

SARC/VK/025

**INDEPENDENT AUDITOR'S REPORT**

**To the Board of Directors of MBL Infrastructures Limited**

**Report on the audit of the Standalone Financial Results**

**Opinion**

1. We have audited the standalone annual financial results of **MBL Infrastructures Limited** (hereinafter referred to as the "Company") for the year ended March 31, 2020 and the standalone statement of assets and liabilities and standalone statement of cash flows as at and for the year ended on that date, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial results:
  - i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
  - ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 (the "Act") and other accounting principles generally accepted in India, of profit and other comprehensive income and other financial information of the Company for the year ended March 31, 2020 and the standalone statement of assets and liabilities and standalone statement of cash flows as at and for the year ended on that date.

**Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results 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 financial statement under the provisions of the Act and the Rules 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 obtained by us is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

- 4 We draw attention to the following matters in the notes to the accompanying Standalone Financial Statement:
  - a. Note 2 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 3 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 6 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.
- d. Note 7 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.
- e. Note 8 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.
- f. Note 10 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 14 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.

### **Board of Directors' Responsibilities for the Standalone Financial Results**

5. These standalone financial results have been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of these standalone financial results that give a true and fair view of the profit and other comprehensive income and other financial information of the Company and the standalone statement of assets and liabilities and standalone statement of cash flows in accordance with the recognition and measurement principles laid down in Indian Accounting Standard prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Board of Directors of the Company are responsible for 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 the 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, which have been used for the purpose of preparation of the standalone financial results by the Directors of the Company, as aforesaid.
6. In preparing the standalone financial results, the Board of Directors are 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. The Board of Directors of the Company are also responsible for overseeing the financial reporting process of the Company.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

8. Our objectives are to obtain reasonable assurance about whether the standalone financial results 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 results.
9. As part of an 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 results, 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 (Refer paragraph 13 below).
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
  - Conclude on the appropriateness of the Board of Directors' 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 results 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 results, including the disclosures, and whether the standalone financial results represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance of the Company 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.
11. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

#### **Other Matters**

12. The Standalone Financial Results include the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year.



13. The standalone annual financial results dealt with by this report have been prepared for the express purpose of filing with Bombay Stock Exchange and National Stock Exchange. These results are based on and should be read with the audited standalone financial statements of the Company for the year ended March 31, 2020 on which we issued an unmodified audit opinion vide our report dated July 13, 2020.

**For SARC & Associates**

Chartered Accountants

ICAI Firm Registration Number: 006085N



**Kamal Aggarwal**

Partner

Membership Number: 090129

UDIN: 20090129AAAA081443



Place: New Delhi  
Date: July 13, 2020

# MBL Infrastructures Ltd.

(CIN-L27109DL1995PLC338407)

Registered & Corporate Office: Baani Corporate One, Suite No. 308, 3rd Floor,

Plot No. 5, Commercial Centre, Jasola, New Delhi - 110025

Tel No. 011-48593300; Fax No. 011-48593320, www.mblinfra.com; Email : cs@mblinfra.com.

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020

(Rs. in Lakhs except earnings per share data)

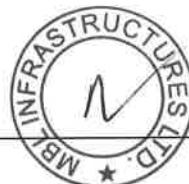
Particulars	Quarter Ended			Year Ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1 Revenue from Operations	7,548	2,988	586	16,621	14,667
2 Other Income	1,990	2,262	1,860	8,582	8,165
3 <b>Total Income (1 + 2)</b>	<b>9,538</b>	<b>5,250</b>	<b>2,446</b>	<b>25,203</b>	<b>22,832</b>
4 Expenses					
a. Cost of Materials Consumed	558	281	881	2,212	4,123
b. Direct Labour, Sub-Contracts etc	494	664	(541)	2,054	3,013
c. Employee benefits expense	70	232	138	714	916
d. Finance Costs	168	214	(20)	769	640
e. Depreciation and amortisation expense	350	360	406	1,430	1,450
f. Other expenses	7,555	3,012	2,988	16,387	12,542
<b>Total Expenses</b>	<b>9,195</b>	<b>4,763</b>	<b>3,852</b>	<b>23,566</b>	<b>22,684</b>
5 <b>Profit/(Loss) before Exceptional Item and tax (3-4)</b>	<b>343</b>	<b>487</b>	<b>(1,406)</b>	<b>1,637</b>	<b>148</b>
6 Exceptional Items	28,467	-	(28,371)	28,467	(28,371)
7 <b>Profit/(Loss) before Tax (5+6)</b>	<b>28,810</b>	<b>487</b>	<b>(29,777)</b>	<b>30,104</b>	<b>(28,223)</b>
8 Tax Expense					
(1) Current Tax	-	-	-	-	-
(2) Deferred Tax	(4,870)	(207)	(242)	(5,328)	(4,099)
9 <b>Profit/(Loss) for the period (7-8)</b>	<b>33,680</b>	<b>694</b>	<b>(29,535)</b>	<b>35,432</b>	<b>(24,124)</b>
10 Other Comprehensive Income					
(i) Items that will not be reclassified to profit & Loss	3	3	(55)	6	13
(ii) Income Tax relating to items that will not be reclassified to profit & Loss	(1)	(1)	20	(2)	(4)
<b>Total Other Comprehensive Income for the period (10)</b>	<b>2</b>	<b>2</b>	<b>(35)</b>	<b>4</b>	<b>9</b>
11 <b>Total Comprehensive Income for the period (9 + 10)</b>	<b>33,682</b>	<b>696</b>	<b>(29,570)</b>	<b>35,436</b>	<b>(24,115)</b>
12 Paid up equity share capital (Face value of Rs. 10 each)	10,475	10,475	10,475	10,475	10,475
13 Other Equity				96,978	61,543
14 Earnings per Equity (EPS) (in Rs.)					
a. EPS before Exceptional Items (Basic and Diluted) (Rs.)	4.98	0.66	(1.37)	6.65	4.06
b. EPS after Exceptional Items (Basic and Diluted) (Rs.)	32.15	0.66	(33.84)	33.83	(27.60)



## STATEMENT OF STANDALONE ASSET AND LIABILITIES AS AT MARCH,31 2020

(Rs. in Lakhs)

	As at 31.03.2020 (Audited)	As at 31.03.2019 (Audited)
<b>A ASSETS</b>		
<b>(1) Non-Current assets</b>		
(a) Property, plant and equipment	11,614	13,037
(b) Financial assets		
(i) Investments	30,307	30,307
(ii) Trade receivables	117,991	99,611
(iii) Other financial assets	431	340
(c) Deferred tax assets (net)	12,442	7,117
(d) Other non current assets	48,814	61,519
<b>Total Non current assets</b>	<b>221,599</b>	<b>211,931</b>
<b>(2) Current assets</b>		
(a) Inventories	568	578
(b) Financial assets		
(i) Trade receivables	8,734	10,702
(ii) Cash and cash equivalents	506	366
(iii) Other Bank Balances	2	2
(iv) Other financial assets	1,145	2,839
(c) Other current assets	13,466	12,773
<b>Total Current assets</b>	<b>24,421</b>	<b>27,260</b>
<b>Total Assets</b>	<b>246,020</b>	<b>239,191</b>
<b>B EQUITY AND LIABILITIES</b>		
<b>(1) Equity</b>		
(a) Equity share capital	10,475	10,475
(b) Other equity	96,978	61,543
<b>Total Equity</b>	<b>107,453</b>	<b>72,018</b>
<b>(2) Liabilities</b>		
<b>Non current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	69,381	88,117
(ii) Trade payables		
-Total outstanding dues of micro/small enterprises	-	-
-Others	3,848	3,209
(iii) Other financial liabilities	314	261
(b) Provisions	64	73
(c) Other non current liabilities	39,560	48,365
(d) Non Current Tax Liabilities (net)	2,627	2,627
<b>Total Non current liabilities</b>	<b>115,794</b>	<b>142,652</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	11,674	8,355
(ii) Trade payables		
-Total outstanding dues of micro/small enterprises	-	-
-Others	5,274	5,784
(iii) Other financial liabilities	964	1,061
(b) Other current liabilities	4,858	9,317
(c) Provisions	3	4
<b>Total Current liabilities</b>	<b>22,773</b>	<b>24,521</b>
<b>Total Liabilities</b>	<b>138,567</b>	<b>167,173</b>
<b>Total Equity &amp; Liabilities</b>	<b>246,020</b>	<b>239,191</b>



## STATEMENT OF STANDALONE CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

(Rs. in Lakhs)

DESCRIPTION	As at 31.03.2020 (Audited)	As at 31.03.2019 (Audited)
<b>A. Cash flow from Operating Activities</b>		
Net Profit/(Loss) Before Tax & Exceptional Items	1,637	148
Adjustment for:		
Depreciation & Amortisation expenses	1,430	1,450
Finance cost (Including fair value change in financial instruments)	769	640
Interest Income (Including fair value change in financial instruments)	(8,564)	(7,917)
<b>Operating profit before working capital changes</b>	<b>(4,728)</b>	<b>(5,679)</b>
Adjustment for:		
(Increase) / Decrease in Inventories	11	52
(Increase) / Decrease in Trade Receivables	(8,453)	(8,494)
(Increase)/ Decrease in other current and non-current Financial Assets	1,736	2,917
(Increase)/Decrease in Loans	-	3,711
(Increase)/Decrease in other current and non-current Assets	12,055	12,603
Increase/ (decrease) in current and non-current trade payables	649	(1,469)
Increase/ (decrease) in other current and non-current Financial Liabilities	(45)	(1,248)
Increase/ (decrease) in other current and non-current Liabilities & Provisions	(13,959)	12,909
<b>Cash generated from/(utilised in ) Operation</b>	<b>(12,734)</b>	<b>15,302</b>
Income Tax (Advance) (Net)	-	179
<b>Net Cash generated from/(utilised in) Operating Activities</b>	<b>(12,734)</b>	<b>15,481</b>
<b>B. Cash flow from Investing Activities</b>		
Capital Expenditure	(6)	45
(Acquisition)/Disposal of investment	-	(8,467)
Deposit with maturity more than three months but less than twelve months	(91)	(125)
<b>Net Cash utilised in Investing Activities</b>	<b>(97)</b>	<b>(8,547)</b>
<b>C. Cash flow from Financing Activities</b>		
Proceeds from issue of Share Capital	-	6,330
Proceeds from / (Repayment of) Long Term Borrowings (net)	13,358	(13,623)
Interest and Finance Charges Paid	(77)	(3)
<b>Net Cash generated from/(utilised in) Financing Activities</b>	<b>13,281</b>	<b>(7,296)</b>
<b>Net Changes in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>450</b>	<b>(362)</b>
Cash & Cash Equivalents (Closing Balance) (Including Book overdraft)	503	53
Cash & Cash Equivalents (Opening Balance) (Including Book overdraft)	53	415
<b>Net Changes in Cash &amp; Cash Equivalents</b>	<b>450</b>	<b>(362)</b>
Cash and cash equivalents Statement of Standalone Asset and Liabilities		
Book overdraft Statement of Standalone Asset and Liabilities	506	366
Cash & Cash Equivalents (Closing Balance) (Including Book overdraft)	3	313
	<b>503</b>	<b>53</b>

Note:-The cash flows statement has been prepared in accordance with indirect method as set out in Indian Accounting standard 7 " Statement of cash flows"





## Notes

- 1 These audited standalone financial results have been prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. The standalone financial results of the Company have been reviewed by the Audit Committee and approved and taken by the Board of Directors of the Company in their meeting held on July 13, 2020.
- 2 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.
- 3 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 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 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 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 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. 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 restated accordingly.

- 4 Rs.95 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.
- 5 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.



- 6 The Company as at 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 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.
- 7 The Company as at March 31, 2020 has Non-Current Investment 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/termination 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.
- 8 The Company as at March 31, 2020 has Non-Current Investment 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.
- 9 On 20 September 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 results for the current period.
- 10 Pursuant to the provisions of Ind AS 12 "Income Taxes", the Company has recognised deferred tax asset amounting to Rs.12,442 lakhs (March 31, 2019 Rs.7,117 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.
- 11 The Company has claims in respect of cost over-run arising due to client responsibility delays, client's suspension of projects, deviation in design, change in scope of work etc., which are at various stages of negotiation/ discussion with the clients/ arbitration/litigation. 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. Revenue in respect of claim is recognised to the extent the company is reasonably certain of their realisation.
- 12 The Company is engaged in Construction/Project activities which are substantially seasonal in nature and the margins vary based on the accrual of cost and recognition of income in different quarters due to nature of business or events which lead to revision in cost to complete.
- 13 The Company's operations consist of construction/project activities and there are no other reportable segments under Indian Accounting Standard 108 - Operating Segments.
- 14 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. 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 investments, trade receivables, other assets, project work in progress and inventories 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
- 15 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.



16 Other expenses includes irrecoverable balances written off which represent certain non-recoverable deferred trade receivable . In previous quarters/period these were included under finance cost and have been re-grouped in other expenses .

Particulars	Quarter Ended			Year Ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
Irrecoverable balances written off.	1179	2570	2353	8711	9725

17 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.

18 The figure for the quarter ended March 31, 2020 and March 31, 2019 are balancing figures between the audited figures in respect of the full financial year upto March 31, 2020 and March 31, 2019 and the unaudited published year to date figure upto the third quarter ended December 31, 2019 and December 31, 2018, respectively being the date of the end of third quarter of the financial year which were subjected to limited review

19 Figures for the previous period/quarter have been reworked/regrouped/recasted, wherever considered necessary.

20 All figures are in lakhs except earnings per share and figures in ( ) denote



For MBL Infrastructures Ltd.

*Anjanee Kumar Lakhota*

Anjanee Kumar Lakhota  
Chairman & Managing Director  
DIN 00357695

Date: July 13, 2020

Place: New Delhi

SARC/VK/026

**INDEPENDENT AUDITOR'S REPORT**

**To the Board of Directors of MBL Infrastructures Limited**

**Report on the Audit of the Consolidated Financial Results**

**Opinion**

1. We have audited the consolidated financial results of **MBL Infrastructures Limited** and its subsidiaries (Holding Company and its subsidiaries together referred to as 'the Group') for the year ended March 31, 2020 and the consolidated statement of assets and liabilities and consolidated statements of cash flows as at and for the year ended on that date, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statement of the subsidiaries, the aforesaid consolidated financial results:
  - i. include the annual financial results of the following entities: AAP Infrastructures Limited, MBL Highway Development Company Limited, MBL (MP) Toll Road Company Limited, MBL (Haldia) Toll Road Company Limited, MBL Projects Limited, Suratgarh Bikaner Toll Road Company Private Limited, MBL (MP) Road Nirman Company Limited, MBL (Udaipur Bypass) Road Limited being subsidiaries.
  - ii. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
  - iii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 (the "Act") and other accounting principles generally accepted in India, of net profit and other comprehensive income and other financial information of the Group for the year ended March 31, 2020 and the consolidated statement of assets and liabilities and consolidated statement of cash flows as at and for the year ended on that date.

**Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results' 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules 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 obtained by us and other auditors in terms of their reports referred to in "Other Matters" paragraph is sufficient and appropriate to provide a basis for our opinion.



## Emphasis of Matter

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

- a. Note 2 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 3 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 7 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 11 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.



## **Board of Directors' Responsibilities for the Consolidated Financial Results**

5. These consolidated financial results have been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group and the consolidated statement of assets and liabilities and consolidated statement of cash flows in accordance with the recognition and measurement principles laid down in Indian Accounting Standard prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective 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 the 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 results by the Directors of the Holding Company, as aforesaid.
6. In preparing the consolidated financial results, the respective Board of Directors of the companies included in the Group are 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 respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Results**

8. Our objectives are to obtain reasonable assurance about whether the consolidated financial results 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 results.
9. As part of an 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 results, 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 (Refer paragraph 15 below).

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
  - Conclude on the appropriateness of the Board of Directors' 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 consolidated financial results 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 results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial results of the entities within the Group to express an opinion on the consolidated financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated financial results, 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.
10. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results 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 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.
11. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

#### **Other Matters**

12. We did not audit 8 subsidiaries included in the consolidated financial results, whose financial results reflect total assets of Rs.89,259.61 lakhs and net assets of (Rs.1,513.29 lakhs) as at March 31, 2020, total revenue of Rs.7,798.59 lakhs, total net profit after tax of (Rs.9,058.92) and total comprehensive income of Rs. Nil for the year ended March 31, 2020 and cash flows (net) of Rs.537.18 lakhs for the year ended March 31, 2020, as considered in the consolidated financial results. These financial results have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 11 above.
13. Our opinion on the consolidated financial results 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.
14. The Consolidated Financial Results include the results for the quarter ended March 31, 2020



being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year.

15. The consolidated annual financial results dealt with by this report have been prepared for the express purpose of filing with Bombay Stock Exchange and National Stock Exchange. These results are based on and should be read with the audited consolidated financial statements of the Group for the year ended March 31, 2020 on which we issued an unmodified audit opinion vide our report dated July 13, 2020.

**For SARC & Associates**

Chartered Accountants

ICAI Firm Registration Number: 006085N



**Kamal Aggarwal**

Partner

Membership Number: 090129

UDIN: 20090129AAAA DR5658



Place: New Delhi  
Date: July 13, 2020



# MBL Infrastructures Ltd.

(CIN-L27109DL1995PLC338407)

Registered & Corporate Office: Bani Corporate One, Suite No. 308, 3rd Floor,

Plot No. 5, Commercial Centre, Jasola, New Delhi - 110025

Tel No. 011-48593300; Fax No. 011-48593320, www.mblinfra.com; Email : cs@mblinfra.com.

## STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020

(Rs. in Lakhs except earnings per share data)

Particulars	Quarter Ended			Year Ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	(Audited)	(Unaudited)	(Audited)	31.03.2020	(Audited)
1 Revenue from Operations	8,528	4,612	1,297	21,276	15,414
2 Other Income	2,640	2,204	2,093	10,281	8,685
3 <b>Total Income (1 + 2)</b>	<b>11,168</b>	<b>6,816</b>	<b>3,390</b>	<b>31,557</b>	<b>24,099</b>
4 <b>Expenses</b>					
a. Cost of Materials Consumed	559	280	881	2,212	4,123
b. Direct Labour, Sub-Contracts etc	536	664	(497)	2,096	3,057
c. Employee benefits expense	250	445	226	1,359	1,050
d. Finance Costs	1,036	1,779	(77)	6,614	1,799
e. Depreciation and amortisation expense	1,712	1,549	820	5,461	1,980
f. Other expenses	11,444	3,221	4,080	21,075	14,273
<b>Total Expenses</b>	<b>15,537</b>	<b>7,938</b>	<b>5,433</b>	<b>38,817</b>	<b>26,282</b>
5 <b>Profit / (Loss) before Exceptional Item and tax (3- 4)</b>	<b>(4,369)</b>	<b>(1,122)</b>	<b>(2,043)</b>	<b>(7,260)</b>	<b>(2,183)</b>
6 Exceptional Items	28,467	-	(28,371)	28,467	(28,371)
7 <b>Profit/(Loss) before Tax (5+6)</b>	<b>24,098</b>	<b>(1,122)</b>	<b>(30,414)</b>	<b>21,207</b>	<b>(30,554)</b>
8 <b>Tax Expense</b>					
(1) Current Tax	-	-	-	-	-
(2) Deferred Tax	(4,875)	(199)	(202)	(5,314)	(4,167)
9 <b>Profit / (Loss) for the period (7-8)</b>	<b>28,973</b>	<b>(923)</b>	<b>(30,212)</b>	<b>26,521</b>	<b>(26,387)</b>
10 <b>Other Comprehensive Income</b>					
(i) Items that will not be reclassified to profit & Loss	(3)	3	(55)	5.77	13
reclassified to profit & Loss	1	(1)	20	(2.02)	(4)
<b>Total Other Comprehensive Income for the period (10)</b>	<b>(2)</b>	<b>2</b>	<b>(35)</b>	<b>3.75</b>	<b>9</b>
11 <b>Total Comprehensive Income for the period (9 + 10)</b>	<b>28,971</b>	<b>(921)</b>	<b>(30,247)</b>	<b>26,525</b>	<b>(26,378)</b>
12 <b>Profit/(Loss) for the period attributable to:</b>					
- Owners of the Company	28,973	(923)	(30,212)	26,521	(26,387)
- Non Controlling Interest	-	-	-	-	-
13 <b>attributable to</b>					
- Owners of the Company	(2)	2	(35)	3.75	9
- Non Controlling Interest	-	-	-	-	-
14 <b>attributable to</b>					
- Owners of the Company	28,971	(921)	(30,247)	26,525	(26,378)
- Non Controlling Interest					
15 <b>Paid up equity share capital (Face value of Rs. 10 each)</b>	<b>10,475</b>	<b>10,475</b>	<b>10,475</b>	<b>10,475</b>	<b>10,475</b>
16 <b>Other Equity</b>				<b>65,185</b>	<b>38,655</b>
17 <b>Earnings per Equity share (EPS) (in Rs.)</b>					
a. EPS before Exceptional Items (Basic and Diluted) (Rs.)	0.48	(0.88)	(2.15)	(1.85)	2.28
b. EPS after Exceptional Items (Basic and Diluted) (Rs.)	27.66	(0.88)	(34.60)	25.32	(30.19)



**Statement of Consolidated Assets and Liabilities as at March,31 2020**

(Rs. in Lakhs)

	As at 31.03.2020 (Audited)	As at 31.03.2019 (Audited)
<b>A ASSETS</b>		
<b>(1) Non-Current assets</b>		
(a) Property, plant and equipment	11,623	13,037
(b) Goodwill	1,500	1,500
(b) Intangible assets under development	1,366	-
(c) Other intangible assets	77,869	81,898
(e) Financial assets		
(i) Investments	1	1
(ii) Trade receivables	121,843	103,767
(iii) Other financial assets	433	1,716
(f) Deferred tax assets (net)	12,499	7,178
(g) Other non current assets	48,814	61,909
<b>Total Non current assets</b>	<b>275,948</b>	<b>271,006</b>
<b>(2) Current assets</b>		
(a) Inventories	568	578
(b) Financial assets		
(i) Trade receivables	7,425	9,570
(ii) Cash and cash equivalents	1,137	461
(iii) Other Bank Balances	5	6
(iv) Other financial assets	1,683	1,758
(c) Other current assets	13,514	12,958
<b>Total Current assets</b>	<b>24,332</b>	<b>25,331</b>
<b>Total Assets</b>	<b>300,280</b>	<b>296,337</b>
<b>B EQUITY AND LIABILITIES</b>		
<b>(1) Equity</b>		
(a) Equity share capital	10,475	10,475
(b) Other equity	65,185	38,655
<b>Equity attributable to owners of the parent</b>	<b>75,660</b>	<b>49,130</b>
Non -controlling interest	-	-
<b>Total Equity</b>	<b>75,660</b>	<b>49,130</b>
<b>(2) Liabilities</b>		
<b>Non current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	108,498	129,931
(ii) Trade payables	-	-
-Total outstanding dues of micro/small enterprises	-	-
-Others	3,848	3,209
(iii) Other financial liabilities	314	261
(b) Provisions	64	73
(c) Other non current liabilities	39,560	48,365
(d) Non Current Tax Liabilities (net)	2,619	2,646
<b>Total Non current liabilities</b>	<b>154,903</b>	<b>184,485</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	11,691	10,685
(ii) Trade payables		
-Total outstanding dues of micro/small enterprises	-	-
-Others	5,673	6,224
(iii) Other financial liabilities	46,881	20,116
(b) Other current liabilities	5,469	25,693
(c) Provisions	3	4
<b>Total Current liabilities</b>	<b>69,717</b>	<b>62,722</b>
<b>Total Liabilities</b>	<b>224,620</b>	<b>247,207</b>
<b>Total Equity &amp; Liabilities</b>	<b>300,280</b>	<b>296,337</b>



## Statement of Consolidated Cash Flows for the year ended March 31, 2020

(Rs. in Lakhs)

	As at 31.03.2020 (Audited)	As at 31.03.2019 (Audited)
<b>A. Cash flow from Operating Activities</b>		
Net Profit/(Loss) Before Tax & Exceptional Items	(7,260)	(2,183)
Adjustment for:		
Depreciation & Amortisation expenses	5,461	1,980
(Profit)/ loss on sale of property, plant and equipment (net)	-	-
Loss on Currency Transaction & Translation	1,167	791
Finance cost (Including fair value change in financial instruments)	6,614	1,799
Interest Income (Including fair value change in financial instruments)	(9,479)	(8,392)
Consolidation elimination adjustment	(4)	(361)
<b>Operating profit before working capital changes</b>	<b>(3,501)</b>	<b>(6,366)</b>
Adjustment for:		
(Increase) / Decrease in Inventories	11	52
(Increase) / Decrease in Trade Receivables	(7,970)	(5,861)
(Increase)/ Decrease in other current and non-current Financial Assets	1,449	558
(Increase)/Decrease in other current and non-current Assets	13,495	11,231
Decrease/(Increase) in current and non-current trade payables	608	(1,329)
Decrease/(Increase) in other current and non-current Financial Liabilities	24,092	11,583
Decrease/(Increase) in other current and non-current Liabilities & Provisions	(29,032)	17,714
<b>Cash generated from/(utilised in ) Operation</b>	<b>(848)</b>	<b>27,582</b>
Income Tax (Advance) (Net)	(27)	152
<b>Net Cash generated from/(utilised in) Operating Activities</b>	<b>(875)</b>	<b>27,734</b>
<b>B. Cash flow from Investing Activities</b>		
Capital Expenditure	(1,384)	(7,809)
Deposit with maturity of more than twelve months	(91)	(125)
Deposit with original maturity more than three months but less than twelve months	1	71
Interest Received	43	47
<b>Net Cash Inflow from Investing Activities</b>	<b>(1,431)</b>	<b>(7,816)</b>
<b>C. Cash flow from Financing Activities</b>		
Proceeds from issue of Share Capital	-	6,330
Change due to acquisition/disposal of control in subsidiary	-	(1,130)
Proceeds from / (Repayment of) Long Term Borrowings (net)	5,129	(19,829)
Proceeds from / (Repayment of) Short Term Borrowings (net)	4,039	(4,739)
Interest and Finance Charges Paid	(5,876)	(886)
<b>Net Cash generated from/(utilised in) Financing Activities</b>	<b>3,292</b>	<b>(20,254)</b>
<b>Net Changes in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>986</b>	<b>(336)</b>
Cash & Cash Equivalents (Closing Balance) (Including Book overdraft)	1,117	131
Cash & Cash Equivalents (Opening Balance) (Including Book overdraft)	131	467
<b>Net Changes in Cash &amp; Cash Equivalents</b>	<b>986</b>	<b>(336)</b>
Cash and cash equivalents Statement of Consolidated Asset and Liabilities		
Book overdraft Statement of Consolidated Asset and Liabilities	1,137	461
Cash & Cash Equivalents (Closing Balance) (Including Book overdraft)	20	330
	1,117	131

Note:- The cash flows statement has been prepared in accordance with indirect method as set out in Indian Accounting standard 7 " Statement of cash flows"



Notes

- 1 MBL Infrastructures Ltd. ('the Company') and its subsidiaries are together referred to as 'the Group' in the following notes. These audited consolidated financial results have been prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. The consolidated financial results of the Group have been reviewed by the Audit Committee and approved and taken by the Board of Directors of the Company in their meeting held on July 13, 2020.
- 2 The Resolution Plan of the Company 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.
- 3 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 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 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 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.28,372 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 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. 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 restated accordingly.

- 4 Rs.95 lakhs being difference between liability and settlement with a financial creditor is adjustment under IBC, 2016 are 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.
- 5 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.
- 6 On 20 September 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 consolidated financial results for the current period.
- 7 Pursuant to the provisions of Ind AS 12 "Income Taxes", the Group has recognised deferred tax asset amounting to Rs.11,660 lakhs (March 31, 2019 Rs.7,117.00 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.
- 8 The Group has claims in respect of cost over-run arising due to client responsibility delays, client's suspension of projects, deviation in design, change in scope of work etc., which are at various stages of negotiation/ discussion with the clients/ arbitration/litigation. 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. Revenue in respect of claim is recognised to the extent the Group is reasonably certain of their realisation.
- 9 The Group is engaged in Construction/Project activities which are substantially seasonal in nature and the margins vary based on the accrual of cost and recognition of income in different quarters due to nature of business projects which lead to revision in cost to complete.



- 10 The Group operations consist of construction/project activities and there are no other reportable segments under Indian Accounting Standard 108 - Operating Segments.
- 11 The outbreak of COVID 19 had impacted the operations of the Group. Execution of contracts undertaken by the Group were temporarily suspended during the lock down. The operations of the Group 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 Group 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. The construction activities has commenced in a phased manner after implementation of the standard protocols in line with the directives of the authorities.  
The Group has considered various external and internal information upto the date of approval of these financial statements for assessing inter-alia the recoverability of investments, trade receivables, other assets, project work in progress and inventories and the management expects to recover the carrying amount of these assets based on the current indication of future economic conditions.  
The Group 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 the time of approval of these financial statements and will be communicated as we progress.
- 12 The Group reports consolidated financial results on quarterly basis as per Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended. The standalone financial results are available on Company's website viz www.mblinfra.com and on website of BSE (www.bseindia.com) and NSE(www.nseindia.com). The specified items of the standalone financial results of the Company for the quarter and year ended March 31, 2020 are given below:

Rs in lakhs

Particulars	Quarter ended			Year ended	
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
Revenue	9,538	5,250	2,446	25,203	22,832
Profit/ (Loss) Before Exceptional Items & Tax	343	487	(1,406)	1,637	148
Profit/ (Loss) Before Tax	28,810	487	(29,777)	30,104	(28,223)
Profit/ (Loss) for the Period/ Year	33,680	694	(29,535)	35,432	(24,124)

- 13 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.4,409.36 lakhs (March 31, 2019 Rs.2,156.71 lakhs) has been made.
- 14 Other expenses includes irrecoverable balances written off which represent certain non-recoverable deferred trade receivable . In previous quarters/period these were included under finance cost and have been re-grouped in other expenses .

Rs. In Lakhs

Particulars	Quarter Ended			Year Ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
Irrecoverable balances written off.	1179	2570	2353	8711	9725

- 15 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.
- 16 The figure for the quarter ended March 31, 2020 and March 31, 2019 are balancing figures between the audited figures in respect of the full financial year upto March 31, 2020 and March 31, 2019 and the unaudited published year bto date figure upto the third quarter ended December 31, 2019 and December 31, 2018, respectively being the date of the end of third quarter of the financial year which were subjected to limited review
- 17 Figures for the previous period/quarter have been reworked/regrouped/recasted, wherever considered necessary.
- 18 All figures are in lakhs except earnings per share and figures in ( ) denote

Date: July 13, 2020  
Place: New Delhi



For MBL Infrastructures Ltd.  
*Anjane Kumar Lakhota*  
Anjane Kumar Lakhota  
Chairman & Managing Director  
DIN 00357695