav Maheshwari
Company Secretary

NOTES:

1. Considering the present COVID-19 pandemic, Ministry of Corporate Affairs (MCA) has vide its circular dated April 08, 2020, dated April 13, 2020 and May 05, 2020 (collectively referred to as MCA Circulars), permitted convening of the Annual General Meeting (AGM) through VC or OAVM, without physical presence of the members at the common venue. In accordance with MCA circulars, provisions of the Companies Act 2013 and SEBI (LODR) Regulations, 2015, the AGM of the Company is being held through VC/OAVM. Hence, members can attend and participate in the AGM through VC/OVAM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. Since this General Meeting is through VC/OAVM, the physical attendance of members is dispensed with. Accordingly, the facility of appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.
3. Since the AGM will be held through VC/OAVM, attendance slip/the route map of the venue of the meeting is not annexed hereto.
4. The Register of Members and Share Transfer Books would remain closed from 24th September, 2020 to 30th September 2020, both days inclusive.
5. The attendance of the members attending the AGM through VC/OAVM will be counted for the purpose of the quorum under Section 103 of the Companies Act, 2013.
6. The information required to be provided under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirement Regulations), 2015 and the Secretarial Standards on General Meetings, regarding the Directors who are proposed to be appointed/re-appointed and the relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the business under items 3 to 5 set out above are annexed hereto.
7. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act and the relevant documents referred to the Notice will be available electronically for inspection by the members during AGM.

All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of the Notice up to the date of AGM. Members seeking to inspect such documents can send an email to cs@mblinfra.com.
8. The notice contains a set of instructions for remote evoting as per applicable provisions of law.
9. Institutional Investors, who are members of the Company, are encouraged to attend and vote at the AGM.
10. In compliance with MCA circulars, AGM Notice along with

Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Depositories/ Link Intime India Private Limited, RTA. AGM Notice along with Annual Report 2019-20 has been uploaded on the website of the Company at www.mblindra.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL i.e. www.evoting.nsdl.com.

11. Members who have already registered their email addresses are requested to get their email addresses validated with their Depository Participants / the Company's Registrar and Share Transfer Agent, Link Intime India Pvt Ltd to enable servicing of notices / documents / Annual Reports electronically to their email address.

INSTRUCTIONS

VOTING THROUGH REMOTE EVOTING

- 1 Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
- 2 The facility for e-Voting shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-Voting shall be eligible to exercise their right to vote at the meeting.
- 3 The members who have cast their vote by remote e-Voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- 4 The remote e-Voting facility will be available during the following period:

| Commencement of remote e-Voting | End of remote e-Voting |
|--|--|
| 27 th September , 2020 from 9.00 A.M. (IST) | 29 th September , 2020 till 5.00 P.M. (IST) |

- 5 A person whose name is recorded in the Register of Members or in the Register of Beneficial owners maintained by the Depositories as on the cut off date i.e 23rd September, 2020 only shall be entitled to avail the facility of remote e-voting as well as e-voting during the AGM. The voting rights of the members will be in proportion to their shares to the total

paid up capital of the Company as on cut off date i.e 23rd September 2020.

- 6 A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.
- 7 The remote e-voting module shall be disabled by NSDL for voting thereafter. Once vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- 8 How do I vote electronically using NSDL e-Voting system?
The way to vote electronically on NSDL e-Voting system consists of “Two Steps”

Step -1 Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

How to Log-in to NSDL e-Voting website?

- (a) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- (b) Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
- (c) A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

(d) Your User ID details are given below :

| | |
|--|---|
| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12***** |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

- e) Your password details are given below:
 - ii. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - ii. If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - iii. How to retrieve your ‘initial password’?
 - a. If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - b. If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
 - (f) If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
 - ii. Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - ii. Physical User Reset Password?” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - iii. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - iv. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
 - (g) After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
 - (h) Now, you will have to click on “Login” button.
 - (i) After you click on the “Login” button, Home page of e-Voting will open.
- Step 2: Cast your vote electronically on NSDL e-Voting system**
- (a) After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles
 - (b) After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status

- (c) Select "EVEN" of company for which you wish to cast your vote
- (d) Now you are ready for e-voting as the Voting page opens.
- (e) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted
- (f) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (g) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page
- (h) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

INSTRUCTIONS FOR ATTENDING AGM THROUGH VC/OAVM:

- 1 Member will be provided with a facility to attend the AGM through VC/OAVM through NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using remote e-Voting credentials. Link for VC/OAVM will be available in shareholder/members login where EVEN of the Company will be displayed. Please note that the members who do not have User ID and Password for e-Voting or have forgotten User ID and Password may retrieve the same by following instructions given in this Notice. Further, members can also use OTP based login for logging into e-Voting system of NSDL.
- 2 The attendance through VC/OAVM is restricted and hence members will be allowed on first come first serve basis. However, attendance of Members holding more than 2% of the shares of the Company, Institutional Investors as on 23rd September, 2020 and Directors and Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee, the Stakeholders Relationship Committee and Auditors will not be restricted on first come first serve basis. However, the Body Corporates are entitled to appoint authorised representatives to attend the EGM/AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
- 3 The Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting i.e. from 3.00 p.m by following the procedure mentioned in the Notice and the facility may be closed 30 minutes after commencement of meeting.
- 4 Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker. For this purpose, please send request mentioning name, demat account number/folio number, email id, mobile number at cs@mblinfra.com at least five days before AGM date. Those shareholders who have registered themselves as a speaker will only be considered to express their views/ask questions during the meeting. However, the Company reserves a right to restrict number of speakers depending on availability of time for AGM. Shareholders who would like to ask questions may send their questions

in advance mentioning their name, demat account number/folio number, email id, mobile number at cs@mblinfra.com five days before AGM date. The same will be replied by the Company suitably in the meeting.

- 5 Members are encouraged to join the Meeting through Laptops for better experience.
- 6 Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- 7 Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- 8 Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- 9 When a pre-registered speaker is invited to speak at the meeting but he /she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/ camera along with good internet speed.
- 10 Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in / 1800-222-990 or contact Mr. Amit Vishal, Senior Manager-NSDL at amitv@nsdl.co.in / 022-24994360 or Ms. Pallavi Mhatre, Manager, NSDL at pallavid@nsdl.co.in/ 022-24994545.

INSTRUCTIONS FOR E-VOTING AT THE AGM

1. The procedure for e-Voting on the day of AGM is same as mentioned above for remote e-Voting.
2. Only those Members, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM. Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

GENERAL GUIDELINES FOR SHAREHOLDERS

- 1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to anjaliyadav.associates@gmail.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to or contact Mr. Amit Vishal, Senior Manager/ Ms. PallaviMhatre, Manager, NSDL, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai - 400013 at telephone no. 022- 24994360/022 24994545 or at E-mail id evoting@nsdl.co.in.
4. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 23rd September, 2020. may obtain the login ID and password by sending a request at evoting@nsdl.co.in or delhi@linkintime.com
5. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
6. Ms Anjali Yadav, Practicing Company Secretary, (Membership No. FCS 6628) has been appointed as the Scrutinizer to scrutinize the Remote e-Voting process and casting vote through the e-Voting system during the Meeting in a fair and transparent manner.
7. The Scrutinizer shall after the conclusion of e-Voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting system and shall within 48 hours of the conclusion of AGM submit consolidated Scrutinizer's Report to the Chairman or to an authorised person who shall countersign the same and declare the results of voting forthwith.
8. The resolutions shall be deemed to be passed on the date of AGM subject to receipt of the requisite number of votes in favour of the Resolutions. The declared results along with the Scrutinizer's Report will be available forthwith on the website of the Company www.mblinfra.com and on the website of NSDL. Such results will also be displayed on the Notice Board at the Registered Office as well as the Corporate Office of the Company and shall be forwarded to the National Stock Exchange of India Limited and BSE Limited .
9. Process for those members whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolu-

tions set out in this notice:

- (a) In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to info@mblinfra.com / delhi@linkintime.co.in .In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to delhi@linkintime.co.in
- (b) Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned above.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(I) OF THE COMPANIES ACT, 2013

ITEM No. 3:

The Board of Directors on the recommendation of Nomination and Remuneration Committee, appointed Mr. Ranjit Datta (DIN: 07121651) as an Additional and Independent Director of the Company w.e.f. 13.08.2020, not liable to retire by rotation, for a term of 5 consecutive years, from the date of appointment i.e. 13.08.2020 to 12.08.2025.

Mr Ranjit Datta will hold office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Ranjit Datta for the office of Director of the Company

The Company has received requisite consent and declarations from Mr. Ranjit Datta including confirmation that he meets the criteria of independence as prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, he fulfils the conditions specified in the Act and Rules made thereunder for his appointment as an Independent Director of the Company and he is independent of the Management of the Company.

Mr Ranjit Datta has over four decades of rich experience and acumen in various fields of banking and finance. He had worked with State Bank Group in all sections of Banking including project finance and treasury functions before retiring in FY 2012. Mr. Datta is a Science Graduate from Punjab University, Chandigarh, 1972 and holds CAIIB conducted by Indian Institute of Bankers, Mumbai, 1981.

He is on the panel of Global Innovation & Technology Alliance (GITA), company promoted by Technology Development Board, Dept. of Science & Technology, GOI & CII, as member of Project Evaluation Committee (PEC) as financial expert for evaluation of proposals for government grants/soft loans. Mr Datta is also on the panel of Technology Development Board (TDB), Dept. Of Science and Technology, GOI, as Financial Expert for evaluation of proposals for financial assistance.

Mr Ranjit Datta expertise and diverse experience will be a valuable guidance for the benefit of the Company. The requisite details of Mr Ranjit Datta are provided as Annexure to the Notice.

A copy of letter of appointment of Mr Ranjit Datta as an Independent Director setting out terms and conditions of appointment is available for electronic inspection upto the date of AGM and will also be available for inspection during AGM. A brief profile of Mr Ranjit Datta is also available on the website of the Company www.mblinfra.com.

None of the Directors or Key Managerial Personnel including their relatives except Mr. Ranjit Datta is, in any way, concerned or interested, in the said resolution. The Board recommends the Special Resolution as set out in Item no. 3 of the Notice for approval by the Members.

ITEM No. 4:

The Board of Directors on the recommendation of Nomination and Remuneration Committee, appointed Mr. Surender Aggarwal (DIN: 07272927) as an Additional and Non-Executive Non- Independent Director of the Company w.e.f. 13.08.2020.

Mr Surender Aggarwal will hold office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr Surender Aggarwal for the office of Director of the Company.

The Company has received requisite consent and declarations from Mr. Surender Aggarwal that he is eligible to be appointed as Director of the Company.

Mr. Surender Aggarwal is a Post Graduate with M.Tech (Structures) from IIT (Delhi) and MBA (Finance) with specialisation in Construction Management. He is having more than two and half decades of versatile experience in the field of civil engineering. He is a member of Indian Institute of Engineers (IIE), Indian Road Congress (IRC), Indian Institute of Bridge Engineers (IIBE) and International Association of Bridge and Structural Engineers (INC-IABSE). He is also a Whole Time Director of Suratgarh – Bikaner Toll Road Company Pvt. Ltd., a Wholly Owned Subsidiary Company of the Company.

Mr Surender Aggarwal expertise and diverse experience will be a valuable guidance for the benefit of the Company.

The requisite details of Mr Surender Aggarwal are provided as Annexure to the Notice.

A brief profile of Mr Surender Aggarwal is also available on the website of the Company www.mblinfra.com.

None of the Directors or Key Managerial Personnel including their relatives except Mr. Surender Aggarwal is, in any way, concerned or interested, in the said resolution. The Board recommends the Ordinary Resolution as set out in Item no. 4 of the Notice for approval by the Members.

ITEM No. 5:

The Board of Directors on the recommendation of Audit Committee has appointed M/s Dipak Lal & Associates, Cost Accountants, as Cost Auditors for the audit of cost records of the Company for the Financial Year ended 31st March 2021, at a remuneration of Rs. 35,000 (Rupees Thirty Five Thousand only) plus applicable taxes, reimbursement of out-of-pocket expenses and other incidental expenses incurred for conducting such audit.

In terms of the provisions of Section 148(3) of the Companies Act, 2013, Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to the Cost Auditor as approved by the Board of Directors of the Company is required to be ratified subsequently by the members of the Company.

Accordingly, consent of the members is sought by passing an ordinary resolution as set out in Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors as approved by the Board of Directors for conducting audit of the cost records of the Company for the financial year ending 31st March, 2021.

None of the Directors or Key Managerial Personnel including their relatives is, in any way, concerned or interested, in the said resolution. The Board recommends the resolution as set out in Item no. 5 of the Notice for approval by the Members.

By order of the Board
For MBL Infrastructures Ltd.

Place: New Delhi
Date: 3rd September, 2020

Anubhav Maheshwari
Company Secretary

Annexure to the AGM Notice dated 3rd September, 2020

Details of Director seeking re-appointment /appointment pursuant to Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015) and Secretarial Standard-2

| | | | |
|--|--|--|---|
| Name of the Director | Anjaneer Kumar Lakhota | Ranjit Datta | Surender Aggarwal |
| Age in years | 57 Year | 68 Year | 47 Year |
| Category of Directorship | Executive | Independent | Non-Executive |
| DIN | 00357695 | 07121651 | 07272927 |
| Qualification | Chartered Accountant | a) Science Graduate from Punjab University, Chandigarh, 1972 b) Holds CAIIB conducted by Indian Institute of Bankers, Mumbai, 1981. | a) Post Graduate with M.Tech (Structures) from IIT (Delhi) b) MBA (Finance) with Specialisation in Construction Management |
| Experience (including Expertise in specific functional areas)/Brief Resume | More than two and half decades of experience in the infrastructure industry. Please refer company's website www.mblinfra.com | More than four decades of rich experience and acumen in various fields of banking and finance. Please refer company's website www.mblinfra.com | More than two and half decades of versatile experience in the field of civil engineering. Please refer company's website www.mblinfra.com |
| Terms and conditions for appointment/re-appointment | At the AGM held on 29 th September, 2018, he was re-appointed as Managing Director of the Company w.e.f. 26 th May, 2019, for a period of 5 years liable to retire by rotation. Being eligible he has now offered himself for re-appointment | He is being appointed as Independent Director of the Company for a period of 5 year w.e.f. 13.08.2020, not liable to retire by rotation. | He is being appointed as Non Executive Director of the Company, liable to retire by rotation. |
| Details of remuneration and remuneration last drawn | Details mentioned in the Corporate Governance Report | He will be entitled for sitting fees for attending the meetings of the Board, Independent Directors and various Committees of Directors | He will be entitled for sitting fees for attending the meetings of the Board and various Committees of Directors |
| Date on which first appointed on the Board | 25.08.1995 | 13.08.2020 | 13.08.2020 |
| Details of shareholding in the Company | 1,33,58,716 | Nil | 70,000 |
| Relationship with other Directors/Key Managerial personnel (if any) | None | None | None |
| Number of Board Meetings attended during the year | Details mentioned in the Corporate Governance Report | Not applicable. Since appointed on 13.08.2020 | Not applicable. Since appointed on 13.08.2020 |
| Details of Directorships in other Companies | 1. Suratgarh Bikaner Toll Road Company Private Ltd. 2. MBL (MP) Toll Road Company Limited 3. MBL Projects Limited 4. MBL Highway Development Company Limited 5. MBL (MP) Road Nirman Company Limited | 1. SMC Foods Limited | 1. Suratgarh Bikaner Toll Road Company Private Ltd. 2. MBL (Udaipur Bypass) Road Limited 3. Highway Consulting Engineers Private Limited |
| Details of Committee chairmanship and memberships in other Companies | NIL | 1. Audit Committee 2. Nomination & Remuneration Committee | NIL |



MBL

Creating Highway To Success

ANNUAL REPORT 2019-20

MBL Infrastructures Ltd



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Corporate Information

BOARD OF DIRECTORS

Anjaneer Kumar Lakhotia
DIN No. 00357695
Chairman & Managing Director

Ashwini Kumar Singh
DIN No. 00365901
Independent Director

Bhagwan Singh Duggal
DIN No. 06634772
Independent Director

Sunita Palita
DIN No.03612793
Independent Director

Ranjit Datta (w.e.f 13.08.2020)
DIN: 07121651
Independent Director

Surender Aggarwal (w.e.f 13.08.2020)
DIN: 07272927
Non Executive Director

CHIEF FINANCIAL OFFICER

Darshan Singh Negi

COMPANY SECRETARY & COMPLIANCE OFFICER

Anubhav Maheshwari

STATUTORY AUDITORS

M/s SARC & Associates, Chartered Accountants

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.
Noble Heights, 1st Floor, Plot No. NH 2, LSC, C-1 Block,
Near Savitri Market, Janakpuri, New Delhi-110058

REGISTERED & CORPORATE OFFICE

"Bani Corporate One"
Suite No. 308, 3rd Floor, Plot No. 5, Commercial Centre, Jasola,
New Delhi-110025
Phone: 011-4859 3300, Fax: 011-4859 3320
E-mail: delhi@mblinfra.com/ cs@mblinfra.com

BANKERS

State Bank of India
Punjab National Bank
Union Bank of India
Bank of Maharashtra
Bank of Baroda
Indian Overseas Bank
Punjab National Bank (International) Ltd.
Union Bank of India (UK) Ltd.
Indian Bank
Bank of India
IDBI Bank

Directors' Report

Dear Members,

The Board of Directors is pleased to present the Twenty Fifth Annual Report of the Company together with the Audited Financial Statements for the financial year ended 31st March, 2020.

Financial Highlights

(₹. in Lakhs)

| Particulars | Standalone | | Consolidated | |
|---|------------|----------|--------------|----------|
| | Year ended | | Year ended | |
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Total Income | 25,203 | 22,832 | 31,557 | 24,099 |
| Earnings Before Interest, Taxes and Depreciation | 3,836 | 2,238 | 4,816 | 1,596 |
| Less : Interest & Finance Charges | 769 | 640 | 6,614 | 1,799 |
| Less : Depreciation | 1,430 | 1,450 | 5,461 | 1,980 |
| Profit Before Tax and Exceptional Item | 1,637 | 148 | (7,260) | (2,183) |
| Exceptional item (Net) (Transferred to capital Reserve) | 28,467 | (28,371) | 28,467 | (28,371) |
| Profit before Tax* | 30,104 | (28,223) | 21,207 | (30,554) |
| Less: Provision for Tax (Current & Deferred) | (5,328) | (4,099) | (5,314) | (4,168) |
| Profit After Tax* | 35,432 | (24,124) | 26,521 | (26,386) |
| Transfer to Capital Reserve | 28,467 | (28,371) | 28,467 | (28,371) |
| Balance carried to Balance Sheet | 6,965 | 4,248 | (1,946) | (1,985) |

* Including exceptional items (refer Note No. 37 to the Financial Statements)

State of the Company's affairs

Resolution Plan of the Company under Insolvency & Bankruptcy Code, 2016 (IBC, 2016) was approved by Hon'ble National Company Law Tribunal, Kolkata (NCLT, Kolkata) by order dated 18.04.2018. Some of the banks had preferred appeals before the Hon'ble NCLAT against the said order. The Hon'ble NCLAT by order dated 16.08.2019 dismissed these appeals finding them without any merit. One of the dissenting financial creditor with minority voting share of 4.01% has preferred an appeal before Hon'ble Supreme Court against the order dated 16.08.2019 of Hon'ble NCLAT, which is pending. The Company has received legal opinion that the Resolution Plan is legally approved and is binding on all stakeholders and there is no merit in the appeal filed. In the unlikely event of ultimate rejection of the Resolution Plan, the Company may go under liquidation and may not be a going concern and the financial statements have to be restated.

Since the approval of the Resolution Plan under IBC, 2016 by order

of Hon'ble NCLT, Kolkata on 18.04.2018, the Company has taken necessary steps for the implementation of the Resolution Plan.

The contribution of the Promoters and entities forming part of Promoter Group of Rs 6330 lakhs (Rs 4011.00 lakhs fresh induction and Rs 2319.00 lakhs out of existing dues) has helped the Company to substantially complete several public interest projects and smooth running of the operations of the Company. The following projects have been completed/handed over since the approval of the Resolution Plan:

1. Development & Operation of Bikaner - Suratgarh Section of NH-62 (Km. 553/869 of NH-11 to Km. 173/000 of NH-62) in the State of Rajasthan on DBFOT basis for Ministry of Road Transport & Highways through PWD, Rajasthan. (PCOD-90.86%)

2. Widening & Strengthening of existing National Highway from 2 Lane to 4 Lane from Km 183.000 to 163.895 of Sonapur to Guwahati Section of NH-115 (earlier NH-37 in the State of Assam on EW-II under program of NHDP Package AS-03 for National Highways Authority of India.
3. Improvement / Upgradation of roads and bridges of Shivganj - Rafiganj - Goh-Uphara-Devkund-Baidrabad Road (SH-68), Package-1 for Bihar State Road Development Corporation Ltd.
4. Rehabilitation and up gradation of Pundibari to Baxirhat section of NH-10 (earlier NH-31) from Km 770.00 to 816.00 of NH-31 in the State of West Bengal to two lanes with paved shoulders under NHDP-IV on EPC basis for Ministry of Road Transports & Highways.
5. Construction of residential accommodation for NHAI Staff at Dwarka, New Delhi for National Highways Authority of India.
6. Construction of two lane Railway Over Bridge at Sonapat Purkhas Moi Road at Level Crossing No. 29 on Delhi Ambala Railway Line in Sonapat Distt, Haryana for Haryana State Roads and Bridges Development Corporation Ltd.
7. Construction of 96 flats {Basement + Ground + 12 storey } Tulsi Tower I/C Internal W/S, S/F, Internal Electrification works, & Development work at Tulsi Nagar, Bhopal, Madhya Pradesh for Madhya Pradesh Housing & Infrastructure Development Board.
8. Construction of Police Line & Residential Quarters at Kondli Check Post, Delhi for Ministry of Home Affairs, Delhi Police through RITES Ltd.
9. Redevelopment of Police Colony Delhi Cantt, Delhi for Ministry of Home Affairs, Delhi Police through RITES Ltd.

The qualification/bidding capacity of the Company has substantially increased with completion /handing over of these projects. Since the approval of the Resolution Plan workmen have been paid in full. Substantial payments have been made to the operational creditors and there is regularity in payment of current operational creditors.

Despite the COVID-19 pandemic crisis, Company has been able to pay all its current employees and workmen and execute on going public interest projects successfully. On the implementation of the Resolution Plan by the financial creditors, the Company with enhanced bid capacity shall endeavor to win 4-5 large ticket size projects which will bring back its glory.

The commercial operations of toll collections for 90.86% of 172.384 kms of the BOT project at Suratgarh-Bikaner Section of NH-62 in the state of Rajasthan was commenced by Suratgarh Bikaner Toll Road Pvt Ltd., 100% owned subsidiary of the Company since

17.02.2019 .The remaining EPC work of aforesaid BOT project is under execution and the toll collections are expected to improve going forward.

The financial performance of the Company was adversely effected during the year due to non-implementation of the Resolution Plan by working capital Bankers. As per the approved Resolution Plan there is waiver of interest/penal interest/interest on interest /other penal charges on delayed payments from the date of NPA till the implementation of the Resolution plan by the financial creditors.

The total income of the Company during the Financial year 2019-20 was Rs 25,203 lakhs on standalone basis and Rs 31,557 lakhs on consolidation basis as against Rs 22,832 lakhs on standalone basis and Rs 24,099 lakhs on consolidation basis during F Y 2018-19. The Company had profit (including exceptional items) of Rs 35,432 lakhs on standalone basis and Rs 26,522 lakhs on consolidation basis during F Y 2019-20 as against loss of Rs. 24,124 lakhs on standalone basis and loss of Rs 26,386 lakhs on consolidation basis during F Y 2018-19. The Exceptional items include Rs 28,467 lakhs during F Y 2019-20 and (Rs. 28,371lakhs) during F Y 2018-19 arising out of adjustment due to IBC, 2016.

On account of cost over-run arising due to client responsibility delays, client's suspension/termination of projects, deviation in design, change in scope of work, etc. significant amounts have been withheld. The Company has taken necessary steps for the realization of such receivables and these are at different stages of negotiations/ arbitration/ dispute resolution/ litigation. The Company has been able to win some of the arbitration awards.

The Company has inducted many professionals in various departments to strengthen the management of the Company.

There are immense opportunities available to the Company in its core competency area.

Changes in the Nature of Business

There has been no change in the nature of business of the Company during the financial year 2019-20.

Changes in Share Capital

During the period under review, there has been no changes in the authorized and paid up share capital of the Company.

Non-Convertible Debentures

At the time of the approval of the Resolution Plan on April 18, 2018, the dissenting financial creditors were required to be paid liquidation value in terms IBC, 2016 read with Regulation 38 (1) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons), Regulations, 2016, (IBC Regulations). Therefore, the Company in terms of the approved Resolution Plan had issued 0.10 % p.a. Secured Non-Convertible

Debentures aggregating to Rs.88,085 lakhs on April 30, 2018 to the working capital banks who had voted in favour of approved Resolution plan. The aforesaid debentures are redeemable in 39 unequated quarterly installments starting from the date of implementation of Resolution Plan at a premium of 10% payable at time of final redemption and provision was made for payment of liquidation value to dissenting financial creditors.

However in view of the judgement of Hon'ble NCLAT that the dissenting financial creditors would be treated at par with the assenting financial creditors and the resolution plan is also binding on them, Regulation 38(1) were amended on October 05, 2018. The Company consequent to the amendments made in IBC Regulations on February 14, 2019 issued 0.10 % p.a. Secured Non-Convertible Debentures aggregating to Rs.30,749 lakhs to the dissenting financial creditors on same terms and conditions of repayment as of assenting financial creditors.

Pursuant to the judgement of Hon'ble Supreme Court, Section 30(2) (b) of IBC, 2016 was amended w.e.f. August 16, 2019 and accordingly dissenting financial creditors are to be paid liquidation value as per the Resolution Plan. Therefore, 0.10% p.a Non-Convertible Debentures aggregating to Rs.30,749 lakhs issued by the Company on February 14, 2019 to the dissenting financial creditors in accordance with the then IBC Regulations, have been cancelled and provision has been made for liquidation value to be paid to the dissenting financial creditors in terms of the approved Resolution Plan on implementation of the Resolution Plan by the financial creditors .

The approved Resolution Plan has not been implemented by the working capital banks and as such repayment obligations has not started and the requirement of making deposits /investments equivalent to 15% of the non-convertible debentures maturing during the financial year 2020-21 or at 31st March 2021 cannot be ascertained. The Company will comply with the requirement as and when the approved resolution plan is implemented by the financial creditors.

Transfer to Reserves

During the financial year 2018-19, pursuant to the judgement of Hon'ble NCLAT and amendments made in the then IBC Regulations that there is no disparity between assenting and dissenting financial creditors and the Resolution Plan is binding on all stakeholders, the Company had issued Non-Convertible Debentures to the dissenting financial creditors in line with the assenting financial creditors. Accordingly, Rs 26,720 lakhs being the difference between the dues of the dissenting financial creditors and their share in the liquidation value and being capital in nature was transferred to capital reserve.

However in view of the judgement of the Hon'ble Supreme Court earlier provision of IBC Regulations has been reinstated i.e. the

dissenting financial creditors are entitled for the proportionate share of the assessed liquidation value. Difference in financial liabilities i.e. Non-Convertible Debentures, Cash Credit Facilities and Working Capital Term Loans in terms of the approved Resolution Plan and liquidation value to the dissenting financial creditors aggregating to Rs.28,372 lakhs has been adjusted resulting from Corporate Insolvency Resolution Process (CIRP). Consequent to cancellation of non-convertible debentures aggregating to Rs.30,749 lakhs issued to dissenting financial creditors, Debenture Redemption Reserve to extent of Rs.7,687 lakhs has been written back and transferred to General Reserve.

Dividend

The Directors do not recommend any dividend for the year.

Management Discussion and Analysis Report

Management Discussion and Analysis Report is enclosed as **Annexure-A** and forms integral part of this Annual Report.

Material Changes and Commitments, if any, Affecting the Financial Position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of the Report

Other than as stated elsewhere in this report, there are no material changes and commitments affecting the Financial Position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of the Report.

Annual Return

As required under Section 134 (3) (a) of the Companies Act,2013 (Act) the Annual Return for the year 2018-2019 and 2019-20 is put on the website and is at weblink [https:// www.mblinfra.com/corporategovernance.php](https://www.mblinfra.com/corporategovernance.php).

Corporate Governance

The Company has complied with the requirement of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") relating to Corporate Governance Report ("CGR"). A separate section titled "Corporate Governance Report" along with the Practicing Company Secretary Certificate on Corporate Governance pursuant to requirement of Regulation 34 read with Para C of Schedule V of the Listing Regulations confirming compliance with the conditions of the Corporate Governance is annexed as **Annexure- B** and forms integral part of this Report. The company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

Board Meetings

During the year 6 (Six) Board Meetings were convened and held, details of which are provided in enclosed Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Act and LODR.

Independent Directors Declaration

The Company has received declarations from Mr. Ashwini Kumar Singh, Mr. Bhagwan Singh Duggal and Ms. Sunita Palita, Independent Directors of the Company confirming that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16 of LODR. In the opinion of the Board, the Independent Directors possess the requisite expertise and experience and are persons of high integrity and repute. There has been no change in the circumstances affecting their status as Independent directors of the Company and they are not aware of any circumstances or situation that could impair or impact their ability to discharge their duties with an objective independent judgement and without external influence.

Board Evaluation

The Board, in terms of the policy devised by Nomination & Remuneration Committee and pursuant to the provisions of the Act and LODR, has carried out an annual performance evaluation of its own as well as its Committees and individual directors. The manner in which the evaluation has been carried out is stated in the enclosed Corporate Governance Report.

Directors & Key Managerial Personnel

Mr. Ashwini Kumar Singh, Mr. Bhagwan Singh Duggal and Ms Sunita Palita Independent Directors have been reappointed by the shareholders of the Company for a further period of 5 years. Mr. Anjaneer Kumar Lakhota, Chairman and Managing Director of the Company, retire by rotation at the ensuing Annual General Meeting ("AGM") and being eligible offers himself for re-appointment. The Board recommends his re-appointment for the consideration of Members of the Company at the ensuing Annual General Meeting. The brief resume/profile of Mr. Anjaneer Kumar Lakhota is attached with Notice for the ensuing Annual General Meeting.

Pursuant to Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company are Mr. Anjaneer Kumar Lakhota, Chairman and Managing Director, Mr. Darshan Singh Negi, Chief Financial Officer and Mr. Anubhav Maheshwari, Company Secretary and Compliance Officer.

Directors' Responsibility Statement

Your Directors here by confirm that:

- a. in the preparation of the annual accounts for the year ended 31st March, 2020, the applicable accounting standards had been followed along with proper explanations, wherever required;
- b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of profit of the Company for that period;
- c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. they have prepared the annual accounts on a going concern basis;
- e. they have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls were adequate and operating effectively; and
- f. they have proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Corporate Social Responsibility (CSR)

The CSR policy of the Company is in accordance with the requirement of the Companies (CSR policy) rules, 2014 and is available on company website at https://www.mblinfra.com/uploadimages/pdf/pdf_1502256043.pdf The expenditure on activities undertaken are in accordance to schedule VII of the Act. There has been no changes in the policy during the year.

The Annual report on the CSR activities is enclosed as **Annexure-C** and forms integral part of this Report.

Performance of Subsidiary Companies

The contribution of the Subsidiary Companies to the overall performance of the Company is given as note 49 of the consolidated Financial Statement. Pursuant to Section 129(3) of the Act and Ind AS -110 issued by the ICAI consolidated financial statements includes financial statement of subsidiary companies. The statement containing salient features of the financial statement of the subsidiary companies is enclosed as **Annexure - D** and forms integral part of the Report.

Suratgarh Bikaner Toll Road Company Pvt. Ltd. is a material subsidiary of the company as per thresholds laid down under

Listing Regulations. The Board of Directors of the company has approved a policy for determining material subsidiaries which is in line with the Listing Regulations as amended from time to time. The policy was amended w.e.f. 01/04/2019 in line with the amendments made to Listing Regulations. The policy has been uploaded on website of the company at weblink [https:// www.mblinfra.com/corporategovernance.php](https://www.mblinfra.com/corporategovernance.php).

The Audited accounts of each subsidiary is placed on the website of the Company www.mblinfra.com and copy of separate financial statement in respect of each subsidiary shall be provided to any shareholder of the Company. These documents are also available for inspection at the registered office of the Company for the period of 21 days before the date of AGM.

During the year, the Board of Directors reviewed the affairs of the Subsidiary Companies. Summary of the BOT projects undertaken by the company through its subsidiary companies is as under:

| Project | SPV/ Subsidiary companies | Type | Current Status |
|---|---|----------------|------------------------------------|
| Developing and Operation of Bikaner - Suratgarh Section of NH - 15 in the State of Rajasthan | Suratgarh Bikaner Toll Road Company Private Limited | Toll | Operational (PCOD 90.86% achieved) |
| Strengthening, Widening, Maintaining and Operating of 18.303 kms Waraseoni-Lalbarra Road in the State of Madhya Pradesh | MBL (MP) Toll Road Company Limited | Toll + Annuity | Operational |

AUDITORS

Statutory Auditors

M/s SARC & Associates, Chartered Accountants, (Firm Registration No. 006085N) were appointed as Statutory Auditors of the Company in the Annual General Meeting held on 11th November, 2017, for period of 5 (Five) consecutive years. The Auditor have confirmed that they are not disqualified from continuing as Statutory Auditor of the Company and hold a valid certificate issued by Peer Review Board of the ICAI. The Auditors attended the AGM of the Company.

The Auditors report does not contain any qualifications, reservation and adverse remark or disclaimer. The note on financial statement referred to Auditors Report are self-explanatory and do not call for further comments. There has been no fraud reported by the Statutory Auditors during the period.

Secretarial Auditors

The Secretarial Audit was conducted by M/s Mehak Gupta & Associates, Practicing Company Secretary for the FY 2019-20. The Secretarial Audit Report is enclosed as **Annexure - E** and forms integral part of the Directors Report. The Secretarial Audit report does not contain any reservations or adverse remarks or disclaimers except for delay in submissions of the Audited Financial Results for the quarter and year ended 31st March 2018. The Board states that the Company has again made submissions before NSE for delayed submissions of results citing reasons beyond the control of the Company and it was unintentional and has requested for waiver of fine. There has been no fraud reported by the Secretarial Auditor during the period. The Board of Directors of the Company has appointed M/s Mehak Gupta & Associates, Practicing Company Secretaries to conduct Secretarial Audit of the Company for the Financial Year 2020-21 after obtaining written consent from them that their appointment is in accordance with applicable provisions of the Act and rules made therein.

Pursuant to Circular No.CIR/CFD/CMD1/27/2019 dated February 08, 2019, issued by SEBI, the Company has also obtained Annual Secretarial Compliance Report from M/s. Anjali Yadav & Associates, Practicing Company Secretaries, on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder and the copy of the same has been submitted with the Stock Exchanges within the prescribed due date.

The Secretarial Audit Report of Kuldeep Yadav & Associates, Practicing Company Secretary, for material unlisted company is enclosed as **Annexure-F**. The Secretarial Audit report does not contain any reservation or adverse remarks or disclaimers. There has been no fraud reported by the Secretarial Auditor during the period.

Cost Auditors

As per the requirements of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, company is required to maintain cost records and accordingly such accounts are made and maintained every year. The Board of Directors on the recommendation of Audit Committee has appointed M/s Dipak Lal & Associates, Cost Accountant as Cost Auditors of the Company for the Financial Year ending 2020-21 at a remuneration of Rs. 35,000/- (Rupees Thirty five thousand only) plus applicable taxes and reimbursement of out of pocket expenses, subject to ratification by members in the ensuing AGM.

The Cost Audit report for FY 2018-19 does not contain any qualification or reservation or adverse remark or disclaimer. There has been no fraud reported by the Cost Auditor during the year.

Particulars of Loans, Guarantees or Investments

Details of loans, guarantees or investments made under Section 186 of the Act are given in the note to the financial statements.

Particulars of Contract or Arrangements with Related Parties

The Company related party transactions ("RPT") are with its Subsidiary Companies, Special Purpose Vehicle, Associate Companies, Joint Ventures/Enterprise-Participation, which are entered for synergy of operation, long-term sector environment strategy, legal requirements, liquidity and capital requirement of Subsidiary Companies, Associate Companies, Joint Venture/Enterprise Participation.

All contracts/arrangements/transactions entered by the Company with related parties for the year under review were on arm's length basis and in the ordinary course of business. Hence, disclosure in form AOC- 2 under the Act read with the rules made therein is not required. The shareholders in the Annual General Meeting held on 29th September 2018 have approved to undertake related party transactions for a period of five years not exceeding aggregate amount of Rs 1000 crores per annum. The Company has not entered into any contract/ arrangement/transaction which would be considered as material in accordance with the policy of the Company on the materiality of the related party transaction. The details of RPT transactions forms part of the notes to audited financial statement.

None of the transaction with any related parties were in conflict with the Company interest.

The policy on Related Party Transactions as approved by the Board of Directors of the Company may be accessed on the weblink [https:// www.mblinfra.com/corporategovernance.php](https://www.mblinfra.com/corporategovernance.php).

Significant and Material Orders

One of the dissenting financial creditor having minority voting share of 4.01% has preferred appeal against the order dated 16.08.2019 of Hon'ble NCLAT, which is pending. The Company has received legal opinion that the Resolution Plan is legally approved and is binding on all stakeholders and there is no merit in the appeal. In the unlikely event of ultimate rejection of the Resolution Plan, the Company may go under liquidation and may not be a going concern and the financial statements have to be restated.

Further the members attention is drawn to the statement of contingent liabilities, commitments in the notes forming part of Financial Statements.

Details of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo

1. Conservation of energy is an ongoing process in the Company's activities. As the core activities of the Company are not energy intensive activity, no information is to be furnished regarding conservation of energy.
2. The Company had not undertaken any research and development activity for any manufacturing activity nor was any specific technology obtained from any external sources, which needs to be absorbed or adapted.
3. During the period under review, the Company has not made any expenditure nor made any earnings in foreign currency.

Risk Management

The Company has a mechanism in place to inform Board Members about the risk assessment and minimization procedures. The Company has in place Risk Management Policy and Risk Manual which helps in framing, implementing and monitoring the risk management plan of the Company. The details of the identification of the various risk associated with the business of the Company which in the opinion of the Board may threaten existence of the Company is detailed in the enclosed Management Discussion & Analysis Report ("MDA").

Committees of Board

The Board of directors have the following committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee

Apart from above, the Board has two (non-statutory) committees namely Banking committee and Management Committee.

The Composition, terms of reference and number of meetings of the Committees during the period under review is covered in the enclosed CGR.

Particulars of the Employees

During the period under review no employee was paid remuneration in excess of the limit specified under Rule 5(2) of the Companies (Appointment and Remuneration) Rules, 2014. Disclosure pursuant to Section 197(12) of the Act forms part of Report. The Reports and Accounts are being sent to Members and other entitled thereto, excluding the information on employee's particulars which is available for inspection by the Members at

the Registered Office of the Company during business hours on any working day. If any member is interested in obtaining a copy thereof, such member may write to Company Secretary in this regard.

Remuneration Policy

The Company has in place Remuneration Policy for Directors, Key Managerial Personnel and Senior Management Personnel to align with the requirement of the Act and LODR. The brief particulars of the remuneration policy are stated in the enclosed CGR and is available on the website of the company at weblink <https://www.mblinfra.com/corporategovernance.php>. There has been no changes in the policy during the year.

Statement in Respect of Adequacy of Internal Financial Controls with Reference to the Financial Statements

The purpose of the internal control is to prevent risk arising in course of operations by adopting appropriate controls and process, especially with regard to conformity with the laws, compliance with the strategy, the quality of accounting and reporting, and the quality of process and protection of assets amongst others.

Your Company has an effective internal control system commensurate to its size, scale and complexities of its operations. The Company has in-house Internal Audit Department comprising of professional executives. The Internal Audit Department has conducted the Internal Audit in line with the scope formulated, functioning, periodicity and methodology agreed with the Audit Committee. The Internal Audit Department monitors and evaluate the efficacy and adequacy of the internal control system in the Company, its compliance with operating systems and accounting procedures and policies adopted by it. Based on the reports of the internal audit, process owners undertake corrective action in their respective areas and thereby strengthening the controls. The Company has appointed consultants/professionals to conduct Cost Audit and Secretarial Audit and observations made, if any, are reviewed by the Management periodically and corrective actions, if required, are taken.

Whistle Blower Policy/ Vigil Mechanism

The Company has in place Vigil Mechanism/Whistle Blower Policy for director and employees to report genuine concerns. The policy is available on the website of the Company www.mblinfra.com and the brief particulars of the establishment of Vigil Mechanism is provided in the enclosed CGR.

Deposits

During the period under review, no deposits were accepted by the Company.

Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Your Company has in place a policy on Prevention of Sexual Harassment at workplace. This policy is in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees, whether permanent, contractual, temporary and trainees are covered under this Policy. As per the said Policy, an Internal Complaints Committee is also in place to redress complaints received regarding sexual harassment. No case or complaint was filed pertaining to Sexual Harassments policy.

Acknowledgements

We convey our grateful appreciation for the valuable patronage and co-operation received and goodwill enjoyed by the Company from all the Stakeholders, its esteemed customers, shareholders, business associates, banks, financial institutions, government Authorities and other stakeholders.

We place on record our appreciation to the contribution made by the employees at all levels.

By Order of the Board
For MBL Infrastructures Ltd.

Place: New Delhi
Date: 13th July 2020

Anjaneer Kumar Lakhota
Chairman & Managing Director

Management Discussion and Analysis Report

Indian Economic Overview

Over the past decade, the country's integration with the global economy has been compounded by economic growth. India has emerged as a robust global player. Despite the recent cyclical slowdown, India is among the fastest-growing large economies. Domestically, amid a sharp deceleration of investment, slowing private consumption, sector-specific weaknesses in auto and real estate as well as lingering uncertainty about the health of non bank financial companies resulted in decelerated growth. Despite regulatory improvements to spur competitiveness, levels of private investment and exports continue to be relatively low, undermining prospects for longer term growth. The growth of the Indian economy is the slowest since the global crisis of 2008. Growth will be supported by the lagged effects of monetary policy easing, a reduction in corporate income tax rates, recent measures to address corporate and environmental regulatory uncertainty and government programs to support rural consumption. With the clean-up of financial sector balance sheets, banks and financial institutions will be in a much better position to provide credit. With the end of the deleveraging phase, the corporates will start leveraging and this will push growth up. The corporate tax cut is allowing the companies to de-leverage faster and they will be primed for undertaking investments when the economic cycle turns. Capacity utilisation is expected to catch up resulting in an improvement in the investment cycle. Payoff from reforms like Goods and Services Tax and Insolvency and Bankruptcy Code, 2016 are a work in progress and once streamlined they will create an 'efficiency-led' growth spurt over the medium run. Growth of the Indian economy is expected to remain buoyant over the medium term though less impressive than the previous years.

Rising geopolitical tensions in the Middle East have roiled energy prices. The fall in domestic demand and low international crude oil have kept the current account deficit of the country under control. Factors concerning growth, capital outflows, and global trade disputes as well as uncertainty have weighed heavy on the Indian rupee. The fall in global liquidity, global economic slow down and trade uncertainties are likely to weigh heavy on capital flows.

Foreign Direct Investment (FDI) stimulates any country's economic development and creates a more conducive environment for the industry to grow. FDI's have been on an upward trajectory and are expected to increase as India remains an attractive investment destination due to the sheer size of its consumer market ensuring positive returns while return prospects in advanced nations are poor. Additionally, India enjoys stable/positive ratings from major

credit rating agencies around the globe. Sustainable efforts to prop up the health of the banking sector is a vital challenge, while bridging the disparity in urban and rural infrastructure is essential for spreading investment and economic opportunities while addressing the challenges of urbanisation.

The COVID-19 pandemic is claiming an ever increasing human cost worldwide; and the necessary protection measures are severely impacting economic activity. There is a de-facto shutdown of a significant portion of the economy. The decisive actions of the government in recent weeks to reduce systemic stress include monetary stimulus and liquidity facilities. Consistent with the assumed path of the pandemic and gradual normalization in economic activity, financial conditions are expected to ease in the second half of 2020.



(Widening & Strengthening of existing National Highway from 2 lane to 4 lane of Sonapur to Guwahati section of NH-115 earlier NH-37)

Road Sector

The infrastructure sector plays an important role in the growth and development of the Indian economy. We have the second largest road network in the world, spanning a total of over 5.8 million kms. Of this, national highways and expressways comprise 132,500 km and state highways 156,694 km. The road sector has attracted significant investment over the past 10 years. The sector has pioneered several innovative public-private partnership (PPP) models besides having a strong contractual framework compared with other sectors. These factors have led to a significant investment from private players in the sector. As infrastructure

is majorly responsible for propelling growth of other sectors and India's overall development, Government of India is giving huge impetus for development of infrastructure and construction services through focused policies such as open FDI norms, large budget allocation to infrastructure sector, smart cities mission and so on.

Infrastructure and construction sector has the 2nd largest share in FDI inflows. Infrastructure related activities witnessed strong growth during 2019- 20. Construction of national highways recorded the highest increase of 20 per cent, in line with government's increased focus on improving logistics. Highway construction in India increased at 20.57 per cent CAGR between FY 14-19. In FY 19, 10,855 km of highways were constructed. There is a need to further boost connectivity as national and state highways constitute only 4.7% of the surfaced roads in India. This makes it imperative to strengthen hinterland connectivity with ports and other key locations including consumption centres, metros, tier-2 cities and places of strategic importance so that people and goods can move at a faster pace.

India is witnessing a significant interest from international investors in the infrastructure space. Emerging as the fastest growing major economy in the world, India is expected to be one of the top three economic powers of the world over the next 10-15 years; backed by its strong democracy and partnerships. The real estate and construction sector holds significant opportunity for both global and domestic companies engaged across the value chain. Government has proposed to permit investments made by Foreign Institutional Investor's (FIIs)/Foreign Portfolio Investments (FPIs) in debt securities issued by Infrastructure Debt Fund. It has also set a target for construction of 12,000 km national highway in FY20. US government's 'Overseas Private Investment Corporation' (OPIC) is planning to invest in India's infrastructure, port and solar energy sectors.

Road Transport infrastructure is critical for economic development of a country. It influences the pace, structure and pattern of development. Ministry of Road Transport and Highways (MoRTH) constructed 10,855 km of national highways against the targeted 16,420 km in fiscal 2019 with an average daily construction rate of about 30 km. Increased road networks will be critical for the success of the Make in India programme as manufacturing competitiveness critically depends on road transport infrastructure. The major constraints faced in the sector are availability of funds for financing large projects, lengthy processes in land acquisition and payment of compensation, environmental concerns, time and cost over-runs due to delays in project implementation, procedural delays and slower traffic growth than expected resulting in increased risk factor of

projects, in turn resulting in stalled or languishing projects and fund shortage for maintenance.

The sector requires sustainable, efficient, safe and internationally comparable quality of road infrastructure with a focus on National Highways Infrastructure to achieve enhanced connectivity, quick mobility to a level which accelerates socio-economic development.



(Development & Operation of Bikaner- Suratgarh Section of NH-62 (earlier NH-15) in the state of Rajasthan)

This is possible by adopting some of the following measures:

- a. Development of National Highways (NHs) Network in the country into a road network of international standards for uninterrupted flow of traffic with enhanced safety features.
- b. Enhanced connectivity for remote, far flung and isolated areas, including the North-East Region (NER), Left Wing Extremism (LWE) affected areas, Border and Tribal areas.
- c. Evolving policies for efficient and safe transportation via the Road Network and facilitating their implementation.
- d. Establishing arrangements for review of Road Transport requirements keeping in view the long term perspective.
- e. Improving road safety scenario in the country especially on National Highways.
- f. Strengthening public transport system.
- g. Access to low cost finance for road development.
- h. Reducing carbon footprint of road transport.
- i. Improving citizen satisfaction with road transport services.
- j. Using LiDAR (Light Detection and Ranging) /GIS/ for development, maintenance and management.

Improved infrastructure capacities also create efficiency gains through improved logistics and networks, which in turn would improve the competitiveness of the economy. This can help kick in a virtuous cycle of higher investment, growth and employment generation in the economy. The Ministry has taken up detailed review of National highways network with a view to develop the road connectivity to Border areas, development of Coastal roads including road connectivity for Non-Major ports, improvement in the efficiency of National Corridors, development of Economic Corridors, Inter Corridors and Feeder Routes along with integration with Sagarmala, etc., under Bharatmala Pariyojana. Length of national highway construction has increased at a CAGR of 14% during F Y 2016-20. NHAI accomplished the highest ever construction of 3979 km during FY 2020, increasing by 17.80% in comparison to F Y 2019.

Bharatmala envisages development of Economic Corridors, which along with Golden Quadrilateral (GQ) and North-South and East-West (NS-EW) Corridors are expected to carry majority of the Freight Traffic on roads. National Highways under the Bharatmala programme which aims to optimize the productivity of freight and passenger movement by filling the critical infrastructure gaps also aims to increase the number of districts with national highway linkages from 300 to 550. Bharatmala phase 2 to be launched to develop state road networks



(Four lane of km 41-51 of Agra Dholpur of NH- 46 (earlier NH 3), in the state of Rajasthan)

The various sectors of an economy are inter-dependent. Industrial corridors, recognising this inter-dependence, offer effective integration between industry and infrastructure, leading to comprehensive economic growth and social development. The government has recognised industrial corridor projects which would be spread across India, with strategic focus on inclusive development to provide a boost to industrialization and planned urbanization. Some of the recent projects undertaken in the road sector, inter-alia, includes Bharatmala Pariyojana, Setu Bharatam, Chardham Mahamarg Vikas Pariyojana, Highway Projects in the North-East and Logistics Parks. 30,000 kms of PMGSY roads have been built using Green Technology, Waste Plastic and Cold Mix Technology. In the financial year 2019-20, Rs 53,370 crore

(US\$ 7.64 billion) has been provided for infrastructure and socio economic development of the North Eastern Region(NER).

Government of India is giving huge impetus for development of Infrastructure and construction services through focused policies such as open FDI norms, large budget allocation to Infrastructure sector.

Since infrastructure is responsible for propelling growth of other sectors and India's overall development, increased allocation in the budget to improve infrastructure is critical in facilitating future growth. Roadways have been the key focus area for budget allocations over the years. To spur growth impulses in the economy the government has inter-alia, provided for the following:

1. Rs 100 lakh crore (US\$ 1.41 trillion) to be invested on infrastructure over the next 5 years.
2. For funding and development of infrastructure, government of India has decided to rely on off-budget sources and Public Private Partnership (PPP).
3. Introduction of National Steel Policy in 2017 to aim at higher spending on infrastructure and construction through government initiatives.
4. To upgrade 1,25,000 kms of road length over the next five years, the estimated cost of Rs 80,250 crore (US\$ 12.03 billion) is envisaged under Pradhan Mantri Gram Sadak Yojana-III (PMGSY).
5. Government of India allocated Rs 19,500 crore (US\$ 2.79 billion) for the Pradhan Mantri Gram Sadak Yojana (PMGSY).
6. The National Infrastructure Pipeline (NIP) is undertaken by the government to facilitate economic revival by relying on infrastructure creation. NIP covers a gamut of sectors, rural and urban infrastructure as well entails investments to the extent of Rs 102 lakh crores to be undertaken by the Central Government, state governments and private sector participation. The endeavour of NIP is to make this happen in efficient manner. The benefits of NIP are manifold as hereunder:
 - a. Economy: Well-planned NIP will enable more infra projects, grow businesses, create jobs, improve ease of living, and provide equitable access to infrastructure for all, making growth more inclusive.
 - b. Government: Well-developed infrastructure enhances level of economic activity, creates additional fiscal space by improving revenue base of the government, and ensures quality of expenditure focused in productive areas
 - c. Developers: Provides better view of project supply, provides time to be better prepared for project bidding,

reduces aggressive bids/ failure in project delivery, ensures enhanced access to sources of finance as result of increased investor confidence.

- d. Banks/financial institutions (FIs)/investors: Builds investor confidence as identified projects are likely to be better prepared, exposures less likely to suffer stress given active project monitoring, thereby less likelihood of NPAs
7. A National Logistics Policy to be released soon and will create a single window e-logistics market This policy will inter alia, will clarify the roles of the Union Government, State Governments and key regulators. It will create a single window e-logistics market and focus on generation of employment, skills and making MSMEs competitive
8. Accelerated development of Highways. include development of 2500 Km access control highways, 9000 Km of economic corridors, 2000 Km of coastal and land port roads and 2000 Km of strategic highways.
9. FASTag mechanism to encourage towards greater commercialisation of highways so that NHAI can raise more resources.
10. National Highway Authority of India (NHAI) is planning to raise Rs 40,000 crore (US\$ 5.72 billion) to monetise its highway assets through Infrastructure Investment Trust (InvIT).
11. The Union Government and Asian Development Bank signed US\$ 500 million loan agreement to build the longest bridge across river Ganga, in Bihar.



(Comprehensive maintenance of Ring Road, Delhi)

The government is taking all necessary initiatives to promote India's Infrastructure and Construction Sector. MORTH is expected to award road projects with a total length of around 4,500 km worth Rs 50,000 crore (US\$ 7.15 billion) in 2020. Creating new and upgrading existing infrastructure will be key to raising India's competitiveness and achieving this target. Public Private Partnerships (PPP) in the infrastructure space have increased and are expected to grow even further. With such strong initiatives

of Government of India along with Smart Cities, Housing for All, Bharatmala Project, etc. there exists lot of investment opportunities in this sector. It is a given that infrastructure development is a critical factor for boosting the economy, providing improved growth prospects. In order to improve India's global competitiveness, creating new and upgrading existing infrastructure will be critical along with introducing a slew of reforms. The sector enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. However, the government plan of massive increase in infrastructure is likely to see headwinds due to Covid-19 pandemic.

Industry Structure & Development

A key driver for the Indian economy, the infrastructure sector is highly responsible for propelling India's overall development. The sector also enjoys intense focus from the Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country.

Civil Engineering Projects

MBL is engaged in the execution of various Civil Engineering Projects. The Company provides integrated Engineering, Procurement and Construction (EPC) services for Civil Construction and Infrastructure sector projects.

Highway Construction EPC

In recent years, MBL has executed and commenced a number of prestigious and praiseworthy projects in the states of West Bengal, Madhya Pradesh, Maharashtra, Assam, Uttar Pradesh, Delhi, Rajasthan, Karnataka, Haryana, Odisha, Andhra Pradesh, Bihar and Uttarakhand.

Immense opportunities are available to MBL in its core competence area of Civil Engineering projects particularly in roads and highways

Highway -BOT Projects

MBL was an early entrant into the BOT space since 2002 onwards. MBL has an integrated business model to execute the BOT projects which includes Design and Engineering, in-house construction Equipment Bank, Toll Collection and O&M, Traffic Estimation.

Highway - O&M

MBL was awarded the first ever contract for comprehensive maintenance of Inner & Outer Ring Road of NCT, New Delhi in 2005. Our road maintenance attracted public appreciation; this encouraged the government to award more maintenance contracts to the Company

Building, Housing & Urban Infrastructure

MBL is also engaged in Industrial & Urban Infrastructure Development projects across the country. With an impeccable track record, we enjoy good order flows from authorities such as PWD Haryana, MP Housing & Infrastructure Board, etc. We have executed several Housing / Building Projects PAN India as an EPC contractor.



(Residential Accommodation for NHAI staff at Sector- 17, Dwarka, New Delhi)

Railways/Metro & Other Infrastructure

In Railways, MBL has executed railway over bridge, railway under bridge works primarily and civil works. We have also completed two RUBs at Narela & Badli and a ROB at Faridabad and three ROB at Sonapat.



(Construction of Metro rail depot, Kalindi Kunj, New Delhi)

Other Significant Highlights

1. Our Company was among the first batch of contractors to be awarded the contracts of prestigious North South East West Corridor by NHAI and was the first to complete the project
2. Our Company was amongst the first batch of contractors to be awarded the contract for maintenance of National Highways by NHAI

3. Our Company was awarded the first ever contract for comprehensive maintenance of Inner & Outer Ring Road of NCT, New Delhi.
4. Our Company has over two decades of experience in executing infrastructure projects (especially of Highways) as Prime Contractor and has established its ability to deliver quality project execution within budget and schedule.
5. Our clientele comprises of NHAI, MoRTH, MPRDC, SAIL, CPWD, DMRC, PWD (NCT New Delhi, Haryana, Rajasthan, Assam, UP, Uttarakhand, West Bengal), RCD (Bihar), HUDA, M.P. Housing Board, NBCC, RITES, etc.
6. Our Company has tremendous acumen in sourcing and maintaining supply chain of raw material thereby harnessing benefits of backward integration.
7. Our Company has witnessed continuous growth in 'Bid Capacity' and 'Pre-Qualification Capability'.
8. Our company has a large fleet of sophisticated equipment comprising hot mix plants, sensor pavers, tandem rollers, soil compactors, stone crushers, loaders, excavators, tippers, motor graders, concrete batching plants, transit mixers, concrete pumps, dozers cranes, etc. We enter into contracts primarily through a competitive bidding process and solely execute most of our projects as the prime contractor. To encash upon our experience we also enter into project specific joint ventures. Additionally, as a normal business practice, depending on the business needs, we outsource some of our work to subcontractors.

Risk Management

1 Strategic risk

- 1.1 A limited business strategy could affect the Company's ability to capitalize on opportunities in a growing market.

Mitigation

- 1.2 Our company enjoys a rich experience of construction under EPC/ BOT projects. We have executives tracking developments within the industry, allowing us to capitalize on emerging opportunities. Though our thrust area remains roads & highways, to de-risk from an overt exposure to the road sector, we have extended into segments like railways, urban infrastructure and industrial infrastructure.

2 Competition risk

- 2.1 More opportunities have attracted numerous mid-sized players in the infrastructure sector. Increased competition could threaten the Company's growth ambitions.

Mitigation

- 2.2 Entry barrier is less for small sized road and highway projects whereas for execution of large projects now, there are only limited players. We are considered as one of the most reputed entities in the infrastructure sector. We are trusted as a reliable partner for new projects and our ability to execute large size projects across the length and breadth of the country has helped us emerge as one of the most renowned road developers in India.

3 Financial risk

- 3.1 Inadequate financials management might result in the Company's inability to secure funding for projects and to control cost might affect profitability.

Mitigation

- 3.2 We have years of experience in the infrastructure sector and have robust financial management protocols which ensures our productivity is maintained along with keeping project costs in check.

4 Execution risk

- 4.1 Inability to secure projects and successfully execute large projects within project timelines could lead to stalled projects and stuck funds.

Mitigation

- 4.2 We always bid for projects within our core competence, which allows us to leverage our technical expertise to achieve timely project execution. We also have standalone bitumen, concrete, quarrying and mining divisions which provide raw material security.

5 Economic risk

- 5.1 Any adverse change in governmental policy could affect the entire industry.

Mitigation

- 5.2 India displayed impressive growth during the year under review to become the fastest growing economy in the world.

The Central Government's emphasis on road infrastructure, energy, railways and affordable housing is expected to create numerous opportunities for MBL. We have displayed an inherent ability to explore and capitalise on opportunities presented across the entire infrastructure spectrum.

6 Industry risk

- 6.1 A downturn in the road sector can potentially impact sustainability.

Mitigation

- 6.2 The road sector enjoys priority in India. The Central Government announced a slew of initiatives to kick-start growth, supported by various policy changes. Our presence in all segments of infrastructure development, significantly mitigates this risk.

7 Business model risk

- 7.1 In new business models like BOT, revenue accrues to the contractor at a later date in the form of user-fees or toll. It is risky if the toll collected is insufficient to compensate the contractor with reasonable profits.

Mitigation

- 7.2 We take due caution before taking up any such project; estimates of toll revenues are made with utmost diligence, considering all practical constraints and realistic view points, so as to arrive at a reasonably accurate figure of future revenues to be earned through collection of user fees. The quality of its project is always maintained at the highest levels, which attracts higher traffic intensity.

8 Input risk

- 8.1 Availability of the right quality and quantity of resources (raw material and finances) is critical for the timely completion of infrastructure projects. Besides, cost escalation could affect profitability.

Mitigation

- 8.2 We control our projects directly – as opposed to sub-contracting core infrastructure assignments – enabling us to ascertain when material would be required; in what quantity and where. We procure key raw materials (steel and cement) directly from leading manufacturers for a more timely access. Moreover, most of our contracts are protected with input escalation clauses, which protect profitability.

9 Manpower risk

- 9.1 Since people represent the most valuable asset in the business, any attrition could lead to a valuable loss of competitive edge. Recruitment and retention of specialised professionals is an industry wide challenge.

Mitigation

- 9.2 We maintain a cordial and informal working environment. Authority is delegated at all levels through a defined system of the scope of work, responsibility and reporting structure which results in leaders being nurtured across the organisational structure. We remunerate employees according to the prevailing industry standards and conduct in-depth training, both functional and attitudinal, leading to a low attrition rate.

10 Quality risk

- 10.1 For an Infrastructure Company, product quality needs to withstand the test of time. Any failure could effectively invite negative publicity affecting the Company's prospects.

Mitigation

- 10.2 MBL Infrastructures Limited procures raw material from reputed brands (SAIL, TISCO, RINL, Ultratech, ACC, IOCL, HPCL, BPCL, among others) only, minimizing much of the risk. The Company has in-house laboratories and engineers for quality checks. Work-in-progress checks are carried out during execution. The Company has its own quarrying and crushing, concrete and bituminous divisions and engineering personnel to ensure quality execution. Finished quality checks are carried out post-execution to ensure quality of the final product before handing over the works to the clients.



(Upgradation of roads and bridges of Shivganj-Rafiganj-Goh-Uphara-Devkund-Baidrabad Road SH-68, in the state of Bihar)

Financial Overview

Sales & Other Income

The total income of the Company during the Financial year 2019-20 was Rs 25,203 lakhs on standalone basis and Rs 31,557 lakhs on consolidation basis as against Rs 22,832 lakhs on standalone basis and Rs 24,099 lakhs on consolidation basis during F Y 2018-19. The Company had profit (including exceptional items) of Rs 35,432 lakhs on standalone basis and Rs 26,522 lakhs on consolidation basis during F Y 2019-20 as against loss of Rs. 24,124 lakhs on standalone basis and loss of Rs 26,387 lakhs on consolidation basis during F Y 2018-19. The Exceptional items include Rs 28,467 lakhs during F Y 2019-20 and Rs. 28,371 lakhs during F Y 2018-19 arising out of adjustment due to IBC, 2016.

Key Ratios

Key financial ratios are given below:

| Particulars | Year Ended | |
|-----------------------------|------------|---------|
| | 2019-20 | 2018-19 |
| Debtors Turnover | 1.71 | 1.48 |
| Inventory Turnover | 12.04 | 17.40 |
| Interest Coverage Ratio | 22.27 | 56.14 |
| Current Ratio | 0.63 | 0.93 |
| Debt Equity Ratio | 1.38 | 1.66 |
| Operating Profit Margin (%) | 9.85 | 1.01 |
| Net Profit Margin (%) | 41.93 | 29.02 |
| Return on Net Worth (%) | 4.96 | 5.90 |

The key ratios are not comparable as the operations of the Company are not normal due to non- implementation of the resolution plan by working capital banks post CIRP under IBC, 2016.

Internal Control Systems & their Adequacy

We have an adequate system of internal control to ensure that transactions are properly authorized, recorded, and reported apart from safeguarding our assets. The internal control system is supplemented by well-documented policies, guidelines and procedures. We have also installed an extensive CCTV Surveillance system to cover all our project sites. All these measures are continuously reviewed by our Management and necessary improvements are implemented.

Material Developments in Human Resources/ Industrial Relations Front, including – Number of People Employed

We recognize the importance of human values and ensure that proper encouragement, both moral and financial, is extended to employees. The senior management team consists of experienced professionals with diverse skill sets across all cadres and geographical locations. The total number of employees employed as on 31st March 2020 was 306.

Health, Safety and Environment

MBL has framed a Health, Safety and Environment Policy (HSE). The key objective of HSE Policy is to empower employees to attain a healthy and safe work place with an emphasis on zero injury and environmental protection. We provide regular training to our employees, conduct regular audits and have taken ISO 9001, ISO 14001 and OHSAS 18001 certifications to ensure proper implementation of our HSE Policy. The HSE Policy enunciated by the Management lays emphasis on Health, Safety & Environment through a structured approach and well-defined SOP's have been established for implementing the requisites at all stages of construction. The safety and health of employees, partners, service providers and the public are a priority at MBL. The wellbeing of stakeholders and the minimization of impact on the natural environment are extremely important to us. HS&E are key focus areas and integrated into our business operations at every level. Our HSE Policy ensures that site operations meet legal requirements and that operations cause minimal visual impact or nuisance to the public. Continuous efforts to achieve safety awareness and eliminate unsafe practices are made through employee engagement.

Cautionary Statement

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

By Order of the Board

Date: 13th July 2020

For MBL Infrastructures Ltd

Place : New Delhi

Anjaneer Kumar Lakhotia



(Construction of 96 flats at Tulsi Tower, Bhopal for MP Housing & Infrastructure Development Board)



(Approach road 2 lane from GT road at Neamatpur to Burnpur, West Bengal)



(Widening & Strengthening of existing National Highway from 2 Lane to 4 Lane from Km 183.000 to 163.895 of Sonapur to Guwahati Section of NH-115 (earlier NH-37 in the State of Assam on EW-II under program of NHDP Package AS-03)

Corporate Governance Report

1. Company's Philosophy on Corporate Governance

The philosophy of your Company in relation to Corporate Governance is to achieve and to maintain the highest standard of Corporate Governance through implementation of the following objectives:

- To protect and facilitate the shareholders to exercise their rights.
- To provide adequate and timely information to all the shareholders.
- To ensure equitable treatment to all shareholders.
- To recognize the rights of its shareholders and encourage co-operation between the Company and the stakeholders.
- To ensure timely and accurate disclosure on all matters including financial situation, performance, ownership and governance of the Company.

2. Board of Directors

Composition of the Board

The composition of the Board of Directors, which is in conformity with the Companies Act, 2013 ("Act") and Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("LODR"), along their attendance at the meetings during the year and number of other directorships in other companies and memberships of the Committees of the Board of such Companies as on 31st March, 2020 are as follows:-

| Name of the Directors | Category | #No. of Directorship(s) held in Indian Public Limited Companies (including this Company) | | | | ##No. of Committee(s) of which he/she is a Member/ Chairman (including this Company) | | | |
|----------------------------|-------------|--|------------------|----------------|------------------|--|------------------|----------------|------------------|
| | | Chairman | | Director | | Chairman/Chairperson | | Member | |
| | | ###Listed Company | Unlisted Company | Listed Company | Unlisted Company | Listed Company | Unlisted Company | Listed Company | Unlisted Company |
| Mr. Anjaneer Kumar Lakhota | Promoter/ED | 1 | - | - | 5 | - | - | 1 | 2 |
| Mr. Ashwini Kumar Singh | NEI | - | - | 1 | 6 | - | - | 2 | 2 |
| Mr. Bhagwan Singh Duggal | NEI | - | - | 1 | 3 | - | - | 2 | 1 |
| Ms. Sunita Palita | NEI | - | - | 1 | 3 | 1 | - | 1 | 1 |

NEI: Non-Executive Independent Director, ED: Executive Director

As mandated by Regulations 17A and 26(1) of LODR:

- None of the Directors are Directors in more than eight (8) Listed Companies
- None of the Independent Directors serve as an Independent Director in more than seven listed companies.
- The Managing Director is not serving as Independent Director in any other listed company.
- None of the Directors are member in more than ten (10) committees or acts as chairperson in more than 5 (Five) Committees.

Chairpersonship/Membership of the Board Committee includes membership of Audit Committee and Stakeholders' Relationship Committee in other public limited companies.

Directorship/Chairpersonship/Membership in Listed Company implies MBL Infrastructures Ltd.

The Board periodically evaluates, as and when required, the need for change in its composition and size.

None of the Directors are related inter-se in terms of Section 2(77) of the Act.

Skills/ Expertise/ Competencies of the Board of Directors

The Board has identified that the Directors of the Company has skills, expertise and competencies required in the context of Company's business, Company Policies, work culture and the potential opportunities of the industry in which the Company belongs to. The following are the core list available with the Board Members:

| Financial awareness | Strategy and Planning awareness | Corporate Governance Awareness |
|--|--|--|
| Basic understanding of the Financial Statements/Financial Reporting of the Company | Finance, Operations, Sales, Marketing, Purchase, Human Resources, Information Technology | Corporate Governance awareness, awareness of good business practice, |
| Every Board member has the basic understanding of the Financial Statements, Financial Reporting of the Company. The members use their respective rich experience, knowledge and skills effectively to contribute to the growth of the Company. | The Board members are aware of the Business strategy which includes Finance, Operations, Sales, Marketing, Purchase, Human Resources, Information Technology and moreover the risk and gain potential opportunity and threat of the Company's Industry Sector. | The Board members possess the Corporate Governance awareness, awareness of good business practice, responsibilities and reporting to stakeholders and to support legal compliance systems. |

The aforesaid expertise/competencies/skills in the context of the business sector for the effective functioning of the Board is available and also provided, from time to time, to the Board.

Board Agenda

The meetings of the Board are governed by a structured agenda which is circulated to the Directors well in advance for facilitating meaningful and focused discussion at the meeting. Where it is not practicable to attach any document to the Agenda, it is tabled at the meeting with specific reference to the effect in the agenda. In special and exceptional circumstances additional or supplementary item(s) on the agenda are permitted.

The Board members and Key Managerial Personnel (KMP) confirm quarterly to the Board of Directors that they, directly or indirectly or on behalf of third parties, does not have a material interest in the transactions or matters directly affecting the Company. The Board members in consultation with the Chairman may bring upon other matters for consideration at the Board meeting. Members of the Senior Management are occasionally present in the meeting as an invitee as and when required.

Information placed before the Board

Necessary information as required under the statute and Regulation 17(7) read with Part A of Schedule II of LODR are placed before the Board, from time to time. Within fifteen (15) days from the date of the conclusion of the Meeting of the Board, the draft Minutes are circulated amongst the members for their comments. The minutes of the meeting explicitly record dissenting opinions of the members, if any. To protect and to facilitate the shareholders rights, the Board ensures that:

- Shareholders have the right to participate in and be sufficiently informed on decisions concerning fundamental corporate changes.
- Shareholders have the opportunity to participate effectively and vote in general meetings.

- c. Shareholders are informed on the rules including voting procedures that govern general shareholder meetings.
- d. Shareholders have the opportunity to ask questions to the Board, to place items on the agenda of general meetings and to propose resolutions, subject to reasonable limitations.
- e. Effective shareholder participation is facilitated in key Corporate Governance decisions, such as nomination and election of board members.
- f. Company has an adequate mechanism to address the grievances of the shareholders.
- g. Company has an effective means to protect and redress the minority shareholders from abusive actions by or in the interest of, controlling shareholders either directly or indirectly.

Post Meeting Mechanism

The important decisions taken at the Board/Board Committee(s) meetings are communicated to the concerned departments/divisions. Action Taken Report on decisions, if any, minutes of the previous meeting is placed at the succeeding meeting of the Board/Board committees for noting. The Company also files the reports, statements, documents, filings and other information with NSE & BSE on the electronic platform as specified in LODR and Act.

Number of Board Meeting held and attended by Directors

During the year under review 6 (Six) meetings of the Board of Directors were held and the gap between two consecutive meetings did not exceed one hundred and twenty days ("120"). The necessary quorum was present for all the Board Meetings. The Company has also provided video/tele-conferencing facilities to the Directors travelling in or out of India to participate in the meetings. The dates on which the Board meetings were held were 30th May, 2019, 14th August, 2019, 29th August, 2019, 28th September, 2019, 14th November, 2019 and 14th February, 2020.

The attendance record of each of the directors at the Board meetings during the year ended 31st March, 2020 and of the last Annual General Meeting is as under:

| Name of Directors | No. of Board Meetings during the year 2019-20 | | Attendance at the last AGM held on 28 th September, 2019 |
|-----------------------------|---|----------|---|
| | Held | Attended | Yes/No |
| Mr. Anjaneer Kumar Lakhotia | 6 | 6 | Yes |
| Mr. Ashwini Kumar Singh | 6 | 6 | Yes |
| Mr. Bhagwan Singh Duggal | 6 | 6 | Yes |
| Ms. Sunita Palita | 6 | 6 | Yes |

Independent Directors

In terms of the requirement of the Act read with LODR, the shareholders of the Company had approved re-appointment of all Independent Directors to hold office for a term upto five consecutive years. All the Independent Directors possess wide range of skills and experience required by the Company. The Board on the basis of performance evaluation and their background experience and the contribution made by them during their tenure confirms that in the opinion of the Board the Independent directors fulfill the conditions specified in LODR and are independent of management and their continued association will be beneficial to the Company. The Company had issued formal letter of appointment to the Independent Director which, inter-alia, explains the role, functions, duties and responsibilities expected from them as a Director of the Company. The brief terms and conditions for their appointment as Independent Directors is available on Company's website www.mblinfra.com.

All Independent Directors have given declaration that there has been no change in the circumstances which may affect their status as an independent director and they meet the criteria of independence as enumerated in LODR and Section 149 of the Act. The Independent Directors have also affirmed that they have abided by the provisions specified in Schedule IV to the Act.

A separate meeting of Independent Directors of the Company without the presence of Managing Director & the Management representatives was held on 30th May, 2019 as required under Schedule IV of the Companies Act, 2013. All the Independent Directors of the Company have attended the meeting.

Code of Conduct

The Board of Directors has laid down, the Code of Conduct ("Code") of the Company for all Board Members and Senior Management of the Company. The Code has incorporated duties of Independent Directors as laid down in the Companies Act, 2013 ("the Act"). The Board members and senior management have conducted themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision making. The code anchors ethical and legal behaviour within the organization. The Code is posted on the website of the Company www.mblinfra.com.

All Board Members and Senior Management Personnel have confirmed compliance with the Code on an annual basis and the declaration to the effect signed by the Managing Director is enclosed at the end of the Report.

Codes under SEBI (Prohibition of Insider Trading) Regulations 2015

The Board of Directors pursuant to the requirement of the SEBI (Prohibition of Insider Trading) Regulations, 2015 has adopted and amended the same, from time to time, (1) Code of Conduct to Regulate, Monitor and Report Trading by Insiders and (2) Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (Code for Fair Disclosure). These Codes ensures that Board Members, KMP and Senior Management i.e. one level below the Board shall conduct themselves so as to meet the expectations of operational transparency to stakeholders. While at the same time maintaining confidentiality of information in order to foster a culture of good decision making. All the Board members and senior management personnel have confirmed compliance with the Code. All the Directors, Promoters, employees and third parties as defined in the Code etc. who could have access to the unpublished price sensitive information of the Company are governed by this Code. The Code for Fair Disclosure is available on the Company's website www.mblinfra.com.

Familiarization Programme for the Independent Director

The familiarization programs for the Independent Directors are in line with the Policy adopted by the Board of Directors in connection thereof. The familiarization programs for the Independent Directors also extends to the Non-Executive Director of the Company.

The management provides information as detailed in the Familiarization Policy for the Independent Directors either at the Board meeting(s) or committee meeting(s) or otherwise. Periodic presentations were made at the Board and /or Committee meetings thereof on various matters, inter- alia, covering business and performance updates, finance, product updates, quality, human resources, quarterly and financial results, status of the compliance of the applicable laws and such other areas as may arise, from time to time, where directors get an opportunity to interact with the Company management. Each Director of the Company has complete access to any information relating to the Company. Independent Directors have the freedom to interact with the Company's management. They are given all documents sought by them for enabling a good understanding of the Company, its various operations and industry segments of which it is a part.

During the year the Company continuously through its various Board Meeting(s) and/or Committee meeting(s) facilitated Directors to familiarize about the Company performance and in turn helped them in their active participation in managing the affairs of the Company.

Familiarization Programme undertaken for Independent Directors is provided at the following weblink: <https://www.mblinfra.com/corporategovernance.php>.

Board Evaluation:

The Board adopted a formal mechanism for evaluating its performance and effectiveness as well as that of its Committees and

individual Directors, including the Chairman of the Board. For Board and its Committees, the exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as structure and composition of the Board & committees, experience & competencies of Directors, regularity and frequency of meetings, agenda, participation in discussion performance of specific duties & obligations, governance and compliance issues, evaluation of risk, grievance redressal for investors, stakeholders value and responsibility etc. The evaluation of individual directors and chairperson is based on qualification, experience, knowledge and competency, commitment and contribution, integrity etc. The Directors were satisfied with the evaluation results, which reflected the overall engagement and effectiveness of the Board and its Committees.

Managing Director & CFO Certificate:

A Compliance Certificate from the managing Director and CFO of the Company pursuant to Regulation 17(8) of LODR, is enclosed at the end of the Report. Pursuant to Regulation 33 of LODR, Managing Director and CFO also give quarterly certification on financial results while placing the same before the Board.

Disclosure regarding Re-Appointment of Director:

The brief resume and other information required to be disclosed under this Section is provided in the Notice of the Annual General Meeting.

3. Board Committees

The Company has four Board level committees:

- a. Audit Committee;
- b. Nomination & Remuneration Committee;
- c. Stakeholders' Relationship Committee;
- d. Corporate Social Responsibility Committee;

Apart from the above, the Company has two non-statutory committees namely Banking Committee and Management Committee.

The Board is responsible for constituting, assigning, co-opting and fixing the terms and reference for members of various committees. The minutes of all the Board and Committee meetings are placed before the Board and noted by the Directors present at the meetings. The particulars of composition of various committees of Board are also available on the website of the Company. The role and composition of the Committees including the number of meeting(s) held and the related attendance during financial year 2019-20 are as follows:

A. Audit Committee

The Audit Committee is constituted in accordance with the provisions of Regulation 18 of the LODR read with Section 177 of the Act. The Company has in place a qualified and independent Audit Committee. The role of the Audit Committee includes the powers as stipulated in LODR read with Section 177 of the Act.

Terms of Reference

The brief terms of reference of the Audit Committee, inter-alia, includes the following:

- Oversight of financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Review and monitor the Auditor's independence and performance and effectiveness of audit process;
- Reviewing, with the management, the quarterly and annual financial statements before submission to the Board for approval;

- Reviewing with management statement of uses/application of funds raised through public issue, rights issue, preferential issue etc;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function;
- Discussion with internal auditors of any significant findings and follow up thereon; and
- To review the functioning of the Whistle Blower/Vigil Mechanism.

The Audit Committee may also review such other matters as considered appropriate by it or referred to it by the Board.

Composition

The composition of the Audit Committee is in accordance with the requirement of Regulation 18 of the LODR and Section 177 of the Act. During the period under review, the Audit committee was reconstituted to include all Board members as members of the committee. As on 31st March, 2020, the Committee comprised of 4 (Four) Directors out of which 3 (Three) are Independent Directors and 1 (One) Executive Director. All members of the Audit Committee have the ability to read and understand the financial statement.

Mr. Ashwini Kumar Singh, Mr. Anjaneer Kumar Lakhotia, Mr. Bhagwan Singh Duggal and Ms. Sunita Palita were the members of the Committee as on 31st March, 2020. Members among themselves elect Independent Director to be the Chairman of the Committee. The Company Secretary acts as Secretary to the committee.

The Audit Committee meetings are also attended by Chief Financial Officer (CFO), representatives of Statutory Auditors, representatives of Internal Auditors team and Senior Executives of the Company, if required. The Cost Auditor appointed by the Company attend the Meeting in which cost audit reports were discussed. The Chairman of the Audit Committee attended the Annual General Meeting of the Company to answer the shareholders queries.

Meetings and attendance

During the year 4 (Four) Audit Committee meetings were held on 30th May, 2019, 14th August, 2019, 14th November, 2019 and 14th February, 2020. The details of attendance of members are as under:

| Name of the Member | No. of meetings during the year 2019-20 | |
|-----------------------------|---|----------|
| | Held during tenure | Attended |
| Mr. Ashwini Kumar Singh | 4 | 4 |
| Mr. Anjaneer Kumar Lakhotia | 4 | 4 |
| Mr. Bhagwan Singh Duggal | 4 | 4 |
| Ms. Sunita Palita | 4 | 4 |

b. Nomination and Remuneration Committee

The Company has in place a "Nomination & Remuneration Committee" and role of the Committee, is in accordance with the requirements of Section 178 of the Act read with Regulation 19 of LODR.

Terms of Reference

- Formulate criteria for determining qualifications, positive attributes and independence of a director;
- Recommend to the Board policy relating to remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the Board of directors;
- Devising policy on Board's diversity;
- Identifying the person who can become the director or can be appointed as senior management;
- Determination of extension or continuation of terms of appointment of independent directors; and
- Recommend to the Board all remuneration, in whatever form, payable to senior management.

Composition

The composition of the Committee is in line with the requirement given in Section 178 of the Act and Regulation 19 of the LODR.

As on 31st March, 2020, the Committee comprised of 3 (Three) Independent Directors. Mr. Ashwini Kumar Singh (Chairman), Ms. Sunita Palita and Mr. Bhagwan Singh Duggal are members of the Committee. The Company Secretary acts as Secretary to the Committee. The Chairman of the Nomination & Remuneration Committee attended the Annual General Meeting of the Company to answer the shareholders queries.

Meetings and attendance

During the year 1 (one) meeting was held on 30th May, 2019, details of attendance of members are as under:

| Name of the Member | No. of meeting during the year 2019-20 | |
|--------------------------|--|----------|
| | Held during tenure | Attended |
| Mr. Ashwini Kumar Singh | 1 | 1 |
| Mr. Bhagwan Singh Duggal | 1 | 1 |
| Ms. Sunita Palita | 1 | 1 |

Evaluation of Independent Director(s)

The Board had approved and adopted Code of Conduct as detailed in Schedule IV of the Act as criteria for evaluation of performance of Directors, performance evaluation of the Board, its committees, and individual directors is based on the roles and responsibilities and is based on certain parameters like director profile, attendance, acquaintance with business, contribution to Board and its committees, adherence to applicable codes/ policies performance of Directors and fulfillment of the independence criteria as specified in LODR and their independence from management. The Committee after evaluating the performance of each member of the Board was of the opinion that performance of all members were satisfactory and all members had contributed towards the growth of the Company. The Company had recommended that all members of Board should continue, subject to applicable laws, etc.

Remuneration Policy

The Company follows a Policy on remuneration of Directors, Key Managerial Personnel and Senior Management. The Policy formulates the criteria for determining qualifications, positive attributes and independence of a director. The policy, inter-alia, ensures that:-

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmark;

- iii. Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The Policy broadly lays down the guiding principles, philosophy and basis for payment of remuneration to Executive and Non-Executive Directors (by way of sitting fees), Key Managerial Personnel, Senior Management and other employees.

Remuneration to Independent Directors

The Independent Directors are paid remuneration by way of sitting fees for each meeting of the Board or Committee as attended by them. The total amount of sitting fees paid to Independent Directors during the Financial Year 2019-20 is as following:

| Particulars | Amount ₹ (in lakhs) |
|--------------------------|---------------------|
| Mr. Ashwini Kumar Singh | 1.80 |
| Mr. Bhagwan Singh Duggal | 1.75 |
| Ms. Sunita Palita | 1.80 |

The Independent Directors do not have any material pecuniary relationship or transactions with the Company.

Remuneration to Executive Director

The appointment and remuneration of Executive Director i.e. Chairman and Managing Director is governed by the recommendation of the Nomination and Remuneration Committee, Resolutions passed by the Board of Directors and Shareholders of the Company and Agreement executed between him and the Company. The remuneration package of Chairman and Managing Director comprises of salary, perquisites and allowances, etc as approved by the shareholders at the Annual General Meetings. During the year remuneration paid to Mr. Anjaneer Kumar Lakhota, Chairman & Managing Director was ₹ 60 lakhs.

C. Stakeholder's Relationship Committee

The Company has in place a Stakeholders' Relationship Committee to provide quality and efficient services to the investors and to align and streamline the process of share transfer, investor's grievance, etc. during the year.

As a Company Policy, the Committee would meet, if required, to look into the unresolved grievances, if any, of the member of the Company.

Terms of reference

Resolving the grievances of the shareholders including complaints related to non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;

- Review of measures taken for effective exercise of voting rights by shareholders,;
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.; and
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of annual reports/statutory notices, etc by the shareholders of the company.

Composition

As on 31st March, 2020, the Committee comprised of 3 (Three) Independent Director. Ms. Sunita Palita (Chairperson), Mr. Ashwini Kumar Singh and Mr. Bhagwan Singh Duggal are members of the Committee. Mr. Anubhav Maheshwari, Company Secretary of the Company is the Compliance Officer and also acts as Secretary to the Committee. The Chairperson of the Stakeholders Relationship Committee attended the Annual General Meeting of the Company to answer the shareholders queries.

During the financial year ended 31st March, 2020, One (1) Committee Meeting was held on 30th May, 2019. The necessary quorum was present for the meeting. The details of attendance of members is as under:

| Name of the Member | No. of meeting during the year 2019-20 | |
|--------------------------|--|----------|
| | Held | Attended |
| Ms. Sunita Palita | 1 | 1 |
| Mr. Ashwini Kumar Singh | 1 | 1 |
| Mr. Bhagwan Singh Duggal | 1 | 1 |

Compliance Officer

Mr. Anubhav Maheshwari, Company Secretary of the Company has been designated as Compliance Officer for complying with the requirements of the Act, Security Laws and the LODR.

Investor's Complaints/Grievance Redressal Mechanism

Details of Investors Complaints received and redressed during the financial year 2019-20:

| Opening Balance | Received during the year | Resolved during the year | Closing Balance |
|-----------------|--------------------------|--------------------------|-----------------|
| NIL | 03 | 03 | NIL |

It is the endeavor of the Company to attend investors' complaints and other correspondence within 15 days except where constrained by disputes or legal impediments. The Company ensures that adequate steps are taken for expeditious redressal of investors complaints. In terms of SEBI circular the Company has obtained necessary SCORES (SEBI Complaints Redressal System) authentication. This has facilitated the investors to view online status of the action taken against the complaints made by logging on to SEBI's website www.sebi.gov.in. In terms of LODR a statement giving the number of complaints pending at the beginning of the quarter, received and disposed off during the quarter and unresolved at the end of the quarter is submitted to the Stock Exchange(s) as well as placed before the Board. As on date of the Report, the Company affirms that no shareholder's complaint was lying pending.

D. Corporate Social Responsibility (CSR) committee

The CSR Committee was constituted in terms of the requirement of Section 135 of the Act. The terms of reference of the Committee, inter-alia, are as follows:

- To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act, as amended from time to time, excluding the activities undertaken in pursuance of normal course of business of the Company;
- To recommend the amount of expenditure to be incurred on the activities referred to in clause;
- To monitor the Corporate Social Responsibility Policy of the Company from time to time; and
- To institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities to be undertaken by the Company from time to time.

Composition, Meetings & Attendance

The composition of the committee is in compliance with the Act read with rules made thereunder. The Committee comprised of 2 (Two) Independent Directors and an Executive Director of the Company.

Mr. Anjaneer Kumar Lakhota (Chairman), Mr. Ashwini Kumar Singh and Ms. Sunita Palita are the members of the Committee. The Company Secretary acts as Secretary to the Committee.

During the financial year ended 31st March, 2020, one (1) Committee Meeting was held. The meeting was held on 30th May, 2019 the details of attendance are as follows:

| Name of the Member | No. of meeting during the year 2019-20 | |
|-----------------------------|--|----------|
| | Held | Attended |
| Mr. Anjaneer Kumar Lakhotia | 1 | 1 |
| Mr. Ashwini Kumar Singh | 1 | 1 |
| Ms. Sunita Palita | 1 | 1 |

4. General Body Meetings

a. Location, Date and Time of Last three AGMs and Special Resolutions passed there at are as under:

| No. of AGM and F.Y | Date of Meeting | Location | Time | Special Resolution Passed |
|------------------------------|--------------------------------|--|-----------|---------------------------|
| 24 th AGM 2018-19 | Saturday, 28th September, 2019 | Asia-Pacific Institute of Management, 3 & 4 Institutional Area, Jasola, New Delhi-110025 | 2.30 P.M. | Yes |
| 23 rd AGM 2017-18 | Saturday, 29th September, 2018 | Asia-Pacific Institute of Management, 3 & 4 Institutional Area, Jasola, New Delhi-110025 | 2.30 P.M. | Yes |
| 22 nd AGM 2016-17 | Saturday, 11th November, 2017 | Bhasha Bhawan, National Library Auditorium, near Alipore Zoo, at Belvedere Road, Kolkata-700 027 | 2.00 P.M. | Yes |

b. Passing of Resolution by Postal Ballot

No Special Resolution was passed by postal ballot during the financial year 2019-20.

No Special Resolution is proposed to be conducted through Postal Ballot. However, if required, the same should be passed in compliance with the provisions of the Act, LODR and any other applicable laws.

5. Demat Suspense Account/Unclaimed Suspense Account

There are no shares which are required to be transferred to Suspense Account/ Unclaimed Suspense Account.

6. Unpaid/ Unclaimed Dividend

The accounts relating to the Final dividend for the Financial Year 2010-11 and the Interim dividend for the Financial year 2011-12 which had been withheld by the Income Tax Authorities were released by them vide order dated 26.07.2019. The further delay in transfer of unclaimed amount lying in these dividend accounts to IEPF were due to technical issues with the Bank and with Ministry of Corporate Affairs (MCA) which after continuous follow up was resolved and the amount was transferred on 17.01.2020.

Since unclaimed dividend is transferred to IEPF, no claim shall be thereof with the Company. However, the stakeholders pursuant to the provisions of Act read with Rules made there under may claim their unclaimed amount from MCA as per procedure and guidelines issued by it.

The details of dividends specified below are available on the website of the Company.

Due date for transfer of unclaimed dividend to IEPF is as follows:

| Financial Year | Unclaimed Dividend as on 31/03/2020 (₹) | Due for transfer to IEPF on |
|----------------|---|----------------------------------|
| 2012-13 | 62,238 | 5 th November, 2020 |
| 2013-14 | 32,853 | 14 th October, 2021 |
| 2014-15 | 23,859 | 21 st September, 2022 |
| 2015-16 | 49,646 | 17 th October, 2023 |

In terms of requirement of IEPF Rules, 2016, Mr. Anubhav Maheshwari is designated as Nodal Officer for the purpose of co-ordination with IEPF authority. The contact details of the Nodal Officer is available on the website of the company.

7. Means of Communication

The Company files the reports, statements, documents, filing etc. on the electronic platform as specified by both BSE & NSE. The Company has a functional website www.mblinfra.com and is regularly updated. The information disseminated on the website provides for equal, timely and cost efficient access to relevant information by users.

The audited/un-audited financial results are prepared on the basis of accrual accounting policy and is in accordance with uniform accounting practices adopted during period under review after being approved by Board of Directors are submitted to BSE/NSE as well as posted on the website of the Company. The results are published in the form as prescribed under LODR in Financial Express, English Language National daily newspaper circulating in the whole or substantially the whole of India and in Jansatta, Hindi daily newspaper circulating in the region where the registered office of the Company is situated. The results are not mailed to the shareholders.

The Company will continue to send Annual Report, Notices, etc to the shareholders at their email addresses registered with their Depository Participants and /or Company's RTA.

The Company has not made a presentation to the institutional investors /analyst during the year. The investor presentations, from time to time, is mailed to BSE and NSE and uploaded on Company's website for dissemination to all stake holders at large.

Management Discussion and Analysis Report forms part of the Annual Report.

In compliance with the requirement of LODR, the official website of the Company contains information about its business, shareholding pattern, compliance with corporate governance, contact information of the compliance officer, etc. and the same are updated at any given point of time.

8. General Shareholder Information

a. Annual General Meeting:

Date & Time: Wednesday, 30th September, 2020 at 3.30 pm

Venue: Through video conferencing / other Audio Visual means facility as set out in the notice convening AGM.

b. Financial Year: 1st April, 2019 to 31st March, 2020

c. Financial Calendar for the Year 2020-21

| Particulars | Tentative Schedule |
|---|--|
| Financial reporting for the quarter ending 30 th June, 2020 | On or before 14 th August, 2020 (Tentative) |
| Financial reporting for the half-year ending 30 th September, 2020 | On or before 14 th November, 2020 (Tentative) |
| Financial reporting for the quarter ending 31 st December, 2020 | On or before 14 th February, 2021 (Tentative) |
| Financial reporting for the year ending 31 st March, 2021 | On or before 30 th May, 2021 (Tentative) |

d. Date of Book Closure :- 24th September, 2020 to 30th September, 2020 (Both days inclusive)

e. Dividend Payment Date:- No Dividend declared

f. Listing on Stock Exchanges & Stock Code

The Equity Shares of the Company are listed on:-

| National Stock Exchange of India Limited (NSE) | BSE Limited (BSE) |
|--|---|
| Exchange Plaza, C-1, Block "G" 5th floor, Bandra Kurla Complex, Bandra East, Mumbai- 400051. | New Trading Wing, Rotunda Building, PJ Tower, Dalal Street, Mumbai- 400001. |

The Company is in the process of making payment of annual listing fees to Stock Exchange.

g. Stock Code

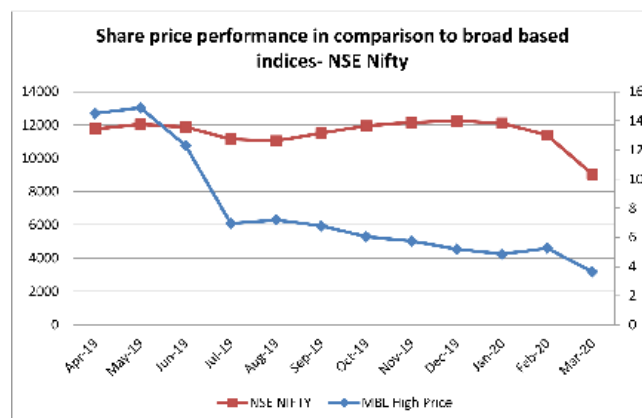
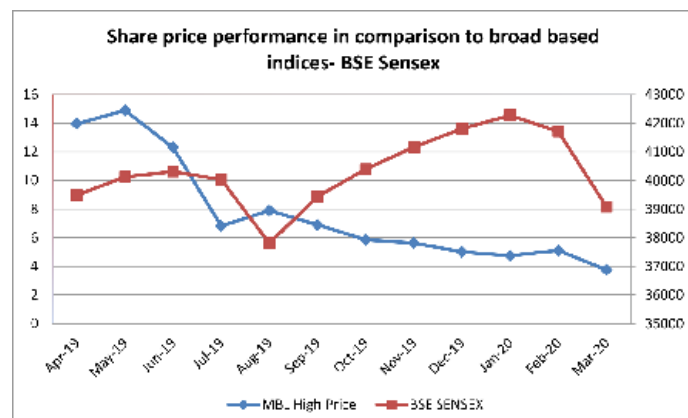
| Exchange | Code |
|--|---------------------|
| National Stock Exchange of India Limited | Symbol - MBLINFRA |
| BSE Limited | Stock Code - 533152 |

h. None of the Company's securities have been suspended from trading.

i. Monthly Stock Market Price Data at BSE Limited (BSE) and at National Stock Exchange of India Limited (NSE) during the Financial Year 2019-20

The monthly high and low price of Equity Shares of the Company on NSE and BSE during the FY 2019-20 were as;

| Month | BSE | | NSE | |
|-----------------|----------|---------|----------|---------|
| | High (₹) | Low (₹) | High (₹) | Low (₹) |
| April, 2019 | 13.95 | 12.56 | 14.50 | 12.25 |
| May, 2019 | 14.90 | 11.15 | 14.90 | 11.50 |
| June, 2019 | 12.30 | 5.61 | 12.30 | 5.65 |
| July, 2019 | 6.82 | 5.37 | 6.95 | 5.20 |
| August, 2019 | 7.90 | 4.41 | 7.20 | 4.50 |
| September, 2019 | 6.90 | 5.56 | 6.80 | 5.20 |
| October, 2019 | 5.86 | 4.66 | 6.05 | 4.50 |
| November, 2019 | 5.64 | 4.60 | 5.75 | 4.45 |
| December, 2019 | 5.00 | 3.86 | 5.20 | 3.85 |
| January, 2020 | 4.75 | 3.90 | 4.85 | 3.90 |
| February, 2020 | 5.11 | 3.20 | 5.25 | 3.20 |
| March, 2020 | 3.75 | 2.42 | 3.65 | 2.40 |



j. Registrar & Share Transfer Agents

Link Intime India Pvt. Ltd.

Noble Heights, 1st Floor, Plot No. NH 2, LSC,

C-1 Block, Near Savitri Market, Janakpuri, New Delhi- 110058

Phone: 011-4141 0592, Fax :011-4141 0591, E-mail: delhi@linkintime.co.in, Website: www.linkintime.co.in

k. Share Transfer System

99.99% of shares of the Company are held in electronic mode. In terms of the listing requirement, registration of physical transfer of shares has been discontinued w.e.f. 01.04.2019. In order to get registration of transfer of shares, the shareholders are required to convert their shareholding in dematerialized form and follow prescribed procedure to get share transfer done. As required under Regulation 40(9) of the Listing Regulations, a certificate on half yearly basis confirming the half year Compliance Certificate for 31 st March, 2020 from Practicing Company Secretary has been submitted to the Stock Exchanges within the stipulated time. Pursuant to provisions of Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018 the Company has submitted Reconciliation of Share Capital Audit Report on quarterly basis to the Stock Exchanges within the stipulated time.

l. Dematerialisation & Liquidity of Shares

The shares of the Company are currently traded only in dematerialized form and the Company has entered into agreements with the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Under the Depository system, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE912H01013. As on 31st March 2020, 104754624 (Ten Crore Forty Seven Lakh Fifty Four Thousand Six Hundred Twenty Four) equity shares representing about 99.99% of the share capital are held in dematerialized form. The shares are regularly traded at BSE & NSE.

m. Distribution of Shareholding as on 31st March, 2020

| S. No | Category of shareholders (no of shares held) | | | No of | % of shareholders | No of shares held | % of holding |
|-------|--|----|-------|-------|-------------------|-------------------|--------------|
| 1 | 1 | To | 500 | 13154 | 67.68 | 2269405 | 2.17 |
| 2 | 501 | To | 1000 | 2500 | 12.86 | 2088713 | 1.99 |
| 3 | 1001 | To | 2000 | 1573 | 8.09 | 2466254 | 2.35 |
| 4 | 2001 | To | 3000 | 652 | 3.35 | 1695662 | 1.62 |
| 5 | 3001 | To | 4000 | 349 | 1.80 | 1243998 | 1.19 |
| 6 | 4001 | To | 5000 | 274 | 1.41 | 1306737 | 1.25 |
| 7 | 5001 | To | 10000 | 484 | 2.50 | 3690925 | 3.52 |
| 8 | 10001 | To | above | 449 | 2.31 | 89992930 | 85.91 |
| TOTAL | | | | 19435 | 100.00 | 104754624 | 100.00 |

n. Shareholding Pattern as on 31st March, 2020

| Category | Number of Shares held | (%) |
|-------------------------------------|-----------------------|-------|
| Promoter and Promoter Group | 7,17,41,909 | 68.49 |
| Financial Institutions / Banks | 8,637 | - |
| Individuals | 2,78,39,600 | 26.58 |
| Others (Including Clearing Members) | 51,64,478 | 4.93 |
| Total | 104,754,624 | 100 |

o. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on equity: The Company has not issued any GDRs/ADRs/ Warrants or any Convertible Instruments.

- p. Address for correspondence: Registered Office & Corporate Office
Mr. Anubhav Maheshwari
Company Secretary & Compliance Officer
Baani Corporate One Tower,
Suite No. 308, 3rd Floor, Plot No. 5,
Commercial Centre, Jasola, New Delhi-110025
Phone: 011-4859 3300, Fax : 011-4859 3320
- q. Plant Location: The Company does not have any manufacturing plant.

9. Other disclosures

- a. All the Related party transactions entered by the Company during the Financial year 2019-20 were in ordinary course business and were on arm's length basis. There were no materially significant related party transactions during the year. The Board has approved the policy on materiality of related party transactions and the same is disclosed on the website of the Company. The weblink of the same is <https://www.mblinfra.com/corporate-governance>.
- b. There were no non-compliance by the listed entity by the Stock exchange(s) or the Board or any statutory authority on any matters related to capital markets during last 3 years.
- c. The Company has a vigil mechanism/whistle blower mechanism for its Directors and employees to report genuine concerns or grievances about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The mechanism provides for adequate safeguards against victimization of director(s)/ employee(s) and also provides for direct access to the Chairman of the Audit Committee in exceptional cases.

The Whistle Blower Policy covering the details of establishment of such mechanism by the Company is available on the website www.mblinfra.com and the Audit Committee periodically reviews the functioning of the Whistle Blower mechanism. No personnel have been denied access to the Audit Committee.

- d. The Company has complied with all the mandatory requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub regulation(2) of Regulation 46 of LODR. The status on compliance with non-mandatory requirements are as follows:
- I) Chairman of the Board: As the Chairman of the Board of Directors is an Executive Director designated as Chairman & Managing Director, these provisions are not applicable.
- II) Shareholders Right: Half yearly and quarterly financial results are published in financial daily newspaper and uploaded on Company's website.
- III) Modified opinion in Audit Report: The Company has a regime of un-qualified financial statements. Auditors have raised no qualification on the financial statements.
- IV) Reporting of Internal Auditors: The Internal Auditor reports to the Audit Committee.
- e. The Audit Committee reviews the financial statements and the minutes of the Board and Committee meetings of all the subsidiary Company.
- f. The Company has formulated a policy for determining Material Subsidiaries and Policy on Related Party transaction. The web link for policy determining material subsidiary and policy on related party transaction is <https://www.mblinfra.com/corporate-governance>.
- g. The Company has received a Certificate from Company Secretary in practice confirming that none of the directors are debarred or disqualified from being appointed or continued as directors of the Companies by the Board/Ministry of Corporate Affairs or any such statutory authority.
- h. The Board of Directors of the Company has accepted all recommendation of the committees during the year.
- i. The details of fees paid by the Company and its subsidiaries on a consolidated basis to Statutory auditors for all his services forms part of financial statements note no 36.1.

- j. The company has in place the Committee under Sexual Harassment of Women at Work Place and during the year no complaint has been filed under this act.
- k. The Company is engaged in the activities relating to Infrastructure. Hence, disclosure with respect to commodity price risks and commodity hedging activities is not applicable to the Company.

By Order of the Board
For MBL Infrastructures Ltd.
Anjaneer Kumar Lakhota
Chairman & Managing Director

Place: New Delhi
Date: 13th July, 2020

Managing Director and CFO Compliance Certificate

To
The Board of Directors
MBL Infrastructures Ltd.

Dear Sirs,

We have reviewed the Financial Statements and the Cash Flow Statements of MBL Infrastructures Ltd. ('the Company') for the financial year ended 31st March, 2020 and that to the best of our knowledge and belief, we state that:

1. a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
b) 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;
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to taken for rectifying these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
 - i. Significant changes in internal control over financial reporting during the year, if any;
 - ii. Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant frauds, if any, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For MBL Infrastructures Ltd.

Place : New Delhi
Date : 13th July, 2020

Anjaneer Kumar Lakhota
Chairman & Managing Director

Darshan Singh Negi
CFO

Declaration on Code Of Conduct

[Regulation 34(3), read with Schedule V (Part D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

I, Anjaneer Kumar Lakhotia, Chairman & Managing Director of MBL Infrastructures Ltd. hereby declare that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the financial year 2019-20.

Place : New Delhi

Date : 13th July, 2020

For MBL Infrastructures Ltd.

Anjaneer Kumar Lakhotia

Chairman & Managing Director

Compliance Certificate on Corporate Governance

To

The Members of MBL Infrastructures Ltd.

We have examined the compliance of conditions of Corporate Governance by the MBL Infrastructures Limited ("the Company") for the year ended 31st March, 2020 as stipulated in Regulation 17 to 27, clause (b) to (i) of Regulation 46 (2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) of the said Company with the stock Exchanges in India.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and Management and after considering the relaxations granted in compliance timelines by the Ministry of Corporate Affairs and Securities and Exchange Board of India due to spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned regulations.

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

For Anjali Yadav & Associates

Company Secretary

Anjali Yadav

Proprietor

Place: New Delhi

Date: 02nd July, 2020

FCS No. 6628, CP No. 7257, P/R: 629/2019

UDIN: F006628B000410108

NOTE:

In view of COVID 19 pandemic, physical verification of the documents could not be done due to the complete lockdown situation. Therefore, the certificate is based on the information/ documents received from the company in electronic form.

Annual Report on Corporate Social Responsibility (CSR) Activities

| | | |
|----|---|--|
| 1. | A Brief outline of the Company's CSR policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or program. | <u>CSR POLICY</u> CSR activities undertaken by the Company, as per its CSR policy, is on projects or programs or activities (either new or ongoing), excluding activities undertaken in normal course of business. CSR activities of the Company primarily focus to contribute to the Social and economic development of the community in which it operates. The Company gives preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities. The projects and Programs undertaken amongst other are matters relating to preventive healthcare and sanitation, environmental sustainability and development of socially and economically backward groups. The Company CSR Policy can be assessed on www.mblinfra.com . |
| 2. | Composition of CSR Committee | Mr. Anjaneer Kumar Lakhota, Chairman Ms. Sunita Palita, Independent Director Mr. Ashwini Kumar Singh, Independent Director |
| 3. | Average net profit of the company for last three financial years | NIL (Loss of Rs. 9801.03 Lakhs) |
| 4. | Prescribed CSR Expenditure (Two percent of the amount as in item 3 above) | In view of average loss of preceding three financial years (excluding exceptional items), Expenditure on CSR activities is not mandatory. However, as a good Corporate Governance practice, the Company has voluntarily incurred an expenditure aggregate of Rs. 0.74 Lakhs on the activities specified in the Schedule VII of the Companies Act, 2013 which is in concurrence with CSR policy of the company. |
| 5. | Details of CSR spend for the financial year | a) Total amount spent for the financial year : Rs. 0.74 Lakhs b) Amount unspent if any: Not applicable c) Manner in which the amount spent during the financial year is detailed below: |

(₹ in Lakhs)

| S. No. | CSR Project or activity identified | Sector in which the project is covered | Location | Amount Outlay (budget) project or program wise | Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs. (2) Overheads | Cumulative expenditure upto the reporting period | Amount spent: Direct or through implementing agency |
|--------|------------------------------------|---|-----------------------------|--|--|--|---|
| A | Tree plantation | Environmental sustainability, protection of flora & fauna | Bikaner District, Rajasthan | 37.50 | 0.74 | 6.10 | Direct |
| | | Total | | | 0.74 | | |

| | | |
|----|---|---|
| 6. | Reason for not spending the amount | Not applicable |
| 7. | Responsibility Statement of the CSR Committee | The implementation and monitoring of CSR Policy, is in compliance with CSR regulations and Policy of the Company. |

For MBL Infrastructures Ltd.

Place: New Delhi

Anjaneer Kumar Lakhota

Date: 13th July, 2020

Chairman & Managing Director

FORM NO. AOC-1

Statement containing salient features of the financial statement of Subsidiary Companies

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

(₹ in Lakhs)

| 1 | Particulars | Name of the Subsidiary Companies | | | | | | | |
|----|---|----------------------------------|---------------------------------------|---------------------------------|--|-----------------------------|-----------------------------------|-------------------------------------|------------------------------------|
| 2 | Name of the subsidiary | AAP Infra-structure Ltd. | MBL High-way Development Company Ltd. | MBL (MP) Toll Road Company Ltd. | Suratgarh Bikaner Toll Road Company (P) Ltd. | MBL Proj-ects Ltd. | MBL (MP) Road Nirman Company Ltd. | MBL (Haldia) Toll Road Company Ltd. | MBL (Udai-pur Bypass) Road Limited |
| 3 | Reporting period for the subsidiary companies | 31 st March 2020 | 31 st March 2020 | 31 st March 2020 | 31 st March 2020 | 31 st March 2020 | 31 st March 2020 | 31 st March 2020 | 31 st March 2020 |
| 4 | Reporting currency | INR | INR | INR | INR | INR | INR | INR | INR |
| 5 | Share capital | 1,200.00 | 6,189.80 | 1,500.00 | 17,007.00 | 2,984.25 | 4,510.00 | 7.25 | 5.00 |
| 6 | Reserves & surplus | (2,945.97) | (19,868.57) | (467.71) | (6217.63) | (819.49) | (4,590.25) | (0.71) | (6.26) |
| 7 | Total assets | 223.47 | 79.29 | 6,854.74 | 78350.15 | 3,716.61 | 28.81 | 6.54 | - |
| 8 | Total Liabilities | 223.47 | 79.29 | 6,854.74 | 78350.15 | 3,716.61 | 28.81 | 6.54 | - |
| 9 | Investments | - | - | - | - | 1,618.81 | - | - | - |
| 10 | Turnover | 0.68 | - | 435.09 | 6,781.05 | 581.74 | 0.02 | - | - |
| 11 | Profit before taxation | (20.29) | (2,888.13) | (356.91) | (5803.11) | 25.38 | (2.09) | (0.33) | (0.03) |
| 12 | Provision for taxation | - | - | 33.69 | (14.45) | (5.83) | - | - | - |
| 13 | Profit after taxation | (20.29) | (2,888.13) | (390.60) | (5788.66) | 31.20 | (2.09) | (0.33) | (0.03) |
| 14 | Proposed Dividend | - | - | - | - | - | - | - | - |
| 15 | % of shareholding* | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |

* Includes shares held by wholly owned subsidiary Company, MBL Projects Ltd.

Note:

| | | | | | | | | | |
|---|--|-----|----|-----|-----|-----|----|----|----|
| 1 | Whether the Subsidiary has commenced operations | Yes | No | Yes | Yes | Yes | No | No | No |
| 2 | Whether the Subsidiary has been liquidated or sold during the year | No | No | No | No | No | No | No | No |

For MBL Infrastructures Ltd.

Place: New Delhi

Anjaneer Kumar Lakhotia

Date: 13th July, 2020

Chairman & Managing Director

Secretarial Audit Report For The Financial Year Ended 31st March, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,
MBL Infrastructures Limited,
Baani Corporate One, Suite no. 308,
3rd Floor, Plot No. 5, Commercial Centre, Jasola, New Delhi- 110025

I, Mehak Gupta, Proprietor of Mehak Gupta & Associates, Company Secretaries have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by MBL Infrastructures Ltd.(CIN-L27109DL1995PLC338407) (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute's books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- i. The Companies Act, 2013 (as amended)('the Act') and the rules made there under(as amended from time to time)
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under (as amended from time to time);
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under(as amended from time to time)
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - (Not applicable to the Company during the audit period).
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011(as amended)
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended);
 - d. The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014;- (Not applicable to the Company during the audit period)
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;- (Not applicable to the Company during the audit period)
 - f. Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations,2013; - (Not applicable to the Company during the audit period)
 - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client(as amended from time to time)

- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (as amended):- (Not applicable to the Company during the audit period)
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (as amended from time to time) - Not applicable to the Company during the audit period)
- j. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
- k. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (as amended from time to time)

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standard- 1 (Meetings of Board of Directors) issued by The Institute of Company Secretaries of India.
- ii. Secretarial Standard- 2 (General Meetings) issued by The Institute of Company Secretaries of India

During the audit period, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

- vi. I, further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable laws such as (A) Contract Labour (Regulation and Abolition) Act, 1970 (B) Building and other Constructions Workers (BOCW) Act, 1996.

I, further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Director and Independent Directors. There is no change in the composition of the Board of Directors that took place during the audit.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance to all the Directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

I, further report that:

The Company has made again representation to NSE seeking waiver of fine for delay in submission of Financial Results for year ended 31st March, 2018, reply of which is awaited. Since, the Company has not received any reply to its submissions made to BSE for delay in submission of Financial Results for quarter and nine months ended 31st December, 2017 and for year ended 31st March, 2018, it is being presumed that the submissions made by the Company have been considered.

This Report is to be read with my letter of even date which is annexed as Annexure 1 and forms an integral part of this Report.

For Mehak Gupta & Associates

Mehak Gupta

Proprietor

Place: New Delhi

ACS No.: 38897, C P No.: 15013

Date: 23rd June, 2020

UDIN: A038897B000368941

NOTE

Due to adverse impact of global pandemic COVID-19 has resulted into complete nation-wide lockdown. Therefore, our basis of examination for conducting the Secretarial Audit for the financial year 2019-20 was only restricted to the information/documents provided by the Company in the electronic mode.

Further, due to the unavoidable adverse circumstances the physical verification/ inspection of the certain specified documents/ policies cannot be carried out and therefore, the Management declarations/ Departmental Declarations has been taken wherever required.

To,
The Members,
MBL Infrastructures Ltd.
Baani Corporate One, Suite no. 308,
3rd Floor, Plot No. 5, Commercial Centre, Jasola, New Delhi- 110025

My report of even date is to be read along with this letter stating that.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, we followed provide a reasonable basis of my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test check basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Mehak Gupta & Associates

Mehak Gupta

Proprietor

Place: New Delhi

Date: 23rd June, 2020

ACS No.: 38897, C P No.: 15013

UDIN: A0388970000368941

Secretarial Audit Report For The Financial Year Ended 31st March, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Suratgarh Bikaner Toll Road Company Private Limited
Divine Bliss, 2/3, Judges Court Road,
1st Floor, Kolkata, West Bengal-700027

I, Kuldeep Dahiya, Proprietor of Kuldeep Dahiya & Associates, Company Secretaries have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Suratgarh Bikaner Toll Road Company Private Limited (CIN-U45400WB2012PTC174476) ("the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2020 according to the provisions of:

- I. The Companies Act, 2013 (as amended) (the Act) and the rules made there under (as amended from time to time)
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under (as amended from time to time) - Not applicable to the Company
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under (as amended from time to time)
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made under that Act to the extent applicable to Overseas Direct Investment (ODI) and External Commercial Borrowings (as amended from time to time) - Not applicable to the Company
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 -(as amended from time to time) -Not applicable to the Company
 - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (as amended from time to time) - Not applicable to the Company
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) - Not applicable to the Company
 - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended from time to time) - Not applicable to the Company
 - e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (as amended from time to time) - Not applicable to the Company
 - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) (amendments) Regulations, 2008 (as amended from time to time) - Not applicable to the Company

- g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (as amended from time to time)
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (as amended from time to time) - Not applicable to the Company
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (as amended from time to time) - Not applicable to the Company
- j. Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 (as amended from time to time) - Not applicable to the Company
- k. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 (as amended from time to time)

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standard- 1 (Meetings of Board of Directors) issued by The Institute of Company Secretaries of India.
- ii. Secretarial Standard- 2 (General Meetings) issued by The Institute of Company Secretaries of India.

During the audit period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act. Adequate notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance to all the Directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at the Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the Board of Directors or Committee of the Board, as the case may be. The company is generally regular in filing of e-forms with the Registrar of Companies within the time prescribed under the Act. This Report is to be read with my letter of even date which is annexed as Annexure 1 and forms an integral part of this Report

For Kuldeep Dahiya and Associates
Company Secretary

Kuldeep Dahiya
Proprietor

Place: Sonapat

Date: 02nd July, 2020

ACS No.: 34404, C P No.: 18930

UDIN: A034404B000410043

NOTE

Due to adverse impact of global pandemic COVID-19 has resulted into complete nation-wide lockdown. Therefore, our basis of examination for conducting the Secretarial Audit for the financial year 2019-20 was only restricted to the information/documents provided by the Company in the electronic mode.

However, due to the unavoidable adverse circumstances the physical verification/ inspection of the certain specified documents/ policies cannot be carried out and therefore, the Management declarations/ Departmental Declarations has been taken wherever required.

To,

The Members,

Suratgarh Bikaner Toll Road Company Private Limited

Divine Bliss, 2/3, Judges Court Road,

1 st Floor, Kolkata, West Bengal-700027

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, we followed provide a reasonable basis of our opinion.
3. I have not verified the correctness and appropriateness of financial records, Cost Records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test check basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Kuldeep Dahiya & Associates
Company Secretary

Kuldeep Dahiya
Proprietor

Place: Sonapat

Date: 02nd July, 2020

ACS No.: 34404, C P No.: 18930

UDIN: A034404B000410043

Standalone Financial Statements

INDEPENDENT AUDITOR'S REPORT

To The Members of

MBL INFRASTRUCTURES LTD

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of **MBL INFRASTRUCTURES LTD** ("the Company"), which comprise the standalone balance sheet as at March 31, 2020, and the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations provided to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit, other comprehensive income, changes in equity and cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards of Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of the most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters :

Measurement of construction revenue - refer Note 3 (n)

| | |
|------------------------------|---|
| The Key Audit Matters | <p>Revenue from construction contracts represents significant portion of the total revenue from the operations of the Company. Revenue from these contracts is recognized on satisfaction of performance obligation over time in accordance with the requirements of relevant Indian accounting standards.</p> <p>The Company has contracts whose revenue recognition can be dependent on a high level of judgement over the percentage of completion. It is based on their best estimate of the costs to complete, claims and ability to deliver the contract within the contractual time limit. The execution of construction contracts also requires assessment of execution risk resulting from uncertainty related to COVID 19 pandemic.</p> <p>The Company's current year revenue from construction contracts and amount of expenses incurred, arise from transaction with related parties as well. These related parties are principally subsidiaries/ jb (Enterprise - Participation) of the Company.</p> <p>The Company uses an input method based on costs incurred to measure progress of the projects. Under this approach, the Company recognises revenue based on the costs incurred to date relative to the estimated total costs to complete the performance obligation. Profit is not recognised until the outcome of the contract is fairly certain.</p> <p>Revenues, total estimated contract costs and profit recognition may deviate significantly from original estimates based on new knowledge about cost overruns and changes in project scope over the term of a construction contract.</p> |
|------------------------------|---|

| | |
|---|--|
| <p>How the matter was addressed in audit</p> | <p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Obtaining an understanding and consideration of the appropriateness of the policies in respect of revenue recognition against the criteria in the Indian accounting standards. • Evaluated the design and implementation and tested operating effectiveness of key controls (including IT controls) around the contract price, estimation of costs to complete management's testing of these attributes. • Understanding and documenting the contract and other related contractual provisions including contractually agreed deliverables, termination rights, penalties for delay, etc to understand the nature and scope of the arrangements with the customer. • Assessing key judgements inherent in the estimation of significant construction contract projects. It includes comparing the stage-of- completion and costs of completion on significant projects. • We assessed the estimated costs to complete, variations in contract price and contract costs and underlying invoices, signed contracts/statements of work completed for all ongoing projects. • We understood and documented the Company's process for identifying related parties and recording related party transactions. We have also assessed Company's key controls in relation to the assessment and approval of related party transactions and examined Company's disclosures in respect of the transactions. • We tested on test check basis, the approvals of the Audit Committee and Board of Directors for related party transactions. • We tested samples of manual journals posted to revenue to identify unusual items. • We checked adequacy of the disclosures made in note 38 to the Company's standalone financial statements are compliant with Ind AS -115. |
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Assessment of recoverability of investments in subsidiaries - refer Note 4 (c)

| | |
|-------------------------------------|--|
| <p>The Key Audit Matters</p> | <p>The Company has significant investments in subsidiaries which carry out road and other infrastructure projects. The carrying amount of the investments in subsidiaries held at cost less impairment as at 31 March 2020 is Rs.30,307 lakhs.</p> <p>The Company has investments in subsidiaries which are considered to be associated with significant risk in respect of valuation of such investments. Changes in business environment could also have a significant impact on the valuation of these investments. These investments are carried at cost less any diminution in value of such investments. The investments are examined for impairment at each reporting date.</p> <p>These investments are unquoted and hence it is difficult to measure the realisable amount of these investments.</p> <p>The Company performs an annual assessment of its investments in subsidiaries at cash generating unit (CGU) level, to identify any indicators of impairment. The recoverable amount of the CGUs which is based on the higher of the value in use or fair value less costs to sell, has been derived from discounted forecast cash flow models. These variables used to determine the value in use are evolving especially in light of uncertainty related to the COVID 19 pandemic.</p> <p>These models use several key assumptions, concerning estimates of future revenue growth, concession period, operations costs, the discount rate and assessments of the status of the project and cost of complete balance work.</p> |
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| How the matter was addressed in audit | <p>Our audit procedures included:</p> <ul style="list-style-type: none"> • We have evaluated the design and implementation and tested the operating effectiveness of key controls placed around the impairment assessment process of the recoverability of the investments made including the estimation of future cash flows forecasts, the process by which they were produced and discount rates used. • We have assessed Company's identification of CGU with reference to the guidance in the applicable Indian accounting standards. • Assessed the net worth of subsidiaries on the basis of latest available financial statements. • We focused on the sensitivity in the difference between the estimated value and book values of the projects, where change in assumptions could cause the carrying amount to exceed its estimated present value. We also assessed the historical accuracy of Company's estimates- <ul style="list-style-type: none"> – Comparing the carrying amount of investments with the relevant subsidiaries balance sheet to identify their net assets, being an approximation of their minimum recoverable amount. Instances where the net assets are in excess of their carrying amount and assessed that those subsidiaries have historically been profit- making. – For the investments where the carrying amount exceeded the net asset value, comparing the carrying amount of the investment with the expected value of the business based discounted cash flow analysis. • We focused on key assumptions which were most sensitive to the recoverable value of the intangible asset. We also assessed the key assumptions were plausible and appropriate in the light of the current environment of the COVID 19 pandemic. We also assessed the historical accuracy of Company's estimates. • We reviewed and assessed the work performed by management's external valuation experts, including the valuation methodology and the key assumptions used. We also assessed the competence, capabilities and objectivity of the experts used by the management in the process of evaluating impairment model. |
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Disputed Tax Matters - refer Note 3 (i)

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| The Key Audit Matters | <p>The Company has disclosed disputed tax matters in Note 43 of Rs.12,801 lakhs, including income tax demand of Rs.9,566 lakhs Tax litigation exposures have been identified as a key audit matter due to:</p> <ul style="list-style-type: none"> • Significance of these amounts. • Significant judgement and assumptions required by management in assessing the exposure of each case to evaluate whether there is a need to set up a provision and measurement of exposures as well as the disclosure of contingent liabilities. <p>Additionally, the treatment of tax litigation require significant judgement due to the complexity of the cases and, timescales for resolution.</p> |
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| How the matter was addressed in audit | <p>Our audit procedures include the following:</p> <ul style="list-style-type: none"> • Obtained understanding and assessed the internal control environment relating to the identification, recognition and measurement of provisions for disputed tax matters. • Obtained the summary of disputed tax matters from management and assessed management's position through discussions on both the probability of success in significant cases, and the magnitude of any potential loss. • Read evidence to corroborate management's assessment of the risk profile in respect of tax disputed matters. • We involved tax specialists to assist us in evaluating tax positions taken by management. • We assessed the disclosures relating to the disputed tax matters as mentioned in Note 43 of the Stand-alone Ind AS financial statements. |
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Other Information

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our joint audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of the Management for the Standalone Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134 (5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the standalone financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management.
- Conclude on the appropriateness of the Management use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Emphasis of Matter

We draw attention to the following matters in the notes to the accompanying Standalone Financial Statement:

- Note 6.3 regarding Non-Current Investments as at March 31, 2020 (i) Non-Current Investment amounting to Rs.1,000 lakhs (March 31, 2019; Rs.1,000 lakhs) in its subsidiary MBL (MP) Road Nirman Company Limited in which the Company is holding 22.17% directly and balance through wholly owned subsidiary MBL Projects Ltd.; (ii) Non-Current Investment amounting to Rs.1,200 lakhs (March 31, 2019; Rs.1,200 lakhs) in its wholly owned subsidiary AAP Infrastructure Limited; (iii) Non-Current Investment amounting to Rs.5,110 lakhs (March 31, 2019; Rs.5,110 lakhs) in its subsidiary MBL Highway Development Company Limited in which the Company holds 82.56% and balance through wholly owned subsidiary MBL Projects Ltd. All the above entities have incurred losses due to cancellation/ termination of projects and net worth of above entities as at March 31, 2020 have been fully eroded and accordingly the net worth of these subsidiaries do not represent true market value. Claims have been filed against the cancellation/termination of projects. These claims are based on the terms & conditions implicit in the contract in respect of cancelled/ terminated projects. Considering the contractual tenability, legal advice obtained and progress

of arbitration/ litigation, the management is confident of recovery in these claims. In view of this, the management is confident that the realisable amount is higher than the carrying value of non-current assets and therefore considering the investment in above subsidiary as good and recoverable.

- Note 6.4 regarding Non-Current Investment as at March 31, 2020 amounting to Rs.2,984 lakhs (March 31, 2019; Rs.2,984 lakhs) holds 100% shares in MBL Projects Ltd., the net worth of the subsidiary which does not represent true market value. The subsidiary holds shares in downstream SPVs in which projects were cancelled. Claims have been filed against cancellation of projects. These claims are based on the terms & conditions implicit in the contract in respect of cancelled projects. Considering the contractual tenability, legal advice obtained and progress of arbitration/ litigation, the management is confident of recovery in these claims. In view of this, the management is confident that the realisable amount is higher than the carrying value of non-current assets and therefore considering the investment in above subsidiary as good and recoverable.
- Note 6.5 regarding Non-Current Investment as at March 31, 2020 amounting to Rs.18,505 lakhs (March 31, 2019; Rs.18,505 lakhs) holds 100% shares in Suratgarh Bikaner Toll Road Company Private Limited which has started toll operations effective February 17, 2019. The net worth of the subsidiary does not represent true market value as the value of underlying investments/ assets. Based on TEV study report, certain estimates like future business plan, growth prospects and other factors, the management is confident that the realisable amount is higher than the carrying value of non-current assets and therefore considering the investment in above subsidiary as good and recoverable.
- Note 3a regarding the Resolution Plan under the Insolvency & Bankruptcy Code, 2016 (IBC, 2016) was approved by Hon'ble National Company law Tribunal, Kolkata by its order dated April 18, 2018. The appeals filed by some of the banks were dismissed by Hon'ble NCLAT by its order dated August 16, 2019 and the Resolution Plan was upheld. One of the dissenting financial creditors with 4.01% of voting share has filed a civil appeal with Hon'ble Supreme Court against the order of Hon'ble NCLAT, which is pending. The financial statements have been prepared on going concern basis. In an unlikely event of ultimate rejection of the Resolution Plan, the Company may go under liquidation and may not be a going concern and the financial statements may have to be restated.

The Financial Statements have been prepared on going concern basis, considering the Hon'ble NCLAT order dated April 18, 2018 approving resolution plan.

- e. Note 37 regarding the amendment in Section 30(2) (b) of IBC, 2016 w.e.f. August 16, 2019 which provided for liquidation value to dissenting financial creditors. Consequent to above amendment, difference in financial liabilities i.e. Non-Convertible Debentures, Cash Credit Facilities and Working Capital Term Loans in terms of the approved Resolution Plan and liquidation value to the dissenting financial creditors aggregating to Rs.28,372 lakhs has been adjusted and transferred to Capital Reserve and shown as exceptional item.
- f. Note 46.1 regarding the deferred tax assets as at March 31, 2020 amounting to Rs.12,442 lakhs (March 31, 2019; Rs.7,117 lakhs). The management is confident that there is convincing evidences viz. opportunities available in area of its core competence, bidding/pre-qualification limit, conducive government policies and market conditions, TEV study and approved Resolution Plan etc., based on which it is inferred that sufficient taxable profit will be available against which unused tax losses can be utilised by the Company.
- g. Note 53 regarding the management's assessment of the financial impact of the outbreak of Coronavirus (Covid-19) pandemic situation, for which a definitive assessment of the impact in the subsequent period is dependent upon the circumstances as they evolve.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable

2(A) As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act;

- e. On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act; and

- f. With respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations as at March 31, 2020 on its financial position in its standalone financial statements;
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020.

- C. With respect to the matters to be included in the Auditor's Report under Section 197 (16) of the Act:

In our opinion and according to the information and explanation given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provision of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197 (16) which are required to be commented upon by us.

For **SARC & Associates**
Chartered Accountants
Firm Registration No.006085N

Kamal Aggarwal
Partner

Place of Signature: New Delhi

Membership No.: 090129

Date: July 13, 2020

UDIN: 20090129AAAADS3953

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of MBL INFRASTRUCTURES LTD of even date)

- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations provided to us, no material discrepancies were noticed on such verification.
 - c. According to the information and explanations provided to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
2. According to the information and explanations provided to us, the inventory has been physically verified at reasonable intervals during the year by the management. In our opinion and according to the information and explanations provided to us, the interval of such physical verification is reasonable having regard to size of the Company and nature of its business and according to the information and explanations provided to us, no material discrepancies were noticed on such verification.
 3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3 (iii) of the Order is not applicable.
 4. In our opinion and according to the information and explanations provided to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act , 2013 in respect of loans and advances given, investments made and guarantees and securities.
 5. The Company has not accepted any deposits within the meaning of section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of Clause 3(v) of the Order are not applicable to the Company.
 6. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub section (1) of Section 148 of the Companies Act 2013 in respect of Company's products/services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the same.
 7. According to the information and explanations provided to us and, in respect of statutory dues:
 - a. Undisputed statutory dues including provident fund, employee state insurance, income tax, sales tax, service tax, custom duty, excise duty, value added tax, goods and service tax (GST), cess and other material statutory dues as applicable, have not been regularly deposited with the appropriate authorities and there have been significant delays in a large number of cases. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

Statement of arrears of statutory dues outstanding for more than six months:

| S. No. | Particulars | Amount Rs. In Lakhs |
|--------|---------------------------|---------------------|
| 1 | Provident Fund | 134.53 |
| 2 | Employee State Insurance | 35.90 |
| 3 | Service Tax | 210.11 |
| 4 | Tax Deducted at Sources | 580.10 |
| 5 | Dividend Distribution tax | 253.18 |

- b. According to the record of the Company, the dues of income tax, sales tax, service tax, customs duty, excise duty, value added tax, goods and service tax (GST) and cess on account of dispute are as follows:

| Name of the statute | Nature of Dues | Forum where dispute is pending | Period | Amount (Rs. In Lakhs) |
|----------------------|-------------------------|--|--------------|-----------------------|
| Income Tax Act, 1961 | Tax, Interest & Penalty | High Court | A.Y. 2004-05 | 1.83 |
| Income Tax Act, 1961 | Tax, Interest & Penalty | High Court | A.Y. 2005-06 | 373.68 |
| Income Tax Act, 1961 | Tax, Interest & Penalty | DCIT- Central 2(2) | A.Y. 2005-06 | 15.63 |
| Income Tax Act, 1961 | Tax, Interest & Penalty | DCIT- Central 2(2) | A.Y. 2011-12 | 252.65 |
| Income Tax Act, 1961 | Tax, Interest & Penalty | CIT (Appeals) - Central I/ Kolkata | A.Y. 2012-13 | 1369.39 |
| Income Tax Act, 1961 | Tax, Interest & Penalty | CIT (Appeals) - Central I/ Kolkata | A.Y. 2013-14 | 459.27 |
| Income Tax Act, 1961 | Tax, Interest & Penalty | CIT (Appeals) - Central I/ Kolkata | A.Y. 2014-15 | 1596.23 |
| Income Tax Act, 1961 | Tax, Interest & Penalty | CIT (Appeals) - Central I/ Kolkata | A.Y. 2016-17 | 4751.38 |
| Income Tax Act, 1961 | Tax, Interest & Penalty | CIT (Appeals) - Central I/ Kolkata | A.Y. 2017-18 | 745.66 |
| WB VAT Act, 2003 | Tax, Interest & Penalty | Commercial Tax Officer | A.Y. 2007-08 | 40.65 |
| WB VAT Act, 2003 | Tax, Interest & Penalty | Commercial Tax Officer | A.Y. 2008-09 | 275.28 |
| WB VAT Act, 2003 | Tax, Interest & Penalty | WB Taxation Tribunal | A.Y. 2009-10 | 684.05 |
| WB VAT Act, 2003 | Tax, Interest & Penalty | WB Commercial Taxes Appellate & Revision Board | A.Y. 2010-11 | 251.26 |
| BVAT Act, 2005 | Tax, Interest & Penalty | Commercial Tax Tribunal | A.Y. 2010-11 | 54.81 |
| BVAT Act, 2005 | Tax, Interest & Penalty | Commercial Tax Tribunal | A.Y. 2010-11 | 94.74 |
| BVAT Act, 2005 | Tax, Interest & Penalty | Commercial Tax Tribunal | A.Y. 2011-12 | 451.96 |
| BVAT Act, 2005 | Tax, Interest & Penalty | Commercial Tax Tribunal | A.Y. 2011-12 | 55.25 |
| UP VAT Act, 2008 | Tax, Interest & Penalty | Add. Commissioner- Commercial tax | A.Y. 2011-12 | 5.99 |
| BVAT Act, 2005 | Tax, Interest & Penalty | Commercial Tax Joint Commissioner | A.Y. 2011-12 | 0.55 |
| BVAT Act, 2005 | Tax, Interest & Penalty | Commercial Tax Joint Commissioner | A.Y. 2011-12 | 0.41 |
| KVAT Act | Tax, Interest & Penalty | Sr. Joint Commissioner | A.Y. 2011-12 | 30.38 |

| | | | | |
|--------------------------|-------------------------|---------------------------------------|--------------|--------|
| BVAT Act, 2005 | Tax, Interest & Penalty | Commercial Tax Tribunal | A.Y. 2012-13 | 482.23 |
| BVAT Act, 2005 | Tax, Interest & Penalty | Commercial Tax Tribunal | A.Y. 2012-13 | 92.22 |
| BVAT Act, 2005 | Tax, Interest & Penalty | Commercial Tax Joint Commissioner | A.Y. 2012-13 | 0.55 |
| BVAT Act, 2005 | Tax, Interest & Penalty | Commercial Tax Joint Commissioner | A.Y. 2012-13 | 0.50 |
| RVAT Act, 2003 | Tax, Interest & Penalty | Commercial Tax Officer | A.Y. 2013-14 | 2.17 |
| UP VAT Act, 2008 | Tax, Interest & Penalty | Commercial Tax Deputy Commissioner | A.Y. 2013-14 | 0.64 |
| BVAT Act, 2005 | Tax, Interest & Penalty | Commercial Tax Joint Commissioner | A.Y. 2013-14 | 0.55 |
| UP VAT Act, 2008 | Tax, Interest & Penalty | Commercial Tax Deputy Commissioner | A.Y. 2014-15 | 37.04 |
| RVAT Act, 2003 | Tax, Interest & Penalty | Commercial Tax Officer | A.Y. 2014-15 | 70.04 |
| UTTRANCHAL VAT Act, 2005 | Tax, Interest & Penalty | Additional Commissioner | A.Y. 2015-16 | 0.51 |
| UTTRANCHAL VAT Act, 2005 | Tax, Interest & Penalty | Additional Commissioner | A.Y. 2015-16 | 0.61 |
| DVAT Act, 2005 | Tax, Interest & Penalty | Joint Commissioner | A.Y. 2015-16 | 0.50 |
| DVAT Act, 2005 | Tax, Interest & Penalty | Joint Commissioner | A.Y. 2015-16 | 0.50 |
| BVAT Act, 2005 | Tax, Interest & Penalty | Commercial Tax Assistant Commissioner | A.Y. 2015-16 | 147.00 |
| JVAT Act | Tax, Interest & Penalty | Commercial Tax Assistant Commissioner | A.Y. 2015-16 | 351.25 |
| CENTRAL EXCISE ACT, 1994 | Tax, Interest & Penalty | CESTAT | 2011-2013 | 103.17 |

8. The Company was under Corporate Insolvency Resolution Process under Insolvency and Bankruptcy code 2016. The Resolution Plan of the Company was approved by Hon'ble National Company Law Tribunal (NCLT) Kolkata Bench vide its Order dated April 18, 2018. The Resolution plan has not been implemented by the Bankers till now and therefore the Company is of the view that no amount is payable and due to Banks till the date of implementation of Resolution Plan.
9. In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
10. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and according to the information and explanations provided by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
11. According to the information and explanations given to us, managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by provisions of section 197 read with schedule V to the Companies Act, 2013.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

13. According to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to financial statements, as required by the applicable accounting standards.
14. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting requirements under clause 3 (xiv) of the Order is not applicable to the Company.
15. According to the information and explanations provided by the management, the Company has not entered any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Companies Act, 2013. Accordingly, clause 3(xv) of the Order is not applicable to the Company.
16. According to the information and explanations provided to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company. Accordingly, the Clause 3(xvi) of the Order is not applicable to the Company.

For SARC & Associates
Chartered Accountants
Firm Registration No.006085N

Kamal Aggarwal
Partner

Place of Signature: New Delhi

Date: July 13, 2020

Membership No.: 090129

UDIN: 20090129AAAADS3953

ANNEXURE B

To the Independent Auditors Report on Standalone Financial Statements of MBL INFRASTRUCTURES LTD for the year ended March 31, 2020

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (hereinafter referred to as "the Act")

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

We have audited the internal financial controls with reference to the standalone financial statements of MBL INFRASTRUCTURES LTD ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to the standalone financial statements and such internal financial controls were operating effectively as at March 31, 2020, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements

and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to the standalone financial statements.

Meaning of Internal Financial controls with reference to the Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to the Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For SARC & Associates

Chartered Accountants

Firm Registration No.006085N

Kamal Aggarwal

Partner

Place of Signature: New Delhi

Date: July 13, 2020

Membership No.: 090129

UDIN: 20090129AAAADS3953

Balance Sheet as at 31st March, 2020

(Rs. in Lakhs)

| Particulars | Note No. | As at March 31, 2020 | As at March 31, 2019 |
|---|----------|-------------------------|-------------------------|
| Assets | | | |
| (1) Non Current Assets | | | |
| (a) Property, Plant and Equipment | 5 | 11,614.45 | 13,037.35 |
| (b) Financial Assets | | | |
| (i) Investments | 6 | 30,306.76 | 30,306.76 |
| (ii) Trade Receivables | 7 | 117,991.97 | 99,610.78 |
| (iii) Other Financial Assets | 8 | 431.11 | 340.16 |
| (c) Deferred Tax Assets (net) | 9 | 12,442.34 | 7,116.72 |
| (d) Other Non Current Assets | 10 | 48,814.36 | 61,519.35 |
| (2) Current Assets | | | |
| (a) Inventories | 11 | 567.64 | 578.15 |
| (b) Financial Assets | | | |
| (i) Trade Receivables | 12 | 8,733.85 | 10,701.64 |
| (ii) Cash and Cash Equivalents | 13 | 506.14 | 366.38 |
| (iii) Other Bank Balances | 14 | 1.69 | 2.49 |
| (iv) Other Financial Assets | 15 | 1,144.62 | 2,838.82 |
| (c) Other Current Assets | 16 | 13,465.50 | 12,772.70 |
| Total Assets | | 246,020.43 | 239,191.30 |
| Equity and Liabilities | | | |
| Equity | | | |
| (a) Equity Share Capital | 17 | 10,475.46 | 10,475.46 |
| (b) Other Equity | 18 | 96,978.13 | 61,542.76 |
| Liabilities | | | |
| (1) Non Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 19 | 69,381.32 | 88,117.50 |
| (ii) Trade Payables | 20 | | |
| -Total outstanding dues of micro enterprises and small enterprises | | - | - |
| -Total outstanding dues of creditors other than micro enterprises and small enterprises | | 3,847.80 | 3,208.63 |
| (iii) Other Financial Liabilities | 21 | 313.53 | 261.45 |
| (b) Provisions | 22 | 64.27 | 73.09 |
| (c) Other Non Current Liabilities | 23 | 39,559.74 | 48,364.59 |
| (d) Non Current Tax Liabilities (net) | 24 | 2,626.89 | 2,627.28 |
| (2) Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 25 | 11,674.06 | 8,354.55 |
| (ii) Trade Payables | 26 | | |
| -Total outstanding dues of micro enterprises and small enterprises | | - | - |
| -Total outstanding dues of creditors other than micro enterprises and small enterprises | | 5,273.94 | 5,783.72 |
| (iii) Other Financial Liabilities | 27 | 963.87 | 1,061.43 |
| (b) Other Current Liabilities | 28 | 4,857.93 | 9,316.60 |
| (c) Provisions | 29 | 3.49 | 4.24 |
| Total Equity and Liabilities | | 246,020.43 | 239,191.30 |

Significant Accounting Policies

1-4

The accompanying notes are an integral part of the Standalone Financial Statements

As per our report of even date attached

For SARC & Associates

Chartered Accountants

Firm's ICAI Registration No. : 006085N

For and on behalf of the Board of Directors

per Kamal Aggarwal

Partner

Membership No.: 090129

Place: New Delhi

Date: July 13, 2020

Anubhav Maheshwari

Company Secretary

Anjaneer Kumar Lakhotia

Director

DIN-00357695

Darshan Singh Negi

Chief Financial Officer

Ashwini Kumar Singh

Director

DIN-00365901

Standalone Statement of Profit and Loss for the year ended March 31, 2020

(Rs. in Lakhs)

| Particulars | Note No. | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|----------|--------------------------------------|--------------------------------------|
| Income | | | |
| Revenue from Operations | 30 | 16,620.59 | 14,667.11 |
| Other Income | 31 | 8,582.04 | 8,164.81 |
| (A) Total Income | | 25,202.63 | 22,831.92 |
| Expenses | | | |
| Cost of Materials Consumed | 32 | 2,212.04 | 4,122.72 |
| Employee Benefits Expense | 33 | 713.72 | 915.65 |
| Finance Costs | 34 | 768.64 | 640.48 |
| Depreciation and Amortisation Expense | 35 | 1,430.28 | 1,450.00 |
| Other Expenses | 36 | 18,440.93 | 15,554.74 |
| (B) Total Expenses | | 23,565.61 | 22,683.59 |
| (C) Profit/(Loss) before Exceptional Items and Tax (A-B) | | 1,637.02 | 148.33 |
| (D) Exceptional Items (net) | 37 | 28,466.96 | (28,371.30) |
| (E) Profit/(Loss) before Tax (C+D) | | 30,103.98 | (28,222.97) |
| (F) Tax Expense: | | | |
| (1) Current Tax | | - | - |
| (2) Deferred Tax | 46 (b) | (5,327.65) | (4,099.31) |
| (G) Profit/(Loss) for the period (E-F) | | 35,431.63 | (24,123.66) |
| Other Comprehensive Income | | | |
| i. Items that will not be reclassified to Statement of Profit and Loss Remeasurement of defined benefit plans | | 5.77 | 12.58 |
| ii. Income Tax relating to above | | (2.02) | (4.40) |
| (H) Total Other Comprehensive Income for the period (net of tax) | | 3.75 | 8.18 |
| Total Comprehensive Income for the period (G+H) (comprising Profit/(Loss) for the period and Other Comprehensive Income for the period) | | 35,435.38 | (24,115.48) |
| Earnings per Equity Share (Face Value Rs.10/- each)(in Rs.) | | | |
| Basic and Diluted | 44 | 33.83 | (27.60) |

Significant Accounting Policies

1-4

The accompanying notes are an integral part of the Standalone Financial Statements

As per our report of even date attached

For SARC & Associates

Chartered Accountants

Firm's ICAI Registration No. : 006085N

For and on behalf of the Board of Directors

per Kamal Aggarwal

Partner

Membership No.: 090129

Place: New Delhi

Date: July 13, 2020

Anubhav Maheshwari

Company Secretary

Anjaneer Kumar Lakhota

Director

DIN-00357695

Darshan Singh Negi

Chief Financial Officer

Ashwini Kumar Singh

Director

DIN-00365901

Standalone Statement of changes in equity for the year ended March 31, 2020

A. Equity Share Capital

(Rs. in Lakhs)

| Particulars | No. of Shares | Share Capital |
|-------------------------------------|--------------------|------------------|
| Balance as on April 1, 2018 | 41,454,624 | 4,145.46 |
| ADD: Addition during the year | 63,300,000 | 6,330.00 |
| As on March 31, 2019 | 104,754,624 | 10,475.46 |
| Add: Addition during the year | - | - |
| Balance as on March 31, 2020 | 104,754,624 | 10,475.46 |

B. Other Equity

(Rs. in Lakhs)

| Particulars | Reserves and Surplus | | | | | Items of Other Comprehensive Income | Total |
|---|----------------------|--------------------|------------------------------|------------------|--------------------|--|------------------|
| | Capital Reserve | Securities Premium | Debenture Redemption Reserve | General Reserve | Retained Earnings | Remeasurement of defined benefit plans | |
| Balance As on April 1, 2018 | 40,212.56 | 20,703.24 | - | 34,962.41 | (10,296.82) | 76.85 | 85,658.24 |
| Profit/ (Loss) for the year | - | - | - | - | 4,247.64 | - | 4,247.64 |
| Transfer to Debenture Redemption Reserve | - | - | 29,708.52 | (29,708.52) | - | - | - |
| - Due to Insolvency and Bankruptcy Code, 2016 (Refer Note No. 37) | (28,371.30) | - | - | - | - | - | (28,371.30) |
| Re-measurements of defined benefit plans | - | - | - | - | - | 8.18 | 8.18 |
| Transfer to Retained Earnings from Other Comprehensive Income | - | - | - | - | 85.03 | (85.03) | - |
| Balance As on March 31, 2019 | 11,841.26 | 20,703.24 | 29,708.52 | 5,253.89 | (5,964.15) | - | 61,542.76 |
| Profit/ (Loss) for the year | - | - | - | - | 6,964.66 | - | 6,964.66 |
| Transfer from Debenture Redemption Reserve | - | - | - | - | - | - | - |
| - Due to Insolvency and Bankruptcy Code, 2016 (Refer Note No. 37) | 28,466.96 | - | (7,687.25) | 7,687.25 | - | - | 28,466.96 |
| Remeasurements of defined benefit plans | - | - | - | - | - | 3.75 | 3.75 |
| Transfer to Retained Earnings from Other Comprehensive Income | - | - | - | - | 3.75 | (3.75) | - |
| Balance As on March 31, 2020 | 40,308.22 | 20,703.24 | 22,021.27 | 12,941.14 | 1,004.26 | - | 96,978.13 |

Refer note 18 for nature and purpose of reserves

Significant Accounting Policies

1-4

The accompanying notes are an integral part of the Standalone Financial Statements

For and on behalf of the Board of Directors

As per our report of even date attached

For SARC & Associates

Chartered Accountants

Firm's ICAI Registration No. : 006085N

per Kamal Aggarwal

Partner

Membership No.: 090129

Place: New Delhi

Date: July 13, 2020

Anubhav Maheshwari
Company Secretary

Anjaneer Kumar Lakhota
Director
DIN-00357695

Darshan Singh Negi
Chief Financial Officer

Ashwini Kumar Singh
Director
DIN-00365901

Standalone Cash Flow Statement for the year ended March 31, 2020

(Rs. in Lakhs)

| Particulars | | For the Year ended March 31, 2020 | For the Year ended March 31, 2019 |
|-------------|--|---|---|
| A. | Cash flow from Operating Activities | | |
| | Net Profit/ (Loss) Before Tax & Exceptional Items | 1,637.02 | 148.33 |
| | Adjustments for: | | |
| | Depreciation and Amortisation | 1,430.28 | 1,450.00 |
| | Finance Costs | 768.64 | 640.48 |
| | Interest Income | (8,563.77) | (7,917.20) |
| | Operating profit/ (Loss) before working capital changes | (4,727.83) | (5,678.39) |
| | Working Capital Adjustments: | | |
| | (Increase) / Decrease in Inventories | 10.51 | 51.73 |
| | (Increase) / Decrease in Trade Receivables | (8,452.73) | (8,494.26) |
| | (Increase)/ Decrease in Other Current and Non-Current Financial Assets | 1,735.63 | 2,916.96 |
| | (Increase)/Decrease in Loans | - | 3,711.42 |
| | (Increase)/ Decrease in Other Current and Non-Current Assets | 12,054.57 | 12,603.45 |
| | Increase/ (Decrease) in Other Current and Non-Current Trade Payables | 649.49 | (1,469.17) |
| | Increase/ (Decrease) in Other Current and Non-Current Financial Liabilities | (44.69) | (1,248.11) |
| | Increase/ (Decrease) in other Other Current and Non-Current Liabilities & Provisions | (13,958.99) | 12,908.77 |
| | Cash generated from/ (used for) operations | (12,734.03) | 15,302.42 |
| | Taxes Paid (net) | (0.39) | 178.76 |
| | Net Cash generated from/ (used in) Operating Activities (A) | (12,734.42) | 15,481.18 |
| B. | Cash flow from Investing Activities | | |
| | (Purchase)/Sale Proceeds of Property, Plant & Equipment | (6.09) | 45.27 |
| | Purchase of Investments | - | (8,467.38) |
| | Deposits with banks having maturity more than three months | (90.96) | (125.06) |
| | Net Cash generated from/ (used in) Investing Activities (B) | (97.05) | (8,547.17) |

Standalone Cash Flow Statement for the year ended March 31, 2020

(Rs. in Lakhs)

| Particulars | For the Year ended March 31, 2020 | For the Year ended March 31, 2019 |
|--|-----------------------------------|-----------------------------------|
| C. Cash flow from Financing Activities | | |
| Proceeds from issue of Share Capital | - | 6,330.00 |
| Proceeds from / (Repayment of) Long Term Borrowings (net) | 13,358.06 | (13,623.25) |
| Interest and Finance Charges Paid | (76.98) | (2.69) |
| Net Cash generated from/ (used in) Financing Activities (C) | 13,281.08 | (7,295.94) |
| Net increase/ (decrease) Cash & Cash Equivalents (A+B+C) | 449.61 | (361.93) |
| Cash and Cash Equivalents (at the beginning of the year) (Including Book overdraft) (Note no.13) | 53.67 | 415.60 |
| Cash and Cash Equivalents (at the end of the year) (Including Book overdraft)** (Note no.25) | 503.28 | 53.67 |
| **Cash and Cash Equivalents as per Balance Sheet (Note no. 13) | 506.14 | 366.38 |
| Book overdraft (Note no. 25) | 2.86 | 312.71 |
| Cash & Cash Equivalents (Closing Balance) (Including Book overdraft) | 503.28 | 53.67 |

Note:

- The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard 7 "Statement of Cash Flows"
- Reconciliation of Liabilities arising from Financing Activities.**

(Rs. in Lakhs)

| Particulars | As at March 31, 2019 | Non cash Flow- Others | Non Cash Flow- Fair Value Changes | As at March 31, 2020 |
|---|----------------------|-----------------------|-----------------------------------|----------------------|
| Long Term Borrowings (Including current maturities) | 88,180.31 | 18,737.86 | 0.40 | 69,442.05 |
| Short Term Borrowings | 8354.55 | (3319.51) | - | 11,674.06 |

Significant Accounting Policies

The accompanying notes are an integral part of the Standalone Financial Statements

1-4

As per our report of even date attached

For SARC & Associates

Chartered Accountants

Firm's ICAI Registration No.: 006085N

For and on behalf of the Board of Directors

per Kamal Aggarwal

Partner

Membership No.: 090129

Place: New Delhi

Date: July 13, 2020

Anubhav Maheshwari

Company Secretary

Darshan Singh Negi

Chief Financial Officer

Anjaneer Kumar Lakhota

Director

DIN-00357695

Ashwini Kumar Singh

Director

DIN-00365901

Note to the Standalone Financial Statement for the year ended March 31, 2020

1. CORPORATE AND GENERAL INFORMATION

MBL Infrastructure Limited ("the Company") is a public limited company domiciled and incorporated in India and its equity shares are listed at Bombay Stock Exchange (BSE) /National Stock Exchange (NSE). The registered office is located at Baani Corporate One Tower, Suite No. 308, 3rd Floor, Plot No. 5, Commercial Centre, Jasola, New Delhi- 110025, India. The Company is principally engaged in the business of providing engineering and construction services.

2. STATEMENT OF COMPLIANCE AND RECENT ACCOUNTING PRONOUNCEMENTS

a. Statement of Compliance

The standalone financial statements have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 ("Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

b. Application of new and revised standards:

- i. **Ind AS 116 "Leases"** - With effect from April 1, 2019, the Company has adopted Ind AS 116 "Leases" using modified retrospective approach.
- ii. **Appendix C "Uncertainty over Income Tax Treatments" to Ind AS 12 "Income Taxes"** has been revised with effect from April 1, 2019.

The application of Ind AS 116 and revision in other standard do not have any material impact on the Standalone Financial Statement.

c. Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to existing standards. There being no recent pronouncement, disclosure in this respect is not applicable.

3. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation

The Standalone Financial Statements have been prepared under the historical cost convention on accrual basis except certain financial instruments that are measured in terms of relevant Ind AS at fair value at the end of each reporting period.

Historical cost convention is generally based on the fair value of the consideration given in exchange for goods and services.

Operating cycle for the business activities of the company covers the normal duration of the project/ contract/ service including the defect obligation period, wherever applicable, and extends up to the realisation of receivables (including retention money) within the credit period normally applicable to the respective project. In cases where the operating cycle cannot be identified in the normal course, the same has been assumed to have duration of twelve months. Accordingly, all Assets and Liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in Ind AS 1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The standalone financial statements are presented in Indian Rupees ('INR'), which is the Company's functional and presentation currency and all amounts are rounded to the nearest Lakhs in two decimals (except otherwise indicated).

The Resolution Plan under the Insolvency & Bankruptcy Code, 2016 (IBC, 2016) was approved by Hon'ble National Company law Tribunal, Kolkata by its order dated April 18, 2018. The appeals filed by some of the banks were dismissed by Hon'ble NCLAT by its order dated August 16, 2019 and the Resolution Plan was upheld. One of the dissenting financial creditors with 4.01% of voting share has filed a civil appeal with Hon'ble Supreme Court against the order of Hon'ble NCLAT, which is pending. The standalone financial statements have been prepared on going concern basis. In an unlikely event of ultimate rejection of the Resolution Plan, the Company may go under liquidation and may not be a going concern and the standalone financial statements may have to be restated.

Note to the Standalone Financial Statement for the year ended March 31, 2020

b. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

- i. Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- ii. Level 2: inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.
- iii. Level 3: inputs for the asset or liability which are not based on observable market data (unobservable inputs).

The company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements who regularly review significant unobservable inputs, valuation adjustments and fair value hierarchy under which the valuation should be classified.

c. Accounting Estimates

The preparation of the standalone financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of standalone financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future years.

d. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the standalone financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

e. Recoverability of claims

The Company has claims in respect of cost over-run arising due to client caused delays, suspension of projects, deviation in design and change in scope of work etc., which are at various stages of negotiation/ discussion with the clients or under arbitration. The realisability of these claims are estimated based on contractual terms, historical experience with similar claims as well as legal opinion obtained from internal and external experts, wherever necessary. Changes in facts of the case or the legal framework may impact realisability of these claims. Revenue in respect of the claims is recognised to the extent, the Company is reasonably certain of their realisation.

f. Property, Plant and Equipment (PPE)

Property, plant and equipment are stated at cost of acquisition, construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. For this purpose, cost include deemed cost on the date of transition and comprises purchase price of assets or its construction cost including duties and taxes, inward freight and other expenses incidental to acquisition or installation and adjustment for exchange differences wherever applicable and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management.

Note to the Standalone Financial Statement for the year ended March 31, 2020

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement when incurred.

Depreciation and Amortisation

Depreciation on Property, Plant and Equipment is provided as per Schedule II of the Companies Act, 2013 on straight line method. Assets costing rupees five thousand or less are being depreciated fully in the year of addition/acquisition.

Depreciation on Property, Plant and Equipment commences when the assets are ready for their intended use. Based on above, the estimated useful lives of assets for the current period are as follows.

| Category | Useful life (in Years) |
|--|------------------------|
| Buildings | 60 Years |
| Plant and machinery | 15 Years |
| Computer equipment | 3 Years |
| Furniture and fixtures | 10 Years |
| Office equipment | 5 Years |
| Vehicles | |
| Motor Bus, Motor Lorry, Motor Cars other than those used in a business of running them on hire | 8 Years |
| Motor Cycles, Scooters & Other Mopeds | 10 years |

Depreciation methods, useful lives and residual values are reviewed and adjusted as appropriate, at each reporting date.

g. Derecognition of Tangible assets

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

h. Inventories

Construction materials are valued at lower of cost and fair value (except scrap/ waste which are valued at net realizable value). Cost of inventories is ascertained on FIFO basis.

Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and selling costs. The cost is computed on weighted average basis.

Provision for obsolescence in inventories is made, whenever required.

i. Financial assets and financial liabilities

Financial assets and financial liabilities (financial instruments) are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within operating cycle of the company or otherwise these are classified as non-current.

The classification of financial instruments whether to be measured at Amortized Cost, at Fair Value through Profit and Loss (FVTPL) or at Fair Value Through Other Comprehensive Income (FVTOCI) depends on the objective and contractual terms to which they relate. Classification of financial instruments are determined on initial recognition.

Note to the Standalone Financial Statement for the year ended March 31, 2020

i. Cash and Cash Equivalents

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

ii. Financial Assets and Financial Liabilities measured at Amortised cost

Financial Assets held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost.

The above Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (including all fees and points paid or received, transaction costs and other premiums or discounts) through the expected life of the Financial Asset or Financial Liability to the gross carrying amount of the financial asset or to the amortised cost of financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

iii. Financial Asset at Fair Value through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised directly in other comprehensive income.

iv. For the purpose of para (2) and (3) above, principal is the fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.

v. Financial Assets or Liabilities at Fair value through profit or loss

Financial Instruments which does not meet the criteria of amortised cost or fair value through other comprehensive income are classified as Fair Value through Profit or loss. These are recognised at fair value and changes therein are recognized in the statement of profit and loss.

vi. Investment in Subsidiaries and associates are being carried at cost.

vii. Impairment of Financial Assets

The Company evaluates whether there is any objective evidence that financial assets including loan, trade and other receivables are impaired and determines the amount of impairment allowance as a result of the inability of the parties to make required payments. The Company bases the estimates on the ageing of the receivables, credit-worthiness of the receivables and historical write-off experience and variation in the credit risk on year to year basis.

viii. Derecognition of Financial Instruments

The Company derecognizes a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable are recognized in statement of profit and loss.

On derecognition of assets measured at FVTOCI, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Financial liabilities are derecognized if the Company's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Statement of Profit and Loss.

Note to the Standalone Financial Statement for the year ended March 31, 2020

j. Foreign Currency Transactions

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transactions. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate as at the date of transaction. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognized as income or expense in the statement of profit and loss. Foreign exchange gain/loss to the extent considered as an adjustment to Interest Cost are considered as part of borrowing cost.

k. Equity Share Capital

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as Securities Premium. Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

l. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities are not recognized and are disclosed by way of notes to the standalone financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

Contingent assets are not recognised but disclosed in the Standalone Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

Provisions for onerous contracts are recorded in the statements of operations when it becomes known that the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received.

m. Employee Benefits

Employee benefits are accrued in the year in which services are rendered by the employees. Short term employee benefits are recognized as an expense in the statement of profit and loss for the year in which the related service is rendered.

Contribution to defined contribution plans such as Provident Fund etc, is being made in accordance with statute and are recognised as and when incurred.

Contribution to defined benefit plans consisting of contribution to gratuity are determined at close of the year at present value of the amount payable using actuarial valuation techniques. Actuarial gain and losses arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.

Other long term employee benefits consisting of Leave Encashment are determined at close of the year at present value of the amount payable using actuarial valuation techniques. The changes in the amount payable including actuarial gain/loss are recognised in other comprehensive income.

n. Revenue recognition

The Company recognizes revenue from contracts with customers when it satisfies a performance obligation by transferring promised good or service to a customer. The revenue is recognized to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. The customer obtains control of the asset when it simultaneously benefits by the entity's performance. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost to date, to the total estimated cost attributable

Note to the Standalone Financial Statement for the year ended March 31, 2020

to the performance obligation.

Transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring good or service to a customer excluding amounts collected on behalf of a third party. Variable consideration is estimated using the expected value method or most likely amount as appropriated in a given circumstance. Payment terms agreed with a customer are as per business practice and there is no financing component involved in the transaction price.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged off in Statement of Profit and Loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to date, to the total estimated cost attributable to the performance obligation.

In respect of construction/ project related activity, Revenue is recognised under over time method when it is probable that the company will collect the consideration to which it is entitled to. Revenue under over time method is determined by survey of work performed / physical measurement of work actually completed at each reporting date taking into account contractual price/ unit rates and revision thereto.

i. Critical accounting judgements, estimation and uncertainty:

Determining the revenue to be recognized in case of performance obligation satisfied over a period of time; revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to date, to the total estimated cost attributable to the performance obligation.

ii. Revenue from construction/project related activity is recognized as follows:

Fixed price contracts: Contract revenue is recognized over time to the extent of performance obligation satisfied and control is transferred to the customer. Contract revenue is recognized at allocable transaction price which represents the cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to date, to the total estimated contract costs.

For contracts where the aggregate of contract cost incurred to date plus recognized profits (or minus recognized losses as the case may be) exceeds the progress billing, the surplus is shown as contract asset and termed as "Due from customers". For contracts where progress billing exceeds the aggregate of contract cost incurred to date plus recognized profits (or minus recognized losses as the case may be), the surplus is shown as contract liability and termed as "Due to customers". Amount received before the related work is performed are disclosed in the Balance Sheet as Contract Liability and termed as "Advances from customers". The amounts billed on customer for work performed and are unconditionally due for payment i.e., only passage of time is required before payment falls due, are disclosed in the Balance Sheet as "Trade Receivables". The amount of retention money held by the customers pending completion of performance milestone is disclosed as part of contract asset and is reclassified as "Trade Receivables" when it becomes due for payment.

- Revenue in respect of claims is recognised to the extent the Company is reasonably certain of their realisation.
- Other operational income is recognised on rendering of related services, as per the terms of the contracts.
- Other items of income are accounted as and when the right to receive arises.

iii. Other Income

- Interest Income

Finance income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable EIR. Other income is accounted for on accrual basis. Where the receipt of income is uncertain, it is accounted for on receipt basis.

- Dividend Income

Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

Note to the Standalone Financial Statement for the year ended March 31, 2020

o. Borrowing costs

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant Equipment (PPE) which are capitalized to the cost of the related assets. A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

p. Leases

As a Lessee

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) Company has substantially all of the economic benefits from the use of the asset through the period of the lease and (iii) Company has the right to direct the use of the asset.

At the date of commencement of the lease, Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases), low-value leases and where the agreement contain the clause for cancellation of agreement without any penalty. For these short-term, low-value or cancellable leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

q. Taxes on Income

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in the income statement except to the extent that it relates to items recognized directly in equity or other comprehensive income.

i. Current Tax

Current tax is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

ii. Deferred Tax

Deferred tax is accounted for using the balance sheet liability method in respect of temporary Differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit as well as for unused tax losses or credits. In principle, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Deferred tax assets and liabilities are also recognized on temporary differences arising from business combinations except to the extent they arise from goodwill that is not taken into account for tax purposes.

Deferred taxes are calculated at the enacted or substantially enacted tax rates that are expected to apply when the asset or liability is settled. Deferred tax is charged or credited to the income statement, except when it relates to items credited or charged directly to other comprehensive income in equity, in which case the corresponding deferred tax is also recognized directly in equity.

iii. Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credit which can be carried forward and utilised when the Company will pay normal income tax during the specified period. Deferred tax asset on such tax credit is recognised to the extent that it is probable that the unused tax credit can be utilised in the specified future period. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet. At each Balance Sheet date, the carrying amount of MAT Credit Entitlement receivable is reviewed to reassure realisation.

Note to the Standalone Financial Statement for the year ended March 31, 2020

r. Earnings Per Share

Basic Earnings per share is calculated by dividing the profit from continuing operations and Total profit, both attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholders and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

s. Segment Reporting

Operating segments are identified and reported taking into account the different risk and return, organisation structure and internal reporting system.

4. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the standalone financial statements in conformity with the measurement principle of Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the standalone financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the standalone financial statements.

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the standalone financial statements have been disclosed below. The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

a. Contract Estimates

The Company, being a part of construction industry, prepares budgets in respect of each project to compute project profitability. The two major components of contract estimate are 'claims arising during Construction period' and 'budgeted costs to complete the contract'. While estimating these components various assumptions are considered by the management such as (i) Work will be executed in the manner expected so that the project is completed timely (ii) consumption norms will remain same (iii) Assets will operate at the same level of productivity as determined (iv) Wastage will not exceed the normal % as determined etc. (v) Estimates for contingencies (vi) There will be no change in design and the geological factors will be same as communicated and (vii) price escalations etc. Due to such complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions all assumptions are reviewed at each reporting date.

b. Depreciation and Impairment on PPE

Property, plant and equipment are depreciated on straight-line basis over the estimated useful lives in accordance with Schedule II of the Companies Act, 2013, taking into account the estimated residual value, wherever applicable.

The company reviews its carrying value of its Tangible Assets whenever there is objective evidence that the assets are impaired. In such situation Assets' recoverable amount is estimated which is higher of asset's or cash generating units (CGU) fair value less cost of disposal and its value in use. In assessing value in use the estimated future cash flows are discounted using pre-tax discount rate which reflect the current assessment of time value of money. In determining fair value less cost of disposal, recent market realisations are considered or otherwise in absence of such transactions appropriate valuations are adopted. The Company reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation and amount of impairment expense to be recorded during any reporting period. This reassessment may result in change estimated in future periods.

c. Impairment on Investments in Subsidiaries and Associates

Investments in Subsidiaries and associates are been carried at cost. The company has tested for impairment at year end based on the market value where the shares are quoted, P/E ratio of similar sector company along with premium/discount for nature

Note to the Standalone Financial Statement for the year ended March 31, 2020

of holding and Net Asset Value computed with reference to the book value/ projected discounted cash flow of such company in respect of unquoted investments.

d. Impairment Allowances on Trade Receivables

The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment allowance as a result of the inability of the customers to make required payments. The Company bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables and historical write-off experience. If the financial conditions of the trade receivable were to deteriorate, actual write-offs would be higher than estimated.

e. Current Tax and Deferred Tax

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes.

Deferred tax assets are recognised for unused losses (carry forward of prior years' losses) and unused tax credit to the extent that it is probable that taxable profit would be available against which the losses could be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

f. Defined Benefit Obligations (DBO)

Critical estimate of the DBO involves a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate, anticipation of future salary increases etc. as estimated by Independent Actuary appointed for this purpose by the Management. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

g. Provisions and Contingencies

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change.

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations/ against the Company as it is not possible to predict the outcome of pending matters with accuracy.

The carrying amounts of provisions and liabilities and estimation for contingencies are reviewed regularly and revised to take account of changing facts and circumstances.

Note to the Standalone Financial Statement for the year ended March 31, 2020

5 - Property, Plant and Equipment

As at March 31, 2020

(Rs. in Lakhs)

| Particulars | Freehold Land | Buildings | Plant & Machinery | Furniture & Fittings | Vehicles | Office Equipment | Computers | Grand Total |
|---------------------------------------|---------------|-----------------|-------------------|----------------------|---------------|------------------|---------------|------------------|
| Gross Block | | | | | | | | |
| As at April 1, 2019 | 10.62 | 1,633.10 | 16,557.24 | 362.76 | 386.41 | 201.42 | 118.77 | 19,270.33 |
| Additions | - | - | 0.16 | - | - | 3.45 | 3.77 | 7.38 |
| Disposal/Adjustments | - | - | - | - | - | - | - | - |
| As at March 31, 2020 | 10.62 | 1,633.10 | 16,557.40 | 362.76 | 386.41 | 204.87 | 122.54 | 19,277.71 |
| Accumulated Depreciation | | | | | | | | |
| As at April 1, 2019 | - | 113.66 | 5,416.22 | 183.05 | 261.65 | 152.38 | 106.02 | 6,232.98 |
| Charge during the year | - | 27.53 | 1,301.82 | 38.60 | 37.71 | 22.90 | 1.72 | 1,430.28 |
| Disposal/Adjustments | - | - | - | - | - | - | - | - |
| As at March 31, 2020 | - | 141.19 | 6,718.04 | 221.65 | 299.36 | 175.28 | 107.74 | 7,663.26 |
| Net Block as at March 31, 2020 | 10.62 | 1,491.91 | 9,839.36 | 141.11 | 87.05 | 29.59 | 14.80 | 11,614.45 |

As at March 31, 2019

(Rs. in Lakhs)

| Particulars | Freehold Land | Buildings | Plant & Machinery | Furniture & Fittings | Vehicles | Office Equipment | Computers | Grand Total |
|---------------------------------------|---------------|-----------------|-------------------|----------------------|---------------|------------------|---------------|------------------|
| Gross Block | | | | | | | | |
| As at April 1, 2018 | 10.62 | 1,633.10 | 16,555.36 | 362.76 | 372.27 | 194.82 | 118.53 | 19,247.46 |
| Additions | - | - | 1.88 | - | 14.14 | 6.60 | 0.24 | 22.87 |
| Disposal/Adjustments | - | - | - | - | - | - | - | - |
| As at March 31, 2019 | 10.62 | 1,633.10 | 16,557.24 | 362.76 | 386.41 | 201.42 | 118.77 | 19,270.33 |
| Accumulated Depreciation | | | | | | | | |
| As at April 1, 2018 | - | 86.17 | 4,112.74 | 141.69 | 217.01 | 124.75 | 100.62 | 4,782.98 |
| Charge during the year | - | 27.49 | 1,303.48 | 41.36 | 44.64 | 27.63 | 5.40 | 1,450.00 |
| Disposal/Adjustments | - | - | - | - | - | - | - | - |
| As at March 31, 2019 | - | 113.66 | 5,416.22 | 183.05 | 261.65 | 152.38 | 106.02 | 6,232.98 |
| Net Block as at March 31, 2019 | 10.62 | 1,519.44 | 11,141.02 | 179.71 | 124.76 | 49.05 | 12.74 | 13,037.35 |

Note to the Standalone Financial Statement for the year ended March 31, 2020

6 - Investments - Non Current

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------|----------------------|----------------------|
| Investment in Equity Instruments | | | |
| In Wholly Owned Subsidiaries - Unquoted | | | |
| Carried at Cost | | | |
| AAP Infrastructure Limited | 6.3 | 1,200.00 | 1,200.00 |
| 1,20,00,000 (March 31, 2019 - 1,20,00,000) equity shares of Rs.10/- each fully paid up | | | |
| MBL (MP) Toll Road Co. Limited | | 1,500.00 | 1,500.00 |
| 1,50,00,000 (March 31, 2019 - 1,50,00,000) equity shares of Rs.10/- each fully paid up | | | |
| MBL (Haldia) Toll Road Co. Ltd. | | 7.25 | 7.25 |
| 72,500 (March 31, 2019 - 72,500) equity shares of Rs.10/- each fully paid up | | | |
| MBL Projects Ltd. | 6.4 | 2,984.25 | 2,984.25 |
| 2,98,42,500 (March 31, 2019 - 2,98,42,500) equity shares of Rs.10/- each fully paid up | | | |
| Suratgarh Bikaner Toll Road Company Private Limited | 6.5 | 18,505.23 | 18,505.23 |
| 17,00,70,000 (March 31, 2019 - 17,00,70,000) equity shares of Rs.10/- each fully paid up | | | |
| MBL (MP) Road Nirman Co. Ltd. | 6.3 | 1,000.00 | 1,000.00 |
| 1,00,00,000 (March 31, 2019 - 1,00,00,000) equity shares of Rs.10/- each fully paid up | | | |
| MBL Highway Development Co. Limited | 6.3 | 5,110.00 | 5,110.00 |
| 5,11,00,000 (March 31, 2019 - 5,11,00,000) equity shares of Rs.10/- each fully paid up | | | |
| MBL (Udaipur Bypass) Road Limited | | 0.01 | 0.01 |
| 50 (March 31, 2019 - 50) equity shares of Rs.10/- each fully paid up | | | |
| In Associate - Unquoted | | | |
| Carried at Cost | | | |
| Orissa Steel Expressway Private Limited | | | |
| 2,37,43,800 (March 31, 2019 - 2,37,43,800) equity shares of Rs.10/- each fully paid up | 51 | - | - |
| In Other Entities - Unquoted | | | |
| Carried at Cost | | | |
| MBL (CGRG) Road Limited | | 0.01 | 0.01 |
| 50 (March 31, 2019 - 50) equity shares of Rs.10/- each fully paid up | | | |
| MBL (GSY) Road Limited | | 0.01 | 0.01 |
| 50 (March 31, 2019 - 50) equity shares of Rs.10/- each fully paid up | | | |
| Total | | 30,306.76 | 30,306.76 |

6.1 30% investment in equity shares of wholly owned subsidiary, AAP Infrastructure limited, 30% investment in equity shares of wholly owned subsidiaries, MBL Highway Development Company limited and MBL (MP) Toll Road Company limited and 51% investment in equity shares of wholly owned subsidiary, Suratgarh Bikaner toll Road Company Private limited have been pledged with bankers against long term credit facilities availed by the respective subsidiary companies.

Note to the Standalone Financial Statement for the year ended March 31, 2020

6.2 Statement of investment in Subsidiaries (including step down subsidiaries)

| Name of the Company | Country of Incorporation | % of holding as at March 31, 2020 | % of holding as at March 31, 2019 |
|---|--------------------------|-----------------------------------|-----------------------------------|
| AAP Infrastructure Limited | India | 100.00 | 100.00 |
| MBL Highway Development Co. Limited | India | 100.00 | 100.00 |
| MBL (MP) Toll Road Co. Limited | India | 100.00 | 100.00 |
| MBL (Haldia) Toll Road Co. Ltd. | India | 100.00 | 100.00 |
| Suratgarh Bikaner Toll Road Company Private Limited | India | 100.00 | 100.00 |
| MBL Projects Ltd. | India | 100.00 | 100.00 |
| MBL (MP) Road Nirman Co. Ltd. | India | 100.00 | 100.00 |
| MBL (Udaipur Bypass) Road Limited | India | 100.00 | 100.00 |

6.3 The Company as on March 31, 2020 has (i) Non-Current Investment amounting to Rs.1,000.00 lakhs (March 31, 2019 - Rs.1,000.00 lakhs) in its subsidiary MBL (MP) Road Nirman Company Limited in which the Company is holding 22.17% directly and balance through wholly owned subsidiary MBL Projects Ltd.; (ii) Non-Current Investment amounting to Rs.1,200.00 lakhs (March 31, 2019 - Rs.1,200.00 lakhs) in its wholly owned subsidiary AAP Infrastructure Limited; (iii) Non- Current Investment amounting to Rs.5,110.00 lakhs (March 31, 2019 - Rs. 5,110.00 lakhs) in its subsidiary MBL Highway Development Company Limited in which the Company holds 82.56% and balance through wholly owned subsidiary MBL Projects Ltd. All the above entities have incurred losses due to cancellation/termination of projects and net worth of above entities as at March 31, 2020 have been fully eroded. Claims have been filed against the cancellation/ termination of projects. These claims are based on the terms & conditions implicit in the contracts in respect of cancelled/terminated projects. Considering the contractual tenability, legal advice obtained and progress of arbitration/ litigation, the management is confident of recovery in these claims. In view of this, the management is confident that the realisable amount is higher than the carrying value of non current assets and therefore considering the investment in above subsidiaries as good and recoverable.

6.4 The Company as on March 31, 2020 has Non-Current Investment amounting to Rs. 2,984.25 lakhs (March 31, 2019 - Rs.2,984.25 lakhs) and holds 100% shares in MBL Projects Ltd., the net worth of the said subsidiary has been fully eroded. The subsidiary holds shares in downstream SPVs in which projects were cancelled. Claims have been filed against cancellation/termination of projects. These claims are based on the terms & conditions implicit in the contracts in respect of cancelled projects. Considering the contractual tenability, legal advice obtained and progress of arbitration/ litigation, the management is confident of recovery in these claims. In view of this, the management is confident that the realisable amount is higher than the carrying value of non current assets and therefore considering the investment in above subsidiary as good and recoverable.

6.5 The Company as on March 31, 2020 has Non-Current Investment amounting to Rs.18,505.23 lakhs (March 31, 2019 - Rs.18,505.23 lakhs) and holds 100% shares in Suratgarh Bikaner Toll Road Company Private Limited which has started toll operations effective February 17, 2019. Based on TEV study report, certain estimates like future business plan, growth prospects and other factors, the management is confident that the realisable amount is higher than the carrying value of non current assets and therefore considering the investment in above subsidiary as good and recoverable.

Note to the Standalone Financial Statement for the year ended March 31, 2020

7 Trade Receivables - Non Current

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|----------------------------|----------------|-------------------------|-------------------------|
| Unsecured, Considered Good | India | 117,991.97 | 99,610.78 |
| Total | India | 117,991.97 | 99,610.78 |

7.1 Refer Note No. 12 for Current portion of Trade Receivables

(Rs. in Lakhs)

| 7.2 Break-up of trade receivables is as follows: | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------|-------------------------|-------------------------|
| Non Current | 7 | 117,991.97 | 99,610.78 |
| Current | 12 | 8,733.85 | 10,701.64 |
| Deferred Credit (Non Current) | 10 | 48,814.36 | 61,519.35 |
| Deferred Credit (Current) | 16 | 10,509.12 | 9,819.55 |
| Total | | 186,049.30 | 181,651.32 |

The above balances are subject to confirmation/reconciliation and consequential impact thereof.

(Rs. in Lakhs)

| 7.3 Ageing of trade receivables | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------------|----------------|-------------------------|-------------------------|
| Within Credit period | | 6,865.89 | 1,246.90 |
| Past due 0-180 days | | 1,867.96 | 1,184.82 |
| Past due more than 180 days | | 177,315.45 | 179,219.60 |
| Total | | 186,049.30 | 181,651.32 |

8 Other Financial Assets - Non Current

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------|-------------------------|-------------------------|
| Deposit with Banks having maturity more than 12 months | 8.1 | 291.02 | 215.38 |
| Accrued Interest on fixed deposits | | 140.09 | 124.78 |
| Total | | 431.11 | 340.16 |

8.1 Fixed deposits includes pledged with banks as margin of Rs.79.37 lakhs (March 31, 2019: Rs.3.73 lakhs)

8.2 Fixed deposits includes pledged with others as security deposit of Rs.211.65 lakhs (March 31, 2019: Rs.211.65 lakhs)

9 Deferred Tax Assets (Net) - Non Current

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|----------------------------------|----------------|-------------------------|-------------------------|
| Deferred Tax Assets | 46 (b) | 14,202.80 | 8,995.17 |
| Less: Deferred Tax Liabilities | | 1,760.46 | 1,878.45 |
| Deferred Tax Assets (Net) | | 12,442.34 | 7,116.72 |

Note to the Standalone Financial Statement for the year ended March 31, 2020

10 Other Non Current Assets - Non Current

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------------|----------------|-------------------------|-------------------------|
| Deferred credit-deposits/others | | 48,814.36 | 61,519.35 |
| Total | | 48,814.36 | 61,519.35 |

11 Inventories- Current

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------|-------------------------|-------------------------|
| (As valued and certified by the management) (at cost or net realisable value, whichever is lower) | | | |
| Construction materials at site | | 567.64 | 578.15 |
| Total | | 567.64 | 578.15 |

12 Trade Receivables - Current

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|----------------------------|----------------|-------------------------|-------------------------|
| Unsecured, considered good | 12.1 | 8,733.85 | 10,701.64 |
| Total | | 8,733.85 | 10,701.64 |

12.1 Refer Note No. 7.3 for ageing of trade receivables

13 Cash and Cash Equivalents - Current

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------|-------------------------|-------------------------|
| Balances with banks: | | | |
| In current accounts | | 259.02 | 23.33 |
| Cash on hand | | 5.66 | 1.17 |
| Deposits with banks having original maturity less than 3 months | 13.1 | 241.46 | 341.88 |
| Total | | 506.14 | 366.38 |

13.1 Fixed deposits includes pledged with banks as margin of Rs.241.46 lakhs (March 31, 2019: Rs.338.94 lakhs)

13.2 Fixed deposits includes pledged with others as security deposit of Rs.Nil lakhs (March 31, 2019: Rs.2.94 lakhs)

14 Other Bank Balances - Current

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|--------------------|----------------|-------------------------|-------------------------|
| Unclaimed Dividend | | 1.69 | 2.49 |
| Total | | 1.69 | 2.49 |

15 Other Financial Assets - Current

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|------------------------------------|----------------|-------------------------|-------------------------|
| Unsecured, considered good | | | |
| Advance to Related Parties | 38 | 632.26 | 2,375.15 |
| Security and Other Deposits | 15.1 | 420.70 | 364.45 |
| Accrued Interest on fixed deposits | | 10.16 | 17.72 |
| Others | | 81.50 | 81.50 |
| Total | | 1,144.62 | 2,838.82 |

15.1 The above balances are subject to confirmation/reconciliation and consequential impact thereof.

Note to the Standalone Financial Statement for the year ended March 31, 2020

16 Other Current Assets - Current

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------|-------------------------|-------------------------|
| Advance against materials, services, etc. | 16.1 | 2,946.16 | 2,944.62 |
| Deferred credit-deposits/others | | 10,509.12 | 9,819.55 |
| Prepaid expenses | | 10.22 | 8.53 |
| Total | | 13,465.50 | 12,772.70 |

16.1 Advance against materials, services, etc. are subject to confirmations from certain parties.

17 Equity Share Capital

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------|-------------------------|-------------------------|
| Authorised Shares 10,50,00,000 (March 31, 2019 - 10,50,00,000) equity Shares of Rs.10/- Each | | 10,500.00 | 10,500.00 |
| Total | | 10,500.00 | 10,500.00 |
| Issued, Subscribed & Fully Paid Up Shares 10,47,54,624 (March 31, 2019 - 10,47,54,624) equity shares of Rs.10/- each fully paid up | | 10,475.46 | 10,475.46 |
| Total | | 10,475.46 | 10,475.46 |

17.1 The Company has only one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share.

17.2 In the event of Liquidation, the Equity Shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

17.3 Reconciliation of shares outstanding at the beginning and at the end of the reporting period:

(Rs. in Lakhs)

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | Number | Value (Rs. in Lakhs) | Number | Value (Rs. in Lakhs) |
| Equity Shares: | | | | |
| Number of Shares at the beginning of the year | 104,754,624 | 10,475.46 | 41,454,624 | 4,145.46 |
| Add: Addition during the year | - | - | 63,300,000 | 6,330.00 |
| Number of Shares at the end of the year | 104,754,624 | 10,475.46 | 104,754,624 | 10,475.46 |

17.4 The details of shareholders holding more than 5% shares of the aggregate share in the Company:

(Rs. in Lakhs)

| Name of the Shareholders | As at March 31, 2020 | | As at March 31, 2019 | |
|-----------------------------------|-------------------------|--------|-------------------------|--------|
| | No. of Shares | % | No. of Shares | % |
| MBL A Capital Limited | 33,274,877 | 31.77% | 33,274,877 | 31.77% |
| Anjaneer Kumar Lakhota | 13,358,716 | 12.75% | 13,358,716 | 12.75% |
| Dipika Suppliers Private Limited | 11,800,000 | 11.27% | 11,800,000 | 11.27% |
| Chetan Commotrade Private Limited | 9,900,000 | 9.45% | 9,900,000 | 9.45% |

Note to the Standalone Financial Statement for the year ended March 31, 2020

18 Other Equity

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|------------------------------|----------------|-------------------------|-------------------------|
| Capital Reserve | 18.2 | 40,308.22 | 11,841.26 |
| Securities Premium | 18.3 | 20,703.24 | 20,703.24 |
| Debenture Redemption Reserve | 18.4 & 37 | 22,021.27 | 29,708.52 |
| General Reserve | 18.5 | 12,941.14 | 5,253.89 |
| Retained Earnings | 18.6 | 1,004.26 | (5,964.15) |
| Total | | 96,978.13 | 61,542.76 |

18.1 Refer Statement of changes in Equity for movement in balances of reserves.

Nature and Purpose of Reserves :

18.2 Capital Reserve

Capital Reserve represents adjustments arising out of Resolution Plan under Insolvency and Bankruptcy Code, 2016 approved by the Hon'ble NCLT on April 18, 2018 as stated in Note No. 37.

18.3 Securities Premium

Securities Premium represents the amount received in excess of par value of securities and is available for utilisation as specified under Section 52 of Companies Act, 2013.

18.4 Debenture Redemption Reserve (DRR)

Debenture Redemption Reserve represents 25% of the outstanding amount of debentures in accordance with Companies (Share Capital and Debentures) Rules, 2014.

18.5 General Reserve

The General Reserve is created from time to time by appropriating profits from Retained Earnings. The general reserve is created by a transfer from one component of equity to another and accordingly it is not reclassified to the Statement of Profit and Loss.

18.6 Retained Earnings

Retained Earnings generally represent the undistributed profits /amount of accumulated earnings of the Company and includes Remeasurement gains/ losses on defined benefit plans.

19 Borrowings - Non Current

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------|-------------------------|-------------------------|
| Secured | | | |
| 0.10 % Non-Convertible Debentures | 19.1 | 49,571.64 | 66,876.27 |
| Working Capital Term Loans (WCTL) from Banks | 19.2 | 3,737.54 | 5,000.00 |
| Equipment/Vehicle Finance/Term Loan/External Commercial Borrowings | | | |
| -From Banks | 19.3 | 12,224.62 | 12,222.91 |
| -From Others | | 3,847.52 | 4,018.32 |
| Total | | 69,381.32 | 88,117.50 |

19.1 The Company has issued 0.10% Secured Non-Convertible Debentures to banks to be redeemed at a premium of 10% at the time of final redemption as per approved Resolution Plan. The payment of the interest will be made at the end of each quarter starting from the date of implementation of the Resolution plan

The payment of the Principal amount is in 39 unequated quarterly installments as per approved Resolution Plan.

A security trustee will be appointed for creation of security and the amount of NCDs aggregating to Rs.88,085.05 Lakhs (Including Deferred Credit to Rs.38,513.41 Lakhs) will be secured by :

- 1st pari-passu charge on the long term receivables.
- 2nd pari-passu charge on the entire current assets of the company.

Note to the Standalone Financial Statement for the year ended March 31, 2020

19.2 There is working capital term loan of Rs.3,737.54 Lakhs from banks . The rate of interest on such loan is 1 year MCLR of SBI plus spread of 0.70% p.a and will be repaid in 39 unequated quarterly installments as per approved Resolution Plan. The Working Capital Term Loan is secured as follows:

- i. 1st pari-passu charge on the entire Fixed Assets (movable and immovable) of the Company except those specifically charged to Equipment/ ECB lenders.
- ii. 1st pari-passu charge on the long term receivables.
- iii. 2nd pari-passu charge on the entire current assets of the Company.

19.3 Equipment / Vehicle finance/ External commercial borrowings (ECB) availed from banks and others are secured by hypothecation of specific equipments; comprising construction equipments acquired out of the said loans.

19.4 All the amounts will be paid after proper reconciliation and without prejudice to legal remedies available to the Company. The Company will have the option to prepay the dues to banks, financial institutions /creditors (based on time value of their dues at discount rate) without any additional levies.

19.5 Maturity profile of long term borrowings on implementation of resolution plan by financial creditors:

(Rs. in Lakhs)

| Particulars | Rate of Interest (%)* | Within 1 year | 1 to 2 years | 2 to 3 years | Beyond 3 years |
|-----------------------------------|---------------------------------|---------------|-----------------|-----------------|------------------|
| 0.10 % Non-Convertible Debentures | 0.10 % p.a. | - | 726.85 | 811.72 | 48,033.07 |
| WCTL from Banks | 1 Year SBI MCLR + (0.70 % p.a.) | - | 28.03 | 37.38 | 3,672.13 |
| Commercial Borrowings | 1 Year SBI MCLR + (0.70 % p.a.) | - | - | - | - |
| -From Banks | | 45.48 | 44.93 | 122.81 | 12,056.87 |
| -From Others | | 15.25 | 229.73 | 247.36 | 3,370.44 |
| Total | | 60.73 | 1,029.54 | 1,219.27 | 67,132.51 |

* Interest rates have been considered as per the resolution plan approved by the NCLT on April 18, 2018

20 Trade Payables - Non Current

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------|----------------------|----------------------|
| A) Total outstanding dues of micro enterprises and small enterprises | 20.2 | - | - |
| B) Total outstanding dues of Creditors other than micro enterprises and small enterprises | 20.1 | 3,847.80 | 3,208.63 |
| Total | | 3,847.80 | 3,208.63 |

20.1 The above balances are subject to confirmation/reconciliation and consequential impact thereof.

20.2 Disclosure of Trade payables as required under section 22 of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, based on the confirmation and information available with the company regarding the status of suppliers.

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------------|----------------------|
| a) Interest amount remaining unpaid but not due as at year end | - | - |
| b) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year. | - | - |
| c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006 | - | - |
| d) Interest accrued and remaining unpaid as at year end. | - | - |
| e) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise | - | - |

Note to the Standalone Financial Statement for the year ended March 31, 2020

21 Other Financial Liabilities - Non Current

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|--------------|----------------|-------------------------|-------------------------|
| Others | | 313.53 | 261.45 |
| Total | | 313.53 | 261.45 |

22 Provisions - Non Current

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------------|----------------|-------------------------|-------------------------|
| Provision for employee benefits | 39 | 64.27 | 73.09 |
| Total | | 64.27 | 73.09 |

23 Other Non Current Liabilities - Non Current

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------|-------------------------|-------------------------|
| Statutory Dues | 48 | 1,046.33 | 1,040.08 |
| Deferred gain on fair valuation of financial instruments | | 38,513.41 | 47,324.51 |
| Total | | 39,559.74 | 48,364.59 |

24 Non Current Tax Liabilities (Net) - Non Current

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------|-------------------------|-------------------------|
| Provision for Tax (Net of advance tax) | 24.1 & 48 | 2,626.89 | 2,627.28 |
| Total | | 2,626.89 | 2,627.28 |

24.1 Provision for tax is net of advance tax of Rs.11,015.47 lakhs (March 31, 2019 Rs.11,015.08 lakhs) .

25 Borrowings - Current

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------|-------------------------|-------------------------|
| Secured | | | |
| -Working Capital facilities from Banks (repayable on demand) | 25.1 | 3,737.54 | 5,000.00 |
| -Liquidation Value of Dissenting Financial Creditors | | 4,902.25 | - |
| - From Bodies Corporate | 25.2 | 328.36 | 419.21 |
| Unsecured | | | |
| -From Bodies Corporate | | 2,703.05 | 2,622.63 |
| -Book Overdraft | | 2.86 | 312.71 |
| Total | | 11,674.06 | 8,354.55 |

25.1 Restructuring of working capital facilities in term of Resolution Plan

There is cash credit facilities aggregating to Rs 3,737.54 Lakhs from banks. The rate of interest on such cash credit will be 1 year MCLR of SBI plus spread of 0.70% p.a as per the approved Resolution Plan. The Cash Credit facilities is secured as follows:

- (i) 1st pari-passu charge on the entire current assets of the company.
- (ii) 2nd pari-passu charge on the entire Fixed Assets (movable and immovable) of the Company.
- (iii) 2nd pari-passu charge on the long term receivables.

Note to the Standalone Financial Statement for the year ended March 31, 2020

25.2 Short term secured borrowings from other parties is secured by way of pledge of 9,78,000 nos. (March 31, 2019- 9,78,000 nos.) shares of the Company held by Promoter Company MBL A Capital Limited .

25.3 All the amounts will be paid after proper reconciliation and without prejudice to legal remedies available to the Company. The Company will have the option to prepay the dues to banks, financial institutions /creditors (based on time value of their dues at discount rate), without any additional levies.

26 Trade Payables - Current.

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------|-------------------------|-------------------------|
| a) Total outstanding dues of micro enterprises and small enterprises | 26.1 | - | - |
| b) Total outstanding dues of Creditors other than micro enterprises and small enterprises | 26.2 | 5273.94 | 5783.72 |
| Total | | 5273.94 | 5783.72 |

26.1 Disclosure of Trade payables as required under section 22 of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, based on the confirmation and information available with the company regarding the status of suppliers.

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| a) Interest amount remaining unpaid but not due as at year end | - | - |
| b) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year | - | - |
| c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006 | - | - |
| d) Interest accrued and remaining unpaid as at year end | - | - |
| e) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise | - | - |

26.2 Balances are subject to confirmations/reconciliations and consequential impact thereof.

27 Other Financial Liabilities - Current

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------|-------------------------|-------------------------|
| Current maturities of Long Term Debt | | | |
| -From Banks | | 45.48 | 46.78 |
| -From Others | | 15.25 | 16.03 |
| Unclaimed Dividend | | 1.69 | 2.49 |
| Liabilities against Capital Goods | | | |
| - Total outstanding dues of MSME | | - | - |
| - Total outstanding dues of creditors other than MSME | | 69.44 | 68.15 |
| Others | | 832.01 | 927.98 |
| Total | | 963.87 | 1,061.43 |

28 Other Current Liabilities

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------|-------------------------|-------------------------|
| Advance from Customers | | 3,319.15 | 1,024.16 |
| Advance from Related Parties | 38 | 976.31 | 2,534.18 |
| Deferred gain on fair valuation of financial instruments | | 562.47 | 5,758.26 |
| Total | | 4,857.93 | 9,316.60 |

Note to the Standalone Financial Statement for the year ended March 31, 2020

29 Provisions - Current

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------------|----------------|-------------------------|-------------------------|
| Provision for Employee Benefits | 39 | 3.49 | 4.24 |
| Total | | 3.49 | 4.24 |

30 Revenue from Operations

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------|-------------------------|-------------------------|
| Construction and Project related activities | 46 | 16,620.59 | 14,667.11 |
| Total | | 16,620.59 | 14,667.11 |

31 Other Income

(Rs. in Lakhs)

| Particulars | Refer Note No. | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|----------------|--------------------------------------|--------------------------------------|
| Interest on fixed deposits | | 40.62 | 45.01 |
| Interest income on Financial Assets measured at amortised cost | | | |
| -Trade Receivables | | 7,960.67 | 7,237.78 |
| -Loan | | - | 71.93 |
| Amortisation of deferred portion of Financial Liabilities measured at amortised cost | | | |
| -Trade Payables | | 520.10 | 520.10 |
| -Dues to Employees | | 42.38 | 42.38 |
| Claims | | - | 0.35 |
| Miscellaneous Income | | 18.27 | 247.26 |
| Total | | 8,582.04 | 8,164.81 |

32 Cost of Materials Consumed

(Rs. in Lakhs)

| Particulars | Refer Note No. | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|----------------------------|----------------|--------------------------------------|--------------------------------------|
| Cost of Materials Consumed | | 2,212.04 | 4,122.72 |
| Total | | 2,212.04 | 4,122.72 |

33 Employee Benefits Expense

(Rs. in Lakhs)

| Particulars | Refer Note No. | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|----------------|--------------------------------------|--------------------------------------|
| Salaries and Wages | | 610.80 | 773.91 |
| Contribution to Provident and Other Funds | | 24.80 | 61.65 |
| Staff Welfare Expense | | 78.12 | 80.09 |
| Total | | 713.72 | 915.65 |

34 Finance Costs

(Rs. in Lakhs)

| Particulars | Refer Note No. | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|----------------|--------------------------------------|--------------------------------------|
| Interest expense | | 76.98 | 2.69 |
| Interest expense on amortisation of Financial Liabilities | | 691.66 | 637.79 |
| Total | | 768.64 | 640.48 |

Note to the Standalone Financial Statement for the year ended March 31, 2020

34.1 As part of the approved Resolution Plan there is waiver of interest/penal interest/interest on interest/other penal charges on the delayed payments from the date of NPA till the implementation of the resolution plan by financial creditors. As the lenders are yet to implement the package, interest etc. have not accrued to them. Accordingly no provision for interest up to March 31, 2020 amounting to Rs.4,409 lakhs (March 31, 2019 Rs.2,157 lakhs) has been made.

35 Depreciation and Amortisation Expense

(Rs. in Lakhs)

| Particulars | Refer Note No. | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|----------------|--------------------------------------|--------------------------------------|
| Depreciation on Property, Plant and Equipment | 5 | 1,430.28 | 1,450.00 |
| Total | | 1,430.28 | 1,450.00 |

36 Other Expenses

(Rs. in Lakhs)

| Particulars | Refer Note No. | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|----------------|--------------------------------------|--------------------------------------|
| Direct labour, sub-contract etc. | | 2,053.80 | 3,013.15 |
| Stores and spares consumed | | 64.55 | 184.83 |
| Power, fuel and lubricants | | 188.66 | 405.25 |
| Hire charges - vehicles and equipments | | 44.69 | 76.77 |
| Sites rent | | 38.64 | 50.41 |
| Repairs to machinery | | 4.02 | 8.44 |
| Insurance | | 28.53 | 24.84 |
| Rates and taxes, excluding taxes on income | | 62.38 | 185.73 |
| Other repairs | | 61.92 | 76.89 |
| Remuneration to Auditors | 36.1 | 22.50 | 23.60 |
| Bank commission and charges | | 46.13 | 58.70 |
| Financial Assets written off | | | |
| -Trade Receivables | | 8,711.15 | 9,725.31 |
| Corporate Social Responsibility (CSR) expenditure | 36.2 | 0.74 | 0.60 |
| Director's Remuneration | | 60.00 | 57.00 |
| Miscellaneous expenses | | 1,041.34 | 1,386.27 |
| Claims Adjustment | | 6,011.88 | 276.95 |
| Total | | 18,440.93 | 15,554.74 |

36.1 Remuneration to Auditors comprises of:

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|----------------------------|--------------------------------------|--------------------------------------|
| Payment to Auditors | | |
| -Statutory audit | 20.00 | 20.00 |
| -Tax audit | 2.50 | 2.50 |
| -Certification fees etc. | - | 1.10 |
| Total | 22.50 | 23.60 |

Note to the Standalone Financial Statement for the year ended March 31, 2020

36.2 The CSR expenditure comprises the following:

(a) Gross amount required to be spent by the Company during the year Rs. Nil (March 31, 2019 - Rs. Nil)

(b) Amount spent during the year on:

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2020 | | | For the year ended March 31, 2019 | | |
|---|-----------------------------------|----------------|-------------|-----------------------------------|----------------|-------------|
| | Paid | Yet to be Paid | Total | Paid | Yet to be Paid | Total |
| i) Construction/acquisition of any asset | - | - | - | - | - | - |
| ii) On purpose other than (i) above | 0.74 | - | 0.74 | 0.60 | - | 0.60 |
| Total | 0.74 | - | 0.74 | 0.60 | - | 0.60 |

37 Exceptional items :-

- i. At the time of the approval of the Resolution Plan on April 18, 2018, the dissenting financial creditors were required to be paid liquidation value in terms IBC, 2016 read with Regulation 38 (1) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons), Regulations, 2016, (IBC Regulations). Therefore, the Company in terms of the approved Resolution Plan had issued 0.10 % p.a. Secured Non-Convertible Debentures aggregating to Rs.88,085.05 lakhs on April 30, 2018 to the working capital banks who had voted in favour of approved Resolution plan. The aforesaid debentures are redeemable in 39 unequated quarterly installments starting from the date of implementation of Resolution Package at a premium of 10% payable at time of final redemption and provision was made for payment of liquidation value to dissenting financial creditors.

However in view of the judgement of Hon'ble NCLAT that the dissenting financial creditors would be treated at par with the assenting financial creditors and the resolution plan is also binding on them, Regulation 38(1) were amended on October 05, 2018. The Company consequent to the amendments made in IBC Regulations on February 14, 2019 issued 0.10 % p.a. Secured Non-Convertible Debentures aggregating to Rs. 30,749.02 lakhs to the dissenting financial creditors on same terms and conditions of repayment as of assenting financial creditors.

However, pursuant to the judgement of Hon'ble Supreme Court, Section 30(2) (b) of IBC, 2016 was amended w.e.f. August 16, 2019 and accordingly dissenting financial creditors are to be paid liquidation value as per the Resolution Plan. Therefore, 0.10% p.a Non-Convertible Debentures aggregating to Rs.30,749.02 lakhs issued by the Company on February 14, 2019 to the dissenting financial creditors in accordance with the then IBC Regulations, have been cancelled and provision has been made for liquidation value to be paid to the dissenting financial creditors in terms of the approved Resolution Plan on implementation of the Resolution Plan by the financial creditors .

Difference in financial liabilities i.e. Non-Convertible Debentures, Cash Credit Facilities and Working Capital Term Loans in terms of the approved Resolution Plan and liquidation value to the dissenting financial creditors aggregating to Rs.28,371.70 lakhs has been adjusted and shown as exceptional item resulting from Corporate Insolvency Resolution Process (CIRP) and is capital in nature and no income/profit has accrued nor has any cash flow realised to the Company. The amount have been routed through Statement of Profit and Loss Account as per requirement of Ind AS and being capital in nature has been transferred to Capital Reserve. Moreover no real income/profit/loss has accrued to the Company and in view of the above the same is not taxable under the provisions of the Income Tax Act and Rules. There is no impact on deferred tax income/expense on account of aforesaid exceptional item. Consequent to cancellation of non convertible debentures aggregating to Rs.30,749.02 lakhs issued to dissenting financial creditors, Debenture Redemption Reserve to extent of Rs 7,687.25 lakhs has been written back and transferred to General Reserve. The liquidation value payable to the dissenting financial creditors on implementation of the resolution plan and in terms of the approved Resolution Plan has been provided as current liabilities. The figures of Non-Convertible Debentures, Cash credit and working capital term loan has been adjusted accordingly.

- ii. Rs.95.26 lakhs being difference between liability and settlement with a financial creditor is adjustment under IBC, 2016 and is shown as exceptional item and is capital in nature and no income/profit has accrued nor has any cash flow realised to the Company. The amount has been routed through Statement of Profit and Loss Account as per requirement of Ind AS and being capital in nature has been transferred to Capital Reserve. Moreover no real income/profit/loss has accrued to the Company and in view of the above the same is not taxable under the provisions of the Income Tax Act and Rules. There is no impact on deferred tax income/expense on account of aforesaid exceptional items.

Note to the Standalone Financial Statement for the year ended March 31, 2020

38 Related Party Disclosures:

Related parties have been identified in terms of Ind As 24 "Related Party Disclosures" as listed below :

List of Related Parties where control exists

| A. Name of the Related Party | Relationship |
|--|---|
| AAP Infrastructure Ltd. | Subsidiary Companies |
| MBL Highway Development Company Ltd. | Subsidiary Companies |
| MBL (MP) Toll Road Company Ltd. | Subsidiary Companies |
| MBL Projects Ltd. | Subsidiary Companies |
| MBL (MP) Road Nirman Company Ltd. | Subsidiary Companies |
| MBL (Haldia) Toll Road Company Ltd. | Subsidiary Companies |
| Suratgarh Bikaner Toll Road Company Private Ltd. | Subsidiary Companies |
| MBL (Udaipur Bypass) Road Limited | Subsidiary Companies |
| TCIL - MBL (51%) | Enterprises-Participation interest |
| MBL - Supreme (50%) | Enterprises-Participation interest |
| MBL- ABCI (60%) | Enterprises-Participation interest |
| MBL- VIL (60%) | Enterprises-Participation interest |
| MBL ATLAS JV (50%) | Enterprises-Participation interest |
| B. Key Management Personnel | Relationship |
| Mr. Anjaneer Kumar Lakhota | Chairman and Managing Director |
| Mrs. Sunita Palita | Independent Director |
| Mr. Ashwini Kumar Singh | Independent Director |
| Mr. Bhagwan Singh Duggal | Independent Director |
| Mr. Darshan Singh Negi | Chief Financial Officer |
| Mr. Anubhav Maheshwari | Company Secretary |
| C. Enterprises owned or significantly influenced by key management personnel or their relatives | MBL A Capital Ltd Dipika Supplier Pvt. Ltd. Chetan Commotrade Pvt. Ltd. |

D. Transactions during the year:

(Rs. in Lakhs)

| Particulars | Subsidiary Companies | | Key Management Personnel | | Enterprises owned or significantly influenced by key management personnel or their relatives | | Enterprises-Participation Interest | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|--|---------------------------|------------------------------------|---------------------------|
| | Year ended March 31, 2020 | Year ended March 31, 2019 | Year ended March 31, 2020 | Year ended March 31, 2019 | Year ended March 31, 2020 | Year ended March 31, 2019 | Year ended March 31, 2020 | Year ended March 31, 2019 |
| Director's Sitting Fees | - | - | 5.35 | 7.20 | - | - | - | - |
| Reimbursement of expenses/ Payments/Receipts (Net) | 4107.01 | 228.02 | - | - | 1,396.45 | 498.97 | 124.57 | - |
| Advance from Contractee | - | 336.79 | - | - | - | - | - | - |
| Investment/subsidiary/Share application money (As per approved Resolution Plan)* | - | 957.57 | - | 1,205.00 | - | 5,125.00 | - | - |
| Receipts / Revenue from Operations | - | - | - | - | - | - | 1,116.31 | 810.88 |
| Purchase of Equity Shares of subsidiary Company | - | - | - | - | - | 1,489.14 | - | - |
| Contract Revenue Billed, O & M Charges etc. | 3,055.02 | 44.48 | - | - | - | - | 2379.71 | 829.31 |

* Paid for subscription for equity share in Subsidiary Company Rs.1109.62 lakhs

Note to the Standalone Financial Statement for the year ended March 31, 2020

E. Outstanding Balances

(Rs. in Lakhs)

| Particulars | Subsidiary Companies | | Key Management Personnel | | Enterprises owned or significantly influenced by key management personnel or their relatives | | Joint Ventures | |
|-------------------|----------------------|----------------------|--------------------------|----------------------|--|----------------------|----------------------|----------------------|
| | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| Amount Receivable | 3251.56 | 4442.38 | - | - | - | - | 2595.12 | 1358.99 |
| Amount Payable | 1185.13 | 1,321.18 | - | - | 35.61 | 1,432.06 | 130.86 | 282.71 |
| Investment | 30306.74 | 30306.74 | - | - | - | - | - | - |

F. The transactions with the related parties are made on terms equivalent to those that prevail for arm's length transactions. The assessment is undertaken each financial year through examining the financial position of the related party and in the market in which the related party operates. Outstanding balances are unsecured and will be settled in cash.

G. Compensation to Key Managerial Personnel

(Rs. in Lakhs)

| Particulars | 2019-20 | 2018-19 |
|---|---------------|--------------|
| Director's Remuneration | 60.00 | 57.00 |
| Remuneration - other key managerial person* | 47.32 | 40.70 |
| Total | 107.32 | 97.70 |

* The above post employment benefits i.e gratuity and leave encashment which cannot be separately identified from the composite amount advised by the actuary.

Note:

- The above information is as identified by the management and relied upon by the auditors.
- Terms and Conditions of transactions with Related Parties:

All transactions are from related parties are made in ordinary course of business. For the year ended March 31 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

39 Employee Benefits

As per Ind AS - 19 "Employee Benefits", the disclosure of Employee Benefits as defined are given below:

Defined Contribution Plan

The Company makes Provident Fund and Employees State Insurance Fund contributions for eligible employees. Under the schemes, the Company is required to contribute a specified percentage / fixed amount of the payroll costs to fund the benefits. The contributions as specified under the law are paid to the respective fund set up by the government authority.

Expense recognised for Defined Contribution Plans for the year is as under:

(Rs. in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---------------------------|---------------------------|
| Employer's Contribution to Provident Fund | 19.52 | 25.37 |
| Total | 19.52 | 25.37 |

Defined Benefit Plan

The Company has a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method.

Note to the Standalone Financial Statement for the year ended March 31, 2020

Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation & Change in Plan Assets:

(Rs. in Lakhs)

| S.NO | Particulars | Gratuity | Leave Encashment |
|------|--|----------|------------------|
| (i) | Movement in Obligation | | |
| | Present value of obligation - March 31, 2019 | 51.58 | 25.75 |
| | Service cost | 11.01 | 3.38 |
| | Interest on defined benefit obligation | 3.42 | 1.76 |
| | Benefits settled | (3.77) | (0.38) |
| | Remeasurement- Actuarial (Gain)/Loss | (5.77) | (19.23) |
| | Present value of obligation - March 31, 2020 | 56.47 | 11.28 |

(Rs. in Lakhs)

| S.NO | Change in Plan assets | Gratuity (Funded) | |
|------|--|-------------------|----------------|
| (ii) | Particulars | March 31, 2020 | March 31, 2019 |
| | Fair Value of Plan assets at the beginning of the financial year | - | - |
| | Expected return on plan assets | - | - |
| | Actuarial Gain/ (Loss) | - | - |
| | Contributions | - | - |
| | Benefits settled | - | - |
| | Fair Value of Plan assets at the end of the financial year | - | - |

Net Funded Status of Plan-Gratuity

(Rs. in Lakhs)

| S.NO | Particulars | March 31, 2020 | March 31, 2019 |
|-------|---|----------------|----------------|
| (iii) | Closing Defined Benefit Obligation | 56.47 | 51.58 |
| | Closing fair value of plan assets | - | - |
| | Net Funded Status of Plan Surplus/(Deficit) | (56.47) | (51.58) |

Expenses recognised in the statement of Profit and Loss:

(Rs. in Lakhs)

| S.NO | Particulars | Gratuity | Leave Encashment |
|------|--|--------------|------------------|
| (iv) | Service cost | 11.69 | 6.62 |
| | Interest cost | 3.77 | 1.42 |
| | Actuarial Gain/ (Loss) | - | (0.59) |
| | Expected return on plan assets | - | - |
| | For the year ended March 31, 2019 | 15.46 | 7.45 |
| | Service cost | 11.01 | 3.38 |
| | Interest cost | 3.42 | 1.76 |
| | Actuarial Gain/ (Loss) | - | (19.23) |
| | Expected return on plan assets | (3.77) | (0.38) |
| | For the year ended March 31, 2020 | 10.66 | (14.47) |

Expenses recognised in Other Comprehensive Income-Gratuity

(Rs. in Lakhs)

| S.NO | Particulars | March 31, 2020 | March 31, 2019 |
|------|---|----------------|----------------|
| (v) | Remeasurement- Actuarial (Gain)/ Loss | (5.77) | (12.58) |
| | Net expenses recognised in Other Comprehensive Income | (5.77) | (12.58) |

Note to the Standalone Financial Statement for the year ended March 31, 2020

Principal Actuarial Assumptions used for estimating the Company's defined benefit obligations

(Rs. in Lakhs)

| S.NO | Particulars | March 31, 2020 | March 31, 2019 |
|------|---|----------------|----------------|
| (vi) | Discounting rate (%) | 6.88% | 7.75% |
| | Estimated rate of return on plan assets (%) | 0% | 0% |
| | Salary Increase (%) | 6% | 6% |
| | Attrition rate (%) | 5% | 5% |
| | Mortality Rate | IALM (2006-08) | IALM (2006-08) |
| | Retirement age (years) | 60 | 60 |

(vii) The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

viii. The discount rate is based on the market yield available on long term government bonds.

(Rs. in Lakhs)

| Particulars | Gratuity | Leave Encashment |
|-----------------------------|--------------|------------------|
| As at March 31, 2020 | | |
| Current Liability | 1.53 | 1.96 |
| Non Current Liability | 54.93 | 9.33 |
| Total | 56.46 | 11.29 |
| As at March 31, 2019 | | |
| Current Liability | 1.88 | 3.46 |
| Non Current Liability | 49.70 | 22.29 |
| Total | 51.58 | 25.75 |

Sensitivity Analysis

(Rs. in Lakhs)

| Gratuity | Change in assumptions | March 31, 2020 | March 31, 2019 |
|--------------------|-----------------------|----------------|----------------|
| Discount rate | 1.00% | (51.10) | (46.78) |
| | -1.00% | 62.74 | 57.17 |
| Salary Growth rate | 1.00% | 62.69 | 57.16 |
| | -1.00% | (51.06) | (46.71) |
| Attrition rate | 1.00% | 56.19 | 51.66 |
| | -1.00% | (56.74) | (54.46) |
| Mortality Rate | 10.00% | 56.47 | 51.60 |

(Rs. in Lakhs)

| Leave Encashment | Change in assumptions | March 31, 2020 | March 31, 2019 |
|--------------------|-----------------------|----------------|----------------|
| Discount rate | 1.00% | (10.35) | (23.96) |
| | -1.00% | 12.37 | 27.81 |
| Salary Growth rate | 1.00% | 12.34 | 27.70 |
| | -1.00% | (10.36) | (24.03) |
| Attrition rate | 1.00% | 11.29 | 25.92 |
| | -1.00% | (11.27) | (25.58) |
| Mortality Rate | 10.00% | 11.29 | 25.77 |

Note to the Standalone Financial Statement for the year ended March 31, 2020

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation, keeping all other actuarial assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

Maturity profile of Defined Benefit Obligation as on 31st March, 2020:

(Rs. in Lakhs)

| Period | Gratuity | Leave Encashment |
|----------------|--------------|------------------|
| Within 1 year | 1.53 | 0.34 |
| 1-2 years | 3.00 | 0.64 |
| 2-3 years | 1.68 | 0.30 |
| 3-4 years | 1.25 | 0.26 |
| 4-5 years | 2.58 | 0.64 |
| 5-10 years | 15.19 | 3.50 |
| Above 10 years | 31.24 | 5.61 |
| Total | 56.47 | 11.29 |

40. Fair value of financial assets and liabilities

a. The carrying amounts and fair values of financial assets and liabilities are as follows:

(Rs. in Lakhs)

| Particulars | Note No. | As at March 31, 2020 | | As at March 31, 2019 | |
|--|------------|----------------------|-------------------|----------------------|-------------------|
| | | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| Financial Assets-At amortised cost | | | | | |
| Trade Receivables | 7 & 12 | 126,725.82 | 126,725.82 | 110,312.42 | 110,312.42 |
| Cash & Cash Equivalents | 13 | 506.14 | 506.14 | 366.38 | 366.38 |
| Other Bank Balances | 14 | 1.69 | 1.69 | 2.49 | 2.49 |
| Other Financial Assets | 8 & 15 | 1,575.73 | 1,575.73 | 3,178.98 | 3,178.98 |
| Total | | 128,809.38 | 128,809.38 | 113,860.27 | 113,860.27 |
| Financial Liabilities-At amortised cost | | | | | |
| Borrowings | 19,25 & 27 | 81,116.11 | 81,116.11 | 96,534.85 | 96,534.85 |
| Trade Payables | 20 & 26 | 9,121.74 | 9,121.74 | 8,992.35 | 8,992.35 |
| Other Financial Liabilities | 21 & 27 | 1,216.67 | 1,216.67 | 1,260.07 | 1,260.07 |
| Total | | 91,454.52 | 91,454.52 | 106,787.27 | 106,787.27 |

The management considers that the above carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values. The above table includes the balances payable to financial and operational creditors in terms of the resolution plan under the IBC, 2016 as stated in Note No. 37.

b. Fair Valuation Techniques

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values :-

- The fair value of cash and cash equivalents, trade receivables, current trade payables, current financial liabilities and borrowings approximate their carrying amount largely due to the short-term nature of these instruments. The Board considers that the carrying amounts of financial assets and financial liabilities recognised at cost/amortised cost in the financial statements approximate their fair values.
- In terms of the resolution plan, the long term borrowings as on 31st March, 2020 are substantially at fixed rate. Accordingly, any increase or decrease in the market rate of interest will have implications on the fair value of long term debt in future years.

Note to the Standalone Financial Statement for the year ended March 31, 2020

41. Financial risk management, objective and policies

The Company's business activities are exposed to a variety of financial risks – credit risk, liquidity risk and market risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The risks are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

However, as indicated in note no. 39 entire loan has been restructured. In view of the above, the related risks have undergone significant variation leading to substantial improvement in financial position and will require reconsideration on giving effect to the above adjustments in the financial statement.

i. Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables). To manage this, the management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and ageing of accounts receivable.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. Receivables from customers are reviewed/evaluated periodically by the management and appropriate provisions are made to the extent recovery there against has been considered to be remote.

The carrying amount of respective financial assets recognised in the financial statements represents the Company's maximum exposure to credit risk.

Credit exposure is managed by counterparty limits for investment of surplus funds which is reviewed by the Management. Bank balances are held with reputed and creditworthy banking institutions.

Trade receivables disclosed include amounts that are past due at the end of the reporting period but against which the Company has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable.

ii) Liquidity Risk

The Company objective is maintaining optimum level of liquidity to meet its cash and collateral requirement at all times. The Company relies on Borrowing and internal accruals to meet its need for fund. The current committed lines of credit are sufficient to meet its short to medium term expansion needs.

The table provides undiscounted cash flow towards non-derivative financial liabilities and net settled derivative financial liabilities into relevant maturity based on the remaining period at balance sheet date to contractual maturity date.

As at March 31, 2020

(Rs. in Lakhs)

| Particulars | Less than 12 months | More than 12 months | Total |
|----------------------------|---------------------|---------------------|------------------|
| Financial Liability | | | |
| Borrowings | 11,734.79 | 69,381.32 | 81,116.11 |
| Trade Payables | 5,273.94 | 3,847.80 | 9,121.74 |
| Others | 903.14 | 313.53 | 1,216.67 |
| Total | 17,911.87 | 73,542.65 | 91,454.52 |

Note to the Standalone Financial Statement for the year ended March 31, 2020

As at March 31, 2019

(Rs. in Lakhs)

| Particulars | Less than 12 months | More than 12 months | Total |
|----------------------------|---------------------|---------------------|-------------------|
| Financial Liability | | | |
| Borrowings | 8,417.36 | 88,117.50 | 96,534.86 |
| Trade Payables | 5,783.72 | 3,208.63 | 8,992.35 |
| Others | 998.62 | 261.45 | 1,260.07 |
| Total | 15,199.70 | 91,587.58 | 106,787.28 |

iii. Market Risk

Market risk is the risk or uncertainty arising from possible market price movements resulting in fluctuation of the fair value of future cash flows of a financial instrument. The major components of Market risks are foreign currency exchange risk and interest rate risk. Financial instruments affected by market risk include borrowings.

a. Foreign Currency Risk

The Company does not have any significant transaction in foreign currency except foreign currency ECB loan. There are no outstanding Derivative contracts as on 31st March 2020. In terms of Resolution Plan, ECB is payable in INR currency.

There is no foreign exchange difference accounted in Statement of Profit and Loss during the year.

b) Interest rate and sensitivity

The Company exposure in market relating to change in interest rate primarily arises from floating rate borrowing with banks and financial institutions. As at March 31, 2020, substantially all of the Company borrowings fall under the fixed interest rates (approved under resolution plan), hence there will be no interest rate risk. Considering the restructuring of borrowing, the carrying amount of said borrowing was considered to be at fair value.

Borrowings

As at March 31, 2020

(Rs. in Lakhs)

| Particulars | Total borrowings | Floating rate borrowings | Fixed rate borrowings | Weighted average interest rate (%) |
|--------------------|------------------|--------------------------|-----------------------|------------------------------------|
| Borrowing - in INR | 81,116.11 | - | 81,116.11 | 8.65% |
| Total | 81,116.11 | - | 81,116.11 | |

As at March 31, 2019

(Rs. in Lakhs)

| Particulars | Total borrowings | Floating rate borrowings | Fixed rate borrowings | Weighted average interest rate (%) |
|--------------------|------------------|--------------------------|-----------------------|------------------------------------|
| Borrowing - in INR | 96,534.85 | | 96,534.85 | 8.65% |
| Total | 96,534.85 | | 96,534.85 | |

iv. Capital Risk Management

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through a mixture of equity, internal fund generation and other non-current borrowings. The Company's policy is to use current and non-current borrowings to meet anticipated funding requirements. The Company monitors capital on the basis of the gearing ratio which is net debt divided by Total capital. Net debts are non-current and current debts as reduced by cash and cash equivalents.

Note to the Standalone Financial Statement for the year ended March 31, 2020

The Company also monitors capital using gearing ratio which is net debt divided by Total capital. The gearing ratio is as follows:

Gearing Ratio

(Rs. in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------------|----------------------|
| Debt | | |
| Borrowing | 81,116.12 | 96,534.86 |
| Cash and Cash Equivalents | 506.14 | 366.38 |
| Net Debt (net of cash and cash equivalent) | 80,609.98 | 96,168.48 |
| Capital | | |
| Equity Share Capital | 10,475.46 | 10,475.46 |
| Other Equity | 96,978.13 | 61,542.76 |
| Total Capital | 107,453.59 | 72,018.22 |
| Capital and net debt | 188,063.57 | 168,186.70 |
| Gearing Ratio | 0.43 | 0.57 |

42. Contingent Liabilities and Commitments (to the extent not provided for)

a. Contingent Liabilities

(Rs. in Lakhs)

| S.NO | Particulars | As on March 31, 2020 | As on March 31, 2019 |
|------|---|----------------------|----------------------|
| a | Claims against the company / disputed liabilities not acknowledged as debts (to the extent ascertained) | 1,713.32 | 1,713.32 |
| b | Corporate guarantee given on behalf of wholly owned subsidiary company AAP Infrastructure Limited and MBL (MP) Toll Road Company Ltd. | 4,325.66 | 4,449.82 |
| c | Corporate Guarantees given on behalf of subsidiary Company Suratgarh Bikaner toll road Company Pvt. Ltd. for concessionaire's events of default | 45,000.00 | 45,000.00 |
| d | Outstanding bank guarantees | 6,909.55 | 7,919.75 |
| e | Tax matters disputed under appeal | 12,800.61 | 12,054.95 |

42.1 The Company's pending litigations comprises of claim against the Company and proceedings pending with tax/ statutory/ Government Authorities. The Company has reviewed all its pending litigation and proceedings and has made adequate provisions, and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position. Future cash outflows in respect of Income tax (A.Y. 2004-05 to 2010-11, 2012-2013, 2013-2014 2014-2015, 2016-2017 and 2017-2018) and sales tax (FY 2007-08 to 2015-16) are determinable only on receipt of judgment/ decisions pending with various forums/ authorities.

- 42.2 i. Any amount arising out of invocation of existing Corporate Guarantees/Contingent Liabilities other than the current sub-judice matters will be paid after the payment of all the dues of Financial Creditors as per resolution plan, without any interest & penalties subject to the rights & remedies available to the corporate debtor.
- ii. One Time Settlement with lenders of SPVs/subsidiaries subject to rights & remedies available to the corporate debtor by issuing NCDs for 10years @ coupon rate of 0.10 % to be paid after payment of dues of COC members.

b. Commitments : Rs.Nil (March 31, 2019 - Rs.Nil)

43. Disclosures as required by Indian Accounting Standard (Ind AS) 37 "Provisions, Contingent Liabilities and Contingent Assets"

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the entity. During the normal course of business, unresolved claims remains outstanding. The inflow of economic benefits, in respect of such claims cannot be measured due to uncertainties that surround the related events and circumstances.

Note to the Standalone Financial Statement for the year ended March 31, 2020

44. Earnings per share

Basic and diluted earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average of equity shares outstanding during the year.

Before Exceptional Items

(Rs. In Lakhs except otherwise stated)

| Particulars | 2019-20 | 2018-19 |
|---|-------------|------------|
| Profit/(loss) attributable to equity shareholders | 6,964.67 | 4,247.64 |
| Weighted average number of equity shares (in nos.) | 104,754,624 | 87,412,158 |
| Basic & diluted earnings per equity share (In Rs)* | 6.65 | 4.86 |

After Exceptional Items

(Rs. In Lakhs except otherwise stated)

| Particulars | 2019-20 | 2018-19 |
|---|-------------|-------------|
| Profit/(loss) attributable to equity shareholders s | 35,431.63 | (24,123.66) |
| Weighted average number of equity shares (in nos.) | 104,754,624 | 87,412,158 |
| Basic & diluted earnings per equity share (In Rs)* | 33.83 | (27.60) |

*There is no dilution to the basic EPS as there are no outstanding potentially dilutive equity shares.

45. Disclosures as required under Ind AS 115 "Revenue from contracts with Customers" :

a. Disaggregation of revenue according to type of good or service for the year ended March 31, 2020:

(Rs. in Lakhs)

| Type of good or service | Revenue as per Ind AS 115 |
|-------------------------|---------------------------|
| Civil construction | 16,620.59 |
| Total | 16,620.59 |

b. Contract balances:

i) Movement in contract balances during the year:

(Rs. in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|--------------------------------------|---------------------------|---------------------------|
| Opening balance Contract liabilities | 1024.16 | 163.63 |
| Closing balance Contract liabilities | 809.88 | 1024.16 |
| Net increase/(decrease) | 214.28 | 860.53 |

ii. Revenue recognised during the year from opening balance of contract liabilities amounting to Rs.2562.16 lakhs (March 31, 2019 Rs. 1,367.81 lakhs).

Note to the Standalone Financial Statement for the year ended March 31, 2020

c. Reconciliation of Contracted Price with Revenue during the year:

(Rs. in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---------------------------|---------------------------|
| Opening Contracted Price of Orders at the start of the year* | 142,380.50 | 155,086.73 |
| Add: | | |
| Fresh Orders/Change Orders received (net) | 8,156.24 | 7,862.65 |
| Increase due to additional consideration recognised as per contractual terms/ (decrease) due to scope reduction -net | - | 219.90 |
| Less: Order Completed During the year | 64,158.44 | 20,788.78 |
| Closed Contracted price of orders on hand at the end of the year* | 86,378.30 | 142,380.50 |
| Total Revenue recognised during the year: | 16,620.59 | 14,667.11 |
| a. Revenue out of orders completed during their year | 11,344.54 | 7,976.53 |
| b. Revenue out of orders under execution at the end of the year (i) | 5,276.05 | 6,690.58 |
| Revenue recognised upto previous year (from order pending completion at the end of the year) (ii) | 70,778.56 | 116,897.87 |
| Balance Revenue to be recognised in future viz. Order Book (iii) | 10,323.70 | 18,792.05 |
| Closing Contracted price of Orders on hand at the end of the year* (i+ii+iii) | 86,378.31 | 142,380.50 |
| Closing Contracted price of Orders on hand at the end of the year- Continuing operations | 10,323.70 | 18,792.06 |

*including full value of partially executed contracts

d. Remaining performance obligations: The aggregate amount of transaction price allocated to remaining performance obligations and expected conversion of the same into revenue is as follows:

(Rs. in Lakhs)

| | Year | Transaction price allocated to the remaining performance obligation |
|-------------------|------------------|--|
| | Upto 1 year | 10,323.70 |
| From 1 to 2 years | - | |
| From 2 to 3 years | - | |
| From 3 to 4 years | - | |
| From 4 to 5 years | - | |
| Beyond 5 years | - | |
| Total | 10,323.70 | |

46. Tax Expenses

a. The major components of income tax expense for the year are as under:

(Rs. in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|------------------------------|------------------------------|
| Income Tax recognised in the Statement of Profit and Loss | | |
| Current Tax | - | - |
| Deferred Tax | (5,327.65) | (4,099.31) |
| Total Income Tax expenses recognised in statement of profit and loss | (5,327.65) | (4,099.31) |
| Income Tax expense recognised in OCI | | |
| Deferred Tax expense on re-measurement of defined benefit plans | 2.02 | 4.40 |
| Income Tax expense recognised in OCI | 2.02 | 4.40 |
| Total (Net) | (5,325.63) | (4,094.91) |

Note to the Standalone Financial Statement for the year ended March 31, 2020

b. Gross Deferred Tax Liability and Assets for the year ended March 31, 2020 are as follows:

(Rs. in Lakhs)

| Particulars | As at April 1, 2019 | Charge/(Credit) recognised in Profit and Loss | Charge/(Credit) recognised in OCI | As at March 31, 2020 |
|---|---------------------|---|-----------------------------------|----------------------|
| Deferred Tax Assets | | | | |
| Provision for expense allowed for tax purpose on payment basis | 124.97 | (0.32) | (2.02) | 122.63 |
| Tax effect on Unabsorbed Loss and Depreciation | 7,269.27 | 4,120.37 | - | 11,389.64 |
| Difference in carrying value and tax base of Financial Asset at Amortised cost | 28,354.04 | (3,154.21) | - | 25,199.83 |
| Difference in carrying value and tax base of Financial Liability | 17,784.72 | (4,456.31) | - | 13,328.41 |
| Total Deferred Tax Assets | 53,533.00 | (3,490.47) | (2.02) | 50,040.52 |
| Deferred Tax Liabilities | | | | |
| Difference between written down value/capital work in progress of Fixed Assets as per the books of accounts and Income Tax Act, 1961. | 1,878.45 | (117.99) | - | 1,760.46 |
| Difference in carrying value and tax base of Non-Financial Liability | 17,763.03 | (4,501.44) | - | 13,261.59 |
| Difference in carrying value and tax base of Non-Financial Asset | 26,774.80 | (4,198.67) | - | 22,576.13 |
| Total Deferred Tax Liabilities | 46,416.28 | (8,818.10) | - | 37,598.18 |
| Deferred Income Tax Assets (Net) | 7,116.72 | 5,327.65 | (2.02) | 12,442.34 |

c. Gross Deferred Tax Liability and Assets for the year ended March 31, 2019 are as follows:

(Rs. in Lakhs)

| Particulars | As at April 1, 2018 | Charge/(Credit) recognised in Profit and Loss | Charge/(Credit) recognised in OCI | As at March 31, 2019 |
|---|---------------------|---|-----------------------------------|----------------------|
| Deferred Tax Assets | | | | |
| Provision for expense allowed for tax purpose on payment basis | 26.20 | 103.17 | (4.40) | 124.97 |
| Tax effect on Unabsorbed Loss and Depreciation | 4,192.70 | 3,076.57 | - | 7,269.27 |
| Difference in carrying value and tax base of Financial Asset At amortised cost | 29,595.53 | (1,241.49) | - | 28,354.04 |
| Difference in carrying value and tax base of Non-Financial Liability | 13,879.71 | 3,905.01 | | 17,784.72 |
| Total Deferred Tax Assets | 47,694.14 | 5,843.26 | (4.40) | 53,533.00 |
| Deferred Tax Liabilities | | | | |
| Difference between written down value/capital work in progress of Fixed Assets as per the books of accounts and Income Tax Act, 1961. | 1,920.58 | (42.13) | | 1,878.45 |
| Difference in carrying value and tax base of Non-Financial Liability | 13,884.29 | 3,878.74 | - | 17,763.03 |
| Difference in carrying value and tax base of Non-Financial Asset | 28,867.46 | (2,092.66) | | 26,774.80 |
| Total Deferred Tax Liabilities | 44,672.33 | 1,743.95 | - | 46,416.28 |
| Deferred Income Tax Assets (Net) | 3,021.80 | 4,099.31 | (4.40) | 7,116.72 |

46.1 Pursuant to the provisions of Ind AS 12 "Income Taxes", the Company has recognised deferred tax asset amounting to Rs.12,442.34 lakhs (March 31, 2019 Rs.7,116.72 lakhs) corresponding to unused brought forward income tax losses for which it has convincing evidences viz. opportunities available in area of its core competence, bidding/pre-qualification limit, conducive government policies and market conditions, TEV study and approved Resolution Plan etc., based on which it is inferred that sufficient taxable profit will be available against which unused tax losses can be utilised by the Company.

Note to the Standalone Financial Statement for the year ended March 31, 2020

47. Statutory Dues

In terms of the approved Resolution Plan:

- a. Payment of statutory liabilities (like income tax, service tax, Vat, Royalties, Cess, Stamp Duty, other statutory dues etc.) will be made over a period of 3 years from the date of implementation of the Resolution Plan by the financial creditors with waiver of penal Interest, simple interest, compound interest, damages, penalties, compounding charges etc. on all statutory dues.
- b. Any liability arising out of the matter, which is presently sub-judice and leads to liability against the Company will be paid over a period of 7 years after the judgement, without any interest and penalty, subject to rights & remedies available to the Company.

48. Segment Reporting

The Company's operations consist of construction/project activities and there are no other reportable segments under Indian Accounting Standard 108 - Operating Segments.

49. Disclosure pursuant to Regulation 34(3) read with Sch V A(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) regulations, 2015 are given in note no. 38.

50. In accordance with the provisions of "Indian Accounting Standard (Ind AS) -36 - Impairment of Assets", the company has made an assessment of the recoverable amount of assets based on higher of the value in use considering its projected scale of operations, prevailing market conditions, future cash flows and future growth projections and estimated net selling price of the assets pertaining to its various Cash Generating Units and found recoverable amount of these assets to be higher as compared to carrying value of assets in its Financial Statements. Accordingly, management considers that there is no need for the provision on account of impairment of assets.

51. The Company has investment in 2,37,43,800 equity shares aggregating to 30.30% in Orissa Steel Expressway Pvt. Ltd. (OSEPL), a Special Purpose Vehicle, for execution of Four/Two Laning of Rimuli-Roxy- Rajamunda Section of NH 215 from km 163.00 to km 269.00 in the state of Orissa awarded by NHAI on DBFOT Basis and there were option agreements which could have been exercised by the parties prior to completion/termination of concession agreement.

On January 13, 2017, the concession agreement with NHAI was foreclosed and arbitration proceedings were initiated by OSEPL. An arbitration award dated March 31, 2019 for Rs.32,278.00 lakhs plus interest @ 10 % p.a. was passed in favour of OSEPL. The said arbitration award has been challenged by NHAI before Hon'ble High Court, Delhi. Pursuant to order dated July 24, 2019, NHAI has deposited Rs.32,278.00 lakhs as a condition for stay of operation of the award pending final adjudication.

Out of 2,37,43,800 equity shares aggregating to 30.30%, 1,28,64,000 equity shares held by the company has been inappropriately transferred reducing the shareholding of the Company in OSEPL to 13.89 % for which the company has filed an application of inter-alia oppression and mismanagement with Hon'ble NCLT, Cuttack. The investment is carried at net cost.

52. On September 20, 2019, vide the Taxation Laws (Amendment) Ordinance 2019, the Government of India inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective 01 April 2019 subject to certain conditions. However, the Company having significant amount of brought forward tax losses and unabsorbed depreciation on which deferred tax asset has been recognised, is still evaluating and has not yet elected to exercise the option permitted under section 115BAA. In view of the above, there is no impact of the new tax rate on the standalone financial statements for the current period.

53. The outbreak of COVID 19 had impacted the operations of the Company. Execution of contracts undertaken by the Company were temporarily suspended during the lock down. The operations of the Company were affected by way of interruption in construction activities, supply chain disruption, unavailability of personnel, closure/lockdown of various other activities, etc. As per directions of MHA operations at toll plazas of various SPVs of the Company had been closed w.e.f. March 25 & 26, 2020 till April 19, 2020 mid-night. In terms of the directives of MHA, SPVs commenced collection of user toll fee at all toll plaza w.e.f. April 20 2020.

Note to the Standalone Financial Statement for the year ended March 31, 2020

The construction activities has commenced in a phased manner after implementation of the standard protocols in line with the directives of the authorities.

The Company has considered various external and internal information upto the date of approval of these financial statements for assessing inter-alia the recoverability of various receivables, investments, liquidity, financial position and operations of the Company and the management expects to recover the carrying amount of these assets based on the current indication of future economic conditions. The company has exercised protections available to it as per the various contractual provisions to reduce the impact of COVID 19. The impact of the lockdown disruption including government policies will have to be assessed from time to time and therefore may be different from those estimated at time of approval of these financial statements and will be communicated as we progress.

54. The Company has applied Ind AS 116 "Leases" with effect from April 1, 2019 and recognised leases as per the requirements of Ind AS. The effect of this adoption on profit after tax for the year ended March 31, 2020 is not material.
55. The Company has a regular programme of physical verification for its inventory and fixed assets. Further, during the year physical verification of significant part of inventory and fixed assets has been carried out by the management and no material discrepancy were found.
56. Figures for the previous period have been reworked/regrouped/recasted, wherever considered necessary.
57. These standalone financial statements have been approved by Board of Directors of the Company in their meeting dated July 13, 2020 for issue to the shareholders for their adoption.

As per our report of even date attached
For SARC & Associates
Chartered Accountants
Firm's ICAI Registration No. : 006085N

For and on behalf of the Board of Directors

per Kamal Aggarwal
Partner
Membership No.: 090129

Place: New Delhi
Date: July 13, 2020

Anubhav Maheshwari
Company Secretary

Darshan Singh Negi
Chief Financial Officer

Anjaneer Kumar Lakhota
Director
DIN-00357695

Ashwini Kumar Singh
Director
DIN-00365901

Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

To The Members of
MBL INFRASTRUCTURES LTD
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the Consolidated Financial Statements of MBL INFRASTRUCTURES LTD (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2020, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements")

In our opinion and to the best of our information and according to the explanations provided to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian accounting standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind As") and other accounting principles generally

Description of Key Audit Matters

Measurement of Construction Revenue - refer Note 3 (s)

| | |
|------------------------------|---|
| The Key Audit Matters | <p>Revenue from construction contracts represents significant portion of the total revenue from the operations of the Group. Revenue from these contracts is recognized on satisfaction of performance obligation over time in accordance with the requirements of relevant Indian accounting standards.</p> <p>The Group has contracts whose revenue recognition can be dependent on a high level of judgement over the percentage of completion. It is based on their best estimate of the costs to complete, claims and ability to deliver the contract within the contractual time limit. The execution of construction contracts also requires assessment of execution risk resulting from uncertainty related to COVID 19 pandemic.</p> <p>The Group uses an input method based on costs incurred to measure progress of the projects. Under this approach, the Group recognises revenue based on the costs incurred to date relative to the estimated total costs to complete the performance obligation. Profit is not recognised until the outcome of the contract is fairly certain.</p> <p>Revenues, total estimated contract costs and profit recognition may deviate significantly from original estimates based on new knowledge about cost overruns and changes in project scope over the term of a construction contract.</p> |
|------------------------------|---|

accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, its consolidated profit, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards of Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide basis of our opinion on Consolidated Financial Statement.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of the most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| | |
|---|--|
| <p>How the matter was addressed in audit</p> | <p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Obtaining an understanding and consideration of the appropriateness of the policies in respect of revenue recognition against the criteria in the Indian accounting standards. • Evaluated the design and implementation and tested operating effectiveness of key controls (including IT controls) around the contract price, estimation of costs to complete management's testing of these attributes. • Understanding and documenting the contract and other related contractual provisions including contractually agreed deliverables, termination rights, penalties for delay, etc. to understand the nature and scope of the arrangements with the customer. • Assessing key judgements inherent in the estimation of significant construction contract projects. It includes comparing the stage-of- completion and costs of completion on significant projects. • We assessed the estimated costs to complete, variations in contract price and contract costs and underlying invoices, signed contracts/statements of work completed for all ongoing projects. • We tested samples of manual journals posted to revenue to identify unusual items. • We checked adequacy of the disclosures made in note 38 to the Group's consolidated financial statements are compliant with Ind AS -115. |
|---|--|

Revenue from Toll Collection - refer Note 3 (s)

| | |
|-------------------------------------|---|
| <p>The Key Audit Matters</p> | <p>The Subsidiary Company Licenses to collect toll under the concession agreement with relevant Government authorities falls within the Concession Arrangements.</p> <p>Record of Toll collection and recognition of Revenue through the use of technology, specifically, roadside equipment supported by tolling and billing systems.</p> <p>Tolling equipment and systems are highly customized complex system installed at the toll plaza for correctly identifying vehicle type, calculating fare and for appropriate billing and collection.</p> <p>This is a key audit matter considering the nature and the large volume of transaction; and reliance on information technology systems for the related automated and IT dependent controls.</p> |
|-------------------------------------|---|

| | |
|---|--|
| <p>How the matter was addressed in audit</p> | <p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Obtained an understanding of the processes and control placed for toll collection and tested those controls for the operating effectiveness. • Testing a selection of Information Technology General Controls (ITGCs) supporting the integrity of the tolling systems' operation, including access, operations and change management controls. • Obtained and tested reconciliation of toll collected as per transaction report (generated from toll system) with cash deposited in bank and revenue recorded in the books. • Tested on sample basis the rationalisation done by management by multiplying that toll rate charged for each category of vehicle as per relevant government authority's notification with the number of vehicles (as per transaction report) and its reconciliation with the revenue recorded in accounts. • On test check basis, traced the daily collection from bank statement to daily cash toll collected and the revenue recorded. • Performed data analytics procedures on transactions to detect unusual transactions for further examination. • On test check basis, traced the classification of vehicle independently from stored images recorded by the Company. |
|---|--|

Disputed Tax Matter - refer Note 3 (q)

| | |
|--|---|
| The Key Audit Matters | <p>The Group has disclosed disputed tax matters in Note 42 of Rs.13,839 lakhs, including income tax demand of Rs.10,605 lakhs</p> <p>Tax litigation exposures have been identified as a key audit matter due to:</p> <ul style="list-style-type: none"> • Significance of these amounts. • Significant judgement and assumptions required by management in assessing the exposure of each case to evaluate whether there is a need to set up a provision and measurement of exposures as well as the disclosure of contingent liabilities. <p>Additionally, the treatment of tax litigation require significant judgement due to the complexity of the cases and, timescales for resolution.</p> |
| How the matter was addressed in audit | <p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Obtained understanding and assessed the internal control environment relating to the identification, recognition and measurement of provisions for disputed tax matters. • Obtained the summary of disputed tax matters from management and assessed management's position through discussions on both the probability of success in significant cases, and the magnitude of any potential loss. • Read evidence to corroborate management's assessment of the risk profile in respect of tax disputed matters. • We involved tax specialists to assist us in evaluating tax positions taken by management. • We assessed the disclosures relating to the disputed tax matters as mentioned in Note 42 of the Consolidated Ind AS financial statements. |

Other Information

The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of the Management for the Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a

true and fair view of the consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to

going concern and using the going concern basis of accounting unless the respective management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies is also responsible for overseeing the financial reporting process of each Company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated financial statements made by the Management.
- Conclude on the appropriateness of the Management use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are

required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our joint audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or

regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Emphasis of Matter

We draw attention to the following matters in the notes to the accompanying Consolidated Financial Statement:

a. Note 3 regarding the Resolution Plan under the Insolvency & Bankruptcy Code, 2016 (IBC, 2016) was approved by Hon'ble National Company law Tribunal, Kolkata by its order dated April 18, 2018. The appeals filed by some of the banks were dismissed by Hon'ble NCLAT by its order dated August 16, 2019 and the Resolution Plan was upheld. One of the dissenting financial creditors with 4.01% of voting share has filed a civil appeal with Hon'ble Supreme Court against the order of Hon'ble NCLAT, which is pending. The financial statements have been prepared on going concern basis. In an unlikely event of ultimate rejection of the Resolution Plan, the Company may go under liquidation and may not be a going concern and the financial statements may have to be restated.

The Financial Statements have been prepared on going concern basis, considering the Hon'ble NCLAT order dated April 18, 2018 approving resolution plan.

- b. Note 37 regarding the amendment in Section 30(2) (b) of IBC, 2016 w.e.f. August 16, 2019 which provided for liquidation value to dissenting financial creditors. Consequent to above amendment, difference in financial liabilities i.e. Non-Convertible Debentures, Cash Credit Facilities and Working Capital Term Loans in terms of the approved Resolution Plan and liquidation value to the dissenting financial creditors aggregating to Rs.28,372 lakhs has been adjusted and transferred to Capital Reserve and shown as exceptional item.
- c. Note 46(d) regarding the deferred tax assets as at March 31, 2020 amounting to Rs.12,499 lakhs (March 31, 2019; Rs.7,178 lakhs). The management is confident that there is convincing evidences viz. opportunities available in area of its core competence, bidding/pre-qualification limit, conducive government policies and market conditions, TEV study and approved Resolution Plan etc., based on which it is inferred that sufficient taxable profit will be available against which unused tax losses can be utilised by the Company.
- d. Note 55 regarding the management's assessment of the financial impact of the outbreak of Coronavirus (Covid-19)

pandemic situation, for which a definitive assessment of the impact in the subsequent period is dependent upon the circumstances as they evolve.

Our opinion is not modified in respect of this matter.

Independent Auditors of one of the subsidiary company Suratgarh Bikaner Toll Road Company Private Limited in his report on financial results for the year ended March 31, 2020 have drawn emphasis of matter paragraphs incorporated by us as under:

- a. We have placed reliance on Resolution Plan submitted by the Company to the bankers which is prepared based on TEV study conducted by external agency and accordingly in the opinion of the management, there is no impairment of assets as on March 31, 2020 and there is no doubt on Company's ability to continue as a going concern.
- b. The loans /credit facilities provided by lenders have been classified as Non-Performing Assets (NPA) by all lenders as on balance sheet date, however in Ind-AS Financial Statements the same is shown both under Short term & Long term borrowings on the basis of original Sanction letter.

Our opinion is not modified in respect of these matters.

Other Matters

We did not audit the financial statements of eight (8) subsidiaries included in the consolidated financial results, whose financial statements reflect total assets of Rs.89,259.61 lakhs as at March 31, 2020 and total revenue of Rs.7,798.59 lakhs and cash flows (net) of Rs.537.18 lakhs for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

- A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of other auditors.
- c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act;
- e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the subsidiary companies, none of the directors of the Group is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls with reference to the consolidated financial statements of the Holding Company and its subsidiary companies and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Group has disclosed the impact of pending litigations as at March 31, 2020 on its financial position in its consolidated financial statements;
- ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Group during the year ended March 31, 2020.
- C. With respect to the matters to be included in the Auditor's Report under Section 197 (16) of the Act:
- In our opinion and according to the information and explanation given to us and based on the reports of the statutory auditors of such subsidiary companies which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197 (16) which are required to be commented upon by us.

For SARC & Associates

Chartered Accountants

Firm Registration No.006085N

Kamal Aggarwal

Partner

Place of Signature: New Delhi

Date: July 13, 2020

Membership No.: 090129

UDIN: 20090129AAAADT4288

ANNEXURE A

To the Independent Auditors Report on Consolidated Financial Statements of MBL INFRASTRUCTURES LTD for the year ended March 31, 2020.

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (hereinafter referred to as "the Act")

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to consolidated financial statements of MBL INFRASTRUCTURES LTD (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiaries, in all material respects, an adequate internal financial controls with reference to the consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Holding Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to group's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls with reference to the consolidated financial statements.

Meaning of Internal Financial controls with Reference to the Financial Statements

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to consolidated financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the group; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the group are being made only in accordance with authorisation

of management and directors of the group; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the group's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to the Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to eight (8) subsidiary companies, which are companies incorporated in India and to whom internal control over financial statements is applicable, is based on the corresponding report of the auditors of such companies incorporated in India.

For SARC & Associates

Chartered Accountants

Firm Registration No.006085N

Kamal Aggarwal

Partner

Place of Signature: New Delhi

Membership No.: 090129

Date: July 13, 2020

UDIN: 20090129AAAADT4288

Consolidated Balance Sheet as at 31st March, 2020

(Rs. in Lakhs)

| Particulars | Note No. | As on March 31, 2020 | As on March 31, 2019 |
|--|----------|-------------------------|-------------------------|
| Assets | | | |
| (1) Non current assets | | | |
| (a) Property, plant and Equipment | 5 | 11,623.43 | 13,037.36 |
| (b) Goodwill | | 1,500.00 | 1,500.00 |
| (c) Intangible Assets under Development | 5A | 1,366.33 | - |
| (d) Other Intangible Assets | 5B | 77,869.31 | 81,897.66 |
| (e) Financial Assets | | | |
| (i) Investment | 6 | 1.04 | 1.04 |
| (ii) Trade Receivables | 7 | 121,842.50 | 103,767.09 |
| (iii) Others | 8 | 432.91 | 1,716.09 |
| (f) Deferred Tax Assets(net) | 9 | 12,498.71 | 7,178.46 |
| (g) Other Non Current Assets | 10 | 48,814.36 | 61,908.60 |
| (2) Current Assets | | | |
| (a) Inventories | 11 | 567.64 | 578.15 |
| (b) Financial Assets | | | |
| (i) Trade Receivables | 12 | 7,425.27 | 9,569.75 |
| (ii) Cash and Cash Equivalents | 13 | 1,137.08 | 461.03 |
| (iii) Other Bank Balances | 14 | 5.49 | 6.28 |
| (iv) Others | 15 | 1,682.68 | 1,758.09 |
| (c) Other Current Assets | 16 | 13,513.74 | 12,957.71 |
| Total Assets | | 300,280.49 | 296,337.31 |
| Equity and Liabilities | | | |
| Equity | | | |
| (a) Equity Share Capital | 17 | 10,475.46 | 10,475.46 |
| (b) Other Equity | 18 | 65,184.92 | 38,654.78 |
| Equity attributable to owners of the Company | | 75,660.38 | 49,130.24 |
| Liabilities | | | |
| (1) Non current liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 19 | 108,498.93 | 129,931.90 |
| (ii) Trade Payables | 20 | | |
| -Total outstanding dues of micro enterprises and small enterprises | | - | - |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | | 3,847.80 | 3,208.63 |
| (iii) Other Financial Liabilities | 21 | 313.53 | 261.45 |
| (b) Provisions | 22 | 64.27 | 73.09 |
| (c) Other Non Current Liabilities | 23 | 39,559.74 | 48,364.50 |
| (d) Non Current Tax Liabilities (net) | 24 | 2,618.76 | 2,646.02 |
| (2) Current liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 25 | 11,690.99 | 10,685.00 |
| (ii) Trade Payables | 26 | | |
| -Total outstanding dues of micro enterprises and small enterprises | | - | - |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | | 5,672.50 | 6,223.58 |
| (iii) Other Financial Liabilities | 27 | 46,880.86 | 20,116.00 |
| (b) Other Current Liabilities | 28 | 5,469.24 | 25,692.66 |
| (c) Provisions | 29 | 3.49 | 4.24 |
| Total Equity and Liabilities | | 300,280.49 | 296,337.31 |

Significant Accounting Policies

1-4

The accompanying notes are an integral part of the Consolidated Financial Statements

As per our report of even date attached

For SARC & Associates

Chartered Accountants

Firm's ICAI Registration No. : 006085N

For and on behalf of the Board of Directors

per Kamal Aggarwal

Partner

Membership No.: 090129

Anubhav Maheshwari

Company Secretary

Anjaneer Kumar Lakhotia

Director

DIN-00357695

Place: New Delhi

Date: July 13, 2020

Darshan Singh Negi

Chief Financial Officer

Ashwini Kumar Singh

Director

DIN-00365901

Consolidated Statement of Profit and Loss for the year ended March 31, 2020

(Rs. in Lakhs)

| Particulars | Note No. | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|-----------|--------------------------------------|--------------------------------------|
| INCOME | | | |
| Revenue from Operation | 30 | 21,275.62 | 15,413.71 |
| Other Income | 31 | 10,281.24 | 8,684.79 |
| (A) Total Income | | 31,556.86 | 24,098.50 |
| Expenses | | | |
| Cost of Materials Consumed | 32 | 2,212.04 | 4,122.81 |
| Employee Benefits Expense | 33 | 1,358.89 | 1,049.58 |
| Finance Costs | 34 | 6,614.10 | 1,798.68 |
| Depreciation and Amortisation Expense | 35 | 5,460.77 | 1,980.24 |
| Other Expenses | 36 | 23,171.03 | 17,330.08 |
| (B) Total Expenses | | 38,816.83 | 26,281.39 |
| (C) Profit/(Loss) before Exceptional Items and Tax (A-B) | | (7,259.97) | (2,182.89) |
| (D) Exceptional Items (net) | 37 | 28,466.96 | (28,371.30) |
| (E) Profit/(Loss) before Tax (C+D) | | 21,206.99 | (30,554.19) |
| (F) Tax Expense: | | | |
| (1) Current Tax | | - | - |
| (2) Deferred Tax | 46 (b) | (5,314.24) | (4,167.66) |
| (G) Profit/(Loss) for the period (E-F) | | 26,521.23 | (26,386.53) |
| Other Comprehensive Income | | | |
| i. Items that will not be reclassified to Profit or Loss | | 5.77 | 12.58 |
| ii. Income Tax relating to items that will not be reclassified to Statement of Profit or Loss | | (2.02) | (4.40) |
| (H) Total Other Comprehensive Income for the period (net of tax) | | 3.75 | 8.18 |
| Total Comprehensive Income for the period (G+H) | | 26,524.98 | (26,378.35) |
| Profit/(Loss) for the year attributable to: | | | |
| - Owners of the Company | | 26,521.23 | (26,386.53) |
| - Non Controlling Interest | | - | - |
| Total | | 26,521.23 | (26,386.53) |
| Other Comprehensive Income attributable to: | | | |
| - Owners of the Company | | 3.75 | 8.18 |
| - Non Controlling Interest | | - | - |
| Total | | 3.75 | 8.18 |
| Total Comprehensive Income attributable to: | | | |
| - Owners of the Company | | 26,524.98 | (26,378.35) |
| - Non Controlling Interest | | - | - |
| Total | | 26,524.98 | (26,378.35) |
| Earnings per equity share (Face Value Rs.10/- each)(in Rs.) | | | |
| Basic and Diluted | 44 | 25.32 | (30.19) |

Significant Accounting Policies

1-4

The accompanying notes are an integral part of the Consolidated Financial Statements

As per our report of even date attached

For SARC & Associates

Chartered Accountants

Firm's ICAI Registration No. : 006085N

For and on behalf of the Board of Directors

per Kamal Aggarwal

Partner

Membership No.: 090129

Place: New Delhi

Date: July 13, 2020

Anubhav Maheshwari

Company Secretary

Darshan Singh Negi

Chief Financial Officer

Anjaneer Kumar Lakhotia

Director

DIN-00357695

Ashwini Kumar Singh

Director

DIN-00365901

Consolidated Statement of changes in equity for the year ended March 31, 2020

A. Equity Share Capital

(Rs. in Lakhs)

| Particulars | No. of Shares | Share Capital |
|-------------------------------------|--------------------|------------------|
| Balance as on April 1, 2018 | 41,454,624 | 4,145.46 |
| Add: Addition during the year | 63,300,000 | 6,330.00 |
| Balance as on March 31, 2019 | 104,754,624 | 10,475.46 |
| Add: Addition during the year | - | - |
| Balance as on March 31, 2020 | 104,754,624 | 10,475.46 |

B. Other Equity

(Rs. in Lakhs)

| Particulars | Reserves and Surplus | | | | | Items of Other Comprehensive Income | Total |
|---|----------------------|--------------------|------------------------------|------------------|--------------------|---|------------------|
| | Capital Reserve | Securities Premium | Debenture Redemption Reserve | General Reserve | Retained Earnings | Re - measurement of defined benefit plans | |
| Balance As on April 1, 2018 | 40,212.56 | 20,703.24 | - | 34,962.41 | (30,573.72) | 89.17 | 65,393.66 |
| Profit/(Loss) for the year | - | - | - | - | 1,984.78 | - | 1,984.78 |
| Transfer to Debenture Redemption Reserve | - | - | 29,708.52 | (29,708.52) | - | - | - |
| - Due to Insolvency & Bankruptcy Code, 2016 (Refer Note No. 37) | (28,371.30) | - | - | - | - | - | (28,371.30) |
| Re-measurements of defined benefit Plans | - | - | - | - | - | 8.18 | 8.18 |
| Transfer to Retained Earnings from Other Comprehensive Income | - | - | - | - | 97.35 | (97.35) | - |
| Consolidation elimination adjustment | - | - | - | - | (360.54) | - | (360.54) |
| Balance As on March 31, 2019 | 11,841.26 | 20,703.24 | 29,708.52 | 5,253.89 | (28,852.13) | - | 38,654.78 |
| Profit/(Loss) for the year | - | - | - | - | (1,945.74) | - | (1,945.74) |
| Transfer from Debenture Redemption Reserve | - | - | (7,687.25) | 7,687.25 | - | - | - |
| - Due to Insolvency & Bankruptcy Code, 2016* (Refer Note No. 37) | 28,466.96 | - | - | - | - | - | 28,466.96 |
| Re-measurements of defined benefit Plans | - | - | - | - | - | 3.75 | 3.75 |
| Transfer to Retained Earnings from Other Comprehensive Income | - | - | - | - | 3.75 | (3.75) | - |
| Consolidation elimination adjustment | - | - | - | - | 5.17 | - | 5.17 |
| Balance As on March 31, 2020 | 40,308.22 | 20,703.24 | 22,021.27 | 12,941.14 | (30,788.95) | - | 65,184.92 |

Refer note 18 for nature and purpose of reserves

Significant Accounting Policies

1-4

The accompanying notes are an integral part of the Consolidated Financial Statements

As per our report of even date attached

For SARC & Associates

Chartered Accountants

Firm's ICAI Registration No. : 006085N

For and on behalf of the Board of Directors

per Kamal Aggarwal

Partner

Membership No.: 090129

Place: New Delhi

Anubhav Maheshwari

Company Secretary

Darshan Singh Negi

Chief Financial Officer

Anjaneer Kumar Lakhotia

Director

DIN-00357695

Ashwini Kumar Singh

Director

DIN-00365901

Consolidated Cash Flow Statement for the year ended March 31, 2020

(Rs. in Lakhs)

| Particulars | | For the Year ended March 31, 2020 | For the Year ended March 31, 2019 |
|-------------|---|---|---|
| A. | Cash flow from Operating Activities | | |
| | Net Profit/ (Loss) Before Tax & Exceptional Items | (7,259.97) | (2,182.89) |
| | Adjustments for: | | |
| | Depreciation & Amortisation expenses | 5,460.77 | 1,980.24 |
| | Loss on Currency Transaction & Translation | 1,167.49 | 791.18 |
| | Finance cost | 6,614.10 | 1,798.68 |
| | Interest Income | (9,479.41) | (8,392.00) |
| | Consolidation elimination Adjustment | (3.91) | (360.54) |
| | Operating profit/ (Loss) before working capital changes | (3,500.93) | (6,365.33) |
| | Working Capital Adjustments: | | |
| | (Increase) / Decrease in Inventories | 10.51 | 51.73 |
| | (Increase) / Decrease in Trade Receivables | (7,969.52) | (5,861.39) |
| | (Increase)/ Decrease in Other Current and Non-Current Financial Assets | 1,449.08 | 558.13 |
| | (Increase)/ Decrease in Other Current and Non-Current Assets | 13,494.63 | 11,230.54 |
| | Increase/ (Decrease) in Current and Non-Current Trade Payables | 608.00 | (1,329.43) |
| | Increase/ (Decrease) in Other Current and Non-Current Financial Liabilities | 24,091.68 | 11,583.21 |
| | Increase/ (Decrease) in Other Current and Non-Current Liabilities & Provisions | (29,031.51) | 17,714.19 |
| | Cash generated from/ (used for) Operations | (848.06) | 27,581.65 |
| | Income Tax (Advance) (Net) | 27.27 | (152.01) |
| | Net Cash generated from/ (utilised in) Operating Activities | (875.33) | 27,733.66 |
| B. | Cash flow from Investing Activities | | |
| | Capital Expenditure | (1,383.56) | (7,809.00) |
| | Deposit with maturity of more than twelve months | (90.83) | (125.08) |
| | Deposit with original maturity more than three months but less than twelve months | 0.80 | 70.97 |
| | Interest Received | 43.08 | 47.01 |
| | Net Cash generated from/ (used in) Investing Activities | (1,430.51) | (7,816.10) |

Consolidated Cash Flow Statement for the year ended March 31, 2020

| Particulars | For the Year ended March 31, 2020 | For the Year ended March 31, 2019 |
|---|-----------------------------------|-----------------------------------|
| C. Cash flow from Financing Activities | | |
| Proceeds from issue of Share Capital | - | 6,330.00 |
| Change due to acquisition/disposal of control in subsidiary | - | (1,129.86) |
| Proceeds from / (Repayment of) Long Term Borrowings (net) | 5,128.80 | (19,828.75) |
| Proceeds from / (Repayment of) Short Term Borrowings (net) | 4,039.23 | (4,738.86) |
| Interest and Finance Charges Paid | (5,876.29) | (885.87) |
| Net Cash generated from/ (used in) Financing Activities (C) | 3,291.73 | (20,253.01) |
| Net increase/ (decrease) Cash & Cash Equivalents (A+B+C) | 985.89 | (335.45) |
| Cash & Cash Equivalents (Closing Balance) (Including Book overdraft) | 1,117.27 | 131.38 |
| Cash & Cash Equivalents (Opening Balance) (Including Book overdraft) | 131.38 | 466.83 |
| Net Changes in Cash & Cash Equivalents | 985.89 | (335.45) |
| Cash and Cash Equivalents as per note no. 13 | 1,137.08 | 461.03 |
| Book overdraft as per note no. 25 | 19.81 | 329.65 |
| Cash & Cash Equivalents (Closing Balance) (Including Book overdraft) | 1,117.27 | 131.38 |

Note:

- The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard 7 "Statement of Cash Flows"
- Reconciliation of Liabilities arising from Financing Activities.

(Rs. in Lakhs)

| Particulars | As on March 31, 2019 | Proceeds Raised through | | Non Cash Flow Fair Value Changes/ Foreign Exchange (gain)/loss | As at March 31, 2020 |
|---|----------------------|-------------------------|-----------------------|--|----------------------|
| | | Non cash Flow-Others | Proceeds/ (Repayment) | | |
| Long Term Borrowings (Including current maturities) | 133,014.22 | (18,340.86) | (368.81) | 0.40 | 114,304.95 |
| Short Term Borrowings | 10,685.00 | 3,333.96 | (2,328.27) | - | 11,690.99 |

Significant Accounting Policies

1-4

The accompanying notes are an integral part of the Consolidated Financial Statements

As per our report of even date attached

For SARC & Associates

Chartered Accountants

Firm's ICAI Registration No. : 006085N

For and on behalf of the Board of Directors

per Kamal Aggarwal

Partner

Membership No.: 090129

Anubhav Maheshwari

Company Secretary

Anjaneer Kumar Lakhotia

Director

DIN-00357695

Place: New Delhi

Date: July 13, 2020

Darshan Singh Negi

Chief Financial Officer

Ashwini Kumar Singh

Director

DIN-00365901

Note to the Consolidated Financial Statement for the year ended March 31, 2020

Significant Accounting Policies

1. GENERAL INFORMATION

MBL Infrastructures Ltd ("the Company") together with its subsidiaries (collectively, "The Company or its Group") is a public limited company domiciled and incorporated in India and its equity shares are listed at Bombay Stock Exchange (BSE)/ National Stock Exchange (NSE). The registered office is located at Baani Corporate One Tower, Suite No. 308, 3rd Floor, Plot No. 5, Commercial Centre, Jasola, New Delhi- 110025, India. The Company is principally engaged in the business of providing engineering and construction services.

2. STATEMENT OF COMPLIANCE AND RECENT PRONOUNCEMENTS

a. Statement of Compliance

The Consolidated Financial Statements have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 ("Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. These financial statements have been approved for issue by the Board of Directors at its meeting held on July 13, 2020.

b. Application of new and revised standards:

- i. **Ind AS 116 "Leases"** - With effect from April 1, 2019, the Group has adopted Ind AS 116 "Leases" using modified retrospective approach.
- ii. **Appendix C "Uncertainty over Income Tax Treatments" to Ind AS 12 "Income Taxes"** has been revised with effect from April 1, 2019. The application of Ind AS 116 and revision in other standard do not have any material impact on the standalone financial statements.

c. Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to existing standards. There being no recent pronouncement, disclosure in this respect is not applicable.

3. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Consolidated Financial Statements

- i. The Consolidated Financial Statements relate to MBL Infrastructures Ltd (the Company), and its subsidiaries collectively known as the Group as detailed below:

| Name of the Subsidiaries | Country of Incorporation | % of Shareholding / Voting Power | |
|---|--------------------------|----------------------------------|------------|
| | | 31.03.2020 | 31.03.2019 |
| AAP Infrastructure Limited | India | 100 | 100 |
| MBL Highway Development Co. Limited | India | 100 | 100 |
| MBL (MP) Toll Road Co. Limited | India | 100 | 100 |
| MBL (Haldia) Toll Road Co. Limited | India | 100 | 100 |
| Suratgarh Bikaner Toll Road Company Private Limited | India | 100 | 100 |
| MBL Projects Limited | India | 100 | 100 |
| MBL (MP) Road Nirman Co. Limited | India | 100 | 100 |
| MBL (Udaipur Bypass) Road Limited | India | 100 | 100 |

The Consolidated Financial Statements have been prepared under the historical cost convention on accrual basis except certain financial instruments that are measured in terms of relevant Ind AS at fair value at the end of each reporting period.

Historical cost convention is generally based on the fair value of the consideration given in exchange for goods and services.

Note to the Consolidated Financial Statement for the year ended March 31, 2020

Operating cycle for the business activities of the Group covers the normal duration of the project/ contract/ service including the defect obligation period, wherever applicable, and extends up to the realisation of receivables (including retention money) within the credit period normally applicable to the respective project. In cases where the operating cycle cannot be identified in the normal course, the same has been assumed to have duration of twelve months. Accordingly, all Assets and Liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in Ind AS 1 'Presentation of financial statements' and Schedule III to the Companies Act, 2013.

- ii. The Consolidated Financial Statements are presented in Indian Rupees ('INR'), which is the Group's functional and presentation currency and all amounts are rounded to the nearest Lacs (except otherwise indicated).

The Resolution Plan under the Insolvency & Bankruptcy Code, 2016 (IBC, 2016) was approved by Hon'ble National Company law Tribunal, Kolkata by its order dated April 18, 2018. The appeals filed by some of the banks were dismissed by Hon'ble NCLAT by its order dated August 16, 2019 and the Resolution Plan was upheld. One of the dissenting financial creditors with 4.01% of voting share has filed a civil appeal with Hon'ble Supreme Court against the order of Hon'ble NCLAT, which is pending. The financial statements have been prepared on going concern basis. In an unlikely event of ultimate rejection of the Resolution Plan, the Company may go under liquidation and may not be a going concern and the financial statements may have to be restated.

Subsidiaries are entities over which the Group has control and the Control is achieved when the group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its:

- Power over the investee
- Exposure or rights to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Subsidiaries are consolidated from the date control over the subsidiary is acquired and they are discontinued from the date of cessation of control.

- a. The Consolidated Financial Statements of parent Company and its subsidiaries have been consolidated on line-by-line basis by adding together book value of like items of assets, liabilities, income and expenses after eliminating intra-group balances and intra- group transactions in accordance with Ind AS 110 "Consolidated Financial Statement".
- b. Non-controlling Interest represents the equity in a subsidiary not attributable, directly or indirectly to a Parent. Non-controlling interest's share of net profit of subsidiaries for the year is identified and adjusted against the revenue of the Group in order to arrive at the net revenue attributable to the owners of the Company. The excess of loss for the year over the non-controlling interest is adjusted in owner's interest. Non-controlling interest's share of net assets of subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.
- c. The difference between the cost of investment at the time of acquisition of shares in the subsidiaries and the share of net of the assets acquired and the liabilities assumed measured at their acquisition date fair values is identified in the Consolidated financial statements as Goodwill or Capital Reserve as the case may be.
- d. The Build, Operate and Transfer (BOT)/design, built, finance, operate and transfer (DBFOT) contracts are governed by service concession agreements with government authorities (grantor). Under these agreements, the operator does not own the road, but gets "toll collection rights" against the construction services rendered. Since the construction revenue earned by the operator is considered as exchanged with the grantor against toll collection rights, revenue is recognised at fair value of construction services rendered and profit from such contracts is considered as realised. Accordingly, in respect of BOT/DBFOT contracts the intra group transactions relating to constructions and the profits arising thereon are taken as realised and not eliminated.
- e. The Consolidated Financial Statements are prepared using uniform accounting policies for similar material transactions and other events in similar circumstances otherwise as stated elsewhere.
- f. Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with Parent company's Consolidated Financial Statements.

B. Business Combination and Goodwill

The Group except for combination of group entities which are under common control applies the acquisition method in

Note to the Consolidated Financial Statement for the year ended March 31, 2020

accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred. Assets acquired and liabilities assumed are generally measured at their acquisition date fair values.

In case of combination of entities under control, business combination are accounted for under pooling of interest method whereby the assets and liabilities are combined at the carrying amount and no adjustments are made to reflect their fair values or recognise any new assets or liabilities.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the combination date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

C. Non-Controlling Interest

Non-controlling interests represent the proportion of income, other comprehensive income and net assets in subsidiaries that is not attributable to the Company's shareholders.

Non-controlling interests are initially measured at the non-controlling interests proportionate share of the amount of the non-controlling interests is the amount of the acquiree's identifiable net assets. Subsequent to the acquisition, the carrying amount of the non-controlling interest is the amount of the interest at initial recognition plus the non - controlling interests' share of subsequent changes in equity.

D. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Group categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.

Level 3: inputs for the asset or liability which are not based on observable market data (unobservable inputs).

The Group has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements who regularly review significant unobservable inputs, valuation adjustments and fair value hierarchy under which the valuation should be classified.

E. Accounting Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years.

F. Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Note to the Consolidated Financial Statement for the year ended March 31, 2020

G. Recoverability of Claims

The Group has claims in respect of cost over-run arising due to client caused delays, suspension of projects, deviation in design and change in scope of work etc., which are at various stages of negotiation/ discussion with the clients or under arbitration. The realisability of these claims are estimated based on contractual terms, historical experience with similar claims as well as legal opinion obtained from internal and external experts, wherever necessary. Changes in facts of the case or the legal framework may impact realisability of these claims. Revenue in respect of the claims is recognised to the extent, the Group is reasonably certain of their realisation.

H. Property Plant and Equipment (PPE)

Property, plant and equipment are stated at cost of acquisition, construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. For this purpose, cost include deemed cost on the date of transition and comprises purchase price of assets or its construction cost including duties and taxes, inward freight and other expenses incidental to acquisition or installation and adjustment for exchange differences wherever applicable and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement when incurred.

Depreciation and Amortisation

Depreciation on Property ,Plant & Equipment is provided as per Schedule II of the Companies Act, 2013 on straight line method. Assets costing rupees five thousand or less are being depreciated fully in the year of addition/acquisition.

Depreciation on Property, Plant and Equipment commences when the assets are ready for their intended use. Based on above, the estimated useful lives of assets for the current period are as follows.

| Category | Useful life |
|--|-------------|
| Buildings | 60 Years |
| Plant and machinery | 15 Years |
| Computer equipment | 3 Years |
| Furniture and fixtures | 10 Years |
| Office equipment | 5 Years |
| Vehicles | |
| Motor Bus, Motor Lorry, Motor Cars other than those used in a business of running them on hire | 8 Years |
| Motor Cycle, Scooters and other Mopeds | 10 Years |

Depreciation methods, useful lives and residual values are reviewed and adjusted as appropriate, at each reporting date.

I. Intangible Assets

Intangible assets are stated at cost inclusive of duties and taxes less accumulated amount of amortisation and impairment losses. Toll Collection Rights are amortised over the period of concession, using revenue based amortisation as prescribed in IndAS 36. Under this method, the carrying value of the rights is amortised in the proportion of actual toll revenue for the year to projected revenue for the balance toll period, to reflect the pattern in which the assets economic benefits will be consumed. At each balance sheet date, the projected revenue for the balance toll period is reviewed by the management. If there is any change in the projected revenue from previous estimates, the amortisation of toll collection rights is changed prospectively to reflect any changes in the estimates.

Depreciation methods, useful lives and residual values and are reviewed, and adjusted as appropriate, at each reporting date.

J. Intangible Assets under Development

Cost and other directly attributable expenses incurred towards construction of roads are kept as intangible assets under development till the date these are ready for intended use.

Note to the Consolidated Financial Statement for the year ended March 31, 2020

K. Accounting for Service Concession Arrangements

The Group Operates and maintains infrastructure (operation services) used to provide a public service for a specified period of time. These arrangements may include Infrastructure used in a public-to-private service concession arrangement for its entire useful life. Under Appendix C to Ind AS 115 – Service Concession Arrangements, these arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the Group receives a right (i.e a franchisee) to charge users of the public services.

L. Derecognition of Tangible and Intangible Assets

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

M. Inventories

Construction materials are valued at lower of cost and fair value (except scrap/waste which are valued at net realizable value). Cost of inventories is ascertained on FIFO basis.

Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and selling costs. The cost is computed on weighted average basis.

Provision for obsolescence in inventories is made, whenever required.

N. Financial Assets and Financial Liabilities

Financial assets and financial liabilities (financial instruments) are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within operating cycle of the Group or otherwise these are classified as non-current.

The classification of financial instruments whether to be measured at Amortized Cost, at Fair Value through Profit and Loss (FVTPL) or at Fair Value Through Other Comprehensive Income (FVTOCI) depends on the objective and contractual terms to which they relate. Classification of financial instruments are determined on initial recognition.

i. Cash and Cash Equivalents

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

ii. Financial Assets and Financial Liabilities Measured at Amortised Cost

Financial Assets held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost.

The above Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (including all fees and points paid or received, transaction costs and other premiums or discounts) through the expected life of the Financial Asset or Financial Liability to the gross carrying amount of the financial asset or to the amortised cost of financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Note to the Consolidated Financial Statement for the year ended March 31, 2020

iii. Financial Asset at Fair Value through Other Comprehensive Income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised directly in other comprehensive income.

iv. For the purpose of para (ii) and (iii) above, principal is the fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.

v. Financial Assets or Liabilities at Fair Value through Profit or Loss

Financial Instruments which does not meet the criteria of amortised cost or fair value through other comprehensive income are classified as Fair Value through Profit or loss. These are recognised at fair value and changes therein are recognized in the statement of profit and loss.

vi. Investment in Subsidiaries and Associates are being carried at Cost.

vii. Impairment of Financial Assets

The Group evaluates whether there is any objective evidence that financial assets including loan, trade and other receivables are impaired and determines the amount of impairment allowance as a result of the inability of the parties to make required payments. The Group bases the estimates on the ageing of the receivables, credit-worthiness of the receivables and historical write-off experience and variation in the credit risk on year to year basis.

viii. Derecognition of Financial Instruments

The Group derecognizes a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable are recognized in statement of profit and loss.

On derecognition of assets measured at FVTOCI, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

Financial liabilities are derecognized if the Group's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Statement of Profit and Loss.

O. Foreign Currency Transactions

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transactions. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate as at the date of transaction. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognized as income or expense in the statement of profit and loss. Foreign exchange gain/loss to the extent considered as an adjustment to Interest Cost are considered as part of borrowing cost.

P. Equity Share Capital

An equity instrument is a contract that evidences residual interest in the assets of the Group after deducting all of its liabilities. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as Securities Premium. Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Q. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be

Note to the Consolidated Financial Statement for the year ended March 31, 2020

made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities are not recognized and are disclosed by way of notes to the Consolidated financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

Contingent assets are not recognised but disclosed in the Consolidated financial statements by way of notes to accounts when an inflow of economic benefits is probable.

Provisions for onerous contracts are recorded in the statements of operations when it becomes known that the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received.

R. Employee Benefits

Employee benefits are accrued in the year in which services are rendered by the employees. Short term employee benefits are recognized as an expense in the statement of profit and loss for the year in which the related service is rendered.

Contribution to defined contribution plans such as Provident Fund etc, is being made in accordance with statute and are recognised as and when incurred.

Contribution to defined benefit plans consisting of contribution to gratuity are determined at close of the year at present value of the amount payable using actuarial valuation techniques. Actuarial gain and losses arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.

Other long term employee benefits consisting of Leave Encashment are determined at close of the year at present value of the amount payable using actuarial valuation techniques. The changes in the amount payable including actuarial gain/loss are recognised in other comprehensive income.

S. Revenue Recognition

The Group recognizes revenue from contracts with customers when it satisfies a performance obligation by transferring promised good or service to a customer. The revenue is recognized to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. The customer obtains control of the asset when it simultaneously benefits by the entity's performance. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost to date, to the total estimated cost attributable to the performance obligation.

Transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring good or service to a customer excluding amounts collected on behalf of a third party. Variable consideration is estimated using the expected value method or most likely amount as appropriated in a given circumstance. Payment terms agreed with a customer are as per business practice and there is no financing component involved in the transaction price.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged off in Statement of Profit and Loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfill a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to date, to the total estimated cost attributable to the performance obligation.

In respect of construction/ project related activity, the Group follows percentage of completion method. Percentage of completion is determined by survey of work performed / physical measurement of work actually completed at the balance sheet date taking into account contractual price/ unit rates and revision thereto.

The Income from Projects on BOT (Toll) is recognised on actual collection of toll revenue as per concession agreement. Revenue from electronic toll collection is recognised on accrual basis. Annuity from BOT (Toll plus Annuity) projects is recognised on accrual basis.

Note to the Consolidated Financial Statement for the year ended March 31, 2020

i. Critical Accounting Judgements, Estimation and Uncertainty:

Determining the revenue to be recognized in case of performance obligation satisfied over a period of time; revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to date, to the total estimated cost attributable to the performance obligation.

ii. Revenue from Construction/ Project Related Activity is recognized as follows:

Fixed Price Contracts: Contract revenue is recognized over time to the extent of performance obligation satisfied and control is transferred to the customer. Contract revenue is recognized at allocable transaction price which represents the cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to date, to the total estimated contract costs.

For contracts where the aggregate of contract cost incurred to date plus recognized profits (or minus recognized losses as the case may be) exceeds the progress billing, the surplus is shown as contract asset and termed as "Due from customers". For contracts where progress billing exceeds the aggregate of contract cost incurred to date plus recognized profits (or minus recognized losses as the case may be), the surplus is shown as contract liability and termed as "Due to customers". Amount received before the related work is performed are disclosed in the Balance Sheet as Contract Liability and termed as "Advances from customers". The amounts billed on customer for work performed and are unconditionally due for payment i.e., only passage of time is required before payment falls due, are disclosed in the Balance Sheet as "Trade Receivables". The amount of retention money held by the customers pending completion of performance milestone is disclosed as part of contract asset and is reclassified as "Trade Receivables" when it becomes due for payment.

- Revenue in respect of claims is recognised to the extent the Group is reasonably certain of their realisation.
- Other operational income is recognised on rendering of related services, as per the terms of the contracts.
- Other items of income are accounted as and when the right to receive arises.

iii. Other Income

• Interest Income :

Finance income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable EIR. Other income is accounted for on accrual basis. Where the receipt of income is uncertain, it is accounted for on receipt basis.

• Dividend Income :

Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

T. Borrowing Costs

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant Equipment (PPE) which are capitalized to the cost of the related assets. A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

U. Leases

As a Lessee

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) Group has substantially all of the economic benefits from the use of the asset through the period of the lease and (iii) Group has the right to direct the use of the asset.

Note to the Consolidated Financial Statement for the year ended March 31, 2020

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases), low-value leases and where the agreement contain the clause for cancellation of agreement without any penalty. For these short-term, low-value or cancellable leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

V. Taxes on Income

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in the income statement except to the extent that it relates to items recognized directly in equity or other comprehensive income.

i. Current Tax

Current income tax is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

ii. Deferred Tax

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences between the carrying amount of assets and liabilities in the Consolidated financial statements and the corresponding tax basis used in the computation of taxable profit as well as for unused tax losses or credits. In principle, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Deferred tax assets and liabilities are also recognized on temporary differences arising from business combinations except to the extent they arise from goodwill that is not taken into account for tax purposes.

Deferred taxes are calculated at the enacted or substantially enacted tax rates that are expected to apply when the asset or liability is settled. Deferred tax is charged or credited to the income statement, except when it relates to items credited or charged directly to other comprehensive income in equity, in which case the corresponding deferred tax is also recognized directly in equity.

iii. Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credit which can be carried forward and utilised when the Group will pay normal income tax during the specified period. Deferred tax asset on such tax credit is recognised to the extent that it is probable that the unused tax credit can be utilised in the specified future period. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet. At each Balance Sheet date, the carrying amount of MAT Credit Entitlement receivable is reviewed to reassure realisation.

W. Earnings Per Share

Basic Earnings per share is calculated by dividing the profit from continuing operations and total profit, both attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholder' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

X. Segment Reporting

Operating segments are identified and reported taking into account the different risk and return, organisation structure and internal reporting system.

Note to the Consolidated Financial Statement for the year ended March 31, 2020

4. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Consolidated financial statements in conformity with the measurement principle of Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the Consolidated financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the Consolidated financial statements.

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the Consolidated financial statements have been disclosed below. The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

a. Contract Estimates

The Group, being a part of construction industry, prepares budgets in respect of each project to compute project profitability. The two major components of contract estimate are 'claims arising during Construction period' and 'budgeted costs to complete the contract'. While estimating these components various assumptions are considered by the management such as (i) Work will be executed in the manner expected so that the project is completed timely (ii) consumption norms will remain same (iii) Assets will operate at the same level of productivity as determined (iv) Wastage will not exceed the normal % as determined etc. (v) Estimates for contingencies (vi) There will be no change in design and the geological factors will be same as communicated and (vii) price escalations etc. Due to such complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions all assumptions are reviewed at each reporting date.

b. Depreciation/ Amortisation and Impairment on PPE and Intangible Assets

Property, plant and equipment are depreciated on straight-line basis over the estimated useful lives in accordance with Schedule II of the Companies Act, 2013, taking into account the estimated residual value, wherever applicable.

The Group reviews its carrying value of its Tangible and intangible Assets whenever there is objective evidence that the assets are impaired. In such situation Assets' recoverable amount is estimated which is higher of asset's or cash generating units (CGU) fair value less cost of disposal and its value in use. In assessing value in use the estimated future cash flows are discounted using pre-tax discount rate which reflect the current assessment of time value of money. In determining fair value less cost of disposal, recent market realisations are considered or otherwise in absence of such transactions appropriate valuations are adopted. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation and amount of impairment expense to be recorded during any reporting period. This reassessment may result in change estimated in future periods.

c. Impairment on Investments in Associates

Investments in associates has been carried at cost. The Group has tested for impairment at year end based on the market value where the shares are quoted, P/E ratio of similar sector company along with premium/discount for nature of holding and Net Asset Value computed with reference to the book value/ projected discounted cash flow of such company in respect of unquoted investments.

d. Impairment Allowances on Trade Receivables

The Group evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment allowance as a result of the inability of the customers to make required payments. The Group bases the estimates on the ageing of the trade receivables balance, credit- worthiness of the trade receivables and historical write-off experience. If the financial conditions of the trade receivable were to deteriorate, actual write- offs would be higher than estimated.

e. Income Taxes

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes.

Note to the Consolidated Financial Statement for the year ended March 31, 2020

f. Defined benefit Obligation (DBO)

Critical estimate of the DBO involves a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate, anticipation of future salary increases etc. as estimated by Independent Actuary appointed for this purpose by the Management. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

g. Provisions and Contingencies

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change.

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claim/ litigations/ against the Group as it is not possible to predict the outcome of pending matters with accuracy.

The carrying amounts of provisions and liabilities and estimation for contingencies are reviewed regularly and revised to take account of changing facts and circumstances.

Note to the Consolidated Financial Statement for the year ended March 31, 2020

5 - Property, Plant and Equipment

As at March 31, 2020

(Rs. in Lakhs)

| Particulars | Freehold Land | Buildings | Plant & Machinery | Furniture & Fittings | Vehicles | Office Equipment | Computer | Grand Total |
|---------------------------------------|---------------|-----------------|-------------------|----------------------|---------------|------------------|---------------|------------------|
| Gross Block | | | | | | | | |
| As at April 1, 2019 | 10.62 | 1,633.10 | 16,557.24 | 362.76 | 386.41 | 201.42 | 118.80 | 19,270.36 |
| Additions | - | - | 0.16 | - | - | 3.45 | 14.88 | 18.49 |
| Disposal/Adjustments | - | - | - | - | - | - | - | - |
| As at March 31, 2020 | 10.62 | 1,633.10 | 16,557.40 | 362.76 | 386.41 | 204.87 | 133.68 | 19,288.84 |
| Accumulated Depreciation | | | | | | | | |
| As at April 1, 2019 | - | 113.66 | 5,416.22 | 183.05 | 261.65 | 152.38 | 106.02 | 6,232.98 |
| Charge during the year | - | 27.53 | 1,301.82 | 38.60 | 37.71 | 22.90 | 3.86 | 1,432.42 |
| Disposal/Adjustments | - | - | - | - | - | - | - | - |
| As at March 31, 2020 | - | 141.19 | 6,718.04 | 221.65 | 299.36 | 175.28 | 109.88 | 7,665.40 |
| Net Block as at March 31, 2020 | 10.62 | 1,491.91 | 9,839.36 | 141.11 | 87.05 | 29.59 | 23.78 | 11,623.43 |

As at March 31, 2019

(Rs. in Lakhs)

| Particulars | Freehold Land | Buildings | Plant & Machinery | Furniture & Fittings | Vehicles | Office Equipment | Computers | Grand Total |
|---------------------------------------|---------------|-----------------|-------------------|----------------------|---------------|------------------|---------------|------------------|
| Gross Block | | | | | | | | |
| As at April 1, 2018 | 10.62 | 1,633.10 | 16,555.36 | 362.76 | 372.27 | 194.82 | 118.53 | 19,247.46 |
| Additions | - | - | 1.88 | - | 14.14 | 6.60 | 0.26 | 22.88 |
| Disposal/Adjustments | - | - | - | - | - | - | - | - |
| As at March 31, 2019 | 10.62 | 1,633.10 | 16,557.24 | 362.76 | 386.41 | 201.42 | 118.79 | 19,270.34 |
| Accumulated Depreciation | | | | | | | | |
| As at April 1, 2018 | - | 86.17 | 4,112.74 | 141.69 | 217.01 | 124.75 | 100.62 | 4,782.98 |
| Charge during the year | - | 27.49 | 1,303.48 | 41.36 | 44.64 | 27.63 | 5.40 | 1,450.00 |
| Disposal/Adjustments | - | - | - | - | - | - | - | - |
| As at March 31, 2019 | - | 113.66 | 5,416.22 | 183.05 | 261.65 | 152.38 | 106.02 | 6,232.98 |
| Net Block as at March 31, 2019 | 10.62 | 1,519.44 | 11,141.02 | 179.71 | 124.76 | 49.04 | 12.77 | 13,037.36 |

Note to the Consolidated Financial Statement for the year ended March 31, 2020

5A Intangible Assets under Development

(Rs. in Lakhs)

| Particulars | Refer Note No | As at March 31, 2020 | As at March 31, 2020 |
|-------------------------------------|---------------|----------------------|----------------------|
| Opening Cost | | - | 72,514.39 |
| Add: Additions during the year | 5A.1 | 1,366.03 | 7,854.28 |
| Less: Capitalised during the year | | - | (80,368.67) |
| Closing Gross carrying value | | 1,366.03 | - |

5A.1 The details of expenditure incurred during construction period are as follows:

(Rs. in Lakhs)

| Particulars | Refer Note No. | Addition for the Financial year ended | Upto |
|----------------------------------|----------------|---------------------------------------|-----------------|
| | | March 31, 2020 | March 31, 2019 |
| Payment For Development Charges | | 1,366.33 | 2,169.97 |
| Bank Charges | | - | 0.80 |
| Salary & Wages | | - | 201.30 |
| Interest on Term Loan | | - | 5,122.97 |
| Travelling Expenses | | - | 0.62 |
| Independent Engineers Fees | | - | 133.85 |
| Insurance Charges | | - | 17.30 |
| Legal & Professional Fees | | - | 20.57 |
| Miscellaneous Expenses | | - | 148.48 |
| Rates & Taxes | | - | 2.05 |
| Amortisation of transaction cost | | - | 36.37 |
| Total | | 1,366.33 | 7,854.28 |

5B. Other Intangible Assets

(Rs. in Lakhs)

| Carriage Ways* | Refer Note No | As at March 31, 2020 | As at March 31, 2019 |
|--|---------------|----------------------|----------------------|
| Opening Gross Carrying value | | 83,460.25 | 3,091.58 |
| Transfer to Intangible assets from intangible assets under development | | - | 80,368.67 |
| Disposal/(Adjustments) | | - | - |
| Closing Gross carrying value | | 83,460.25 | 83,460.25 |
| Accumulated Amortization | | | |
| Opening | | 1,562.59 | 1,032.35 |
| Amortization for the year | | 4,028.35 | 530.24 |
| Disposal/(Adjustments) | | - | - |
| Closing | | 5,590.94 | 1,562.59 |
| Closing Net Carrying Amount | | 77,869.31 | 81,897.66 |

*Being the right to operate and maintain the highways on Build, Operate and Transfer basis.

** The amortisation of Intangible assets (Carriage ways) created has been done according to MCA circular G.S.R.(E) dated April 17, 2012.

Note to the Consolidated Financial Statement for the year ended March 31, 2020

6. Investments - Non Current

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------|----------------------|----------------------|
| Investment in Equity Instruments (at cost) - Unquoted | | | |
| RGY Road Private Limited | | 1.00 | 1.00 |
| 9,990 (2019 : 9,990) equity shares of Rs.10/- each fully paid | | | |
| MBL (CGRG) Road Limited | | 0.01 | 0.01 |
| 50 (2019 : 50) equity shares of Rs.10/- each fully paid up | | | |
| MBL (GSY) Road Limited | | 0.01 | 0.01 |
| 50 (2019 : 50) equity shares of Rs.10/- each fully paid up | | | |
| Orissa Steel Expressway Private Limited* | | 0.02 | 0.02 |
| 200 (2019 :200) equity shares of Rs.10/- each fully paid | | | |
| TOTAL | | 1.04 | 1.04 |

*Refer note no 52

6.1 Statement of Investment in Subsidiaries

a. Investment in Subsidiaries

| Name of the Company | Principal Activity | Country of Incorporation | % of holding as at March 31, 2020 | % of holding as at March 31, 2019 |
|---|------------------------------------|--------------------------|-----------------------------------|-----------------------------------|
| AAP Infrastructure Limited | Construction and Civil Engineering | India | 100.00 | 100.00 |
| MBL Highway Development Co. Limited | Construction and Civil Engineering | India | 100.00 | 100.00 |
| MBL (MP) Toll Road Co. Limited | Construction and Civil Engineering | India | 100.00 | 100.00 |
| MBL (Haldia) Toll Road Co. Ltd. | Construction and Civil Engineering | India | 100.00 | 100.00 |
| Suratgarh Bikaner Toll Road Company Private Limited | Construction and Civil Engineering | India | 100.00 | 100.00 |
| MBL Projects Ltd. | Construction and Civil Engineering | India | 100.00 | 100.00 |
| MBL (MP) Road Nirman Co. Ltd. | Construction and Civil Engineering | India | 100.00 | 100.00 |
| MBL (Udaipur Bypass) Road Limited | Construction and Civil Engineering | India | 100.00 | 100.00 |

7 Trade Receivables - Non Current

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|----------------------------|----------------|----------------------|----------------------|
| Unsecured, Considered Good | 7.2 & 12.1 | 121842.50 | 103,767.09 |
| Total | | 121842.50 | 103,767.09 |

7.1 Refer Note 12 for Current portion of Trade Receivables

Note to the Consolidated Financial Statement for the year ended March 31, 2020

(Rs. in Lakhs)

| 7.2 Break-up of debtors is as follows: | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|---|-----------------------|---------------------------------|---------------------------------|
| Non Current | 7 | 121842.50 | 103,767.09 |
| Current | 12 | 7425.27 | 9,569.75 |
| Deferred Credit (Non current) | 10 | 48,814.36 | 61,519.35 |
| Deferred Credit (Current) | 16 | 10,509.12 | 9,820.21 |
| Total | | 188,591.25 | 184,676.40 |

7.3 The above balances are subject to confirmation/reconciliation and consequential impact thereof.

(Rs. in Lakhs)

| 7.4 Ageing of trade receivables is as follows: | As at March 31, 2020 | As at March 31, 2019 |
|---|---------------------------------|---------------------------------|
| Within Credit period | 6,072.31 | 5,272.70 |
| Past due 0-180 days | 1,352.71 | 1,149.31 |
| Past due more than 180 days | 181,165.98 | 178,254.39 |
| Total | 188,591.25 | 184,676.40 |

8 Other Financial Assets - Non Current

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|--|-----------------------|---------------------------------|---------------------------------|
| Deposit with Banks having maturity more than 12 months | 8.1 | 291.48 | 215.96 |
| Accrued Interest on fixed deposits | | 140.09 | 124.78 |
| Security Deposit | | 1.34 | 1.00 |
| Advance to Related Party | | - | 1,374.35 |
| Total | | 432.91 | 1,716.09 |

8.1 Fixed deposits includes pledged with banks as margin of Rs.79.37 Lakhs (March 31, 2019: Rs.3.73 Lakhs)

8.2 Fixed deposits includes pledged with others as security deposit of Rs.212.11 lakhs (March 31, 2019: Rs.212.23 Lakhs)

9 Deferred Tax Assets (Net) - Non Current

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|----------------------------------|-----------------------|---------------------------------|---------------------------------|
| Deferred Tax Assets | | 15,330.57 | 10,227.48 |
| Less: Deferred Tax Liabilities | 47(c) | 2,831.86 | 3,049.02 |
| Deferred Tax Assets (Net) | | 12,498.71 | 7,178.46 |

10 Other Non Current Assets - Non Current

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|----------------------------|-----------------------|---------------------------------|---------------------------------|
| Deferred credit - Deposits | 10.1 | 48,814.36 | 61,519.35 |
| Deferred Assets - Advance | | - | 389.25 |
| Total | | 48,814.36 | 61,908.60 |

Note to the Consolidated Financial Statement for the year ended March 31, 2020

11 Inventories- Current

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------|-------------------------|-------------------------|
| (As valued and certified by the management) | | | |
| (at cost or net realisable value, whichever is lower) | | | |
| Construction materials at site | | 567.64 | 578.15 |
| Total | | 567.64 | 578.15 |

12 Trade Receivables - Current

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------|-------------------------|-------------------------|
| (Unsecured - Considered good unless otherwise stated) | | | |
| Considered good | 12.1 | 7425.27 | 9,569.75 |
| Total | | 7425.27 | 9,569.75 |

12.1 Refer Note 7.4 for ageing of trade receivables.

13 Cash and Cash Equivalents- Current

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------|-------------------------|-------------------------|
| Balances with Banks: | | | |
| In current accounts | | 865.67 | 58.71 |
| Cash on hand | | 29.55 | 60.04 |
| Deposits with banks having original maturity less than 3 months | 13.1 & 13.2 | 241.86 | 342.28 |
| Total | | 1,137.08 | 461.03 |

13.1 Fixed deposits includes pledged with banks as margin of Rs.241.46 Lakhs (March 31, 2019: Rs.338.94 Lakhs)

13.2 Fixed deposits includes pledged with others as security deposit of Rs.40 lakhs (March 31, 2019: Rs.3.31 Lakhs)

14 Other Bank Balances - Current

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------|-------------------------|-------------------------|
| Deposits with banks having maturity more than 3 months but less than 12 months | 14.1 | 3.80 | 3.80 |
| Unclaimed Dividend | | 1.69 | 2.49 |
| Total | | 5.49 | 6.28 |

14.1 Fixed deposits includes pledged with others as security deposit of Rs.3.80 lakhs (March 31, 2019: Rs.3.80 Lakhs)

15 Other Financial Assets - Current

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------|-------------------------|-------------------------|
| Unsecured, considered good unless otherwise stated | | | |
| Advance to Related Parties (Refer note no. 38) | | 101.14 | 299.21 |
| Security and Other Deposits | 15.1 | 646.82 | 518.35 |
| Accrued Interest on fixed deposits | | 16.58 | 23.38 |
| Others | | 918.14 | 917.15 |
| Total | | 1,682.68 | 1,758.09 |

Note to the Consolidated Financial Statement for the year ended March 31, 2020

15.1 The above balances are subject to confirmation/reconciliation and consequential impact thereof.

16 Other Current Assets - Current

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------|-------------------------|-------------------------|
| Advance against materials, services, etc. | 16.1 | 2,946.16 | 2,944.62 |
| Deferred credit-deposits/others | | 10,509.12 | 9,820.21 |
| Prepaid expenses | | 22.06 | 16.65 |
| Balances with government authorities | | 14.31 | 1.83 |
| Other Advances | | 22.09 | 44.36 |
| Deferred Assets - Advance/others | | - | 130.04 |
| Total | | 13,513.74 | 12,957.71 |

16.1 Advance against materials, services, etc. are subject to confirmations from certain parties.

17 Equity Share Capital

(Rs. in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|--|-------------------------|-------------------------|
| Authorised Shares | | |
| 10,50,00,000 (March 31, 2019 - 10,50,00,000) Equity Shares of Rs.10/- each | 10,500.00 | 10,500.00 |
| Total | 10,500.00 | 10,500.00 |
| Issued, Subscribed & Fully Paid Up Shares | | |
| 10,47,54,624 (March 31, 2019 - 10,47,54,624) Equity shares of Rs.10/- each fully paid up | 10,475.46 | 10,475.46 |
| Totals | 10,475.46 | 10,475.46 |

17.1 The Company has only one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share.

17.2 In the event of Liquidation, the Equity Shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

17.3 Reconciliation of shares outstanding at the beginning and at the end of the reporting period:

(Rs. in Lakhs)

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|--|-------------------------|------------------|-------------------------|------------------|
| | Number | Value | Number | Value |
| Equity Shares: | | | | |
| Number of Shares at the beginning of the year | 104,754,624 | 10,475.46 | 41,454,624 | 4,145.46 |
| Add: Addition during the year | - | - | 63,300,000 | 6,330.00 |
| Number of Shares at the end of the year | 104,754,624 | 10,475.46 | 104,754,624 | 10,475.46 |

Note to the Consolidated Financial Statement for the year ended March 31, 2020

17.4 The details of shareholders holding more than 5% shares of the aggregate share in the Company:

(Rs. in Lakhs)

| Name of the Shareholder | As at March 31, 2020 | | As at March 31, 2019 | |
|-----------------------------------|-------------------------|--------|-------------------------|--------|
| | No. of Shares | % | No. of Shares | % |
| MBL A Capital Limited | 33,274,877 | 31.77% | 33,274,877 | 31.77% |
| Anjaneer Kumar Lakhotia | 13,358,716 | 12.75% | 13,358,716 | 12.75% |
| Dipika Suppliers Private Limited | 11,800,000 | 11.27% | 11,800,000 | 11.27% |
| Chetan Commotrade Private Limited | 9,900,000 | 9.45% | 9,900,000 | 9.45% |

18 Other Equity

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|------------------------------|----------------|-------------------------|-------------------------|
| Capital Reserve | 18.2 | 40,308.22 | 11,841.26 |
| Securities Premium | 18.3 | 20,703.24 | 20,703.24 |
| Debenture Redemption Reserve | 18.4 & 37 | 22,021.27 | 29,708.52 |
| General Reserve | 18.5 | 12,941.14 | 5,253.89 |
| Retained Earnings | 18.6 | (30,788.95) | (28,852.13) |
| Total | | 65,184.92 | 38,654.77 |

18.1 Refer Statement of changes in Equity (SOCE) for movement in balances of reserves.

Nature and Purpose of Reserves :

18.2 Capital Reserve

Capital Reserve represents adjustments arising out of Resolution Plan under Insolvency and Bankruptcy Code, 2016 approved by the Hon'ble NCLT on April 18, 2018 as stated in Note No. 37.

18.3 Securities Premium

Securities Premium represents the amount received in excess of par value of securities and is available for utilisation as specified under Section 52 of Companies Act, 2013.

18.4 Debenture Redemption Reserve (DRR)

Debenture Redemption Reserve represents 25% of the outstanding amount of debentures in accordance with Companies (Share Capital and Debentures) Rules, 2014.

18.5 General Reserve

The General Reserve is created from time to time by appropriating profits from Retained Earnings. The general reserve is created by a transfer from one component of equity to another and accordingly it is not reclassified to the Statement of Profit and Loss.

18.6 Retained Earnings

Retained Earnings generally represent the undistributed profits /amount of accumulated earnings of the Company.

Note to the Consolidated Financial Statement for the year ended March 31, 2020

19 Borrowings - Non Current

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------|-------------------------|-------------------------|
| Secured | | | |
| 0.10 % Non-Convertible Debentures | 19.1 | 49,571.64 | 66,876.26 |
| Working capital Term Loans (WCTL) from banks | 19.2 | 3,737.54 | 5,000.00 |
| Equipment/Vehicle Finance/Term Loan/External Commercial Borrowings | 19.3 | | |
| -From Banks | | 51,342.23 | 54,037.32 |
| -From Others | | 3,847.52 | 4,018.32 |
| Total | | 108,498.93 | 129,931.90 |

19.1 The Company has issued 0.10% Secured Non-Convertible Debentures to banks to be redeemed at a premium of 10% at the time of final redemption as per approved Resolution Plan. The payment of the interest will be made at the end of each quarter starting from the date of implementation of the Resolution plan.

The payment of the Principal amount is in 39 unequated quarterly installments as per approved Resolution Plan.

A security trustee will be appointed for creation of security and the amount of NCDs aggregating to Rs.88,085.05 Lakhs (Including Deferred Credit to Rs.38,513.41 Lakhs) will be secured by :

- 1st pari-passu charge on the long term receivables.
- 2nd pari-passu charge on the entire current assets of the Company.

19.2 There is working capital term loan of Rs.3,737.54 Lakhs from banks. The rate of interest on such loan is 1 year MCLR of SBI plus spread of 0.70% p.a and will be repaid in 39 unequated quarterly installments as per approved Resolution Plan.

The Working Capital Term Loan is secured as follows:

- 1st pari-passu charge on the entire Fixed Assets (movable and immovable) of the Company except those specifically charged to Equipment/ ECB lenders.
- 1st pari-passu charge on the long term receivables.
- 2nd pari-passu charge on the entire current assets of the Company.

19.3 d. Equipment / Vehicle finance/ External commercial borrowings (ECB) availed from banks and others are secured by hypothecation of specific equipments; comprising construction equipments acquired out of the said loans and personal guarantee of promoter director of the Company.

e. External commercial borrowing (ECB) availed by the subsidiary companies "MBL Highway Development Company Ltd & MBL (MP) Toll Road Company Ltd" from banks is secured by First charge on all the movable & immovable assets, both present & future, escrow account, intangible assets, all revenues and receivables and pledge of 30% equity shares of the company held by the parent company.

f. Term loan availed by the subsidiary company "Suratgarh Bikaner Toll Road Company Pvt Ltd" from banks is secured by First charge on all the movable & immovable assets of the company, escrow account, intangible assets, all toll revenues and receivables, funds in debt service reserve account and pledge of 51% equity shares of the company held by the parent company.

19.4 All the amounts will be paid after proper reconciliation and without prejudice to legal remedies available to the Company. The Company will have the option to prepay the dues to banks, financial institutions /creditors (based on time value of their dues at discount rate), without any additional levies.

Note to the Consolidated Financial Statement for the year ended March 31, 2020

19.5 Maturity profile of long term borrowings on implementation of resolution plan by financial creditors:

(Rs. in Lakhs)

| Particulars | Rate of Interest (%)* | Within 1 year | 1 to 2 years | 2 to 3 years | Beyond 3 years |
|--|-------------------------------------|-----------------|-----------------|-----------------|------------------|
| 0.10 % Non-Convertible Debentures | 0.10 % p.a. | | 726.85 | 811.72 | 48,033.07 |
| WCTL from Banks | 1 Year SBI MCLR* + (0.70 % p.a.) | | 28.03 | 37.38 | 3,672.13 |
| External Commercial Borrowings/ Equipment term Loan | 1 Year SBI MCLR* + (0.70 % p.a.) | | - | - | - |
| -From Banks | | 45.48 | 44.93 | 122.81 | 11,919.78 |
| -From Others | | 15.25 | 229.73 | 247.36 | 3,370.43 |
| Term Loan | 12.5% | | | | |
| -From Banks | | 5,745.29 | 3,254.71 | 3,975.00 | 32,025.00 |
| Total | | 5,806.02 | 4,284.25 | 5,194.27 | 66,995.41 |

* Interest rates have been considered as per the resolution plan approved by the NCLT on April 18, 2018.

20 Trade Payable - Non Current

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------|-------------------------|-------------------------|
| A) Total outstanding dues of micro enterprises and small enterprises | 20.1 | - | - |
| B) Total outstanding dues of Creditors other than micro enterprises and small enterprises | 26.2 | 3,847.80 | 3,208.63 |
| Total | | 3,847.80 | 3,208.63 |

20.1 Disclosure of Trade payables as required under section 22 of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, based on the confirmation and information available with the company regarding the status of suppliers.

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| a) Interest amount remaining unpaid but not due as at year end | - | - |
| b) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year. | - | - |
| c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006 | - | - |
| d) Interest accrued and remaining unpaid as at year end. | - | - |
| e) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise | - | - |

21 Other Financial Liabilities - Non Current

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As on March 31, 2019 |
|--------------|----------------|-------------------------|-------------------------|
| Others | | 313.53 | 261.45 |
| Total | | 313.53 | 261.45 |

Note to the Consolidated Financial Statement for the year ended March 31, 2020

22 Provisions - Non Current

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------------|----------------|-------------------------|-------------------------|
| Provision for employee benefits | 39 | 64.27 | 73.09 |
| Total | | 64.27 | 73.09 |

23 Other Non Current Liabilities - Non Current

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------|-------------------------|-------------------------|
| Statutory Dues Payable | 47 | 1,046.33 | 1,039.99 |
| Deferred gain on fair valuation of financial instruments | | 38,513.41 | 47,324.51 |
| Total | | 39,559.74 | 48,364.50 |

24 Non Current Tax Liabilities (Net) - Non Current

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------|-------------------------|-------------------------|
| Provision for Tax (Net of advance tax) | 24.1 & 46 | 2,618.76 | 2,646.02 |
| Total | | 2,618.76 | 2,646.02 |

24.1 Provision for tax of Rs.13,825.19 is net of advance tax of Rs.11,206.43 Lakhs (March 31, 2019 Rs.11,179.12 Lakhs).

25 Borrowings - Current

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------|-------------------------|-------------------------|
| Secured | | | |
| - Working Capital facilities from Banks (repayable on demand) | 25.1 | 3,737.54 | 5,000.00 |
| - Liquidation Value of Dissenting Financial Creditors | | 4,902.24 | - |
| - Term Loan from Bank | | - | 2,313.51 |
| - From Body Corporates | 25.2 | 328.36 | 4,19.21 |
| Unsecured | | | |
| -From Bodies Corporate | | 2,703.04 | 2,622.63 |
| -Book Overdraft | | 19.81 | 329.65 |
| Total | | 11,690.99 | 10,685.00 |

25.1 Restructuring of working capital facilities in term of Resolution Plan

There is cash credit facilities aggregating to Rs 3,737.54 Lakhs from banks. The rate of interest on such cash credit will be 1 year MCLR of SBI plus spread of 0.70% p.a as per the approved Resolution Plan. The Cash Credit facilities is secured as follows:

- (i) 1st pari-passu charge on the entire current assets of the company.
- (ii) 2nd pari-passu charge on the entire Fixed Assets (movable and immovable) of the Company.
- (iii) 2nd pari-passu charge on the long term receivables.

25.2 Short term secured borrowings from other parties is secured by way of pledge of 9,78,000 nos. (March 31, 2019- 9,78,000 nos.) shares of the Company held by Promoter Company MBL A Capital Limited .

25.3 All the amounts will be paid after proper reconciliation and without prejudice to legal remedies available to the Company. The Company will have the option to prepay the dues to banks, financial institutions /creditors (based on time value of their dues at discount rate), without any additional levies.

Note to the Consolidated Financial Statement for the year ended March 31, 2020

26 Trade Payables - Current.

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------|-------------------------|-------------------------|
| A) Total outstanding dues of micro enterprises and small enterprises | 26.1 | | |
| B) Total outstanding dues of Creditors other than micro enterprises and small enterprises | 26.2 | 5,672.50 | 6,223.58 |
| Total | | 5,672.50 | 6,223.58 |

26.1 Disclosure of Trade payables as required under section 22 of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, based on the confirmation and information available with the company regarding the status of suppliers.

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| a) Interest amount remaining unpaid but not due as at year end | - | - |
| b) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year | - | - |
| c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006 | - | - |
| d) Interest accrued and remaining unpaid as at year end | - | - |
| e) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise | - | - |

26.2 Balances are subject to confirmations/reconciliations and consequential impact thereof.

27 Other Financial Liabilities - Current

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As on March 31, 2019 |
|---|----------------|-------------------------|-------------------------|
| Current maturities of Long Term Debt | | | |
| -From Banks | | 5,790.77 | 3,066.29 |
| -From Others | | 15.25 | 16.03 |
| Unclaimed Dividend | | 1.69 | 2.49 |
| Security Deposit | | - | 25.16 |
| Payable to Employees | | - | 74.68 |
| Liabilities against capital goods | | | |
| - Total outstanding dues of MSME | | - | - |
| - Total outstanding dues of creditors other than MSME | | 69.44 | 68.15 |
| Provision for Claims | | 39,828.45 | 15,711.41 |
| Others | | 1,175.26 | 1,151.79 |
| Total | | 46,880.86 | 20,116.00 |

Note to the Consolidated Financial Statement for the year ended March 31, 2020

28 Other Current Liabilities - Current

(Rs. in Lakhs)

| Particulars | Refer Note No | As at March 31, 2020 | As at March 31, 2019 |
|--|---------------|----------------------|----------------------|
| Advance from Customers | | 3,326.02 | 687.36 |
| Advance from Related Parties | 38 | 127.97 | 1,477.58 |
| Statutory Dues | 48 | 63.54 | 392.15 |
| Deferred gain on fair valuation of financial instruments | | 562.47 | 5,758.26 |
| Others | | 1,389.24 | 1,921.81 |
| Provision for interest | | - | 15,455.45 |
| Total | | 5,469.24 | 25,692.62 |

29 Provisions - Current

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | As at March 31, 2019 |
|---------------------------------|----------------|----------------------|----------------------|
| Provision for Employee Benefits | 39 | 3.49 | 4.24 |
| Total | | 3.49 | 4.24 |

30 Revenue from Operations

(Rs. in Lakhs)

| Particulars | Refer Note No. | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|----------------|-----------------------------------|-----------------------------------|
| Construction and Project related activities | 45 | 15,174.68 | 14,653.11 |
| User fee(toll) | | 6,100.94 | 760.60 |
| Total | | 21,275.62 | 15,413.71 |

31 Other Income

(Rs. in Lakhs)

| Particulars | Refer Note No. | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|----------------|-----------------------------------|-----------------------------------|
| Interest on fixed deposits | | 43.08 | 47.01 |
| Interest income on Financial Assets carried at amortised cost | | | |
| -Trade Receivables | | 7,962.22 | 7,237.78 |
| -Loan | | - | 71.93 |
| -Advances | | 566.74 | 102.60 |
| Interest income on BOT Adjustment | | 346.44 | 369.90 |
| Amortisation of deferred portion of financial liabilities measured at amortised cost | | | |
| -Trade Payables | | 520.10 | 520.10 |
| -Dues to Employees | | 42.38 | 42.38 |
| Claims | | - | 0.35 |
| Miscellaneous income | | 800.28 | 292.74 |
| Total | | 10,281.24 | 8,684.79 |

32 Cost of Materials Consumed

(Rs. in Lakhs)

| Particulars | Refer Note No. | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|----------------------------|----------------|-----------------------------------|-----------------------------------|
| Cost of Materials Consumed | | 2,212.04 | 4,122.81 |
| Total | | 2,212.04 | 4,122.81 |

Note to the Consolidated Financial Statement for the year ended March 31, 2020

33 Employee Benefit Expense

(Rs. in Lakhs)

| Particulars | Refer Note No. | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|----------------|--------------------------------------|--------------------------------------|
| Salaries, Wages and Bonus | | 1,162.89 | 898.93 |
| Contribution to Provident and Other funds | | 53.94 | 65.64 |
| Staff Welfare Expense | | 142.06 | 85.01 |
| Total | | 1,358.89 | 1,049.58 |

34 Finance Cost

(Rs. in Lakhs)

| Particulars | Refer Note No. | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|----------------|--------------------------------------|--------------------------------------|
| Interest expense | | 5,876.29 | 885.87 |
| Interest expense on amortisation of financial assets and financial liabilities | | 737.81 | 912.81 |
| Total | | 6,614.10 | 1,798.68 |

34.1 As part of the approved Resolution Plan there is waiver of interest/penal interest/interest on interest/other penal charges on the delayed payments from the date of NPA till the implementation of the resolution plan by financial creditors. As the lenders are yet to implement the package, interest etc. have not accrued to them. Accordingly no provision for interest up to March 31, 2020 amounting to Rs.4,409 lakhs (March 31, 2019 Rs.2,157 lakhs) has been made.

35 Depreciation and Amortisation Expense

(Rs. in Lakhs)

| Particulars | Refer Note No. | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|----------------|--------------------------------------|--------------------------------------|
| Depreciation on Property, Plant and Equipment | 5 | 1,432.42 | 1,450.00 |
| Amortisation of Intangible Asset | 5B | 4,028.35 | 530.24 |
| Total | | 5,460.77 | 1,980.24 |

Note to the Consolidated Financial Statement for the year ended March 31, 2020

36 Other Expenses

(Rs. in Lakhs)

| Particulars | Refer Note No. | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|----------------|--------------------------------------|--------------------------------------|
| Direct labour, sub-contract etc. | | 2,096.44 | 3,056.73 |
| Stores and spares consumed | | 104.00 | 187.48 |
| Power, fuel and lubricants | | 327.21 | 421.30 |
| Hire charges - vehicles and equipments | | 77.72 | 81.63 |
| Routine maintenance expenses | | 136.11 | - |
| Sites rent | | 58.27 | 53.10 |
| Repairs to machinery | | 4.02 | 8.44 |
| Insurance | | 50.09 | 26.91 |
| Rates and taxes, excluding taxes on income | | 70.00 | 186.87 |
| Other repairs | | 95.91 | 78.91 |
| Remuneration to Auditors | 36.1 | 24.96 | 26.47 |
| Bank commission and charges | | 49.77 | 59.25 |
| Financial Assets written off | | | |
| -Trade Receivables | | 8,711.15 | 9,725.31 |
| -Advances | | 545.59 | - |
| Site development expenses | | - | 5.82 |
| Corporate Social Responsibility (CSR) expenditure | 36.2 | 0.74 | 0.60 |
| Director's Remuneration | | 60.00 | 57.00 |
| Premium Paid- Additional Concession Fee | | 263.55 | 41.83 |
| Miscellaneous expenses | | 1,448.32 | 1,653.49 |
| Claims Adjustment | | 5,864.96 | 276.95 |
| Provision for expenses | | 2,014.73 | 590.81 |
| Loss on Currency Transaction & Translation | | 1,167.49 | 791.18 |
| Total | | 23,171.03 | 17,330.08 |

36.1 Remuneration to Auditors comprises of:

(Rs. in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|----------------------------|------------------------------|------------------------------|
| Payment to Auditors | | |
| -Statutory audit | 22.16 | 22.57 |
| -Tax audit | 2.80 | 2.80 |
| -Certification fees etc. | - | 1.10 |
| Total | 24.96 | 26.47 |

36.2 The CSR expenditure comprises the following:

(a) Gross amount required to be spent by the Company during the year Rs. Nil (March 31, 2019 - Rs. Nil)

(b) Amount spent during the year on:

(Rs. in Lakhs)

| Particulars | Year ended March 31, 2020 | | | Year ended March 31, 2019 | | |
|--|---------------------------|-------------------|-------------|---------------------------|-------------------|-------------|
| | Paid | Yet to be Paid | Total | Paid | Yet to be Paid | Total |
| i) Construction/acquisition of any asset | - | - | - | - | - | - |
| ii) On purpose other than (i) above | 0.74 | - | 0.74 | 0.60 | - | 0.60 |
| Total | 0.74 | - | 0.74 | 0.60 | - | 0.60 |

Note to the Consolidated Financial Statement for the year ended March 31, 2020

37 Exceptional items:

- i. At the time of the approval of the Resolution Plan on April 18, 2018, the dissenting financial creditors were required to be paid liquidation value in terms IBC, 2016 read with Regulation 38 (1) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons), Regulations, 2016, (IBC Regulations). Therefore, the Company in terms of the approved Resolution Plan had issued 0.10 % p.a. Secured Non-Convertible Debentures aggregating to Rs.88,085.05 lakhs on April 30, 2018 to the working capital banks who had voted in favour of approved Resolution plan. The aforesaid debentures are redeemable in 39 unequated quarterly installments starting from the date of implementation of Resolution Package at a premium of 10% payable at time of final redemption and provision was made for payment of liquidation value to dissenting financial creditors.

However in view of the judgement of Hon'ble NCLAT that the dissenting financial creditors would be treated at par with the assenting financial creditors and the resolution plan is also binding on them, Regulation 38(1) were amended on October 05, 2018. The Company consequent to the amendments made in IBC Regulations on February 14, 2019 issued 0.10 % p.a. Secured Non-Convertible Debentures aggregating to Rs. 30,749.02 lakhs to the dissenting financial creditors on same terms and conditions of repayment as of assenting financial creditors.

However, pursuant to the judgement of Hon'ble Supreme Court, Section 30(2) (b) of IBC, 2016 was amended w.e.f. August 16, 2019 and accordingly dissenting financial creditors are to be paid liquidation value as per the Resolution Plan. Therefore, 0.10% p.a Non-Convertible Debentures aggregating to Rs.30,749.02 lakhs issued by the Company on February 14, 2019 to the dissenting financial creditors in accordance with the then IBC Regulations, have been cancelled and provision has been made for liquidation value to be paid to the dissenting financial creditors in terms of the approved Resolution Plan on implementation of the Resolution Plan by the financial creditors .

Difference in financial liabilities i.e. Non-Convertible Debentures, Cash Credit Facilities and Working Capital Term Loans in terms of the approved Resolution Plan and liquidation value to the dissenting financial creditors aggregating to Rs.28,371.70 lakhs has been adjusted and shown as exceptional item resulting from Corporate Insolvency Resolution Process (CIRP) and is capital in nature and no income/profit has accrued nor has any cash flow realised to the Company. The amount have been routed through Statement of Profit and Loss Account as per requirement of Ind AS and being capital in nature has been transferred to Capital Reserve. Moreover no real income/profit/loss has accrued to the Company and in view of the above the same is not taxable under the provisions of the Income Tax Act and Rules. There is no impact on deferred tax income/expense on account of aforesaid exceptional item. Consequent to cancellation of non convertible debentures aggregating to Rs.30,749.02 lakhs issued to dissenting financial creditors, Debenture Redemption Reserve to extent of Rs 7,687.25 lakhs has been written back and transferred to General Reserve. The liquidation value payable to the dissenting financial creditors on implementation of the resolution plan and in terms of the approved Resolution Plan has been provided as current liabilities. The figures of Non-Convertible Debentures, Cash credit and working capital term loan has been adjusted accordingly.

- ii. Rs.95.26 lakhs being difference between liability and settlement with a financial creditor is adjustment under IBC, 2016 and is shown as exceptional item and is capital in nature and no income/profit has accrued nor has any cash flow realised to the Company. The amount has been routed through Statement of Profit and Loss Account as per requirement of Ind AS and being capital in nature has been transferred to Capital Reserve. Moreover no real income/profit/loss has accrued to the Company and in view of the above the same is not taxable under the provisions of the Income Tax Act and Rules. There is no impact on deferred tax income/expense on account of aforesaid exceptional items.

Note to the Consolidated Financial Statement for the year ended March 31, 2020

38 Related Party Disclosures:

Related parties have been identified in terms of Ind As 24 "Related Party Disclosures" as listed below :

List of Related Parties where control exists

| A. Name of the Related Party | Relationship |
|---|--|
| Joint Ventures | |
| TCIL - MBL (JV) (51%) | Enterprises-Participation interest |
| MBL - Supreme (JV) (50%) | Enterprises-Participation interest |
| MBL- ABCI (JV) (60%) | Enterprises-Participation interest |
| MBL- VIL (JV) (60%) | Enterprises-Participation interest |
| MBL- Atlas (JV) (50%) | Enterprises-Participation interest |
| B. Key Management Personnel | |
| • Mr. Anjaneer Kumar Lakhota, as a Member of Board | Key Management Personnel |
| • Mrs. Sunita Palita, Independent Director | Key Management Personnel |
| • Mr. Ashwini Kumar Singh, Independent Director | Key Management Personnel |
| • Mr. Bhagwan Singh Duggal, Independent Director | Key Management Personnel |
| • Mr. Surender Aggarwal, Director, as a Member of Board, Suratgarh Bikaner Toll Road Company Private Limited* | Key Management Personnel |
| • Mr. Darshan Singh Negi, Chief Financial Officer, MBL Infrastructures Ltd, MBL (MP) Toll Road Company Limited, MBL Highway Development Company Limited and AAP Infrastructure Limited* | Key Management Personnel Key Management Personnel |
| • Mr. Mukesh Baheti, Chief Financial Officer, Suratgarh Bikaner Toll Road Company Private Limited | Key Management Personnel |
| • Mr. Ankit Jhavar, Chief Financial Officer, AAP Infrastructure Limited* | Key Management Personnel |
| • Mr. Prakash Sharma, Director, as a Member of Board, AAP Infrastructure Limited and MBL (Haldia) Toll Road Company Limited | Key Management Personnel |
| • Mr. Sudhanshu Chaturvedi, Director, as a Member of Board, AAP Infrastructure Limited and MBL (Haldia) Toll Road Company Limited | Key Management Personnel |
| • Mr. Ramnarayan Sharma, Director, as a Member of Board, AAP Infrastructure Limited and MBL (Haldia) Toll Road Company Limited | Key Management Personnel |
| • Mr. Rama Shankar Singh, Chief Financial Officer, MBL Projects Ltd. and MBL (MP) Road Nirman Company Limited* | Key Management Personnel |
| • Mr. Jai Singh Shekhawat, Chief Financial Officer, MBL Highway Development Company Limited* | Key Management Personnel |
| • Mr. Anubhav Maheshwari, Company Secretary, MBL Infrastructures Ltd., MBL (MP) Toll Road Company Limited and MBL Highway Development Company Limited* | Key Management Personnel |
| • Ms. Ritu Agarwal, Company Secretary, Suratgarh Bikaner Toll Road Company Private Limited* | Key Management Personnel |
| • Ms. Sonam Arora, Company Secretary, Suratgarh Bikaner Toll Road Company Private Limited* | Key Management Personnel |
| • Ms. Sanmeet Kaur, Company Secretary, MBL Highway Development Company Limited* | Key Management Personnel |
| • Mr. Shubham Kumar, Company Secretary, MBL Projects Ltd and MBL (MP) Road Nirman Company Limited.* | Key Management Personnel |
| • Mr. Shivam Sharma, Company Secretary, MBL Projects Ltd and MBL (MP) Road Nirman Company Limited.* | Key Management Personnel |
| • Mr. Alok Kumar, Company Secretary, MBL Projects Ltd. and MBL (MP) Road Nirman Company Limited.* | Key Management Personnel |

Note to the Consolidated Financial Statement for the year ended March 31, 2020

| | |
|---|---|
| C. Enterprises owned or significantly influenced by key management personnel or their relatives with whom transactions have taken during the period. | MBL A Capital Ltd Dipika Supplier Pvt. Ltd. Chetan Commotrade Pvt. Ltd. |
|---|---|

NOTE:

* Ms. Ritu Agarwal resigned from the post of Company Secretary w.e.f July 10, 2019 , Mr. Shubham Kumar resigned from the post of Company Secretary w.e.f. July 26, 2019, Ms. Sonam Arora was appointed as Company Secretary w.e.f. August 14, 2019 & Mr. Shivam Sharma appointed as Company Secretary w.e.f. August 26, 2019 and resigned w.e.f. September 24, 2019, Mr. Ankit Jhavar resigned w.e.f. January 01, 2020., Mr. Darshan Singh Negi appointed as CFO of MBL (MP) Toll Road Company Limited w.e.f April 23, 2019, MBL Highway Development Company Limited w.e.f. February 14, 2020 and AAP Infrastructure Limited w.e.f February 14, 2020, Mr. Rama Shankar Singh resigned from MBL Projects Ltd. and MBL (MP) Road Nirman Company Limited w.e.f June 30, 2020, Mr. Surender Aggarwal appointed as Director w.e.f. May 27, 2019 and Whole-time Director w.e.f. February 14, 2020, Mr. Jai Singh Shekhawat resigned w.e.f. November 20, 2019, Mr. Anubhav Maheshwari appointed as Company Secretary in MBL (MP) Toll Road Company Limited w.e.f April 23, 2019 and MBL Highway Development Company Limited w.e.f February 14, 2020, Ms. Sanmeet Kaur, Company Secretary resigned from MBL Highway Development Company Limited w.e.f October 18, 2019, Mr. Alok Kumar appointed as Company Secretary in MBL Projects Ltd. and MBL (MP) Road Nirman Company Limited w.e.f. November 21, 2019.

D. Transactions during the year

(Rs. in Lakhs)

| Particulars | Subsidiary Companies | | Key Management Personnel | | Enterprises owned or significantly influenced by key management personnel or their relatives | | Enterprises-Participation interest | |
|---|----------------------|----------------|--------------------------|----------------|--|----------------|------------------------------------|----------------|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| Director's Sitting Fees | - | - | 5.35 | 7.20 | - | - | - | - |
| Reimbursement of expenses/Payments/Receipts (Net) | - | - | - | - | 1,396.45 | 498.97 | 124.57 | - |
| Investment/subscription/Share application money (As per approved Resolution Plan) | - | 957.57 | - | 1205.00 | - | 5,125.00 | - | - |
| Receipts / Revenue from Operations | - | - | - | - | - | - | 1,116.31 | 810.88 |
| Purchase of Equity Shares of subsidiary Company | - | - | - | - | - | 1,489.14 | - | - |
| Contact Revenue Billed, etc. | - | - | - | - | - | - | 2379.71 | 829.31 |

E.

(Rs. in Lakhs)

| Particulars | Subsidiary Companies | | Key Management Personnel | | Enterprises owned or significantly influenced by key management personnel or their relatives | | Enterprises - Participation Interest | |
|-------------------|----------------------|----------------|--------------------------|----------------|--|----------------|--------------------------------------|----------------|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| Amount Receivable | - | - | - | - | - | - | 2,595.12 | 1,358.99 |
| Amount Payable | - | - | - | - | 35.61 | 1432.06 | 130.86 | 282.71 |

F. The transactions with the related parties are made on terms equivalent to those that prevail for arm's length transactions. The assessment is undertaken each financial year through examining the financial position of the related party and in the market in which the related party operates. Outstanding balances are unsecured and will be settled in cash.

Note to the Consolidated Financial Statement for the year ended March 31, 2020

G. Compensation to Key Managerial Personnel

(Rs. in Lakhs)

| Particulars | 2019-20 | 2018-19 |
|---|---------------|---------------|
| Director's Remuneration | 60.00 | 57.00 |
| Remuneration - other key Managerial person* | 100.87 | 94.78 |
| Total | 160.87 | 151.78 |

* The above post employment benefits i.e gratuity and leave encashment which cannot be separately identified from the composite amount advised by the actuary.

Note:

1. The above information is as identified by the management and relied upon by the auditors.
2. Terms and Conditions of transactions with Related Parties:

All transactions are from related parties are made in ordinary course of business. For the year ended March 31 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

39 Employee Benefits

As per Ind AS - 19 "Employee Benefits", the disclosure of Employee Benefits as defined are given below:

Defined Contribution Plan

The Company makes Provident Fund and Employees State Insurance Fund contributions for eligible employees. Under the schemes, the Company is required to contribute a specified percentage / fixed amount of the payroll costs to fund the benefits. The contributions as specified under the law are paid to the respective fund set up by the government authority.

Expense recognised for Defined Contribution Plans for the year is as under:

(Rs. in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|------------------------------|------------------------------|
| Employer's Contribution to Provident Fund | 19.52 | 25.37 |
| Total | 19.52 | 25.37 |

Defined Benefit Plan

The Company has a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method.

Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation & Change in Plan Assets:

(Rs. in Lakhs)

| (i) Particulars | Gratuity | Leave Encashment |
|---|--------------|------------------|
| Movement in Obligation | | |
| Present value of obligation - March 31, 2019 | 51.58 | 25.75 |
| Service cost | 11.01 | 3.38 |
| Interest on defined benefit obligation | 3.42 | 1.76 |
| Benefits settled | (3.77) | (0.38) |
| Remeasurement- Actuarial (Gain)/Loss | (5.77) | (19.23) |
| Present value of obligation - March 31, 2020 | 56.47 | 11.28 |

Note to the Consolidated Financial Statement for the year ended March 31, 2020

(Rs. in Lakhs)

| (ii) Change in Plan assets | Gratuity (Funded) | |
|---|-------------------|----------------|
| | March 31, 2020 | March 31, 2019 |
| Particulars | | |
| Fair Value of Plan assets at the beginning of the financial year | - | - |
| Expected return on plan assets | - | - |
| Actuarial Gain/ (Loss) | - | - |
| Contributions | - | - |
| Benefits settled | - | - |
| Fair Value of Plan assets at the end of the financial year | - | - |

Net Funded Status of Plan-Gratuity

(Rs. in Lakhs)

| (iii) Particulars | March 31, 2020 | March 31, 2019 |
|--|----------------|----------------|
| Closing Defined Benefit Obligation | 56.47 | 51.58 |
| Closing fair value of plan assets | - | - |
| Net Funded Status of Plan Surplus/(Deficit) | (56.47) | (51.58) |

Expenses recognised in the statement of Profit and Loss:

(Rs. in Lakhs)

| (iv) Particulars | Gratuity | Leave Encashment |
|--|--------------|------------------|
| Service cost | 11.69 | 6.62 |
| Interest cost | 3.77 | 1.42 |
| Actuarial Gain/ (Loss) | - | (0.59) |
| Expected return on plan assets | - | - |
| For the year ended March 31, 2019 | 15.46 | 7.45 |
| Service cost | 11.01 | 3.38 |
| Interest cost | 3.42 | 1.76 |
| Actuarial Gain/ (Loss) | - | (19.23) |
| Expected return on plan assets | (3.77) | (0.38) |
| For the year ended March 31, 2020 | 10.66 | (14.47) |

Expenses recognised in Other Comprehensive Income-Gratuity

(Rs. in Lakhs)

| (v) Particulars | March 31, 2020 | March 31, 2019 |
|--|----------------|----------------|
| Remeasurement- Actuarial (Gain)/Loss | (5.77) | (12.58) |
| Net expenses recognised in Other Comprehensive Income | (5.77) | (12.58) |

Principal Actuarial Assumptions used for estimating the Company's defined benefit obligations

(Rs. in Lakhs)

| (vi) Particulars | March 31, 2020 | March 31, 2019 |
|---|----------------|----------------|
| Discounting rate (%) | 6.88% | 7.75% |
| Estimated rate of return on plan assets (%) | 0% | 0% |
| Salary Increase (%) | 6% | 6% |
| Attrition rate (%) | 5% | 5% |
| Mortality Rate | IALM (2006-08) | IALM (2006-08) |
| Retirement age (years) | 60 | 60 |

(vii) The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

Note to the Consolidated Financial Statement for the year ended March 31, 2020

The discount rate is based on the market yield available on long term government bonds.

(Rs. in Lakhs)

| (viii) Particulars | Gratuity | Leave Encashment |
|-----------------------------|--------------|------------------|
| As at March 31, 2020 | | |
| Current liability | 1.53 | 1.96 |
| Non current liability | 54.93 | 9.33 |
| Total | 56.46 | 11.29 |
| As at March 31, 2019 | | |
| Current liability | 1.88 | 3.46 |
| Non current liability | 49.70 | 22.29 |
| Total | 51.58 | 25.75 |

Sensitivity Analysis

(Rs. in Lakhs)

| Gratuity | Change in assumptions | March 31, 2020 | March 31, 2019 |
|---------------------------|-----------------------|----------------|----------------|
| Discount rate | 1.00% | (51.10) | (46.78) |
| | -1.00% | 62.74 | 57.17 |
| Salary Growth rate | 1.00% | 62.69 | 57.16 |
| | -1.00% | (51.06) | (46.71) |
| Attrition rate | 1.00% | 56.19 | 51.66 |
| | -1.00% | (56.74) | (54.46) |
| Mortality Rate | 10.00% | 56.47 | 51.60 |

(Rs. in Lakhs)

| Leave Encashment | Change in assumptions | March 31, 2020 | March 31, 2019 |
|---------------------------|-----------------------|----------------|----------------|
| Discount rate | 1.00% | (10.35) | (23.96) |
| | -1.00% | 12.37 | 27.81 |
| Salary Growth rate | 1.00% | 12.34 | 27.70 |
| | -1.00% | (10.36) | (24.03) |
| Attrition rate | 1.00% | 11.29 | 25.92 |
| | -1.00% | (11.27) | (25.58) |
| Mortality Rate | 10.00% | 11.29 | 25.77 |

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation, keeping all other actuarial assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

Note to the Consolidated Financial Statement for the year ended March 31, 2020

Maturity profile of Defined Benefit Obligation as on 31st March, 2020:

(Rs. in Lakhs)

| Period | Gratuity | Leave Encashment |
|----------------|--------------|------------------|
| Within 1 year | 1.53 | 0.34 |
| 1-2 years | 3.00 | 0.64 |
| 2-3 years | 1.68 | 0.30 |
| 3-4 years | 1.25 | 0.26 |
| 4-5 years | 2.58 | 0.64 |
| 5-10 years | 15.19 | 3.50 |
| Above 10 years | 31.24 | 5.61 |
| Total | 56.47 | 11.29 |

40. Fair value of financial assets and liabilities

a. The carrying amounts and fair values of financial assets and liabilities are as follows:

(Rs. in Lakhs)

| Particulars | Refer Note No. | As at March 31, 2020 | | As at March 31, 2019 | |
|--|----------------|----------------------|-------------------|----------------------|-------------------|
| | | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| Financial Assets-At amortised cost | | | | | |
| Trade Receivables | 7&12 | 129,267.77 | 129,267.77 | 113,336.84 | 113,336.84 |
| Cash & Cash Equivalents | 13 | 1,137.08 | 1,137.08 | 461.03 | 461.03 |
| Other Bank Balances | 14 | 5.49 | 5.49 | 6.27 | 6.28 |
| Other Financial Assets | 8&15 | 2,115.59 | 2,115.59 | 3,474.18 | 3,474.18 |
| Total | | 132,525.93 | 132,525.93 | 117,278.32 | 117,278.32 |
| Financial Liabilities-At amortised cost | | | | | |
| Borrowings | 19,25&27 | 125,995.94 | 125,995.94 | 143,699.22 | 143,699.22 |
| Trade Payables | 20&26 | 9,520.30 | 9,520.30 | 9,432.21 | 9,432.21 |
| Other Financial Liabilities | 21&27 | 41,388.37 | 41,388.37 | 17,269.97 | 17,269.97 |
| Total | | 176,904.61 | 176,904.61 | 170,401.40 | 170,401.40 |

The management considers that the above carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values. The above table includes the balances payable to financial and operational creditors in terms of the resolution plan under the IBC, 2016 as stated in Note No. 37.

b. Fair Valuation Technique

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values :-

- i. The fair value of cash and cash equivalents, trade receivables, current trade payables, current financial liabilities and borrowings approximate their carrying amount largely due to the short-term nature of these instruments. The Board considers that the carrying amounts of financial assets and financial liabilities recognised at cost/amortised cost in the financial statements

Note to the Consolidated Financial Statement for the year ended March 31, 2020

approximate their fair values.

- ii. In terms of the resolution plan, the long term borrowings as on 31st March, 2020 are substantially at fixed rate. Accordingly, any increase or decrease in the market rate of interest will have implications on the fair value of long term debt in future years.

41. Financial risk management, objective and policies

The Company's business activities are exposed to a variety of financial risks – credit risk, liquidity risk and market risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The risks are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

However, as indicated in note no. 37 entire loan has been restructured. In view of the above, the related risks have undergone significant variation leading to substantial improvement in financial position and will require reconsideration on giving effect to the above adjustments in the financial statement.

i. Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables). To manage this, the management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and ageing of accounts receivable.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. Receivables from customers are reviewed/evaluated periodically by the management and appropriate provisions are made to the extent recovery there against has been considered to be remote.

The carrying amount of respective financial assets recognised in the financial statements represents the Company's maximum exposure to credit risk.

Credit exposure is managed by counterparty limits for investment of surplus funds which is reviewed by the Management. Bank balances are held with reputed and creditworthy banking institutions.

Trade receivables disclosed include amounts that are past due at the end of the reporting period but against which the Company has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable.

ii) Liquidity Risk

The Company objective is maintaining optimum level of liquidity to meet its cash and collateral requirement at all times. The Company relies on Borrowing and internal accruals to meet its need for fund. The current committed lines of credit are sufficient to meet its short to medium term expansion needs.

The table provides undiscounted cash flow towards non-derivative financial liabilities and net settled derivative financial liabilities into relevant maturity based on the remaining period at balance sheet date to contractual maturity date.

As at March 31, 2020

(Rs. in Lakhs)

| Particulars | Less than 12 months | More than 12 months | Total |
|----------------------------|---------------------|---------------------|-------------------|
| Financial Liability | | | |
| Borrowings | 17,497.01 | 108,498.93 | 125,995.94 |
| Trade Payables | 5,672.50 | 3,847.80 | 9,520.30 |
| Others | 41,074.84 | 313.53 | 41,388.37 |
| Total | 64,244.35 | 112,660.26 | 176,904.61 |

Note to the Consolidated Financial Statement for the year ended March 31, 2020

As at March 31, 2019

(Rs. in Lakhs)

| Particulars | Less than 12 months | More than 12 months | Total |
|----------------------------|---------------------|---------------------|-------------------|
| Financial Liability | | | |
| Borrowings | 13,767.32 | 129,931.90 | 143,699.22 |
| Trade Payables | 6,223.58 | 3,208.63 | 9,432.21 |
| Others | 17,008.52 | 261.45 | 17,269.97 |
| Total | 36,999.42 | 133,401.98 | 170,401.40 |

iii. Market Risk

Market risk is the risk or uncertainty arising from possible market price movements resulting in fluctuation of the fair value of future cash flows of a financial instrument. The major components of Market risks are foreign currency exchange risk and interest rate risk. Financial instruments affected by market risk include borrowings.

a. Foreign Currency Risk

The Company does not have any significant transaction in foreign currency except foreign currency ECB loan. There are no outstanding Derivative contracts as on 31st March 2020. In terms of resolution plan, ECB loan is payable in INR Currency.

There is no foreign exchange difference accounted in Statement of Profit and Loss during the year.

b) Interest rate and sensitivity

The Company exposure in market relating to change in interest rate primarily arises from floating rate borrowing with banks and financial institutions. As at March 31, 2020, substantially all of the Company borrowings fall under the fixed interest rates (approved under resolution plan), hence there will be no interest rate risk. Considering the restructuring of borrowing, the carrying amount of said borrowing was considered to be at fair value.

Borrowings

As at March 31, 2020

(Rs. in Lakhs)

| Particulars | Refer Note No. | Total borrowings | Floating rate borrowings | Fixed rate borrowings | Weighted average interest rate (%) |
|--------------|----------------|-------------------|--------------------------|-----------------------|------------------------------------|
| INR | | 125,995.94 | 80.54 | 125,915.40 | 10.02 |
| Total | | 125,995.94 | 80.54 | 125,915.40 | |

As at March 31, 2019

(Rs. in Lakhs)

| Particulars | Refer Note No. | Total borrowings | Floating rate borrowings | Fixed rate borrowings | Weighted average interest rate (%) |
|--------------|----------------|-------------------|--------------------------|-----------------------|------------------------------------|
| INR | | 143,699.22 | 2,707.62 | 125,915.40 | 9.87 |
| Total | | 143,699.22 | 2,707.62 | 125,915.41 | |

iv. Capital risk management

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through a mixture of equity, internal fund generation and other non-current borrowings. The Company's policy is to use current and non-current borrowings to meet anticipated funding requirements. The Company monitors capital on the basis of the gearing ratio which is net debt divided by total capital. Net debts are non-current and current debts as reduced by cash and cash equivalents.

Note to the Consolidated Financial Statement for the year ended March 31, 2020

The Company also monitors capital using gearing ratio which is net debt divided by total capital. The gearing ratio is as follows:

Gearing Ratio

(Rs. in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------------|----------------------|
| Debt | | |
| Borrowing | 125,995.94 | 143,699.22 |
| Cash and Cash Equivalents | 1137.08 | 461.03 |
| Net Debt (net of cash and cash equivalent) | 124,858.86 | 143,238.19 |
| Capital | | |
| Equity Share Capital | 10,475.46 | 10,475.46 |
| Other Equity | 65,184.92 | 38,654.78 |
| Total Capital | 75,660.38 | 49,130.24 |
| Capital and net debt | 200,519.24 | 192,368.43 |
| Gearing Ratio | 0.62 | 0.74 |

42. Contingent Liabilities and Commitments (to the extent not provided for)

A. Contingent Liabilities

(Rs. in Lakhs)

| S.NO | Particulars | March 31, 2020 | March 31, 2019 |
|------|---|----------------|----------------|
| a | Claims against the company / disputed liabilities not acknowledged as debts (to the extent ascertained) | 1,718.32 | 1,718.32 |
| b | Outstanding bank guarantees | 6,909.55 | 7,919.75 |
| c | Tax matters in disputed under appeal | 13,839.41 | 12,609.14 |

42.1 The Company's pending litigations comprises of claim against the Company and proceedings pending with tax/ statutory/Government Authorities. The Company has reviewed all its pending litigation and proceedings and has made adequate provisions, and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position. Future cash outflows in respect of Income tax (A.Y. 2004-05 to 2010-11, 2012-2013, 2013-2014, 2014-2015, 2016-2017 and 2017-2018) and sales tax (FY 2007-08 to 2015-16) are determinable only on receipt of judgment/ decisions pending with various forums/ authorities.

- 42.2 a. Any amount arising out of invocation of existing Corporate Guarantees/Contingent Liabilities other than the current sub-judice matters will be paid after the payment of all the dues of Financial Creditors as per resolution plan, without any interest & penalties subject to the rights & remedies available to the corporate debtor.
- b. One Time Settlement with lenders of SPVs/subsidiaries subject to rights & remedies available to the corporate debtor by issuing NCDs for 10years @ coupon rate of 0.10 % to be paid after payment of dues of COC members.

B. Commitments: Rs. Nil (March 31, 2019 - Rs. Nil)

43. Disclosures as required by Indian Accounting Standard (Ind AS) 37 "Provisions, Contingent Liabilities and Contingent Assets"

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the entity. During the normal course of business, unresolved claims remains outstanding. The inflow of economic benefits, in respect of such claims cannot be measured due to uncertainties that surround the related events and circumstances.

Note to the Consolidated Financial Statement for the year ended March 31, 2020

44. Earnings per share

Basic and diluted earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average of equity shares outstanding during the year.

Before Exceptional Items

(Rs. In Lakhs except otherwise stated)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|----------------|----------------|
| Profit/(loss) attributable to equity shareholders | (1,945.74) | 1,984.78 |
| Weighted average number of equity shares (in nos.) | 1,047,546,24 | 874,121,58 |
| Basic & diluted earnings per equity share (In Rs)* | (1.86) | 2.27 |

After Exceptional Items

(Rs. In Lakhs except otherwise stated)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|----------------|----------------|
| Profit/(loss) attributable to equity shareholders | 26,521.23 | (26,386.53) |
| Weighted average number of equity shares (in nos.) | 1,047,546,24 | 874,121,58 |
| Basic & diluted earnings per equity share (In Rs)* | 25.32 | (30.19) |

*There is no dilution to the basic EPS as there are no outstanding potentially dilutive equity shares.

45. Disclosure in accordance with Ind AS 115 'Construction contracts' – Amount due from/to customers on Construction Contracts:

a. Disaggregation of revenue according to type of good or service for the year ended March 31, 2020

(Rs. in Lakhs)

| Type of good or service | Revenue as per Ind AS 115 |
|-------------------------|---------------------------|
| Civil construction | 16,620.59 |
| Total | 16,620.59 |

b. Contract balances:

i. Movement in Contract balances during the year:

(Rs. in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|--------------------------------------|---------------------------|---------------------------|
| Opening balance Contract liabilities | 1,024.16 | 163.63 |
| Closing balance Contract liabilities | 809.88 | 1024.16 |
| Net increase/(decrease) | (214.28) | 860.53 |

ii. Revenue recognised during the year from opening balance of contract liabilities amounting to Rs.2562.16 lakhs (March 31, 2019 Rs. 1,367.81 lakhs).

Note to the Consolidated Financial Statement for the year ended March 31, 2020

c. Reconciliation of Contracted Price with Revenue during the year:

(Rs. in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|------------------------------|------------------------------|
| Opening Contracted Price of Orders at the start of the year* | 142,380.50 | 155,086.73 |
| Add: | | |
| Fresh Orders/Change Orders received (net) | 8,156.24 | 7,862.65 |
| Increase due to additional consideration recognised as per contractual terms / (decrease) due to scope reduction -net | - | 219.90 |
| Less: Order Completed During the year | 64,158.44 | 20,788.78 |
| Closed Contracted price of orders on hand at the end of the year* | 86,378.30 | 142,380.50 |
| Total Revenue recognised during the year: | 16,620.59 | 14,667.11 |
| a. Revenue out of orders completed during the year | 11,344.54 | 7,976.53 |
| b. Revenue out of orders under execution at the end of the year (i) | 5,276.05 | 6,690.58 |
| Revenue recognised upto previous year (from order pending completion at the end of the year) (ii) | 70,778.56 | 116,897.87 |
| Balance Revenue to be recognised in future viz. Order Book (iii) | 10,323.70 | 18,792.06 |
| Closing Contracted price of Orders on hand at the end of the year* (i+ii+iii) | 86,378.31 | 142,380.50 |
| Closing Contracted price of Orders on hand at the end of the year- Continuing Operations | 10,323.70 | 18,792.06 |

*including full value of partially executed contracts

d. Remaining performance obligations: The aggregate amount of transaction price allocated to remaining performance obligations and expected conversion of the same into revenue is as follows:

(Rs. in Lakhs)

| Expected conversion in revenue | Year | Transaction price allocated to the remaining performance obligation |
|--------------------------------|------------------|---|
| | Upto 1 year | 10,323.70 |
| From 1 to 2 years | - | |
| From 2 to 3 years | - | |
| From 3 to 4 years | - | |
| From 4 to 5 years | - | |
| Beyond 5 years | - | |
| Total | 10,323.70 | |

46. Tax Expenses

a. The major components of income tax expense for the year are as under:

(Rs. in Lakhs)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|------------------------------|------------------------------|
| Income Tax recognised in the Statement of Profit and Loss | | |
| Current Tax | - | - |
| Deferred Tax | (5,314.24) | (4,167.66) |
| Total Income Tax expenses recognised in statement of profit and loss | (5,314.24) | (4,167.66) |
| Income Tax expense recognised in OCI | | |
| Deferred Tax expense on re-measurement of defined benefit plans | 2.02 | 4.40 |
| Income Tax expense recognised in OCI | 2.02 | 4.40 |
| Total (Net) | (5,312.22) | (4,163.26) |

Note to the Consolidated Financial Statement for the year ended March 31, 2020

b. A reconciliation of income tax expense not applicable to accounting profits / (loss) before tax at the statutory income rate to recognised income tax expense for the year due to there was not computed any taxable profits during the year ended March 31, 2020

c. **Gross Deferred Tax Liability and Assets for the year ended March 31, 2020 are as follows:**

(Rs. in Lakhs)

| Particulars | As at April 1, 2019 | Charge/(Credit) recognised in Profit and Loss | Charge/(Credit) recognised in OCI | Closing Balance March 31, 2020 |
|---|---------------------|---|-----------------------------------|--------------------------------|
| Deferred Tax Assets | | | | |
| Provision for expense allowed for tax purpose on payment basis | 124.97 | (0.32) | (2.02) | 122.63 |
| Tax effect on Unabsorbed Loss and Depreciation | 7,415.06 | 4,119.77 | - | 11,542.86 |
| Difference in carrying value and tax base of Financial Asset At amortised cost | 28,354.04 | (3,154.21) | - | 25,199.83 |
| Difference in carrying value and tax base of Intangible Assets | 1,137.65 | (118.98) | - | 1,018.67 |
| Difference in carrying value and tax base of Non-Financial Liability | 17,784.72 | (4,456.31) | - | 13,328.41 |
| Total Deferred Tax Assets | 54,816.44 | (3,610.05) | (2.02) | 51,212.40 |
| Deferred Tax Liabilities | | | | |
| Difference between written down value/capital work in progress of Fixed Assets as per the books of accounts and Income Tax Act, 1961. | 1,878.45 | (117.99) | | 1,760.46 |
| Difference in carrying value and tax base of non-Financial Liability | 17,822.63 | (4,516.81) | | 13,305.82 |
| Difference in carrying value and tax base of Non-Financial Asset | 26,631.49 | (4,055.36) | | 22,576.13 |
| Difference in carrying value and tax base of Financial Asset | 1,305.41 | (234.13) | | 1,071.28 |
| Total Deferred Tax Liabilities | 47,637.98 | (8,924.29) | - | 38,713.69 |
| Deferred Income Tax Assets (Net) | 7,178.46 | 5,314.24 | (2.02) | 12,498.71 |

Gross Deferred Tax Liability and Assets for the year ended March 31, 2019 are as follows:

(Rs. in Lakhs)

| Particulars | As at April 1, 2018 | Charge/(Credit) recognised in Profit and Loss | Charge/(Credit) recognised in OCI | Closing Balance March 31, 2019 |
|---|---------------------|---|-----------------------------------|--------------------------------|
| Deferred Tax Assets | | | | |
| Provision for expense allowed for tax purpose on payment basis | 26.56 | 103.17 | (4.40) | 124.97 |
| Tax effect on Unabsorbed Loss and Depreciation | 4,192.70 | 3,222.36 | - | 7,415.06 |
| Difference in carrying value and tax base of Financial Asset At amortised cost | 29,595.53 | (1,241.49) | - | 28,354.04 |
| Difference in carrying value and tax base of Intangible Assets | 1,555.13 | (417.48) | - | 1,137.65 |
| Difference in carrying value and tax base of Non-Financial Liability | 14,515.57 | 3,269.15 | - | 17,784.72 |
| Total Deferred Tax Assets | 49,885.49 | 4,935.71 | (4.40) | 54,816.44 |
| Deferred Tax Liabilities | | | | |
| Difference between written down value/capital work in progress of Fixed Assets as per the books of accounts and Income Tax Act, 1961. | 1,920.58 | (42.13) | - | 1,878.45 |
| Difference in carrying value and tax base of Non-Financial Liability | 14,546.20 | 3,276.79 | - | 17,822.63 |
| Difference in carrying value and tax base of Non-Financial Asset | 28,867.46 | (2,235.97) | - | 26,631.49 |
| Difference in carrying value and tax base of Financial Asset | 1,536.05 | (230.64) | - | 1,305.41 |
| Total Deferred Tax Liabilities | 46,870.29 | 768.05 | - | 47,637.98 |
| Deferred Income Tax Assets (Net) | 3,015.20 | 4,167.66 | (4.40) | 7,178.46 |

Note to the Consolidated Financial Statement for the year ended March 31, 2020

- d. Pursuant to the provisions of Ind AS 12 "Income Taxes", the Company has recognised deferred tax asset amounting to Rs.12,499.34 lakhs (March 31, 2019 Rs.7,178.72 lakhs) corresponding to unused brought forward income tax losses for which it has convincing evidences viz. opportunities available in area of its core competence, bidding/pre-qualification limit, conducive government policies and market conditions, TEV study and approved Resolution Plan etc., based on which it is inferred that sufficient taxable profit will be available against which unused tax losses can be utilised by the Group.

47. Statutory Dues

In terms of the approved Resolution Plan:

- a. Payment of statutory liabilities (like income tax, service tax, Vat, Royalties, Cess, Stamp Duty, other statutory dues etc.) will be made over a period of 3 years from the date of implementation of the Resolution Plan by the financial creditors with waiver of penal Interest, simple interest, compound interest, damages, penalties, compounding charges etc. on all statutory dues.
- b. Any liability arising out of the matter, which is presently sub-judice and leads to liability against the Company will be paid over a period of 7 years after the judgement, without any interest and penalty, subject to rights & remedies available to the Company.

48. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated:-

| Name of the Entity | Net Assets (Total Assets minus Total Liabilities) | | Share in Profit /Loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
|--|---|------------------|-----------------------|------------------|-------------------------------------|-------------|-------------------------------------|------------------|
| | % | Amount | % | Amount | % | Amount | % | Amount |
| Parent Company | | | | | | | | |
| MBL Infrastructures Limited | 142.02 | 107,453.59 | 133.60 | 35,431.63 | 100.00 | 3.75 | 133.59 | 35,435.38 |
| Subsidiaries | | | | | | | | |
| AAP Infrastructure Ltd. | (2.31) | (1,745.97) | (0.08) | (20.29) | - | - | (0.08) | (20.29) |
| MBL Highway Development Company Ltd. | (18.08) | (13,678.77) | (10.89) | (2,888.13) | - | - | (10.89) | (2,888.13) |
| MBL (MP) Toll Road Company Ltd. | 1.36 | 1,032.29 | (1.47) | (390.60) | - | - | (1.47) | (390.60) |
| MBL Projects Ltd. | 2.86 | 2,164.76 | 0.12 | 31.20 | - | - | 0.12 | 31.20 |
| MBL (MP) Road Nirman Company Ltd.# | (0.11) | (80.25) | (0.01) | (2.09) | - | - | (0.01) | (2.09) |
| MBL (Haldia) Toll Road Company Ltd. | 0.01 | 6.54 | (0.00) | (0.33) | - | - | (0.00) | (0.33) |
| Suratgarh Bikaner Toll Road Company Private Ltd. | 14.26 | 10,789.37 | (21.83) | (5,788.66) | - | - | (21.82) | (5,788.66) |
| MBL (Udaipur Bypass) Road Limited# | (0.00) | (1.26) | (0.00) | (0.03) | - | - | (0.00) | (0.03) |
| Minority Interest in all Subsidiaries | - | - | - | - | - | - | - | - |
| Consolidation Adjustments/Elimination | (40.02) | (30,279.92) | 0.56 | 148.52 | - | - | 0.56 | 148.52 |
| Total | 100.00 | 75,660.38 | 100.00 | 26,521.23 | 100.00 | 3.75 | 100.00 | 26,524.98 |

Step - down subsidiaries MBL Projects Ltd.

Note to the Consolidated Financial Statement for the year ended March 31, 2020

49. Segment Reporting

The Company's operations consist of construction/project activities and there are no other reportable segments under Indian Accounting Standard 108 - Operating Segments as identified by the Chief Operating Officer of the Company.

50. Disclosure pursuant to Regulation 34(3) read with Sch V A(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) regulations, 2015 are given in note no. 38.
51. In accordance with the provisions of "Indian Accounting Standard (Ind AS) -36 - Impairment of Assets", the Company has made an assessment of the recoverable amount of assets based on higher of the value in use considering its projected scale of operations, prevailing market conditions, future cash flows and future growth projections and estimated net selling price of the assets pertaining to its various Cash Generating Units and found recoverable amount of these assets to be higher as compared to carrying value of assets in its Financial Statements. Accordingly, management considers that there is no need for the provision on account of impairment of assets.
52. The Company has investment in 2,37,43,800 equity shares aggregating to 30.30% in Orissa Steel Expressway Pvt. Ltd. (OSEPL), a Special Purpose Vehicle, for execution of Four/Two Laning of Rimuli-Roxy- Rajamunda Section of NH 215 from km 163.00 to km 269.00 in the state of Orissa awarded by NHAI on DBFOT Basis and there were option agreements which could have been exercised by the parties prior to completion/termination of concession agreement.

On January 13, 2017, the concession agreement with NHAI was foreclosed and arbitration proceedings were initiated by OSEPL. An arbitration award dated March 31, 2019 for Rs.32,278.00 lakhs plus interest @ 10 % p.a. was passed in favour of OSEPL. The said arbitration award has been challenged by NHAI before Hon'ble High Court, Delhi. Pursuant to order dated July 24, 2019, NHAI has deposited Rs.32,278.00 lakhs as a condition for stay of operation of the award pending final adjudication. Out of 2,37,43,800 equity shares aggregating to 30.30%, 1,28,64,000 equity shares held by the company has been inappropriately transferred reducing the shareholding of the Company in OSEPL to 13.89 % for which the company has filed an application of inter-alia oppression and mismanagement with Hon'ble NCLT, Cuttack. The investment is carried at net cost.

53. On September 20, 2019, vide the Taxation Laws (Amendment) Ordinance 2019, the Government of India inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective 01 April 2019 subject to certain conditions. However, the Company having significant amount of brought forward tax losses and unabsorbed depreciation on which deferred tax asset has been recognised, is still evaluating and has not yet elected to exercise the option permitted under section 115BAA. In view of the above, there is no impact of the new tax rate on the standalone financial statements for the current period.
54. The outbreak of COVID 19 had impacted the operations of the Company. Execution of contracts undertaken by the Company were temporarily suspended during the lock down. The operations of the Company were affected by way of interruption in construction activities, supply chain disruption, unavailability of personnel, closure/lockdown of various other activities, etc. As per directions of MHA operations at toll plazas of various SPVs of the Company had been closed w.e.f. March 25 & 26, 2020 till April 19, 2020 mid-night. In terms of the directives of MHA, SPVs commenced collection of user toll fee at all toll plaza w.e.f. 20th April 2020. The construction activities has commenced in a phased manner after implementation of the standard protocols in line with the directives of the authorities.

The Company has considered various external and internal information upto the date of approval of these financial statements for assessing inter-alia the recoverability of various receivables, investments, liquidity, financial position and operations of the Company and the management expects to recover the carrying amount of these assets based on the current indication of future economic conditions.

The Company has exercised protections available to it as per the various contractual provisions to reduce the impact of COVID 19. The impact of the lockdown disruption including government policies will have to be assessed from time to time and therefore may be different from those estimated at time of approval of these financial statements and will be communicated as we progress.

Note to the Consolidated Financial Statement for the year ended March 31, 2020

55. The Company has applied Ind AS 116 "Leases" with effect from April 1, 2019 and recognised leases as per the requirements of Ind AS. The effect of this adoption on profit after tax for the year ended March 31, 2020 is not material.
56. The Company has a regular programme of physical verification for its inventory and fixed assets. Further, during the year physical verification of significant part of inventory and fixed assets has been carried out by the management and no material discrepancy were found.
57. Previous year's figures were regrouped, rearranged and reclassified, wherever considered necessary.
58. These financial statements have been approved by Board of Directors of the Company in their meeting dated July 13, 2020 for issue to the shareholders for their adoption.

Significant Accounting Policies

1-4

The accompanying notes are an integral part of the Consolidated Financial Statements

As per our report of even date attached

For SARC & Associates

Chartered Accountants

Firm's ICAI Registration No.: 006085N

For and on behalf of the Board of Directors

per Kamal Aggarwal

Partner

Membership No.: 090129

Anubhav Maheshwari

Company Secretary

Anjaneer Kumar Lakhotia

Director

DIN-00357695

Place: New Delhi

Date: July 13, 2020

Darshan Singh Negi

Chief Financial Officer

Ashwini Kumar Singh

Director

DIN-00365901

