



# MBL Infrastructures Ltd.

## ANNUAL REPORT 2020-21



## CONTENTS

Corporate information _____	1
Directors' Report _____	2
Management Discussion and Analysis _____	10
Corporate Governance Report _____	20
Standalone Financial Statement _____	45
Consolidated Financial Statement _____	96

# Corporate Information

## BOARD OF DIRECTORS

Anjaneer Kumar Lakhotia  
DIN: 00357695  
Chairman & Managing Director

Ashwini Kumar Singh  
DIN: 00365901  
Independent Director

Sunita Palita  
DIN: 03612793  
Independent Director

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

Ram Dayal Modi (w.e.f 13.05.2021)  
DIN: 03047117  
Independent Director

Surender Aggarwal  
DIN: 07272927  
Executive Director (w.e.f 23.06.2021)

## 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, 1<sup>st</sup> Floor, Plot No. NH 2,  
LSC, C-1 Block, Near Savitri Market,  
Janakpuri, New Delhi-110058

## REGISTERED & CORPORATE OFFICE

Baani Corporate One Tower  
Suite No. 308, 3<sup>rd</sup> Floor, Jasola,  
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 Sixth Annual Report of the Company together with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2021.

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	Year ended		Year ended	
	2020-21	2019-20	2020-21	2019-20
Total Income	26009	25203	32234	31557
Earnings Before Interest, Taxes and Depreciation	6477	3836	10383	4815
Less: Interest & Finance Charges	723	769	4223	6614
Less: Depreciation	5257	1430	9570	5461
Profit Before Tax and Exceptional Item	497	1637	(3410)	(7260)
Exceptional item (Net) (Transferred to Capital Reserve)	-	28467	945	28467
Profit before Tax*	497	30104	(2465)	21207
Less: Tax Expense	(8837)	(5328)	(8802)	(5314)
Profit After Tax	9334	35432	6337	26522
Transfer to Capital Reserve	-	28467	945	28467
Balance carried to Balance Sheet	9334	6965	5392	(1945)

\* Refer to note 46 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. Appeals filed by some of the Banks were dismissed by Hon'ble NCLAT by order dated 16.08.2019 finding them without any merit. One of the dissenting financial creditor with minority voting share of 4.01% has preferred civil 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 into liquidation and may not be a going concern and the financial statements have to be restated.

The Company has taken necessary steps for the implementation of the Resolution Plan under IBC, 2016 on its approval by order dated 18.04.2018 by Hon'ble NCLT, Kolkata. Stay was not granted by Hon'ble NCLAT on implementation of the Resolution Plan during pendency of appeals before Hon'ble NCLAT. The Resolution Plan has not been implemented by the financial

creditors, first on the plea of pending appeals before Hon'ble NCLAT and thereafter on the plea of pending civil appeal before Hon'ble Supreme Court against NCLAT order dated 16.08.2019.

Despite various challenges, inter-alia, non-implementation of the Resolution Plan by the Banks and COVID-19 pandemic crises, 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) since the approval of the Resolution Plan has helped the Company to substantially complete several public interest projects and smooth running of the operations of the Company.

The Company has successfully completed/handed over the following public interest projects 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-96.54%).



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. (In JV with ABCI)
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, & amp; 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.
10. Construction of 222 flats (Basement +Ground +10 storey) at Keelandev, Bhopal for Madhya Pradesh Housing & Infrastructure Development Board.
11. Construction of Vivekananda & Ahilyabai Chhatrawas of Dr. B. R Ambedkar, National Law University, Rai in Sonapat District, Haryana for PWD (B & R), Haryana. (Partial. Final completion in progress.)

The Company has received completion certificates for several public interest projects since the approval of the Resolution Plan. The qualification/bidding capacity of the Company has substantially increased with completion /handing over of these projects.

On the implementation of the Resolution Plan by the financial creditors, the Company with enhanced bid capacity shall endeavour to win 4-5 large ticket size 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 Covid-19 pandemic crisis, the Company has been able to pay all its current employees and workmen and is executing on-going projects successfully.

The commercial operations of toll collections for 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. After approval of additional length of 9.780 kms of Suratgarh-Bikaner Section NH-62 on DBFOT basis in the state of Rajasthan on 18.03.2021, tolling operations have already started since 01.04.2021 for 96.54% (increased from 90.86%). The balance work of the project along with the change of scope works are expected to be completed within financial year 2021-22.

The total income of the Company during the Financial year 2020-21 was Rs. 26009 lakhs on standalone basis and Rs. 32234 lakhs on consolidation basis as against Rs. 25203 lakhs on standalone basis and Rs. 31557 lakhs on consolidation basis during FY 2019-20. The Company had profit after tax of Rs. 9334 lakhs on standalone basis and a profit of Rs. 6337 lakhs (including exceptional items) on consolidation basis during FY 2020-21 as against profit (including exceptional items) of Rs. 35432 lakhs on standalone basis and profit of Rs. 26522 lakhs on consolidation basis during FY 2019-20. The exceptional items during FY 2019-20 was Rs. 28467 lakhs arising out of adjustment due to IBC, 2016.

The outbreak of COVID 19 had impacted the operations of the Company. 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 Ministry of Home Affairs ("MHA"), collection of toll of two SPVs of the Company was suspended w.e.f. March, 25/26, 2020 till April 19, 2020 mid-night and commenced w.e.f. April 20, 2020. The construction activities have commenced in a phased manner after implementation of the standard protocols in line with the directives of the concerned authorities. The impact of the COVID-19 (1<sup>st</sup> wave and 2<sup>nd</sup> wave) including government policies will have to be assessed, from time to time. The Company has considered various external and internal information upto the date of approval of financial

results for assessing, inter-alia, the recoverability of investments, trade receivables, project work in progress, inventories and other assets. The Company 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 revenue in respect of claims pertaining to COVID-19 will be recognised when the Company will be reasonably certain of their quantification and realisation.

The financial performance of the Company was adversely affected 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.

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 favourable arbitration awards/ DRB recommendations/ Court Orders.

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

There are lot of opportunities in the infrastructure sector, which is the core area competency of the Company.

### Changes in the Nature of Business, if any

There has been no change in the nature of business of the Company during the financial year 2020-21.

### 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

In terms of the approved Resolution Plan, the Company 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 terms of the approved Resolution Plan 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. The

Company has already made provisions for payment of liquidation value to dissenting financial creditors in terms of the approved Resolution Plan which will be paid in priority within two quarters from the implementation of the Resolution Plan by the Bank by way of documentation by the working capital banks and before any recovery is made by assenting 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 2021-22 or at 31<sup>st</sup> March 2022 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 period under review, no amount is to be transferred to General Reserve. However, during the financial year 2019-20, in view reinstatement of earlier provisions of IBC Regulations i.e. the dissenting financial creditors are entitled for the proportionate share of the assessed liquidation value pursuant to judgement of the Hon'ble Supreme Court, 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. 28372 lakhs was adjusted resulting from Corporate Insolvency Resolution Process (CIRP). Consequent to cancellation of non-convertible debentures aggregating to Rs. 30749 lakhs issued to dissenting financial creditors during FY 2019-20, Debenture Redemption Reserve to extent of Rs. 7687 lakhs was written back and transferred to General Reserve during FY 2019-20.

### 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 an 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

The Annual Return of the Company as on March 31, 2021 is available on the Company's website and can be accessed at [https://www.mblinfra.com/uploadimages/pdf/pdf\\_1625833250.pdf](https://www.mblinfra.com/uploadimages/pdf/pdf_1625833250.pdf).

## 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 4 (four) Board Meetings were convened and held, details of which are provided in enclosed Corporate Governance Report. In the wake of COVID-19 pandemic and to adhere to the lockdown and social distancing norms, the directors participated in the meetings of the Board and Committees held after March 2020 in person/through video conferencing/ other audio visual means. The intervening gap between the meetings was within the period/relaxations due to COVID-19 pandemic provided/prescribed under the Act and LODR.

## Independent Directors Declaration

The Company has received declarations from Mr. Ashwini Kumar Singh, Ms. Sunita Palita, Mr. Ranjit Datta and Mr. Ram Dayal Modi, 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 CGR.

## Directors & Key Managerial Personnel

With deep regret, we report the demise of Mr. Bhagwan Singh Duggal an Independent Director of the Company on 1<sup>st</sup> March 2021. Your Directors would like to place on record their highest gratitude and appreciation for the guidance given by Mr. Duggal to the Board during his tenure as a director.

The shareholders in the Annual General Meeting ('AGM') held on 30<sup>th</sup> September, 2020 approved appointment of Mr. Ranjit Datta as an Independent Director of the Company for a period of 5 years w.e.f. 13<sup>th</sup> August, 2020 and also approved appointment of Mr. Surender Aggarwal as Non-Executive Director of the Company.

Mr. Anjanee Kumar Lakhota is liable to retire by rotation at the ensuing AGM and being eligible offers himself for reappointment. The Nomination and Remuneration Committee and the Board recommends his re-appointment for the consideration of Members of the Company at the ensuing AGM. The brief resume/profile of Mr. Anjanee Kumar Lakhota is attached with Notice for the ensuing AGM.

On the recommendation of the Nomination & Remuneration Committee and subject to approval of the shareholders in the ensuing AGM, the Board on 13.05.2021 appointed Mr. Ram Dayal Modi as an Additional Independent Non-Executive Director, not liable to retire by rotation, for a period of 5 (consecutive) years w.e.f. 13.05.2021. The Company has received from Mr. Ram Dayal Modi (i) consent in writing to act as a Director (ii) intimation/declaration to the effect that he is not disqualified to act as a Director and (iii) statement on declaration that he meets the criteria of independence as provided in the Act and LODR. Based on the declarations received, the Board is of opinion that Mr. Ram Dayal Modi is a person of integrity and possesses relevant expertise and experience (including proficiency) and is eligible and fulfils the conditions for such appointment specified in the Act and LODR and is independent of the management of the Company. The Board is of opinion that his appointment is appropriate and in the best interest of the Company and therefore recommends his appointment as an Independent Director of the Company.

On the recommendation of the Nomination & Remuneration Committee and subject to approval of the shareholders in the ensuing AGM, the Board on 23.06.2021, approved appointment/ re-designation of Mr. Surender Aggarwal as Whole-time Director /Executive Director of the Company w.e.f. 23.06.2021 upto 30.09.2022, liable to retire by rotation. Necessary consent from Mr. Surender Aggarwal to act as Whole-time Director

of the Company, if appointed, and declaration that he is not disqualified to act as a director has been received. The Board is of opinion that his appointment/ re-designation is appropriate and in the best interest of the Company.

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

### Directors' Responsibility Statement

The Directors hereby confirm that:

- in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2021, the applicable accounting standards had been followed along with proper explanations, wherever required;
- 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;
- 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;
- they have prepared the annual accounts on a going concern basis;
- 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
- 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 the company's website at [https://www.mblinfra.com/uploadimages/pdf/pdf\\_1586536669.pdf](https://www.mblinfra.com/uploadimages/pdf/pdf_1586536669.pdf). The expenditure on activities undertaken are in accordance to schedule VII of the Act.

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 51 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 has been uploaded on website of the company at weblink [https://www.mblinfra.com/uploadimages/pdf/pdf\\_1620742477.pdf](https://www.mblinfra.com/uploadimages/pdf/pdf_1620742477.pdf)

The Audited accounts of each subsidiary is placed on the website of the Company [www.mblinfra.com](http://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
Development & Operation of Bikaner– Suratgarh Section of NH – 15 in the State of Rajasthan	Suratgarh Bikaner Toll Road Company Private Limited	Toll	Operational (PCOD 96.54% 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 AGM held on 11<sup>th</sup> November, 2017, for a period of 5 (Five) consecutive years. The Auditors have confirmed that they are not disqualified from continuing as Statutory Auditors 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 statements 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 2020-21. 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 compliance of regulation 17 for appointment of director during the quarter ended 30<sup>th</sup> June 2020 and quarter ended 30<sup>th</sup> September 2020. The Board states that the Company had made submissions before NSE & BSE and representations before the relevant Committee of NSE for delayed compliance of Regulation 17 citing reasons beyond the control of the Company, inter-alia, due to COVID-19 pandemic and it was unintentional and has requested for waiver of fine. BSE after considering the submissions made by the Company, has by email dated 23.06.2021 acceded to the request of the Company and has waived the fine. There has been no fraud reported by the Secretarial Auditor during the period. The Board of Directors of the Company on the recommendation of the Audit Committee has appointed M/s Mehak Gupta & Associates, Practicing Company Secretary to conduct Secretarial Audit of the Company for the Financial Year 2021-22.

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 Dahiya & 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 2021-22 at a remuneration of Rs. 35000/- (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 2019-20 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 Vehicles, 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 29<sup>th</sup> 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 statements.

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 may be accessed on the weblink [https://www.mblinfra.com/uploadimages/pdf/pdf\\_1566885890.pdf](https://www.mblinfra.com/uploadimages/pdf/pdf_1566885890.pdf)

### Significant and Material Orders

One of the dissenting financial creditor having minority voting share of 4.01% has preferred civil 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 into 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:

- i) 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.
- ii) 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.
- iii) 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 ("MDAR").

### Committees of Board

The Board of Directors have the following committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee
4. 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 and changes made therein 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/uploadimages/pdf/pdf\\_1586685957.pdf](https://www.mblinfra.com/uploadimages/pdf/pdf_1586685957.pdf). 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](http://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. During the period under review, no complaint was pending neither any complaint was filed pertaining to Sexual Harassment 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: 23<sup>rd</sup> June, 2021

**Anjanee Kumar Lakhotia**  
Chairman & Managing Director

# Management Discussion and Analysis Report

## ANNEXURE-A

### Indian Economic Overview

The economic impact of the 2020 coronavirus pandemic in India has been largely disruptive. First half of financial year 2020 was a challenging period with the uncertainties and complexities brought on by the COVID-19 pandemic. The Indian economy, after subdued growth in 2019, had begun to regain momentum from January 2020 onwards, only to be stalled by the once-in-a-century black swan COVID-19 outbreak which induced lockdown and disruption in economic activity. India adopted a four-pillar strategy of containment, fiscal, financial, and long-term structural reforms. Calibrated fiscal and monetary support was provided, cushioning the vulnerability in the lockdown and boosting consumption and investment while unlocking. A favourable monetary policy ensured abundant liquidity and immediate relief to debtors while unclogging monetary policy transmission. As the economy went into a freefall, the government was quick to introduce a stimulus economic package, 'Atmanirbhar Bharat Abhiyan', approximately worth Rs. 20 lakh crores to jumpstart the economy. In addition, it took fresh measures to improve infrastructure, regulations and job opportunities to sustain economic recovery and rebuilding. Under the aegis of the 'Aatmanirbhar Bharat Abhiyaan', the Government has also announced a host of bold reforms to attract investment, enhance the ease of doing business and strengthen the 'Make in India' initiative. RBI undertook various conventional and unconventional measures to manage liquidity situation in the economy. Given the unprecedented shock of COVID-19 pandemic, monetary policy was significantly eased from March 2020 onwards. RBI's interventions in forex markets ensured financial stability and orderly conditions, controlling the volatility and one-sided appreciation of the rupee. Monetary policy remained accommodative in 2020.

With rising capacity utilization, stronger demand conditions and relatively moderate costs, operating profits had risen across the board during second half of FY 2020-21. Some services sectors like information technology, construction, real estate, finance, domestic trade and transport had gradually emerged from the shackles of the pandemic with government capital spending on roads, highways and metros, lower housing loan rates and reduced stamp duty rates benefitting the labour-intensive construction and real estate segment. As India's mobility and pandemic trends aligned and improved concomitantly, indicators like E-way bills, rail freight, GST collections and power consumption not only reached pre-pandemic levels but also surpassed previous year levels.

A sound and resilient banking and financial sector is the key to the economic prosperity of India. The government is consolidating the public sector banks, which are the key players in the Indian market, to increase efficiency and accountability. The recent COVID-19 pandemic has emphasised the importance of the healthcare sector and its inter-linkages with other key sector of the economy. The surge in crude oil prices has, inter-alia, resulted in ballooning fiscal deficit. Major structural reforms launched by the Government in agriculture markets, labour laws and definition of MSMEs, tax administration and proposed privatization of Public Sector Enterprises in non-strategic sectors provided unparalleled opportunity for growth and thereby contributed to job creation in the primary and secondary sectors. To ameliorate corporate stress, Government suspended the initiation of fresh insolvency proceedings under IBC, 2016.

Production-linked incentive (PLI) schemes for Rs.1.97 lakh crores, over 5 years starting from FY 2021-22 in ten key specific sectors to make Indian manufacturers globally competitive, attract investment in the areas of core competency and cutting-edge technology; ensure efficiencies; create economies of scale; enhance exports and 'Make in India' an integral part of the global supply chain. These Schemes provide incentive to enhance production and create wealth and jobs. India remained a preferred investment destination in FY 2020-21. FDI poured in amidst global asset shifts towards equities and prospects of quicker recovery in emerging economies. Combined with a rise in gold reserves and foreign currency assets, India's foreign exchange reserves climbed to a new high of US\$ 586.08 billion during FY 2020-21.



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





Development & Operation of Bikaner-Suratgarh Section of NH-62 (earlier NH-15) in the state of Rajasthan for Ministry of Road Transport & Highways through PWD, Rajasthan (PCOD-96.54%).

The Indian economy was expected to grow by 12-13% in 2021-22, primarily on the back of the contraction it saw in 2020-21. But with the second wave of the covid pandemic spreading across the country, the expected double-digit growth is now in peril. In light of the recent surge in COVID-19 cases, a strong control over the pandemic spread continues to be a necessary for broad-based economic recovery.

The government has outlined the five pillars of making economy self-reliant: (i) Economy - which brings in quantum jump and not incremental change. The government's goal is to make India a USD 5 Trillion economy by 2025 (ii) Infrastructure - which will become India's new identity. To achieve the target of a USD 5 Trillion economy, more than Rs. 100 lakh crore will be invested in infrastructure development in India over the next five years (iii) Systems-based on 21<sup>st</sup> century technology driven arrangements (iv) Vibrant Demography -which will prove to be a competitive advantage for a self-reliant India (v) Demand-Utilised to its full capacity.

Building resilient and sustainable infrastructure would help increase the production of capital goods, provide employment and revive private sector confidence. India is well placed to experience a solid economic recovery in 2021, in contrast to other emerging markets and developing economies, where it's likely to take longer to return to pre-crisis levels.

## Road Sector

The road network is the backbone of the transport system in India and it is very well integrated with the multi-modal system of transportation, which provides crucial links with airports, railway stations, ports, and other logistical hubs. Infrastructural growth drives an economy as it supports numerous investments that indirectly derive their growth from an established, efficiently operational infrastructural sector being in place. With 63.86 lakh kms of rural-urban roads and national-state highways, India has the world 2<sup>nd</sup> largest road network of 66.45 lakh km.

The infrastructure sector has strong backward and forward linkages and therefore investment in infrastructure assumes paramount importance in driving economic growth. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. The infrastructural facilities are required to potentially increase the productivity and seamless functioning of other business sectors in India.

Successful completion of infrastructure projects is capital intensive and requires a massive capital inflow. The most crucial strategy to stimulate growth in the sector is an effective deployment of capital resources by the government. To have a sustainable development of the country, the government plans to spend US\$ 1.4 trillion on infrastructure during 2019-23. Huge investment in infrastructure have provided momentum to the overall investments in the economy.

A strong revival in investment growth supported by the Atma Nirbhar Bharat Mission and a massive boost to infrastructure and capital expenditure has been provided for in the Union Budget 2021-22. The Union Budget 2021, inter-alia, has further provided:

- (a) Outlay of Rs. 1,18,101 crores for MoRTH of which Rs. 1,08,230 crores is for capital, the highest ever.
- (b) Economic corridors being planned by constructing National Highways in the state of Tamil Nadu, Kerala, West Bengal and in Assam.
- (c) Work of more than Rs. 34,000 crore covering more than 1300 kms of National Highways will be undertaken in next three financial years.
- (d) Advanced traffic management system with speed radars, variable message signboards, GPS enabled recovery van will be installed in all four and six lanes new National highways.



Construction of 2 lane Railway overbridge at Sonapat for Haryana State Roads and Bridges Development Corporation Ltd.

- (e) A strong fillip to the capex momentum with clear emphasis on infrastructure investment as a key sector to revive demand and overall growth and capital expenditure budgeted outlay for FY 22 has been raised by 34.5 percent over FY 2020-21 with a special focus on, inter-alia, on roads, urban transport. Of this Rs. 44,000 crores has been allocated to the Department of Economic Affairs for projects/programmes/departments.
- (f) The National Bank for Financing Infrastructure and Development (NaBFID) is being set up as a DFI aiming to achieve lending portfolio of ₹ 5 lakh crore in 3 years with developmental and financial objectives i.e. to coordinate with the Central and State Governments, regulators, financial institutions, institutional investors and such other relevant stakeholders, in India or outside India, to facilitate building and improving the relevant institutions to support the development of long-term non-recourse infrastructure financing in India including the domestic bonds and derivatives markets, and financially to lend or invest, directly or indirectly, and seek to attract investment from private sector investors and institutional investors, in infrastructure projects with a view to foster sustainable economic development in India. With these unique features and aspiration to build lending portfolio of ₹ 5 lakh crore in 3 years, NBFID is committed to the vision of building an AtmaNirbhar Bharat by providing the necessary backbone for infrastructure financing, encouraging mobilization of savings and conversion to investment, nurturing bond market for infrastructure financing as well as bringing in transparency, good governance and technology in monitoring the progress, thereby assisting the post COVID recovery of the economy in a big way.
- (g) National Monetization Pipeline of potential brownfield infrastructure assets will be launched. Some important measures in the direction of monetisation are:



Construction of Police station & Residential Quarters, Hari Nagar, Delhi for MHA, Delhi Police through RITES Ltd.

- (1) National Highways Authority of India and PGCIL each have sponsored one InvIT that will attract international and domestic institutional investors. Five operational roads with an estimated enterprise value of Rs. 5,000 crores are being transferred to the NHAI InvIT. Similarly, transmission assets of a value of Rs. 7,000 crores will be transferred to the PGCIL InvIT.
- (2) Railways will monetise Dedicated Freight Corridor assets for operations and maintenance, after commissioning.
- (3) The next lot of Airports will be monetised for operations and management.
- (4) Other core infrastructure assets that will be rolled out under the Asset Monetization Programme are: (i) NHAI Operational Toll Roads (ii) Transmission Assets of PGCIL (iii) Oil and Gas Pipelines of GAIL, IOCL and HPCL (iv) AAI Airports in Tier II and III cities, (v) Other Railway Infrastructure Assets (vi) Warehousing Assets of CPSEs such as Central Warehousing Corporation and NAFED among others and (vii) Sports Stadiums.



Construction of National Law University, Rai in Sonapat District, Haryana for PWD (B & R), Haryana.



- (5) In order to allow funding of infrastructure, Zero Coupon Bonds issued by notified IDF eligible for tax benefit.

The government launched the National Infrastructure Pipeline (NIP) for the FY 2020-2025 to facilitated world class infrastructure projects to be implemented. The challenge is to step-up annual infrastructure investment so that lack of infrastructure does not become a binding constraint on the growth of the Indian economy. The NIP was launched with the projected infrastructure investment of Rs. 111 lakh crore (\$1.5 trillion) during the period 2020-2025. The sectors like energy, roads, urban infrastructure, railways have a major share in the NIP. The Road Sectors is expected to account for 18% capital expenditure over FY 2020-2025. This first of its kind initiative will boost the economy, generate better employment opportunities, and drive the competitiveness of the Indian economy. It is jointly funded by the Central Government, State Government, and the private sector. The Government has also announced provision of an additional ₹2 lakh crore to assist States in ramping up their capital spending. NIP is now expanded to 7400 projects. It will require increase in funding both from the government and financial sector.

The National Bank for Financing Infrastructure and Development (NaBFID) - a special Development Financing Institution (DFI) has been set up primarily to achieve lending of ₹5 lakh crore in 3 years to infrastructure projects with the development and financial objectives. It will also dovetail with the ongoing efforts of the government to enhance capital for implementing infrastructure projects under National Infrastructure Pipeline (NIP). DFI further corroborates the government's intent of continued focus on the Infrastructure sector. Effective implementation can take some pressure off from conventional funding channels, while also expediting execution of ambitious NIP.

The Government of India has launched major initiatives to upgrade and strengthen National Highways through various phases of the National Highways Development project (NHDP). The Government has taken initiatives to expand the Highway infrastructure throughout the country, despite nation-wide lockdown due to Pandemic COVID-19. Few of the on-going major Initiatives taken by the government in Road Sector are:

- (i) Bharatmala Pariyojana, an umbrella scheme of Ministry of Road Transport and Highways focuses on optimizing efficiency of freight and passenger movement across the country by bridging critical infrastructure gaps through effective interventions like development of Economic Corridors, Inter Corridors and Feeder Routes, National Corridor Efficiency Improvement, Border and International Connectivity roads, Coastal and Port Connectivity roads

and Green-field expressways. It aims to create direct and indirect employment in the sector besides enabling National Highway Linkages for over 500 districts in the country. The scheme envisages to expand the highway network of the country by 200,000 kms with economic, border and coastal roads accounting to 60,000 kms of the overall target

- (ii) The development in roadways is being planned as Public Private Partnership and is expected to bring in US\$82 billion by FY 2022, as part of the first phase.
- (iii) Multimodal Logistics Parks (MMLPs) under Bharatmala Pariyojana: The MMLPs are planned to foster intermodal connectivity with inclusions such as dedicated Railway line / Spur, access from prominent Highway(s) / Expressway(s) to allow movement of commercial vehicles and connectivity to an Airport or a Seaport (or Inland waterway Terminal).
- (iv) Development of dedicated National Highway Connectivity for Ports.
- (v) The government is building a pentagon of industrial corridors across the country to provide developed land and quality infrastructure for industrial townships.



Police Station & Residential Quarters at Kondli, New Delhi for MHA, Delhi Police through RITES Ltd.

- (vi) The Government has taken up separate programme for connectivity improvement for Char-Dham (Kedarnath, Badrinath, Yamunothri & Gangothri) in Uttarakhand. Out of total 53 civil works covering the entire length of 889 km under Chardham project, 40 civil works of total project cost amounting to Rs. 9,474 crore (including cost of pre-construction works amounting to Rs. 491 cr.) in a length of 673 km have been sanctioned. 34 works in a length of 604 km amounting to Rs. 7,923 cr. have been awarded out of which 30 works amounting to Rs. 7,679 cr. in length of 589 km are ongoing.
- (vii) National Electronic Toll Collection (NETC) programme: NHAI has rolled out program for Electronic Toll Collection on Toll Plazas on National Highways to be called FASTag

which offers near non-stop movement of vehicles through toll plazas and the convenience of cashless payment of toll fee with nation-wide interoperable Electronic Toll Collection Services. It has been implemented on Pan-India basis in order to ensure seamless movement of traffic through fee plazas and increase transparency in collection of user fee using FASTag. Towards the objective of achieving 100% collection through electronic payment, the Government has mandated to declare all lanes, except one lane in each direction as FASTag lane.

- (viii) The NHAI awarded 1,330 km of highways in the first half of FY 21, which was 1.6x of the total awards in FY 20 and 3.5x of the FY 19-levels.
- (ix) NHAI, the nodal authority for building highways across the country, has set a target of awarding 4,500km of projects in FY 21.
- (x) Ministry of Road Transport and Highways issued the 'Motor Vehicle Aggregator Guidelines 2020' to regulate shared mobility and reduce traffic congestion and pollution.

National Highways Authority of India is mandated to implement National Highways Development Project (NHDP) which is India's largest ever Highways Project in a phased manner. National Highways have a total length of 72,000 (approx) km to serve as the arterial network of the country.



Police Station & Police Colony, Delhi Cantt. for MHA, Delhi Police through RITES Ltd.

Although National Highways constitute only about 2 per cent of the road network, it carries 40 per cent of the total road traffic. Rapid expansion of passenger and freight traffic makes it imperative to improve the road network in the country. Accordingly, Government of India launched major initiatives to upgrade and strengthen National Highways through various phases of National Highways Development Project (NHDP). To assist in developing Highway maintenance strategies, analysis of maintenance and selection of optimal maintenance regime, NHAI

has decided to deploy Network Survey Vehicle (NSV) to enhance quality of the National Highways. The data collected through NSV surveys will highlight deficiencies in road conditions, prompting BOT operators/NHAI officials to take corrective steps to bring the road condition to the desired level. This will further result in better upkeep of National Highways, leading to more comfort and better travel experience for Highways users.

Infrastructure sector is the cornerstone of the Indian economy and plays an important role in accelerating the growth of India's overall development. In India, it is considered as the backbone of the country's economy as it integrates projects on a large scale and strengthens its competitiveness on a global level. It is also showcasing a myriad of opportunities for foreign investors to invest in the country's infrastructure development.

To make the country a more investor-friendly destination and to handhold and further smoothen investment inflows into the country, the government has set up Empowered Group of Secretaries (EGoS) and Project Development Cells (PDCs) in Ministries/Departments for attracting investments in India and important step towards achieving \$ 5 trillion economy. This will also bring about synergies between Ministries/Departments and among the Central and State Governments in investment and related incentive policies and give a boost to the economy and open up immense direct and indirect employment potential in various sectors including infrastructure.

The infrastructure sector in India will grow at a CAGR of approximately 7% from 2020 to 2025. The projected growth rate and investments may be hampered in short term due to Covid-19 pandemic, but sector is expected to pick its pace in the second half of FY 20-21 Huge investments across all sectors of infrastructure, will create opportunities for stake holders.

The pace at which roads have been constructed has grown significantly from 12 kms per day in 2014-15 to 30 kms per day in FY 19 before it moderated in FY 20. The decline in the construction of road per day in FY 21 is mostly on account of the COVID-19 pandemic. With the unlocking of the economy, construction of roads is expected to return back to the high pace attained before COVID-19. Total investment in the Roads and Highway sector has gone up more than three times in the six years period from FY 15 to FY 20, which also led to increased road density across the states.

Sustained and calibrated measures will be required to facilitate the process of economic recovery and to enable the economy to get back to its long-term growth trajectory. The revival of the industrial and infrastructure sector will be key to overall economic growth and macroeconomic stability.





Residential accommodation for NHAI staff at Sector 17, Dwarka, New Delhi.

The Government, through a series of initiatives, is working on policies to attract significant investor interest. A total of 200,000 km of national highways is expected to be completed by 2022. In the next five years, National Highway Authority of India (NHAI) will be able to generate Rs. 1 lakh crore annually from toll and other sources.

Amidst the ongoing pandemic of COVID-19 causing disruption across the world, many corporates are considering diversifying their investments into new geographies and mitigate risks which provides opportunity for further Foreign Direct Investment. Clubbed with the Atmanirbhar Bharat Abhiyaan, India is sprinting towards creating an investor friendly ecosystem.

### 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. The Company has executed orders from authorities such as PWD Haryana, MP Housing & Infrastructure Board, etc. We have executed several Housing / Building Projects PAN India as an EPC contractor.

### 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.

### 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.



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.

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.



Construction of 222 Flats at Keelandev Tower, Bhopal for MP Housing & Infrastructure Development Board.

## 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 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 bitumen,



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

concrete, quarrying & 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 capitalize 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 specialized 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.



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



## 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 & mining, 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.

## Financial Overview

### Sales & Other Income

The total income of the Company during the Financial year 2020-21 was Rs. 26009 lakhs on standalone basis and Rs. 32234 lakhs on consolidation basis as against Rs. 25203 lakhs on standalone basis and Rs. 31557 lakhs on consolidation basis during FY 2019-20. The Company had profit after tax of Rs. 9334 lakhs on standalone basis and a profit of Rs. 6337 lakhs (including exceptional items) on consolidation basis during FY 2020-21 as against profit (including exceptional items) of Rs. 35432 lakhs on standalone basis and profit of Rs. 26522 lakhs on consolidation basis during FY 2019-20. The exceptional items during FY 2019-20 was Rs. 28467 lakhs arising out of adjustment due to IBC, 2016.

### Key Ratios

Key financial ratios are given below:

Particulars	Year Ended	
	2020-21	2019-20
Debtors Turnover	2.02	1.71
Inventory Turnover	25.12	12.04
Interest Coverage Ratio	-	22.27
Current Ratio	0.61	0.63
Debt Equity Ratio	1.02	1.11
Operating Profit Margin (%)	3.39	9.85
Net Profit Margin (%)	63.86	41.93
Return on Net Worth (%)	8.00	6.49

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 and necessary improvements are implemented.



Development and Operation Bikaner-Suratgarh Section of NH-62 (earlier NH-15) in the State of Rajasthan).

## 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 31<sup>st</sup> March, 2021 was 314.

## 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





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

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  
For **MBL Infrastructures Ltd.**

Place: New Delhi  
Date: 23<sup>rd</sup> June, 2021

**Anjanee Kumar Lakhotia**  
Chairman & Managing Director

ANNEXURE-B

## 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:

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

### 2. The Board of Directors ("the Board")

#### Composition of the Board

The Board of the Company has a good and diverse mix of Executive and Non-Executive Directors with majority of the Board Members comprising Independent Directors. 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 with 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 31<sup>st</sup> March, 2021 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 Lakhotia	Promoter/ED	1	-	-	5	-	-	1	-
Mr. Ashwini Kumar Singh	NEI	-	-	1	6	-	-	2	-
Mr. Bhagwan Singh Duggal*	NEI	-	-	1	0	-	-	-	-
Ms. Sunita Palita	NEI	-	-	1	6	1	-	2	-
Ranjit Datta**	NEI	-	-	1	-	-	-	-	-
Surender Aggarwal**	ED	-	-	1	3	-	-	-	-

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

\*Ceased to be the Director of the Company due to demise on 01.03.2021.

\*\*The shareholders in the Annual General Meeting held on 30.09.2020 appointed Mr. Ranjit Datta as an Independent Director for a period of 5 years w.e.f. 13.08.2020 & Mr. Surender Aggarwal as a Non-Independent Director. Mr Surender Aggarwal has been appointed/redesignated as Wholtime Director/Executive Director w.e.f. 23.06.2021.

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

- (a) None of the Directors are Directors in more than seven (7) Listed Companies;
- (b) None of the Independent Directors serve as an Independent Director in more than 7 (Seven) Listed Companies;
- (c) The Managing Director is not serving as an Independent Director in any other listed company;
- (d) 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:

<b>Financial awareness</b>	<b>Strategy and Planning awareness</b>	<b>Corporate Governance Awareness</b>
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. The Board periodically review compliance reports pertaining to all laws applicable to the Company as well as steps taken by the Company to rectify instances of non-compliances, if any. 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. Further to protect the shareholders rights, the Board ensures that:

- a. Shareholders have the right to participate in and be sufficiently informed on decisions concerning fundamental corporate changes.
- b. 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 4 (Four) meetings of the Board were held. The intervening gap between the meetings was within the period/relaxations due to Covid-19 pandemic provided/prescribed under the Act/LODR. The necessary quorum was present for all the Board Meetings. The Company has also provided video/tele-conferencing facilities to the Directors to participate in the meetings. The dates on which the Board meetings were held were 13<sup>th</sup> July, 2020, 14<sup>th</sup> September, 2020, 12<sup>th</sup> November, 2020 and 13<sup>th</sup> February, 2021.

The attendance record of each of the directors at the Board meetings held during the year ended 31<sup>st</sup> March, 2021 and of the last Annual General Meeting is as under:

Name of Directors	No. of Board Meetings during the year 2020-21		Attendance at the last AGM held on 30 <sup>th</sup> September, 2020
	Held	Attended	Yes/No
Mr. Anjanee Kumar Lakhotia	4	4	Yes
Mr. Ashwini Kumar Singh	4	4	Yes
Mr. Bhagwan Singh Duggal	4	3	Yes
Ms. Sunita Palita	4	4	Yes
Mr. Ranjit Datta	3	3	Yes
Mr. Surender Aggarwal	3	3	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](http://www.mblinfra.com). Further the independent directors' have confirmed that they have enrolled themselves in the Independent Directors' Data Bank maintained with the Indian Institute of Corporate Affairs.

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 13<sup>th</sup> July, 2020 as required under Schedule IV of the Companies Act, 2013. All the Independent Directors of the Company have attended the meeting. The Independent Directors, inter alia, evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairman of the Board after taking into account the views of Executive and Non-Executive Directors and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

### **Code of Conduct**

The Board 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 available on the website of the Company [www.mblinfra.com](http://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 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](http://www.mblinfra.com).

### **Familiarization Programme for the Independent Directors**

The familiarization programs for the Independent Directors are in line with the Policy adopted by the Board in connection thereof. The familiarization programs for the Independent Directors also extend to the Non-Executive Director(s) 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/uploadimages/pdf/pdf\\_1623417688.pdf](https://www.mblinfra.com/uploadimages/pdf/pdf_1623417688.pdf)

### **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. In the Board meeting that followed the meeting of the Independent Directors and the meeting of the NRC, the performance of the Board, its Committees, and individual directors were discussed. 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 (MD) and Chief Financial Officer (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 4 (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 2020-21 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;
- To review the utilization of loans/advances from/investment by the holding company in the subsidiary company.

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. as on 31<sup>st</sup> March, 2021, the Committee comprised of 3 (Three) Directors out of which 2 (Two) are Independent Directors and 1 (One) Executive Director. On reconstitution of the Committee approved by the Board on 13.05.2021, Mr. Ram Dayal Modi has been appointed as one of the members of the Committee and therefore the Audit Committee as on the date of the Report comprises 4 members 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. Anjanee Kumar Lakhotia, and Ms. Sunita Palita were the members of the Committee as on 31<sup>st</sup> March, 2021. Members among themselves elect Independent Director to be the Chairman of the Meeting. 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 13<sup>th</sup> July, 2020, 14<sup>th</sup> September, 2020, 12<sup>th</sup> November, 2020 and 13<sup>th</sup> February, 2021. The intervening gap between the meetings was within the period/relaxations due to COVID-19 pandemic provided / prescribed under the Act and LODR. The details of attendance of members are as under:

Name of the Member	No. of meeting during the year 2020-21	
	Held during tenure	Attended
Mr. Ashwini Kumar Singh	4	4
Mr. Anjanee Kumar Lakhotia	4	4
Mr. Bhagwan Singh Duggal*	4	3
Ms. Sunita Palita	4	4

\*Ceased to be member of the Committee due to demise on 01.03.2021.

## 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;
- 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 31<sup>st</sup> March, 2021, the Committee comprised of 2 (Two) Independent Directors. Mr. Ashwini Kumar Singh (Chairman) and Ms. Sunita Palita are members of the Committee. On reconstitution of the Committee approved by the Board on 12.05.2021 & 13.05.2021, Mr. Ranjit Datta and Ram Dayal Modi have been appointed as members of the Committee and therefore the Nomination & Remuneration as on the date of the Report comprise of 4 members, all being Independent Directors. 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 13<sup>th</sup> July, 2020, details of attendance of members are as under:

Name of the Member	No. of meeting during the year 2020-21	
	Held during tenure	Attended
Mr. Ashwini Kumar Singh	1	1
Mr. Bhagwan Singh Duggal*	1	1
Ms. Sunita Palita	1	1

\*Ceased to be member of the Committee due to demise on 01.03.2021.



## 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 was 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. The Directors being evaluated had not participated in the process.

## 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;
- 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 2020-21 is as following:

Particulars	Amount ₹ (in lakhs)
Mr. Ashwini Kumar Singh	1.40
Mr. Bhagwan Singh Duggal	1.05
Ms. Sunita Palita	1.40
Mr. Ranjit Datta	0.60

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. Anjanee Kumar Lakhota, Chairman & Managing Director was ₹ 60 lakhs. Notice period for termination of appointment of Executive Directors is three months on either side. Apart from the salary in lieu of the notice period, no other severance fees is payable. Mr. Surender Aggarwal, Director of the Company has given its consent for waiver of sitting fees for attending the Board meetings.

### 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 security holders relating to transfer of shares, non-receipt of Balance sheet, etc.

#### Terms of reference

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, 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 dividend warrants/annual reports/statutory notices by the shareholders of the company.

#### Composition

As on 31<sup>st</sup> March, 2021, the Committee comprised of 2 (Two) Independent Directors. Ms. Sunita Palita (Chairperson) and Mr. Ashwini Kumar Singh are members of the Committee. On reconstitution of the Committee approved by the Board on 13.05.2021, Mr. Ram Dayal Modi has been appointed as one of the members of the Committee and therefore the Stakeholder's Relationship Committee as on the date of the Report is comprised of 3 members, all being Independent Directors. 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 31<sup>st</sup> March, 2021, One (1) Committee Meeting was held on 12<sup>th</sup> November, 2020. 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 2020-21	
	Held	Attended
Ms. Sunita Palita	1	1
Mr. Ashwini Kumar Singh	1	1
Mr. Bhagwan Singh Duggal*	1	1

\*Ceased to be member of the Committee due to demise on 01.03.2021.

#### 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.

#### Various aspects of interest of Investors

Details of Investors Complaints received and redressed during the financial year 2020-21:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
NIL	NIL	NIL	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. To serve investors better and in terms of requirement of regulation, the designated e-mail address for investor complaint is cs@mblinfra.com. The Company ensures that adequate steps are taken for expeditious redressal of various aspects of interest of investors. 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.

### 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 formulate and recommend to the Board, an annual action plan in pursuance of CSR policy.

### 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. Anjanee Kumar Lakhotia (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 31<sup>st</sup> March, 2021, One (1) Committee Meeting was held. The meeting was held on 13<sup>th</sup> July, 2020 the details of attendance are as follows:

Name of the Member	No. of meeting during the year 2020-21	
	Held	Attended
Mr. Anjanee 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 asunder:

No. of AGM and F.Y	Date of Meeting	Location	Time	Special Resolution Passed
25 <sup>th</sup> AGM 2019-20	Wednesday, 30 <sup>th</sup> September, 2020	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) facility	3.30 P.M.	Yes
24 <sup>th</sup> AGM 2018-19	Saturday, 28 <sup>th</sup> September, 2019	Asia-Pacific Institute of Management, 3 & 4 Institutional Area, Jasola, New Delhi-110025	2.30 P.M.	Yes
23 <sup>rd</sup> AGM 2017-18	Saturday, 29 <sup>th</sup> September, 2018	Asia-Pacific Institute of Management, 3 & 4 Institutional Area, Jasola, New Delhi-110025	2.30 P.M.	Yes

## b. Passing of Resolution by Postal Ballot

No Special Resolution was passed by postal ballot during the financial year 2020-21.

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 unpaid/unclaimed amount relating to the Final dividend for the Financial Year 2012-13 was transferred to Investor Education and Protection Fund (IEPF) on 20.10.2020.

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 Ministry of Corporate Affairs (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 31/03/2021 (₹)	Due for transfer to IEPF
2013-14	32,853	14 <sup>th</sup> October, 2021
2014-15	23,859	21 <sup>st</sup> September, 2022
2015-16	49,646	17 <sup>th</sup> 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](http://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 stakeholders 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:

Saturday, 7<sup>th</sup> August, 2021 at 3:00 p.m. through video conferencing / other Audio Visual means facility as set out in the notice convening AGM.

#### Deemed Venue for Meeting:

Registered Office: Suite No. 308, Baani Corporate One, Commercial Centre, Jasola, New Delhi-110025.

### b. Financial Year: 1<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021

### c. Financial Calendar for the Year 2021-22

Particulars	Tentative Schedule
Financial reporting for the quarter ending 30 <sup>th</sup> June, 2021	On or before 14 <sup>th</sup> August, 2021 (Tentative)
Financial reporting for the half-year ending 30 <sup>th</sup> September, 2021	On or before 14 <sup>th</sup> November, 2021 (Tentative)
Financial reporting for the quarter ending 31 <sup>st</sup> December, 2021	On or before 14 <sup>th</sup> February, 2022 (Tentative)
Financial reporting for the year ending 31 <sup>st</sup> March, 2022	On or before 30 <sup>th</sup> May, 2022 (Tentative)

### d. Date of Book Closure: 1<sup>st</sup> August, 2021 to 7<sup>th</sup> August, 2021 (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" 5 <sup>th</sup> Floor, Bandra Kurla Complex, Bandra East, Mumbai-400051.	New Trading Wing, Rotunda Building, PJ Tower, Dalal Street, Mumbai-400001.

The Company has made payment of annual listing fees to Stock Exchanges.

### g. Stock Code

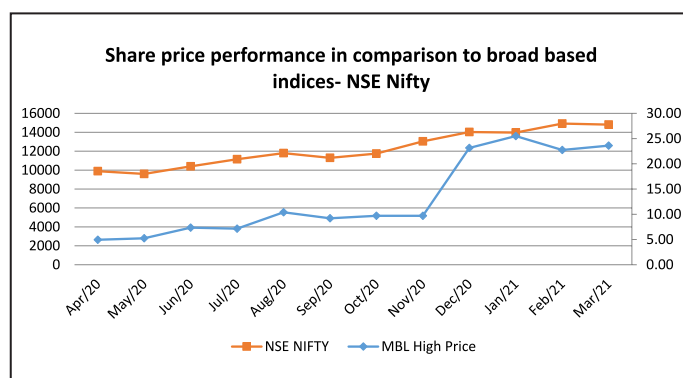
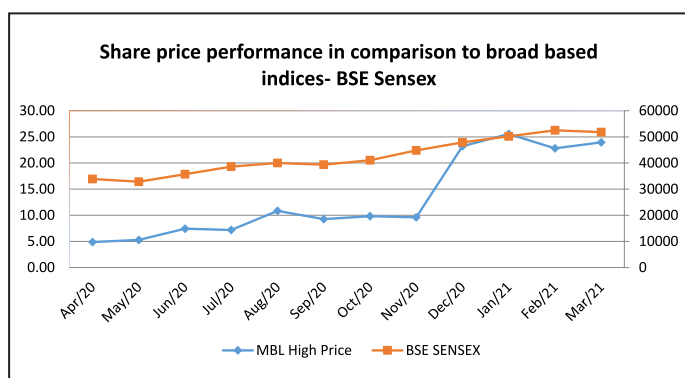
Exchange	Code
National Stock Exchange of India Limited	Symbol – MBLINFRA
BSE Limited	Stock Code – 533152

### 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 2020-2021

The monthly high and low stock quotations of Equity Shares of the Company on NSE and BSE during the financial year 2020-21 were as under:

Particulars	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2020	4.88	2.75	4.95	2.75
May, 2020	5.29	4.37	5.25	4.35
June, 2020	7.44	4.75	7.35	4.85
July, 2020	7.19	5.85	7.15	5.80
August, 2020	10.84	5.76	10.40	5.75
September, 2020	9.27	6.55	9.20	6.55
October, 2020	9.82	7.64	9.70	7.40
November, 2020	9.60	8.16	9.70	8.35
December, 2020	23.21	9.01	23.15	8.80
January, 2021	25.55	17.45	25.50	16.90
February, 2021	22.80	18.70	22.75	18.70
March, 2021	23.95	19.55	23.60	19.50



#### j. Registrar & Share Transfer Agents

Link Intime India Pvt. Ltd.

Noble Heights, 1<sup>st</sup> 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<sup>st</sup> March, 2021 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. Dematerialization & 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 31<sup>st</sup> March 2021, 104754606 (Ten Crore Forty Seven Lakh Fifty Four Thousand Six Hundred Six) 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 31<sup>st</sup> March, 2021**

S. No	Category of shareholders (no of shares held)	No. of shareholders	% of shareholders	No. of shares held	% of holding	Low (Rs.)	Low (Rs.)
1	1	To	500	12785	68.27	2162829	2.06
2	501	To	1000	2392	12.77	2006420	1.92
3	1001	To	2000	1497	7.99	2368795	2.26
4	2001	To	3000	622	3.32	1625791	1.55
5	3001	To	4000	321	1.71	1156960	1.10
6	4001	To	5000	283	1.51	1351172	1.29
7	5001	To	10000	414	2.21	3124853	2.98
8	10001	To	Above	414	2.21	90957804	86.83
<b>TOTAL</b>				<b>18728</b>	<b>100</b>	<b>104754624</b>	<b>100</b>

**n. Shareholding Pattern as on 31<sup>st</sup> March, 2021**

Category	Number of Shares held	(%)
Promoter and Promoter Group	7,17,41,909	68.49
Financial Institutions / Banks	237	-
Individuals	2,63,81,524	25.18
Others (Including Clearing Members)	66,30,954	6.33
<b>Total</b>	<b>104,754,624</b>	<b>100</b>

**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, 3<sup>rd</sup> Floor, Plot No. 5,  
Commercial Centre, Jasola, New Delhi-110025  
Phone: 011-4859 3300, Fax: 011-4859 3320  
E-mail: cs@mblinfra.com / delhi@mblinfra.com

**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 2020-21 were in ordinary course business and were on arm's length basis. There was no materially significant related party transaction 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/uploadimages/pdf/pdf\\_1566885890.pdf](https://www.mblinfra.com/uploadimages/pdf/pdf_1566885890.pdf)

- b. There was no non-compliance by the listed entity 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](http://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 except for delay in compliance of regulation 17(1) for the quarter ended 30<sup>th</sup> June, 2020 and 30<sup>th</sup> September, 2020. The delay in compliance was, inter-alia, due to COVID-19 pandemic which was beyond the control of the Company. The Company has made representation before the exchanges for waiver of fine and except a considerate view. The status on compliance with non-mandatory requirements are as follows:
  - I. Chairman of the Board: As the Chairman of the Board 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 Companies.
- 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/uploadimages/pdf/pdf\\_1566885890.pdf](https://www.mblinfra.com/uploadimages/pdf/pdf_1566885890.pdf)
- 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 recommendations 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 38.1.
- 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.**

Place: New Delhi  
Date: 23<sup>rd</sup> June, 2021

**Anjaneer Kumar Lakhota**  
Chairman & Managing Director



## 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, Anjanee 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 2020-21.

For **MBL Infrastructures Ltd.**

Place: New Delhi

Date: 23<sup>rd</sup> June, 2021

**Anjanee Kumar Lakhotia**

Chairman & Managing Director

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## Managing Director and CFO Compliance Certificate

[Pursuant to Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

To

The Board of Directors  
MBL Infrastructures Ltd.

Sir/Madam,

We have reviewed the Financial Statements and the Cash Flow Statements of MBL Infrastructures Ltd. ('the Company') for the financial year ended 31<sup>st</sup> March, 2021 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:
  - a. significant changes in internal control over financial reporting during the year, if any;
  - b. 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
  - c. 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

Dated: 23<sup>rd</sup> June, 2021

**Anjanee Kumar Lakhotia**

Chairman & Managing Director

**Darshan Singh Negi**

CFO

## Compliance Certificate on Corporate Governance

[Pursuant to Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

To

**The Members of  
MBL Infrastructures Ltd.**

We have examined the compliance of conditions of Corporate Governance by MBL Infrastructures Ltd ("the Company"), for the financial year ended on March 31, 2021, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as the "Listing Regulations") as amended from time to time.

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

### Opinion

Based on our examination of the relevant records and according to the information and explanations furnished to us and the representations provided by the Management and after considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations during the financial year ended March 31, 2021, except delay in compliance with the provisions of Regulation 17(1) of SEBI Listing Regulations for the quarter ended June 30, 2020 and September 30, 2020 for which the company has made submissions/representations before the Exchanges for considerate view for waiver of fine, to which further response from the Exchanges is awaited.

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.

### Restriction on use

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose.

For Anjali Yadav & Associates  
Company Secretaries

Place: New Delhi  
Date: June 10, 2021  
UDIN: F006628C000440358

Anjali Yadav  
Proprietor  
FCS No.: 6628  
C P No.: 7257  
PR: 629/2019

### NOTE

*"We have conducted online verification & examination of records, as facilitated by the Company, due to Covid-19 and subsequent lockdown situation for the purpose of issuing this certificate."*

## Annual Report on Corporate Social Responsibility Activities

[Pursuant to Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014]

### 1. Brief outline on CSR Policy of the Company

CSR activities undertaken by the Company is as per its CSR policy, as 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](http://www.mblinfra.com).

### 2. Composition of CSR Committee

S No.	Name of Director	Designation / Nature of Directorship	Number of meetings held during the year	Number of meetings attended during the year
1	Mr. Anjanee Kumar Lakhotia	Chairman	1	1
2	Mr. Ashwini Kumar Singh	Member	1	1
3	Ms. Sunita Palita	Member	1	1

### 3. The web-link where composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company are provided below:

Composition of the CSR Committee	<a href="https://www.mblinfra.com/uploadimages/pdf/pdf_1620974437.pdf">https://www.mblinfra.com/uploadimages/pdf/pdf_1620974437.pdf</a>
CSR Policy	<a href="https://www.mblinfra.com/uploadimages/pdf/pdf_1586536669.pdf">https://www.mblinfra.com/uploadimages/pdf/pdf_1586536669.pdf</a>

### 4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not applicable

### 5. Details of the amount available for set-off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any: Not applicable

### 6. Average net profit of the company as per Section 135 (5): NIL (Loss of Rs. 5063.56 Lakhs)

### 7. (a) Two percent of average net profit of the Company as per Section 135(5) of the Companies Act, 2013:

There is an average loss during preceding three financial years (excluding exceptional items) and therefore expenditure on CSR activities is not mandatory. However, as a good corporate governance practice, Company has voluntarily incurred an expenditure aggregating to Rs. 0.71 lakhs, which is in concurrence with CSR policy of the Company.

### (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Not applicable

### (c) Amount required to be set-off for the financial year, if any: Not applicable

### (d) Total CSR obligation for the financial year (7a+7b-7c): Not applicable

### 8. CSR amount spent or unspent for the financial year:

### (a) CSR amount spent or unspent for the financial year 2020-21:

Total Amount Spent for the Financial Year (₹ in Lakhs)	Amount unspent (₹ in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
0.71	Not applicable				

(b) Details of CSR amount spent against ongoing projects for the financial year:

S. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/ No)	Mode of implementation - Through implementing agency	
A	Tree plantation	(iv)	Yes	Rajasthan	Bikaner	0.71	Yes	None	None
		Total				0.71			

(c) Details of CSR amount spent against other than ongoing projects for the financial year : NIL

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: NIL

(f) Total amount spent for the financial year (8b+8c+8d+8e): ₹ 0.71 lakhs

(g) Excess amount for set-off, if any NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not applicable

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year:

S. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/ No)	Mode of implementation - Through implementing agency	
				State	District				
A	Tree plantation	(iv)	Yes	Rajasthan	Bikaner	0.74	Yes	None	None
		Total				0.74			

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

a) Date of creation or acquisition of the capital asset(s): Not applicable

b) Amount of CSR spent for creation or acquisition of capital asset: Not applicable

c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not applicable

d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not applicable

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5) of the Companies Act, 2013: None.

For **MBL Infrastructures Ltd.**

Place: New Delhi  
Date: 23<sup>rd</sup> June, 2021

**Anjane Kumar Lakhota**  
Chairman & Managing Director and  
Chairman-CSR Committee



**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 Highway Development Company Ltd.	MBL (MP) Toll Road Company Ltd.	Suratgarh Bikaner Toll Road Company (P) Ltd.	MBL Projects Limited	MBL (MP) Road Nirman Company Ltd.	MBL (Haldia) Toll Road Company Ltd.	MBL (Udaipur Bypass) Road Limited
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting period of Subsidiary and Holding Company are same	Reporting period of Subsidiary and Holding Company are same	Reporting period of Subsidiary and Holding Company are same	Reporting period of Subsidiary and Holding Company are same	Reporting period of Subsidiary and Holding Company are same	Reporting period of Subsidiary and Holding Company are same	Reporting period of Subsidiary and Holding Company are same	Reporting period of Subsidiary and Holding Company are same
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	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
6	Reserves & Surplus	(2,068.40)	(20,439.47)	(439.07)	(9427.81)	(788.71)	(4,594.92)	(0.81)	(6.33)
7	Total assets	208.76	15.53	6,493.94	77,920.92	3,747.94	30.41	6.44	-
8	Total Liabilities	208.76	15.53	6,493.94	77,920.92	3,747.94	30.41	6.44	-
9	Investments	-	-	-	-	1,618.81	-	-	-
10	Turnover	0.71	-	509.57	6,798.86	53.63	-	-	-
11	Profit before tax-ation	(67.83)	(570.9)	54.21	(3,200.71)	30.78	(4.67)	(0.1)	(0.07)
12	Provision for tax-ation	-	-	25.57	9.47	-	-	-	-
13	Profit after taxation	(67.83)	(570.9)	28.64	(3,210.18)	30.78	(4.67)	(0.1)	(0.07)
14	Proposed Dividend	-	-	-	-	-	-	-	-
15	% of shareholding*	100	100	100	100	100	100	100	100

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

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

Date: 23<sup>rd</sup> June, 2021

**Anjaneer Kumar Lakhoria**

Chairman & Managing Director

ANNEXURE-E

Form No. MR-3

Secretarial Audit Report for the Financial Year Ended 31<sup>st</sup> March, 2021

[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,  
3<sup>rd</sup> 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 31<sup>st</sup> March, 2021 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 31<sup>st</sup> March, 2021 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);
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under (as amended)
- (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 (as amended);
  - (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) - 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)

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

- (i) Secretarial Standard-1 (Meetings of Board of Directors) and Secretarial Standard-2 (General Meetings) issued by The Institute of Company Secretaries of India.
- (ii) The Listing agreements entered into by the Company with National Stock Exchange of India Ltd and BSE Ltd.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, guidelines, standards, etc mentioned above subject to the following observations:

Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) have alleged a lapse of Regulation 17(1) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 for appointment of Directors and have imposed fine for said delay, during the quarter ended 30.06.2020 and quarter ended 30.09.2020.

We have gone through the various submissions made by the Company to both BSE & NSE. The Company has since complied with the requirement of the Regulations and is presently in full compliance with Reg 17 of LODR Regulations. The Company had through various letters made submissions to the Exchanges for waiver of the fine, for the reasons beyond its control, inter-alia, prevailing COVID-19 pandemic. The Company has also made submissions before the relevant Committee of NSE. The management expects considerate view of the Exchanges for waiver of fine. Further response from the Exchanges is awaited.

I, further report that having regard to compliance system prevailing in the Company and on examination of relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company (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, Independent Directors and Non-Executive Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Due to sad demise, Shri. Bhagwan Singh Duggal, (DIN: 06634772), Non-Executive, Independent Director, ceased to be the director of the company w.e.f. 01<sup>st</sup> March 2021.

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. Decisions at the Board meeting were taken unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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, rules, regulations and guidelines.

I, further report that during the audit period under review there are no events/actions having a major bearing on the company affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above. 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  
Prop.  
ACS No.: 38897  
C P No.: 15013  
UDIN: F010703C000440275

Place: New Delhi  
Date: June 10, 2021

## NOTE

*I have conducted online verification & examination of records, as facilitated by the Company, due to COVID-19 and subsequent lockdown situation for the purpose of issuing this report.*

## ANNEXURE-1

To,

The Members,  
MBL Infrastructures Limited,  
Baani Corporate One, Suite No. 308,  
3<sup>rd</sup> 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  
Prop.  
ACS No.: 38897  
C P No.: 15013  
UDIN: F010703C000440275

Place: New Delhi  
Date: June 10, 2021

### NOTE

*I have conducted online verification & examination of records, as facilitated by the Company, due to COVID-19 and subsequent lockdown situation for the purpose of issuing this report.*

## ANNEXURE-F

### Form No. MR-3

#### Secretarial Audit Report for the Financial Year Ended 31<sup>st</sup> March, 2021

[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,  
1<sup>st</sup> 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) (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 31<sup>st</sup> March, 2021 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 31<sup>st</sup> March, 2021 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 during the audit period
- (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 thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (as amended from time to time) - 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 - (as amended from time to time) - Not applicable to the Company during the audit period
  - 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 during the audit period
  - 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 during the audit period
  - 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 during the audit period
  - 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 during the audit period
  - 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 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 from time to time) - 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 to time) - Not applicable to the Company during the audit period
  - j) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 (as amended from to time) - Not applicable to the Company during the audit period
  - 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 Director, Non-Executive Director 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 and Committee Meetings, agenda and detailed notes on agenda were sent 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.

Based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, in our opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance of provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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 & Associates  
Company Secretaries

Kuldeep Dahiya  
Proprietor  
ACS No.: 34404  
C P No.: 18930  
UDIN: A034404C000446244

Place: Sonapat  
Date: 11<sup>th</sup> June, 2021

## NOTE

*We have conducted online verification & examination of records, as facilitated by the Company, due to Covid-19 for the purpose of issuing this report.*

## ANNEXURE-1

To,

The Members,  
Suratgarh Bikaner Toll Road Company Private Limited  
Divine Bliss, 2/3, Judges Court Road,  
1<sup>st</sup> 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 Secretaries

Kuldeep Dahiya  
Proprietor  
ACS No.: 34404  
C P No.: 18930  
UDIN: A034404C000446244

Place: Sonapat  
Date: 11<sup>th</sup> June, 2021

## **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 accompanying Standalone Financial Statements of **MBL Infrastructures Limited** ("the Company"), which comprise the standalone balance sheet as at March 31, 2021, 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 as amended ("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, 2021, its profit, including 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) as 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	How the matter was addressed in audit
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. 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>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>Obtaining an understanding and consideration of the appropriateness of the policies in respect of revenue recognition against the criteria in the Indian accounting standards.</li> <li>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.</li> <li>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.</li> <li>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.</li> </ul>

<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 and JV (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>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• We tested on test check basis, the approvals of the Audit Committee and Board of Directors for related party transactions.</li> <li>• We tested samples of manual journals posted to revenue to identify unusual items.</li> <li>• We checked adequacy of the disclosures made in note 45 to the Company's standalone financial statements are compliant with Ind AS -115.</li> </ul>
<b>Assessment of recoverability of investments in subsidiaries - Refer Note 4 (c)</b>	
<b>The Key Audit Matters</b>	<b>How the matter was addressed in audit</b>
<p>The Company has significant investments in subsidiaries which carry out road and other infrastructure projects.</p> <p>The carrying amount of the investments in subsidiaries held at cost less impairment as at 31 March 2021 is Rs. 30,306.74 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>	<p><b>Our audit procedures included:</b></p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• We have assessed Company's identification of CGU with reference to the guidance in the applicable Indian accounting standards.</li> <li>• Assessed the net worth of subsidiaries on the basis of latest available financial statements.</li> <li>• 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"> <li>– 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.</li> <li>– 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.</li> </ul> </li> <li>• 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.</li> </ul> <p>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.</p>

Disputed Tax Matters - Refer Note 3 (i)	
The Key Audit Matters	How the matter was addressed in audit
<p>Tax litigation exposures have been identified as a key audit matter due to:</p> <ul style="list-style-type: none"> <li>Significance of these amounts.</li> <li>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.</li> </ul> <p>Additionally, the treatment of tax litigation require significant judgement due to the complexity of the cases and, timescales for resolution.</p>	<p>Our audit procedures include the following:</p> <ul style="list-style-type: none"> <li>Obtained understanding and assessed the internal control environment relating to the identification, recognition and measurement of provisions for disputed tax matters.</li> <li>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.</li> <li>Read evidence to corroborate management's assessment of the risk profile in respect of tax disputed matters.</li> <li>We involved tax specialists to assist us in evaluating tax positions taken by management.</li> </ul> <p>We assessed the disclosures relating to the disputed tax matters as mentioned in Note 42 of the Standalone Ind AS financial statements.</p>

## Other Information

The Company' 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 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 financial position, financial performance including other comprehensive income, changes in equity and cash flow 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 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.

In preparing the standalone financial statements, 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 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 SA's 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 SA's, 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 management's 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:

- a. Note 3(a) regarding the Resolution Plan of the Company under the Insolvency & Bankruptcy Code, 2016 (IBC, 2016) was approved by the Hon'ble National Company Law Tribunal ("NCLT"), Kolkata by its order dated April 18, 2018. The appeals filed by some of the banks were dismissed by the Hon'ble National Company Law Appellate Tribunal ("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 the Hon'ble Supreme Court against the order of the Hon'ble NCLAT, which is pending. The Company has taken necessary steps for the implementation of the Resolution Plan under IBC, 2016 on its approval by order dated April 18, 2018 by the Hon'ble NCLT, Kolkata. Stay was not granted by the Hon'ble NCLAT on implementation of the Resolution Plan during pendency of appeals before the Hon'ble NCLAT. The Resolution Plan has not been implemented by the financial creditors, first on the plea of pending appeals before the Hon'ble NCLAT and thereafter on the plea of pending civil appeal before the Hon'ble Supreme Court against the Hon'ble NCLAT order dated August 16, 2019. The financial results 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 not remain a going concern. Consequently, the financial results 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 6.3 regarding the Company has as at March 31, 2021 (i) Non-Current Investment amounting to Rs.1,000.00 lakhs (March 31, 2020; Rs.1,000.00 lakhs) in MBL (MP) Road Nirman Company Limited; (ii) Non-Current Investment amounting to Rs.1,200.00 lakhs (March 31, 2020; Rs.1,200.00 lakhs) in AAP Infrastructure Limited; (iii) Non- Current Investment amounting to Rs. 5,110.00 lakhs (March 31, 2020; Rs. 5,110.00 lakhs) in MBL Highway Development Company Limited. All the above entities are wholly owned by the Company along with its wholly owned subsidiary Company, MBL Projects Ltd and have incurred losses due to cancellation/termination of the projects and net worth of above entities as at March 31, 2021 have been fully eroded. The net worth of these subsidiaries does not represent true market value of the underlying investment/ assets. Claims have been filed against the cancellation/ termination of the projects. These claims are based on the terms & conditions implicit in the contract in respect of the cancelled/terminated projects. Considering the contractual tenability; legal advice obtained and progress of arbitration/ litigation, the management is confident of recovery of these claims. In view of this, the management is confident that the realisable amount is higher than the carrying value of the investments and, therefore, has considered the investment in above subsidiaries as good and recoverable.
- c. Note 6.4 regarding Non-Current Investment as at March 31, 2021 amounting to Rs. 2,984.25 lakhs (March 31, 2020; Rs. 2,984.25 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.
- d. Note 6.5 regarding Non-Current Investment as at March 31, 2021 amounting to Rs. 18,505.23 lakhs (March 31, 2020; Rs. 18,505.23 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.
- e. Note 46.1 regarding the Company has conservatively recognised deferred tax assets (net) as at March 31, 2021 amounting to Rs. 9,466.04 lakhs (March 31, 2020 Rs.12,442.34 lakhs) corresponding to unused brought forward income tax losses pursuant to the provisions of Ind AS 12 "Income Taxes", 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, recovery of pending claims, 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.
- f. Note 42.2 regarding judgments of the Hon'ble Supreme Court, the Resolution Plan approved under IBC is binding on all creditors including Central Government, State Government, any Local Authority under section 31(1) of IBC, 2016 and any amount not claimed by the operational creditors stand extinguished. These claims are subject to reconciliation and rights and remedies available with the Company and are not acknowledged as debt.
- g. Note 52 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 above matters.

### 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", 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, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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".
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid/ provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act
- h) 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, 2021 on its financial position in its standalone financial statements - Refer Note 42.1 to the standalone financial statement;
  - 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, 2021.

**For S A R C & Associates**  
Chartered Accountants  
Firm Registration No.: 006085N

**Kamal Aggarwal**  
Partner

Place: New Delhi  
Date: June 23, 2021

Membership No.: 090129  
UDIN: 21090129AAAADR9072

## 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 Limited of even date)**

- (i) (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.
- (ii) 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.
- (iii) 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.
- (iv) 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.
- (v) 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.
- (vi) 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.
- (vii) 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 been regularly deposited with the appropriate authorities. There are no 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 except the amount payable at the time of approval of resolution plan and not claimed by the respective authorities. The same have not been acknowledged as debt by the Company on the basis of recent judgements.
  - (b) According to the record of the Company, there are no 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 except the dues payable at the time of approval of resolution plan and not claimed by the respective authorities. The same have not been acknowledged as debt by the Company on the basis of recent judgements.
- (viii) 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.

- (ix) 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.
- (x) 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.
- (xi) 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.
- (xii) 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.
- (xiii) 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.
- (xiv) 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 are not applicable to the Company.
- (xv) 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.
- (xvi) 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 **S A R C & Associates**  
Chartered Accountants  
Firm Registration No.: 006085N

**Kamal Aggarwal**  
Partner  
Membership No.: 090129  
UDIN: 21090129AAAADR9072

Place: New Delhi  
Date: June 23, 2021



## ANNEXURE 'B'

To the Independent Auditors Report on Standalone Financial Statements of MBL Infrastructures Limited for the year ended March 31, 2021

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 Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 (the "Guidance Note") issued by the Institute of Chartered Accountant of India. 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 if 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.

### Opinion

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, 2021, 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 issued by the Institute of Chartered Accountants of India.

For **S A R C & Associates**  
Chartered Accountants  
Firm Registration No.: 006085N

**Kamal Aggarwal**  
Partner  
Place: New Delhi  
Date: June 23, 2021  
Membership No.: 090129  
UDIN: 21090129AAAADR9072

**Balance Sheet** as at 31 March, 2021

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>Assets</b>			
<b>(1) Non Current Assets</b>			
(a) Property, Plant and Equipment	5	6,366.57	11,614.45
(b) Financial Assets			
(i) Investments	6	30,306.76	30,306.76
(ii) Trade Receivables	7	134,527.25	117,991.97
(iii) Other Financial Assets	8	435.34	431.11
(c) Deferred Tax Assets (net)	9	9,466.04	12,442.34
(d) Non Current Tax Asset (net)	10	98.84	-
(e) Other Non Current Assets	11	36,861.27	48,814.36
<b>(2) Current Assets</b>			
(a) Inventories	12	390.03	567.64
(b) Financial Assets			
(i) Trade Receivables	13	5,784.32	8,733.85
(ii) Cash and Cash Equivalents	14	643.27	264.68
(iii) Other Bank Balances	15	242.53	243.15
(iv) Other Financial Assets	16	1,159.42	1,144.62
(c) Current Tax Asset	17	9,182.32	-
(d) Other Current Assets	18	12,217.08	13,467.54
<b>Total Assets</b>		<b>247,681.04</b>	<b>246,022.47</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
(a) Equity Share Capital	19	10,475.46	10,475.46
(b) Other Equity	20	106,323.52	96,978.13
<b>Liabilities</b>			
<b>(1) Non Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	21	69,383.15	69,381.32
(ii) Trade Payables	22		
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		4,543.26	3,847.80
(iii) Other Financial Liabilities	23	340.65	313.53
(b) Provisions	24	688.88	3,737.49
(c) Other Non Current Liabilities	25	38,513.41	38,513.41
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	26	11,069.33	11,044.04
(ii) Trade Payables	27		
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		4,989.72	5,276.39
(iii) Other Financial Liabilities	28	408.57	1,593.88
(b) Other Current Liabilities	29	941.58	4,857.53
(c) Provisions	30	3.51	3.49
<b>Total equity and liabilities</b>		<b>247,681.04</b>	<b>246,022.47</b>

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 S A R C & Associates**

Chartered Accountants

Firm's ICAI Registration No.: 006085N

per **Kamal Aggarwal**

Partner

Membership No.: 090129

Place: New Delhi

Date: June 23, 2021

**Darshan Singh Negi**

Chief Financial Officer

**Anubhav Maheshwari**

Company Secretary

**Anjaneer Kumar Lakhota**

Chairman & Managing Director

DIN-00357695

**Sunita Palita**

Director

DIN-00365901

## Standalone Statement of Profit and Loss for the year ended March 31, 2021

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Income</b>			
Revenue from Operations	31	14,633.29	16,620.59
Other Income	32	11,375.87	8,582.04
<b>(A) Total Income</b>		<b>26,009.16</b>	<b>25,202.63</b>
<b>Expenses</b>			
Cost of Materials Consumed	33	3,724.73	2,212.04
Employee Benefits Expense	34	550.82	713.72
Finance Costs	35	723.28	768.64
Depreciation and Amortisation Expense	36	5,257.32	1,430.28
Other Expenses	37	15,256.39	18,440.93
<b>(B) Total Expenses</b>		<b>25,512.54</b>	<b>23,565.61</b>
<b>(C) Profit/ (Loss) before Exceptional Items and Tax (A-B)</b>		<b>496.62</b>	<b>1,637.02</b>
(D) Exceptional Items (net)		-	28,466.96
<b>(E) Profit/ (Loss) before Tax (C+D)</b>		<b>496.62</b>	<b>30,103.98</b>
<b>(F) Tax Expense:</b>			
(1) Current Tax		-	-
(2) Deferred Tax	46(b)	2,972.30	(5,327.65)
(3) Income tax for Earlier Years		(11,809.21)	
<b>(G) Profit/ (Loss) for the period (E-F)</b>		<b>9,333.53</b>	<b>35,431.64</b>
<b>Other Comprehensive Income</b>			
i. Items that will not be reclassified to Statement of Profit and Loss Remeasurement of defined benefit plans		15.85	5.77
ii. Income Tax relating to above		(3.99)	(2.02)
<b>(H) Total Other Comprehensive Income for the year (net of tax)</b>		<b>11.86</b>	<b>3.75</b>
<b>Total Comprehensive Income for the period (G+H) (comprising Profit/ (Loss) for the period and Other Comprehensive Income for the year)</b>		<b>9,345.39</b>	<b>35,435.39</b>
<b>Earnings per Equity Share (Face Value Rs. 10/- each)(in Rs.)</b>			
Basic and Diluted	44	8.92	33.83

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 S A R C & 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

**Darshan Singh Negi**

Chief Financial Officer

**Anjaneer Kumar Lakhota**

Chairman & Managing Director

DIN-00357695

Place: New Delhi

Date: June 23, 2021

**Anubhav Maheshwari**

Company Secretary

**Sunita Palita**

Director

DIN-00365901

**Standalone Statement of changes in equity** for the year ended March 31, 2021

**A. Equity Share Capital**

(₹ in lakhs)

Particulars	No. of Shares	Share Capital
<b>Balance as on April 1, 2019</b>	<b>104,754,624</b>	<b>10,475.46</b>
Add: Addition during the year	-	-
<b>As on March 31, 2020</b>	<b>104,754,624</b>	<b>10,475.46</b>
Add: Addition during the year	-	-
<b>Balance as on March 31, 2021</b>	<b>104,754,624</b>	<b>10,475.46</b>

**B. Other Equity**

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	
<b>Balance As on April 1, 2019</b>	<b>11,841.26</b>	<b>20,703.24</b>	<b>29,708.52</b>	<b>5,253.89</b>	<b>(5,964.15)</b>	-	<b>61,542.76</b>
Profit/ (Loss) for the year	-	-	-	-	6,964.66	-	6,964.66
Transfer to Debenture Redemption Reserve	-	-	(7,687.25)	7,687.25	-	-	-
Transfer due to Insolvency and Bankruptcy Code, 2016	<b>28,466.96</b>	-	-	-	-	-	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)	-
<b>Balance As on March 31, 2020</b>	<b>40,308.22</b>	<b>20,703.24</b>	<b>22,021.27</b>	<b>12,941.14</b>	<b>1,004.26</b>	-	<b>96,978.13</b>
Profit/ (Loss) for the year	-	-	-	-	9,333.53	-	9,333.53
Transfer from Debenture Redemption Reserve	-	-	-	-	-	-	-
Remeasurements of defined benefit plans	-	-	-	-	-	11.86	11.86
Transfer to Retained Earnings from Other Comprehensive Income	-	-	-	-	11.86	(11.86)	-
<b>Balance As on March 31, 2021</b>	<b>40,308.22</b>	<b>20,703.24</b>	<b>22,021.27</b>	<b>12,941.14</b>	<b>10,349.65</b>	-	<b>106,323.52</b>

Refer Note No. 20 for nature and purpose of reserves

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 S A R C & 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: June 23, 2021

**Darshan Singh Negi**

Chief Financial Officer

**Anubhav Maheshwari**

Company Secretary

**Anjaneer Kumar Lakhotia**

Chairman & Managing Director  
DIN-00357695

**Sunita Palita**

Director  
DIN-00365901



## Standalone Cash Flow Statement for the year ended March 31, 2021

(₹ in lakhs)

Particulars		For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A.</b>	<b>Cash flow from Operating Activities</b>		
	<b>Net Profit/ (Loss) Before Exceptional Items &amp; Tax</b>	<b>496.62</b>	<b>1,637.02</b>
	<b>Adjust ments for:</b>		
	Depreciation and Amortisation	5,257.32	1,430.28
	Finance Costs	723.28	768.64
	Interest Income	(11,251.10)	(8,563.77)
	<b>Operating Profit/ (Loss) before working capital changes</b>	<b>(4,773.88)</b>	<b>(4,727.83)</b>
	<b>Working capital Adjustments:</b>		
	(Increase) / Decrease in Inventories	177.61	10.51
	(Increase) / Decrease in Trade Receivables	(2,928.22)	(8,452.73)
	(Increase)/ Decrease in Other Current and Non-Current Financial Assets	16.92	1,494.17
	(Increase)/ Decrease in Other Current and Non-Current Assets	13,242.69	12,052.55
	Increase/ (Decrease) in Current and Non-Current Trade Payables	927.99	651.94
	Increase/ (Decrease) in Other Current and Non-Current Financial Liabilities	(1,161.91)	585.30
	Increase/ (Decrease) in Other Current and Non-Current Liabilities & Provisions	(5,043.47)	(13,959.38)
	<b>Cash generated from/ (used for) operations</b>	<b>457.73</b>	<b>(12,345.47)</b>
	Taxes Paid (net)	(98.84)	(0.39)
	<b>Net Cash genearted from/ (used in) Operating Activities (A)</b>	<b>358.89</b>	<b>(12,345.86)</b>
<b>B.</b>	<b>Cash flow from Investing Activities</b>		
	(Purchase)/Sale Proceeds of Property, Plant & Equipment	(5.59)	(6.09)
	Deposits with banks having maturity more than three months	-	(90.96)
	<b>Net Cash generated from/ (used in) Investing Activities (B)</b>	<b>(5.59)</b>	<b>(97.05)</b>

**Standalone Cash Flow Statement** for the year ended March 31, 2021

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>C. Cash flow from Financing Activities</b>		
Proceeds from/(Repayment of) Long Term Borrowings (net)	-	12,728.04
Interest and Finance Charges Paid	-	(76.98)
<b>Net Cash generated from/ (used in) Financing Activities (C)</b>	<b>-</b>	<b>12,651.06</b>
<b>Net increase/ (decrease) Cash &amp; Cash Equivalents (A+B+C)</b>	<b>353.30</b>	<b>208.15</b>
Cash and Cash Equivalents (at the beginning of the year) (Including Book overdraft)	261.82	53.67
Cash and Cash Equivalents (at the end of the year) (Including Book overdraft)**	615.12	261.82
Net Increase/(Decrease) in Cash & Cash Equivalents	353.30	208.15
<b>**Cash and Cash Equivalents as per Balance Sheet (Note No. 14)</b>	<b>643.27</b>	<b>264.68</b>
Book overdraft (Note No. 26)	28.15	2.86
<b>Cash &amp; Cash Equivalents (Closing Balance) (Including Book overdraft)</b>	<b>615.12</b>	<b>261.82</b>

**Note:**

- The standalone 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

Particulars	As at March 31, 2020	Non cash Flow-Others	Non Cash Flow- Fair Value Changes	As at March 31, 2021
Long Term Borrowings (Including current maturities)	<b>69,442.05</b>	-	<b>1.70</b>	<b>69,443.76</b>
Short Term Borrowings	<b>11,041.18</b>	-	-	<b>11,041.18</b>

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 S A R C & 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: June 23, 2021

**Darshan Singh Negi**

Chief Financial Officer

**Anubhav Maheshwari**

Company Secretary

**Anjaneer Kumar Lakhota**

Chairman & Managing Director

DIN-00357695

**Sunita Palita**

Director

DIN-00365901

## Notes to the Standalone Financial Statement for the year ended March 31, 2021

### 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, 3<sup>rd</sup> 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

#### 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.

### 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 of the Company under the Insolvency & Bankruptcy Code, 2016 (IBC, 2016) was approved by the Hon'ble National Company Law Tribunal ("NCLT"), Kolkata by its order dated April 18, 2018. The appeals filed by some of the banks were dismissed by the Hon'ble National Company Law Appellate Tribunal ("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 the Hon'ble Supreme Court against the order of the Hon'ble NCLAT, which is pending. The Company has taken necessary steps for the implementation of the Resolution Plan under IBC, 2016 on its approval by order dated April 18, 2018 by the Hon'ble NCLT, Kolkata. Stay was not granted by the Hon'ble NCLAT on implementation of the Resolution Plan during pendency of appeals before the Hon'ble NCLAT. The Resolution Plan has not been implemented by the financial creditors, first on the plea of pending appeals before the Hon'ble NCLAT and thereafter on the plea of pending civil appeal before the Hon'ble Supreme Court against the Hon'ble NCLAT order dated August 16, 2019. The financial results 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 not remain a going concern. Consequently, the financial results may have to be restated.

#### (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.

## Notes to the Standalone Financial Statement for the year ended March 31, 2021

- (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 effects 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-runs 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.

### (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.

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

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.

## Notes to the Standalone Financial Statement for the year ended March 31, 2021

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	Estimated Useful Life (in years)
Buildings	60 Years
Plant and machinery	4-13 Years*
Computer equipment	3 Years
Furniture and fixtures	10 Years
Office equipment	4-10 Years*
Vehicles - Motor cycles, scooters and other mopeds	
Motor Bus, Motor Lorry, Motor Cars other than those used in a business of running them on hire	6-8 Years*
Motor Cycles, Scooters & Other Mopeds	5-10 years*

\* For these class of assets , based on internal assessment and independent technical evaluation carried out by the chartered engineers, the company believes that the useful lives as given above best represents the period over which the company expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule-II of the Companies Act, 2013.

Freehold Land is not depreciated.

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.



## Notes to the Standalone Financial Statement for the year ended March 31, 2021

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.

### (1) 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.

### (2) 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.

### (3) 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.

**(4) 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.

### (5) 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.

**(6)** Investment in Subsidiaries and associates are being carried at cost.

### (7) 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.

### (8) 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.

## Notes to the Standalone Financial Statement for the year ended March 31, 2021

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.

### **(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.

## Notes to the Standalone Financial Statement for the year ended March 31, 2021

### (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 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.

### (1) 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.

### (2) 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.

### 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.

## Notes to the Standalone Financial Statement for the year ended March 31, 2021

### **Dividend Income**

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

### **(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.

#### **(1) 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.

#### **(2) 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 substantively 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.

## Notes to the Standalone Financial Statement for the year ended March 31, 2021

### 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.

### (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 accounting

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.

## Notes to the Standalone Financial Statement for the year ended March 31, 2021

The useful lives of some of the assets have been reviewed during the year and the same have been revised on the basis of such evaluation duly supported by technical advice. This has resulted in additional depreciation of Rs. 4,020.24 lakhs for the year ended March 31, 2021.

The company reviews carrying value of its Tangible Assets whenever there is objective evidence that the assets are impaired. In such situation Asset's 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 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.



**Notes to the Standalone Financial Statement** for the year ended March 31, 2021

**Note 5. Property, Plant and Equipment**

**As at March 31, 2021**

(₹ in lakhs)

Particulars	Freehold Land	Buildings	Plant & Machinery	Furniture & Fittings	Vehicles	Office Equipment	Computers	Grand Total
<b>Gross Block</b>								
<b>As at April 1, 2020</b>	<b>10.62</b>	<b>1,633.10</b>	<b>16,557.40</b>	<b>362.76</b>	<b>386.41</b>	<b>204.87</b>	<b>122.54</b>	<b>19,277.71</b>
Additions	-	-	-	0.12	0.81	3.92	4.59	9.44
Disposal/Adjustments	-	-	-	-	-	-	-	-
<b>As at March 31, 2021</b>	<b>10.62</b>	<b>1,633.10</b>	<b>16,557.40</b>	<b>362.88</b>	<b>387.22</b>	<b>208.79</b>	<b>127.13</b>	<b>19,287.15</b>
<b>Accumulated Depreciation</b>								
<b>As at April 1, 2020</b>	<b>-</b>	<b>141.19</b>	<b>6,718.04</b>	<b>221.65</b>	<b>299.36</b>	<b>175.28</b>	<b>107.74</b>	<b>7,663.26</b>
Charge during the year	-	27.53	5,144.74	37.42	34.53	11.49	1.60	5,257.32
Disposal/Adjustments	-	-	-	-	-	-	-	-
<b>As at March 31, 2021</b>	<b>-</b>	<b>168.72</b>	<b>11,862.78</b>	<b>259.07</b>	<b>333.89</b>	<b>186.77</b>	<b>109.34</b>	<b>12,920.58</b>
<b>Net Block as at March 31, 2021</b>	<b>10.62</b>	<b>1,464.38</b>	<b>4,694.62</b>	<b>103.81</b>	<b>53.33</b>	<b>22.02</b>	<b>17.79</b>	<b>6,366.57</b>

**As at March 31, 2020**

(₹ in lakhs)

Particulars	Freehold Land	Buildings	Plant & Machinery	Furniture & Fittings	Vehicles	Office Equipment	Computers	Grand Total
<b>Gross Block</b>								
<b>As at April 1, 2019</b>	<b>10.62</b>	<b>1,633.10</b>	<b>16,557.24</b>	<b>362.76</b>	<b>386.41</b>	<b>201.42</b>	<b>118.77</b>	<b>19,270.32</b>
Additions	-	-	0.16	-	-	3.45	3.77	7.39
Disposal/Adjustments	-	-	-	-	-	-	-	-
<b>As at March 31, 2020</b>	<b>10.62</b>	<b>1,633.10</b>	<b>16,557.40</b>	<b>362.76</b>	<b>386.41</b>	<b>204.87</b>	<b>122.54</b>	<b>19,277.71</b>
<b>Accumulated Depreciation</b>								
<b>As at April 1, 2019</b>	<b>-</b>	<b>113.66</b>	<b>5,416.22</b>	<b>183.05</b>	<b>261.65</b>	<b>152.38</b>	<b>106.02</b>	<b>6,232.98</b>
Charge during the year	-	27.53	1,301.82	38.60	37.71	22.90	1.72	1,430.28
Disposal/Adjustments	-	-	-	-	-	-	-	-
<b>As at March 31, 2020</b>	<b>-</b>	<b>141.19</b>	<b>6,718.04</b>	<b>221.65</b>	<b>299.36</b>	<b>175.28</b>	<b>107.74</b>	<b>7,663.26</b>
<b>Net Block as at March 31, 2020</b>	<b>10.62</b>	<b>1,491.91</b>	<b>9,839.36</b>	<b>141.11</b>	<b>87.05</b>	<b>29.59</b>	<b>14.80</b>	<b>11,614.45</b>

## Notes to the Standalone Financial Statement for the year ended March 31, 2021

### Note 6. Investments - Non Current

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
<b>Investment in Equity Instruments</b>			
<b>In Wholly Owned Subsidiaries - Unquoted</b>			
<b>Carried at Cost</b>			
<b>AAP Infrastructure Limited</b>	6.3	1,200.00	1,200.00
1,20,00,000 (March 31, 2020 - 1,20,00,000) equity shares of Rs. 10/- each fully paid up			
<b>MBL (MP) Toll Road Co. Limited</b>		1,500.00	1,500.00
1,50,00,000 (March 31, 2020 - 1,50,00,000) equity shares of Rs. 10/- each fully paid up			
<b>MBL (Haldia) Toll Road Co. Ltd.</b>		7.25	7.25
72,500 (March 31, 2020 - 72,500) equity shares of Rs. 10/- each fully paid up			
<b>MBL Projects Ltd.</b>	6.4	2,984.25	2,984.25
2,98,42,500 (March 31, 2020 - 2,98,42,500) equity shares of Rs. 10/- each fully paid up			
<b>Suratgarh Bikaner Toll Road Company Private Limited</b>	6.5	18,505.23	18,505.23
17,00,70,000 (March 31, 2020 - 17,00,70,000) equity shares of Rs. 10/- each fully paid up			
<b>MBL (MP) Road Nirman Co. Ltd.</b>	6.3	1,000.00	1,000.00
1,00,00,000 (March 31, 2020 - 1,00,00,000) equity shares of Rs. 10/- each fully paid up			
<b>MBL Highway Development Co. Limited</b>	6.3	5,110.00	5,110.00
5,11,00,000 (March 31, 2020 - 5,11,00,000) equity shares of Rs. 10/- each fully paid up			
<b>MBL (Udaipur Bypass) Road Limited</b>		0.01	0.01
50 (March 31, 2020 - 50) equity shares of Rs. 10/- each fully paid up			
<b>In Associate - Unquoted</b>			
<b>Carried at Cost</b>			
<b>Orissa Steel Expressway Private Limited</b>			
2,37,43,800 (March 31, 2020 - 2,37,43,800) equity shares of Rs. 10/- each fully paid up	6.6	-	-
<b>In Other Entities - Unquoted</b>			
<b>Carried at Cost</b>			
<b>MBL (CGRG) Road Limited</b>		0.01	0.01
50 (March 31, 2020 - 50) equity shares of Rs. 10/- each fully paid up			
<b>MBL (GSY) Road Limited</b>		0.01	0.01
50 (March 31, 2020 - 50) equity shares of Rs. 10/- each fully paid up			
<b>Total</b>		<b>30,306.76</b>	<b>30,306.76</b>

- 6.1** 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 against project centric financial participations in concession agreements by the respective subsidiary companies.

**Notes to the Standalone Financial Statement** for the year ended March 31, 2021

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

<b>Name of the Company</b>	<b>Country of Incorporation</b>	<b>% of holding as at March 31, 2021</b>	<b>% of holding as at March 31, 2020</b>
AAP Infrastructure 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
MBL Projects Ltd.	India	100.00	100.00
Suratgarh Bikaner Toll Road Company Private Limited	India	100.00	100.00
MBL (MP) Road Nirman Co. Ltd.	India	100.00	100.00
MBL Highway Development Co. Limited	India	100.00	100.00
MBL (CGRG) Road Limited	India	100.00	100.00
MBL (Udaipur Bypass) Road Limited	India	100.00	100.00

- 6.3** The Company has as at March 31, 2021 (i) Non-Current Investment amounting to Rs. 1,000.00 lakhs (March 31, 2020; Rs. 1,000.00 lakhs) in MBL (MP) Road Nirman Company Limited; (ii) Non-Current Investment amounting to Rs. 1,200.00 lakhs (March 31, 2020; Rs. 1,200.00 lakhs) in AAP Infrastructure Limited; (iii) Non-Current Investment amounting to Rs. 5,110.00 lakhs (March 31, 2020; Rs. 5,110.00 lakhs) in MBL Highway Development Company Limited. All the above entities are wholly owned by the Company along with its wholly owned subsidiary Company, MBL Projects Ltd and have incurred losses due to cancellation/termination of the projects and net worth of above entities as at March 31, 2021 have been fully eroded. The net worth of these subsidiaries do not represent true market value of the underlying investment/assets. Claims have been filed against the cancellation/termination of the projects. These claims are based on the terms & conditions implicit in the contract in respect of the cancelled/terminated projects. Considering the contractual tenability; legal advice obtained and progress of arbitration/litigation, the management is confident of recovery of these claims. In view of this, the management is confident that the realisable amount is higher than the carrying value of the investments and, therefore, has considered the investment in above subsidiaries as good and recoverable.
- 6.4** The Company has as at March 31, 2021 Non-Current Investment amounting to Rs. 2,984.25 lakhs (March 31, 2020; Rs. 2,984.25 lakhs) in its wholly owned subsidiary company MBL Projects Ltd. The net worth of the subsidiary does not represent true market value of the underlying investment/assets. The subsidiary holds shares in downstream SPVs in which projects were cancelled/terminated. Claims have been filed against cancellation/termination of the 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 of these claims. In view of this, the management is confident that the realisable amount is higher than the carrying value of the investment and, therefore, has considered the investment in above subsidiary as good and recoverable.
- 6.5** The Company has as at March 31, 2021 Non-Current Investment amounting to Rs. 18,505.23 lakhs (March 31, 2020; Rs. 18,505.23 lakhs) in its wholly owned subsidiary company 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 of the underlying investment/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 the investment and, therefore, considering the investment in above subsidiary as good and recoverable.
- 6.6** "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.

## Notes to the Standalone Financial Statement for the year ended March 31, 2021

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.

### 7 Trade Receivables - Non Current

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered Good	7.1	134,527.25	117,991.97
<b>Total</b>		<b>134,527.25</b>	<b>117,991.97</b>

#### 7.1 Refer Note No. 13 for Current portion of Trade Receivables

(₹ in lakhs)

Break-up of trade receivables is as follows:	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Non Current	7	134,527.25	117,991.97
Current	13	5,784.32	8,733.85
Deferred Credit (Non Current)	11	36,861.27	48,814.36
Deferred Credit (Current)	18	9,783.30	10,509.12
<b>Total</b>		<b>186,956.14</b>	<b>186,049.30</b>

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

(₹ in lakhs)

Ageing of trade receivables	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Within Credit period	7.2	2,921.43	6,865.89
Past due 0-180 days	-	2,862.89	1,867.96
Past due more than 180 days	-	181,171.82	177,315.45
<b>Total</b>		<b>186,956.14</b>	<b>186,049.30</b>

### 8 Other Financial Assets - Non Current

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Deposit with Banks having maturity more than 12 months	8.1	291.02	291.02
Accrued Interest on fixed deposits	-	144.32	140.09
<b>Total</b>		<b>435.34</b>	<b>431.11</b>

8.1 Fixed deposits includes pledged with banks as margin of Rs. 79.37 lakhs (March 31, 2020: Rs. 79.37 lakhs)

8.1 Fixed deposits includes pledged with others as security deposit of Rs. 211.65 lakhs (March 31, 2020: Rs. 211.65 lakhs)

### 9 Deferred Tax Assets (Net) - Non Current

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Deferred Tax Assets	46(b)	31,078.55	50,040.52
Less: Deferred Tax Liabilities		21,612.51	37,598.18
<b>Deferred Tax Assets (Net)</b>		<b>9,466.04</b>	<b>12,442.34</b>

**Notes to the Standalone Financial Statement** for the year ended March 31, 2021

**10 Non Current Tax Asset (net)**

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Advance tax (Tax Deducted at Source)	-	98.84	-
<b>Total</b>		<b>98.84</b>	<b>-</b>

**11 Other Non Current Assets - Non Current**

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Deferred credit-deposits/others	-	36,861.27	48,814.36
<b>Total</b>		<b>36,861.27</b>	<b>48,814.36</b>

**12 Inventories - Current**

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
<b>(As valued and certified by the management) (at cost or net realisable value, whichever is lower)</b>			
Construction materials at site	-	390.03	567.64
<b>Total</b>		<b>390.03</b>	<b>567.64</b>

**13 Trade Receivables - Current**

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good	13.1	5,784.32	8,733.85
<b>Total</b>		<b>5,784.32</b>	<b>8,733.85</b>

**13.1** Refer Note No. 7.2 for ageing of trade receivables

**14 Cash and Cash Equivalents - Current**

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Balances with banks:			
In current accounts	-	622.53	259.02
Cash on hand	-	20.74	5.66
<b>Total</b>		<b>643.27</b>	<b>264.68</b>

**15 Other Bank Balances - Current**

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Unclaimed Dividend	-	1.07	1.69
Deposits with banks having original maturity less than 3 months	15.1	241.46	241.46
<b>Total</b>		<b>242.53</b>	<b>243.15</b>

**15.1** Fixed deposits includes pledged with banks as margin of Rs. 241.46 lakhs (March 31, 2020: Rs. 241.46 lakhs)

## Notes to the Standalone Financial Statement for the year ended March 31, 2021

### 16 Other Financial Assets - Current

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good</b>			
Advance to Related Parties	38	725.74	632.26
Security and Other Deposits	16.1	301.74	420.70
Accrued Interest on fixed deposits	-	33.93	10.16
Others	-	98.01	81.50
<b>Total</b>		<b>1,159.42</b>	<b>1,144.62</b>

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

### 17 Current Tax Asset

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Income Tax Refundable	-	9,182.32	-
<b>Total</b>		<b>9,182.32</b>	<b>-</b>

### 18 Other Current Assets - Current

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Advance against materials, services, etc.	18.1	2,412.06	2,948.20
Deferred credit-deposits/others	-	9,783.30	10,509.12
Prepaid expenses	-	21.72	10.22
<b>Total</b>		<b>12,217.08</b>	<b>13,467.54</b>

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

### 19 Equity Share Capital

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
<b>Authorised Shares</b>			
10,50,00,000 (March 31, 2020 - 10,50,00,000) equity Shares of Rs. 10/- each	-	10,500.00	10,500.00
<b>Total</b>		<b>10,500.00</b>	<b>10,500.00</b>
<b>Issued, Subscribed &amp; Fully Paid Up Shares</b>			
10,47,54,624 (March 31, 2020 - 10,47,54,624) equity shares of Rs. 10/- each fully paid up	-	10,475.46	10,475.46
<b>Total</b>		<b>10,475.46</b>	<b>10,475.46</b>

**19.1** 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.

**19.2** 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.



## Notes to the Standalone Financial Statement for the year ended March 31, 2021

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

(₹ in lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	Value (Rs.)	Number	Value (Rs.)
<b>Equity Shares:</b>				
Number of Shares at the beginning of the year	104,754,624	10,475.46	104,754,624	10,475.46
Add: Addition during the year	-	-	-	-
<b>Number of Shares at the end of the year</b>	<b>104,754,624</b>	<b>10,475.46</b>	<b>104,754,624</b>	<b>10,475.46</b>

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

(₹ in lakhs)

Name of the Shareholders	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	%	No. of Shares	%
MBL A Capital Limited	33,274,877	31.77%	33,274,877	31.77%
Anjanee Kumar Lakhotia	13,358,716	12.75%	13,358,716	12.75%
Dipika Suppliers LLP	11,800,000	11.27%	11,800,000	11.27%
Chetan Commotrade LLP	9,900,000	9.45%	9,900,000	9.45%

## 20 Other equity

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Capital Reserve	20.2	40,308.22	40,308.22
Securities Premium	20.3	20,703.24	20,703.24
Debenture Redemption Reserve	20.4	22,021.27	22,021.27
General Reserve	20.5	12,941.14	12,941.14
Retained Earnings	20.6	10,349.65	1,004.26
<b>Total</b>		<b>106,323.52</b>	<b>96,978.13</b>

### 20.1 Refer Statement of changes in Equity for movement in balances of reserves.

#### Nature and purpose of Reserves:

#### 20.2 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.

#### 20.3 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.

#### 20.4 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.

#### 20.5 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.

#### 20.6 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.

## Notes to the Standalone Financial Statement for the year ended March 31, 2021

### 21 Borrowings - Non Current

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
<b>Secured</b>			
0.10 % Non-Convertible Debentures	21.1	49,571.64	49,571.64
Working Capital Term Loans (WCTL) from Banks	21.2	3,737.54	3,737.54
Equipment/Vehicle Finance/Term Loan/External Commercial Borrowings	21.3		
- From Banks		12,226.45	12,224.62
- From Others		3,847.52	3,847.52
<b>Total</b>		<b>69,383.15</b>	<b>69,381.32</b>

**21.1** 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:

- (i) 1<sup>st</sup> pari-passu charge on the long term receivables.
- (ii) 2<sup>nd</sup> pari-passu charge on the entire current assets of the company.

**21.2** 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) 1<sup>st</sup> pari-passu charge on the entire Fixed Assets (movable and immovable) of the Company except those specifically charged to Equipment/ ECB lenders.
- (ii) 1<sup>st</sup> pari-passu charge on the long term receivables.
- (iii) 2<sup>nd</sup> pari-passu charge on the entire current assets of the Company.

**21.3** 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.

**21.4** 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.

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

(₹ 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		45.35	44.93	122.81	12,058.70
- From Others		15.25	229.73	247.36	3,370.44
<b>Total</b>		<b>60.60</b>	<b>1,029.54</b>	<b>1,219.27</b>	<b>67,134.34</b>

\* Interest rates have been considered as per the Resolution Plan approved by the Hon'ble NCLT, Kolkata on April 18, 2018.

## Notes to the Standalone Financial Statement for the year ended March 31, 2021

### 22 Trade Payables - Non Current

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
A) Total outstanding dues of micro enterprises and small enterprises	22.1	-	-
B) Total outstanding dues of Creditors other than micro enterprises and small enterprises	22.2 & 22.3	4,543.26	3,847.80
<b>Total</b>		<b>4,543.26</b>	<b>3,847.80</b>

**22.1** 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.

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
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	-	-

**22.2** Refer Note No. 42.2

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

### 23 Other Financial Liabilities - Non Current

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Others		340.65	313.53
<b>Total</b>		<b>340.65</b>	<b>313.53</b>

### 24 Provisions - Non Current

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits	39	56.33	64.27
Provision for Tax (Net of advance tax)	-	-	2,626.89
Others	47	632.55	1,046.33
<b>Total</b>		<b>688.88</b>	<b>3,737.49</b>

### 25 Other Non Current Liabilities - Non Current

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Deferred gain on fair valuation of financial instruments	-	38,513.41	38,513.41
<b>Total</b>		<b>38,513.41</b>	<b>38,513.41</b>

## Notes to the Standalone Financial Statement for the year ended March 31, 2021

### 26 Borrowings - Current

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
<b>Secured</b>			
- Working Capital facilities from Banks (repayable on demand)	26.1	3,737.54	3,737.54
- Others		-	-
- Liquidation Value of Dissenting Financial Creditors		4,902.25	4,902.25
- From Bodies Corporate	26.2	328.36	328.36
<b>Unsecured</b>			
- From Bodies Corporate	26.2	2,073.03	2,073.03
- Book Overdraft		28.15	2.86
<b>Total</b>		<b>11,069.33</b>	<b>11,044.04</b>

#### 26.1 Restructuring of working capital facilities in term of Resolution Plan

There is cash credit facilities aggregating to Rs 3,737.54 Lakhs (March 31, 2020 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:

- 1<sup>st</sup> pari-passu charge on the entire current assets of the company.
- 2<sup>nd</sup> pari-passu charge on the entire Fixed Assets (movable and immovable) of the Company.
- 2<sup>nd</sup> pari-passu charge on the long term receivables.

**26.2** Short term secured borrowings from other parties is secured by Rs. way of pledge of Rs. 9,78,000 nos. (March 31, 2020 - 9,78,000 nos.) shares of the Company held by Promoter Company MBL A Capital Limited.

**26.3** 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.

### 27 Trade Payables - Current

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
A) Total outstanding dues of micro enterprises and small enterprises	27.1	-	-
B) Total outstanding dues of Creditors other than micro enterprises and small enterprises	27.2 & 27.3	4,989.72	5,276.39
<b>Total</b>		<b>4,989.72</b>	<b>5,276.39</b>

**27.1** Disclosure of Trade payablesRs. 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.

**Notes to the Standalone Financial Statement** for the year ended March 31, 2021

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
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	-	-

**27.2** Refer Note No. 42.2

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

**28 Other Financial Liabilities - Current**

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Current maturities of Long Term Debt			
- From Banks	-	45.35	45.48
- From Others	-	15.25	15.25
Unclaimed Dividend	-	1.06	1.69
Liabilities against Capital Goods			
- Total outstanding dues of MSME	-	-	-
- Total outstanding dues of creditors other than MSME	28.1 & 28.2	73.28	69.44
Others	28.1	273.63	1,462.02
<b>Total</b>		<b>408.57</b>	<b>1,593.88</b>

**28.1** Refer Note No. 42.2

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

**29 Other Current Liabilities- Current**

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Advance from Customers	-	760.50	3,319.15
Advance from Related Parties	38	181.08	976.31
Deferred gain on fair valuation of financial instruments	-	-	562.07
<b>Total</b>		<b>941.58</b>	<b>4,857.53</b>

**30 Provisions - Current**

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits	39	3.51	3.49
<b>Total</b>		<b>3.51</b>	<b>3.49</b>

## Notes to the Standalone Financial Statement for the year ended March 31, 2021

### 31 Revenue from Operations

(₹ in lakhs)

Particulars	Refer Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Construction and Project related activities	45	14,633.29	16,620.59
<b>Total</b>		<b>14,633.29</b>	<b>16,620.59</b>

### 32 Other Income

(₹ in lakhs)

Particulars	Refer Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on fixed deposits	-	31.10	40.62
Interest income on Financial Assets measured at amortised cost			
- Retention Money		-	-
- Trade Receivables	-	10,657.52	7,960.67
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	-	1.10	-
Miscellaneous Income	-	123.67	18.27
<b>Total</b>		<b>11,375.87</b>	<b>8,582.04</b>

### 33 Cost of Materials Consumed

(₹ in lakhs)

Particulars	Refer Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Cost of Materials Consumed	-	3,724.73	2,212.04
<b>Total</b>		<b>3,724.73</b>	<b>2,212.04</b>

### 34 Employee Benefits Expense

(₹ in lakhs)

Particulars	Refer Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and Wages	-	467.78	610.80
Contribution to Provident and Other Funds	-	30.83	24.80
Staff Welfare Expense	-	52.21	78.12
<b>Total</b>		<b>550.82</b>	<b>713.72</b>

### 35 Finance Costs

(₹ in lakhs)

Particulars	Refer Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expense	-	-	76.98
Interest expense on amortisation of Financial Liabilities	-	723.28	691.66
<b>Total</b>		<b>723.28</b>	<b>768.64</b>

35.1 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 Financial creditors Rs. are yet to implement the approved Resolution Plan, interest etc. have not accrued to them. Accordingly, no provision for interest amounting to Rs. 6,467.15 lakhs (March 31, 2020 Rs. 4,409.36 lakhs) has been made as on March 31, 2021.



## Notes to the Standalone Financial Statement for the year ended March 31, 2021

### 36 Depreciation and Amortisation Expense

(₹ in lakhs)

Particulars	Refer Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation on Property, Plant and Equipment	5	5,257.32	1,430.28
<b>Total</b>		<b>5,257.32</b>	<b>1,430.28</b>

### 37 Other Expenses

(₹ in lakhs)

Particulars	Refer Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Direct labour, sub-contract etc.	-	1,874.84	2,053.80
Stores and spares consumed	-	60.35	64.55
Power, fuel and lubricants	-	349.97	188.66
Hire charges - vehicles and equipments	-	37.21	44.69
Sites rent	-	14.38	38.64
Repairs to machinery	-	23.22	4.02
Insurance	-	18.06	28.53
Rates and taxes, excluding taxes on income	-	81.21	62.38
Other repairs	-	59.58	61.92
Remuneration to Auditors	-	22.50	22.50
Bank commission and charges	-	41.09	46.13
Interest expenses on Financial Assets At amortised cost			
-Trade Receivables	-	11,886.60	8,711.15
Corporate Social Responsibility (CSR) expenditure	37.2	0.71	0.74
Director's Remuneration	-	60.00	60.00
Miscellaneous expenses	-	593.21	1,041.34
Claims Adjustment	-	133.46	6,011.88
<b>Total</b>		<b>15,256.39</b>	<b>18,440.93</b>

#### 37.1 Remuneration to Auditors comprises of:

(₹ in lakhs)

Particulars	Refer Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Payment to Auditors			
-Statutory audit	-	20.00	20.00
-Tax audit	-	2.50	2.50
<b>Total</b>		<b>22.50</b>	<b>22.50</b>

#### 37.2 The CSR expenditure comprises the following:

- (a) Gross amount required to be spent by the Company during the year Rs. Nil (March 31, 2020 - Rs. Nil)
- (b) Amount spent during the year on:

(₹ in lakhs)

S.No	Particulars	For the year ended March 31, 2021			For the year ended March 31, 2020		
		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	0.71	-	0.71	0.74	-	0.74
<b>Total</b>		<b>0.71</b>	<b>-</b>	<b>0.71</b>	<b>0.74</b>	<b>-</b>	<b>0.74</b>

## Notes to the Standalone Financial Statement for the year ended March 31, 2021

### 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

<b>A Name of the Related Party</b>	<b>Relationship</b>
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 (100%)	Enterprises-Participation interest
MBL - Supreme (100%)	Enterprises-Participation interest
MBL- ABCI (2%)	Enterprises-Participation interest
MBL- VIL (100%)	Enterprises-Participation interest

<b>B Key Management Personnel</b>	<b>Relationship</b>
Mr. Anjanee Kumar Lakhotia	Chairman and Managing Director
Mrs. Sunita Palita	Independent Director
Mr. Ashwini Kumar Singh	Independent Director
Mr. Bhagwan Singh Duggal	Independent Director (up to March 01, 2021)
Mr. Ranjit Datta	Independent Director (w.e.f August 13, 2020)
Mr. Surender Aggarwal	Director (w.e.f. September 30, 2020)
Mr. Darshan Singh Negi	Chief Financial Officer
Mr. Anubhav Maheshwari	Company Secretary

<b>C Enterprises owned or significantly influenced by key management personnel or their relatives</b>	<b>Relationship</b>
	Chetan Commotrade LLP

### D. Transactions during the year

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, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Director's Sitting Fees	-	-	4.45	5.35	-	-	-	-
Reimbursement of expenses/Payments/ Receipts (Net)	3,206.81	4,107.01	-	-	35.61	1,396.45	1,117.42	916.26
Advance from Contractee	308.41	336.79	-	-	-	-	-	-
Contact Revenue Billed, O&M Charges etc.	3,734.63	3,055.02	-	-	-	-	606.34	2,379.71

## Notes to the Standalone Financial Statement for the year ended March 31, 2021

### E Outstanding Balances

Particulars	Subsidiary Companies		Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Joint Ventures	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Amount Receivable	2,908.75	3,251.56	-	-	-	-	915.52	2,595.12
Amount Payable	314.49	1,185.13	-	-	-	35.61	175.01	130.86
Investment	30,306.74	30,306.74	-	-	-	-	-	-

**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

(₹ in lakhs)

Particulars	2020-21	2019-20
Director's Remuneration	60.00	60.00
Remuneration - other key managerial person*	47.38	47.32
Post-employment benefit, etc. (includes provision for leave, gratuity and other post-retirement benefits)*	-	-
<b>Total</b>	<b>107.38</b>	<b>107.32</b>

\* 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 2021, 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:

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Employer's Contribution to Provident Fund	16.90	19.52
<b>Total</b>	<b>16.90</b>	<b>19.52</b>

## Notes to the Standalone Financial Statement for the year ended March 31, 2021

### 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:

(₹ in lakhs)

S.No	Particulars	Gratuity	Leave Encashment
(i)	<b>Movement in Obligation</b>		
	<b>Present value of obligation - March 31, 2020</b>	<b>56.47</b>	<b>11.28</b>
	Service cost	8.75	2.55
	Interest on defined benefit obligation	3.92	0.80
	Benefits settled	(1.67)	-
	Remeasurement- Actuarial (Gain)/Loss	(15.85)	(6.41)
	<b>Present value of obligation - March 31, 2021</b>	<b>51.62</b>	<b>8.22</b>

(₹ in lakhs)

	Change in Plan assets	Gratuity (Funded)	
(ii)	<b>Particulars</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
	<b>Fair Value of Plan assets at the beginning of the financial year</b>	-	-
	Expected return on plan assets	-	-
	Actuarial Gain/ (Loss)	-	-
	Contributions	-	-
	Benefits settled	-	-
	<b>Fair Value of Plan assets at the end of the financial year</b>	-	-

### Net Funded Status of Plan-Gratuity

(₹ in lakhs)

(iii)	<b>Particulars</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
	Closing Defined Benefit Obligation	51.62	56.47
	Closing fair value of plan assets	-	-
	<b>Net Funded Status of Plan Surplus/(Deficit)</b>	<b>(51.62)</b>	<b>(56.47)</b>

### Expenses recognised in the statement of Profit and Loss:

(₹ in lakhs)

(iv)	<b>Particulars</b>	<b>Gratuity</b>	<b>Leave Encashment</b>
	Service cost	11.01	3.38
	Interest cost	3.42	1.76
	Actuarial Gain/ (Loss)	(5.77)	(19.23)
	Expected return on plan assets	-	-
	<b>For the year ended March 31, 2020</b>	<b>8.66</b>	<b>(14.09)</b>
	Service cost	8.75	2.55
	Interest cost	3.92	0.80
	Actuarial Gain/ (Loss)	(15.85)	(6.41)
	Expected return on plan assets	-	-
	<b>For the year ended March 31, 2021</b>	<b>(3.18)</b>	<b>(3.06)</b>

**Notes to the Standalone Financial Statement** for the year ended March 31, 2021

**Expenses recognised in Other Comprehensive Income-Gratuity**

(₹ in lakhs)

(v)	Particulars	March 31, 2021	March 31, 2020
	Remeasurement- Actuarial (Gain)/Loss	(15.85)	(5.77)
	<b>Net expenses recognised in Other Comprehensive Income</b>	<b>(15.85)</b>	<b>(5.77)</b>

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

(₹ in lakhs)

(vi)	Particulars	March 31, 2021	March 31, 2020
	Discounting rate (%)	7.04%	6.88%
	Estimated rate of return on plan assets (%)	0%	0%
	Salary Increase (%)	6%	6%
	Attrition rate (%)	5%	5%
	Mortality Rate	IALM (2012-14)	IALM (2012-14)
	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.

(₹ in lakhs)

Particulars	Gratuity	Leave Encashment
<b>As at March 31, 2021</b>		
Current Liability	2.12	1.38
Non Current Liability	49.50	6.84
<b>Total</b>	<b>51.62</b>	<b>8.22</b>
<b>As at March 31, 2020</b>		
Current Liability	1.53	1.96
Non Current Liability	54.94	9.32
<b>Total</b>	<b>56.47</b>	<b>11.28</b>

**Sensitivity Analysis**

(₹ in lakhs)

Gratuity	Change in assumptions	March 31, 2021	March 31, 2020
<b>Discount rate</b>	1.00%	(47.43)	(51.10)
	-1.00%	56.43	62.74
<b>Salary Growth rate</b>	1.00%	56.30	62.69
	-1.00%	(47.48)	(51.06)
<b>Attrition rate</b>	1.00%	(51.46)	56.19
	-1.00%	51.76	(56.74)
<b>Mortality Rate</b>	10.00%	51.62	56.47

(₹ in lakhs)

Leave Encashment	Change in assumptions	March 31, 2021	March 31, 2020
<b>Discount rate</b>	1.00%	(7.55)	(10.35)
	-1.00%	9.00	12.37
<b>Salary Growth rate</b>	1.00%	8.95	12.34
	-1.00%	(7.57)	(10.36)
<b>Attrition rate</b>	1.00%	8.26	11.29
	-1.00%	(8.18)	(11.27)
<b>Mortality Rate</b>	10.00%	8.22	11.29

## Notes to the Standalone Financial Statement for the year ended March 31, 2021

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 31<sup>st</sup> March, 2021:

(₹ in lakhs)

Period	Gratuity	Leave Encashment
Within 1 year	2.12	0.44
1-2 years	2.01	0.41
2-3 years	1.90	0.39
3-4 years	3.80	0.45
4-5 years	1.61	0.34
5-10 years	13.61	2.66
Above 10 years	26.57	3.53
<b>Total</b>	<b>51.62</b>	<b>8.22</b>

## 40 Fair value of financial assets and liabilities

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

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2021		As at March 31, 2020	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets-At amortised cost</b>					
Trade Receivables	7 & 13	140,311.57	140,311.57	126,725.82	126,725.82
Cash & Cash Equivalents	14	643.27	643.27	264.68	264.68
Other Bank Balances	15	242.53	242.53	243.15	243.15
Other Financial Assets	8 & 18	12,652.42	12,652.42	13,898.66	13,898.66
<b>Total</b>		<b>153,849.79</b>	<b>153,849.79</b>	<b>141,132.31</b>	<b>141,132.31</b>
<b>Financial Liabilities-At amortised cost</b>					
Borrowings	21,26 & 28	80,513.08	80,513.08	80,486.09	80,486.09
Trade Payables	22 & 27	9,532.98	9,532.98	9,124.19	9,124.19
Other Financial Liabilities	23 & 28	688.61	688.61	1,846.68	1,846.68
<b>Total</b>		<b>90,734.67</b>	<b>90,734.67</b>	<b>91,456.96</b>	<b>91,456.96</b>

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.

### 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.



## Notes to the Standalone Financial Statement for the year ended March 31, 2021

- ii) In terms of the resolution plan, the long term borrowings as on 31<sup>st</sup> March, 2021 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. 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's 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, 2021

(₹ in lakhs)

Particulars	Less than 12 months	More than 12 months	Total
<b>Financial Liability</b>			
Borrowings	11,129.93	69,383.15	80,513.08
Trade Payables	4,989.72	4,543.26	9,532.98
Others	347.96	340.65	688.61
<b>Total</b>	<b>16,467.61</b>	<b>74,267.06</b>	<b>90,734.67</b>

## Notes to the Standalone Financial Statement for the year ended March 31, 2021

As at March 31, 2020

(₹ in lakhs)

Particulars	Less than 12 months	More than 12 months	Total
<b>Financial Liability</b>			
Borrowings	11,104.77	69,381.32	80,486.09
Trade Payables	5,276.39	3,847.80	9,124.19
Others	1,533.15	313.53	1,846.68
<b>Total</b>	<b>17,914.31</b>	<b>73,542.65</b>	<b>91,456.96</b>

### 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 31<sup>st</sup> March 2021. 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, 2021, 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.

As at March 31, 2021

(₹ in lakhs)

Particulars	Total borrowings	Floating rate borrowings	Fixed rate borrowings	Weighted average interest rate (%)
Borrowing- in INR	80,513.08	-	80,513.08	8.65%
<b>Total</b>	<b>80,513.08</b>	<b>-</b>	<b>80,513.08</b>	

As at March 31, 2020

(₹ in lakhs)

Particulars	Total borrowings	Floating rate borrowings	Fixed rate borrowings	Weighted average interest rate (%)
Borrowing- in INR	80,486.09	-	80,486.09	8.65%
<b>Total</b>	<b>80,486.09</b>	<b>-</b>	<b>80,486.09</b>	

### 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.

## Notes to the Standalone Financial Statement for the year ended March 31, 2021

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

### Gearing Ratio

(₹ in lakhs)

Particulars	March 31, 2021	March 31, 2020
<b>Debt</b>		
Borrowing	80,513.08	80,486.09
Cash and Cash Equivalents	643.27	264.68
<b>Net Debt (net of cash and cash equivalent)</b>	<b>79,869.81</b>	<b>80,221.41</b>
<b>Capital</b>		
Equity Share Capital	10,475.46	10,475.46
Other Equity	106,323.52	96,978.13
<b>Total Capital</b>	<b>116,798.98</b>	<b>107,453.59</b>
<b>Capital and net debt</b>	<b>196,668.79</b>	<b>187,675.00</b>
<b>Gearing Ratio</b>	<b>0.41</b>	<b>0.43</b>

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

### a) Contingent Liabilities

(₹ in lakhs)

S.No	Particulars	As at March 31, 2021	As at March 31, 2020
a	Claims against the company / disputed liabilities not acknowledged as debts (to the extent ascertained)	-	1,713.32
b	Corporate guarantee given on behalf of wholly owned subsidiary company MBL (MP) Toll Road Company Ltd. (as per approved plan)	2,417.55	4,325.66
c	Corporate Guarantees given on behalf of subsidiary Company Suratgarh Bikaner toll road Company Pvt. Ltd. for concessionaire's events of default (as per approved plan)	44,821.60	45,000.00
d	Outstanding bank guarantees	6,428.23	6,909.55
e	Tax matters in dispute under appeal	-	12,800.61

**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.

**42.2** As per judgments of the Hon'ble Supreme Court, the Resolution Plan approved under IBC is binding on all creditors including Central Government, State Government, any Local Authority under section 31(1) of IBC, 2016 and any amount not claimed by the operational creditors stand extinguished. These claims are subject to reconciliation and rights and remedies available with the Company and are not acknowledged as debt.

**42.3** As per resolution plan approved under IBC, 2016, **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, 2020 - Rs. Nil)

## Notes to the Standalone Financial Statement for the year ended March 31, 2021

### 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.

### 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	2020-21	2019-20
Profit/(loss) attributable to equity shareholders	9,333.53	6,964.68
Weighted average number of equity shares (in nos.)	104,754,624	104,754,624
Basic & diluted earnings per equity share (In Rs)*	8.92	6.65

#### After Exceptional Items

(Rs. In Lakhs except otherwise stated)

Particulars	2020-21	2019-20
Profit/(loss) attributable to equity shareholders	9,333.53	35,431.64
Weighted average number of equity shares (in nos.)	104,754,624	104,754,624
Basic & diluted earnings per equity share (In Rs)*	8.92	33.83

\*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, 2021

(Rs. In Lakhs)

Type of good or service	Revenue as per Ind AS 115
Civil construction	14,633.29
<b>Total</b>	<b>14,633.29</b>

#### b) Contract balances:

(Rs. In Lakhs except otherwise stated)

i) Movement in contract balances during the year:			
Particulars		Year ended March 31, 2021	Year ended March 31, 2020
Opening balance	Contract liabilities	909.88	1024.16
Closing balance	Contract liabilities	319.71	909.88
<b>Net increase/(decrease)</b>		<b>(590.17)</b>	<b>(114.28)</b>

ii) Revenue recognised during the year from opening balance of contract liabilities amounting to Rs. 1604.57 lakhs (March 31, 2020 Rs. 2,562.16 lakhs).

**Notes to the Standalone Financial Statement** for the year ended March 31, 2021

**c) Reconciliation of Contracted Price with Revenue during the year:**

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening Contracted Price of Orders at the start of the year*	86,378.30	142,380.50
Add:		
Fresh Orders/Change Orders received (net)	6,033.78	8,156.24
Increase due to additional consideration recognised as per contractual terms/ (decrease) due to scope reduction -net	-	-
Less: Order Completed During the year	16,237.76	64,158.44
Closed Contracted price of orders on hand at the end of the year*	<b>76,174.32</b>	<b>86,378.30</b>
Total Revenue recognised during the year:	14,633.29	16,620.59
a.Revenue out of orders completed during the year	9,983.60	11,344.54
b.Revenue out of orders under execution at the end of the year(i)	4,649.69	5,276.05
Revenue recognised upto previous year (from order pending completion at the end of the year)(ii)	64,921.79	70,778.56
Balance Revenue to be recognised in future viz. Order Book (iii)	6,602.84	10,323.70
Closing Contracted price of Orders on hand at the end of the year*(i+ii+iii)	<b>76,174.32</b>	<b>86,378.31</b>
Closing Contracted price of Orders on hand at the end of the year- Continuing operations	6,602.84	10,323.70

\*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:**

(₹ in lakhs)

	Year	Transaction price allocated to the remaining performance obligation
Expected conversion in revenue	Upto 1 year	6,602.84
	From 1 to 2 years	-
	From 2 to 3 years	-
	From 3 to 4 years	-
	From 4 to 5 years	-
	Beyond 5 years	-
	<b>Total</b>	<b>6,602.84</b>

**46 Tax Expenses**

**(a) The major components of income tax expense for the year are as under:**

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Income Tax recognised in the Statement of Profit and Loss</b>		
Current Tax	-	-
Deferred Tax	2,972.30	(5,327.65)
Income tax for Earlier year	(11,809.21)	-
<b>Total Income Tax expenses recognised in statement of profit and loss</b>	<b>(8,836.91)</b>	<b>(5,327.65)</b>
<b>Income Tax expense recognised in OCI</b>		
Deferred Tax expense on re-measurement of defined benefit plans	3.99	2.02
<b>Income Tax expense recognised in OCI</b>	<b>3.99</b>	<b>2.02</b>
<b>Total (Net)</b>	<b>(8,832.92)</b>	<b>(5,325.63)</b>

## Notes to the Standalone Financial Statement for the year ended March 31, 2021

### (b) Gross Deferred Tax Liability and Assets for the year ended March 31, 2021 are as follows:

(₹ in lakhs)

Particulars	As at April 1, 2020	Charge/(Credit) recognised in Profit and Loss	Charge/(Credit) recognised in OCI	As at March 31, 2021
<b>Deferred Tax Assets</b>				
Provision for expense allowed for tax purpose on payment basis	122.63	(99.08)	(3.99)	19.56
Tax effect on Unabsorbed Loss and Depreciation	11,389.64	(6,582.01)	-	4,807.63
Difference in carrying value and tax base of Financial Asset at amortised cost	25,199.83	(8,730.14)	-	16,469.69
Difference in carrying value and tax base of Financial Liability	13,328.41	(3,546.74)	-	9,781.67
<b>Total Deferred Tax Assets</b>	<b>50,040.52</b>	<b>(18,957.97)</b>	<b>(3.99)</b>	<b>31,078.55</b>
<b>Deferred Tax Liabilities</b>				
Difference between written down value/ capital work in progress of Fixed Assets as per the books of accounts and Income Tax Act, 1961.	1,760.46	(1,580.28)	-	180.18
Difference in carrying value and tax base of non-Financial Liability	13,261.59	(3,568.53)	-	9,693.06
Difference in carrying value and tax base of Non-Financial Asset	22,576.13	(10,836.86)	-	11,739.27
<b>Total Deferred Tax Liabilities</b>	<b>37,598.18</b>	<b>(15,985.67)</b>	<b>-</b>	<b>21,612.51</b>
<b>Deferred Income Tax Assets (Net)</b>	<b>12,442.34</b>	<b>(2,972.30)</b>	<b>(3.99)</b>	<b>9,466.04</b>

### (c) Gross Deferred Tax Liability and Assets for the year ended March 31, 2020 are as follows:

(₹ 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
<b>Deferred Tax Assets</b>				
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 Non-Financial Liability	17,784.72	(4,456.31)	-	13,328.41
<b>Total Deferred Tax Assets</b>	<b>53,533.00</b>	<b>(3,490.47)</b>	<b>(2.02)</b>	<b>50,040.52</b>
<b>Deferred Tax Liabilities</b>				
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
<b>Total Deferred Tax Liabilities</b>	<b>46,416.28</b>	<b>(8,818.10)</b>	<b>-</b>	<b>37,598.18</b>
<b>Deferred Income Tax Assets (Net)</b>	<b>7,116.72</b>	<b>5,327.65</b>	<b>(2.02)</b>	<b>12,442.34</b>



## Notes to the Standalone Financial Statement for the year ended March 31, 2021

**46.1** Pursuant to the provisions of Ind AS 12 "Income Taxes", the Company has conservatively recognised deferred tax assets (net) as at March 31, 2021 amounting to Rs. 9,466.04 lakhs (March 31, 2020 Rs. 12,442.34 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, recovery of pending claims, 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.

**46.2** Income tax for earlier years amounting to Rs. 11,809.21 lakhs (March 31, 2020 Rs. Nil) for the year ended March 31, 2021 represents reassessment of tax liabilities of earlier years on the basis of recent judgements.

### 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. Admitted claims alone will be paid after reconciliation and subject to rights and remedies available.
- 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. Admitted claims alone will be paid after reconciliation and subject to rights and remedies available.
- c) Refer Note No. 42.2

### 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 Schedule VA(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 claims in respect of cost over-runs 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.

**52** The outbreak of COVID-19 had impacted the operations of the Company. 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. The construction activities have commenced in a phased manner after implementation of the standard protocols in line with the directives of the concerned authorities.

The impact of the COVID-19 (1<sup>st</sup> wave and 2<sup>nd</sup> wave) including government policies will have to be assessed from time to time. The Company has considered various external and internal information upto the date of approval of these financial results for assessing, inter-alia, the recoverability of investments, trade receivables, project work in progress, inventories and other assets.

## Notes to the Standalone Financial Statement for the year ended March 31, 2021

The Company 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 revenue in respect of claims pertaining to COVID-19 will be recognised when the Company will be reasonably certain of their quantification and realisation.

- 53** 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.
- 54** Figures for the previous period have been reworked/regrouped/recasted, wherever considered necessary.
- 55** These standalone financial statements have been approved by Board of Directors of the Company in their meeting dated June 23, 2021 for issue to the shareholders for their adoption.

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 S A R C & 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

**Darshan Singh Negi**

Chief Financial Officer

**Anjanee Kumar Lakhotia**

Chairman & Managing Director

DIN-00357695

Place: New Delhi

Date: June 23, 2021

**Anubhav Maheshwari**

Company Secretary

**Sunita Palita**

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 accompanying Consolidated Financial Statements of **MBL Infrastructures Limited** (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, 2021, 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"), as amended in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021,

its consolidated profit including other 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 on Auditing ("SAs") as 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 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 together with the ethical requirements that are relevant to our audit of the consolidated 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 consolidated financial statements.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of 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

## Description of Key Audit Matters

Measurement of Construction Revenue - refer Note 3 (s)	
The Key Audit Matters	How the matter was addressed in audit
<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>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>Obtaining an understanding and consideration of the appropriateness of the policies in respect of revenue recognition against the criteria in the Indian accounting standards.</li> <li>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.</li> <li>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.</li> <li>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.</li> </ul>

<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>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• We tested samples of manual journals posted to revenue to identify unusual items.</li> <li>• We checked adequacy of the disclosures made in note 47 to the Group's consolidated financial statements are compliant with Ind AS-115.</li> </ul>
<b>Revenue from Toll Collection - refer Note 3 (s)</b>	
<b>The Key Audit Matters</b>	<b>How the matter was addressed in audit</b>
<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>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the processes and control placed for toll collection and tested those controls for the operating effectiveness.</li> <li>• Testing a selection of Information Technology General Controls (ITGCs) supporting the integrity of the tolling systems' operation, including access, operations and change management controls.</li> <li>• 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.</li> <li>• 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.</li> <li>• On test check basis, traced the daily collection from bank statement to daily cash toll collected and the revenue recorded.</li> <li>• Performed data analytics procedures on transactions to detect unusual transactions for further examination.</li> <li>• On test check basis, traced the classification of vehicle independently from stored images recorded by the Company.</li> </ul>
<b>Disputed Tax Matters - refer Note 3 (q)</b>	
<b>The Key Audit Matters</b>	<b>How the matter was addressed in audit</b>
<p>Tax litigation exposures have been identified as a key audit matter due to:</p> <ul style="list-style-type: none"> <li>• Significance of these amounts.</li> <li>• 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.</li> </ul> <p>Additionally, the treatment of tax litigation require significant judgement due to the complexity of the cases and, timescales for resolution.</p>	<p>Our audit procedures include the following:</p> <ul style="list-style-type: none"> <li>• Obtained understanding and assessed the internal control environment relating to the identification, recognition and measurement of provisions for disputed tax matters.</li> <li>• 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.</li> <li>• Read evidence to corroborate management's assessment of the risk profile in respect of tax disputed matters.</li> <li>• We involved tax specialists to assist us in evaluating tax positions taken by management.</li> </ul> <p>We assessed the disclosures relating to the disputed tax matters as mentioned in Note 44 of the Consolidated Ind AS financial statements.</p>

## 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 position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows 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 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 statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors 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 included in the Group are 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 management's 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 the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, 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.

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 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:

- Note 3(a) regarding the Resolution Plan of the Holding Company under the Insolvency & Bankruptcy Code, 2016 (IBC, 2016) was approved by the Hon'ble National Company Law Tribunal ("NCLT"), Kolkata by its order dated April 18, 2018. The appeals filed by some of the banks were dismissed by the Hon'ble National Company Law Appellate Tribunal ("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 the Hon'ble Supreme Court against the order of the Hon'ble NCLAT, which is pending. The Holding Company has taken necessary steps for the implementation of the Resolution Plan under IBC, 2016 on its approval by order dated April 18, 2018 by the Hon'ble NCLT, Kolkata. Stay was not granted by the Hon'ble NCLAT on implementation of the Resolution Plan during pendency of appeals before the Hon'ble NCLAT. The Resolution Plan has not been implemented by the financial creditors, first on the plea of pending appeals before the Hon'ble NCLAT and thereafter on the plea of pending civil appeal before the Hon'ble Supreme Court against the Hon'ble NCLAT order dated August 16, 2019. The financial results have been prepared on going concern basis. In an unlikely event of ultimate rejection of the Resolution Plan, the Holding Company may go under liquidation and not remain a going concern. Consequently, the financial results 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.

- Note 48.1 regarding the Group has conservatively recognised deferred tax assets (net) as at March 31, 2021 amounting to Rs. 9,487.39 lakhs (March 31, 2020 Rs.12,498.71 lakhs) corresponding to unused brought forward income tax losses pursuant to the provisions of Ind AS 12 "Income Taxes", 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, recovery of pending claims, 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.

- c. Note 44.2 regarding judgments of the Hon'ble Supreme Court, the Resolution Plan approved under IBC is binding on all creditors including Central Government, State Government, any Local Authority under section 31(1) of IBC, 2016 and any amount not claimed by the operational creditors stand extinguished. These claims are subject to reconciliation and rights and remedies available with the Group and are not acknowledged as debt.
- d. Note 59 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, 2021 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, 2021 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 above matters.

## Other Matters

We did not audit the financial statements/ financial information of 8 subsidiaries included in the consolidated financial statement, whose financial statements/ financial information (before eliminating intra-group transactions) reflect total assets of Rs. 88,423.94 lakhs as at March 31, 2021 and total revenue of Rs. 7,362.77 lakhs, total net loss after tax of Rs. 3,794.33 lakhs,

total other comprehensive income of Rs. Nil and cash flows (net) of Rs. 755.18 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 and other financial information of subsidiaries, 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, 2021 and 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, 2021 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";
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries incorporated in India, the managerial remuneration for the year ended March 31, 2021 has been paid/ provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of Section 197 read with Schedule V to the Act;

- (h) 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 consolidated financial statements disclose the impact of pending litigations as on March 31, 2021 on the consolidated financial position of the Group - Refer Note 44 to the consolidated financial statement;
- ii. Provision has been made in the consolidated financial statements, 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, 2021.

For **S A R C & Associates**  
Chartered Accountants  
Firm Registration No.: 006085N

**Kamal Aggarwal**  
Partner

Place: New Delhi  
Date: June 23, 2021

Membership No.: 090129  
UDIN: 21090129AAAADS6699

## ANNEXURE 'A'

To the Independent Auditors Report on Consolidated Financial Statements of **MBL Infrastructures Limited** for the year ended March 31, 2021

**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, 2021, we have audited the internal financial controls with reference to consolidated financial statements of MBL Infrastructures Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 ("the Act") which are its subsidiary companies, as of that date.

## Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiaries which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). 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 Holding Company and its subsidiaries which are companies incorporated in India, internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 over financial reporting with reference to these consolidated financial statements was established and maintained and if 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.

## Opinion

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, 2021, 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 issued by the Institute of Chartered Accountants of India.

For **S A R C & Associates**  
Chartered Accountants  
Firm Registration No.: 006085N

**Kamal Aggarwal**  
Partner

Place: New Delhi  
Date: June 23, 2021

Membership No.: 090129  
UDIN: 21090129AAAADS6699

Consolidated Balance Sheet as at 31 March, 2021

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>Assets</b>			
<b>(1) Non Current Assets</b>			
(a) Property, Plant and Equipment	5	6,372.75	11,623.43
(b) Goodwill		1,500.00	1,500.00
(c) Intangible Assets under Development	5A	1,687.65	1,366.33
(d) Other Intangible Assets	5B	75,832.04	77,869.31
(e) Financial Assets			
(i) Investments	6	1.04	1.04
(ii) Trade Receivables	7	138,045.10	121,842.72
(iii) Other Financial Assets	8	437.14	432.91
(f) Deferred Tax Assets (net)	9	9,487.38	12,498.71
(g) Non Current Tax Asset (net)	10	102.86	-
(h) Other Non Current Assets	11	36,861.27	48,814.36
<b>(2) Current Assets</b>			
(a) Inventories	12	390.03	567.64
(b) Financial Assets			
(i) Trade Receivables	13	5,066.43	7,425.27
(ii) Cash and Cash Equivalents	14	2,029.88	896.11
(iii) Other Bank Balances	15	246.73	247.35
(iv) Loan	16	857.99	-
(v) Other Financial Assets	17	1,913.68	1,683.21
(c) Current Tax Asset	18	9,182.32	-
(d) Other Current Assets	19	12,283.34	13,515.63
<b>Total Assets</b>		<b>302,297.63</b>	<b>300,284.02</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
(a) Equity Share Capital	20	10,475.46	10,475.46
(b) Other Equity	21	71,534.02	65,184.92
Equity attributable to owners of the Company		82,009.48	75,660.38
<b>Liabilities</b>			
<b>(1) Non Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	22	105,123.12	108,498.93
(ii) Trade Payables			
- Total outstanding dues of micro enterprises and small enterprises	23		-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		4,543.26	3,847.80
(iii) Other Financial Liabilities	24	340.65	313.53
(b) Provisions	25	688.88	3,582.44
(c) Other Non Current Liabilities	26	38,528.57	38,578.03
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	27	11,984.77	11,044.04
(ii) Trade Payables	28		
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		5,164.31	5,546.75
(iii) Other Financial Liabilities	29	51,191.23	47,432.08
(b) Other Current Liabilities	30	2,646.30	5,703.00
(c) Provisions	31	77.06	77.04
<b>Total equity and liabilities</b>		<b>302,297.63</b>	<b>300,284.02</b>

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 S A R C & Associates**

Chartered Accountants

Firm's ICAI Registration No.: 006085N

**per Kamal Aggarwal**

Partner

Membership No.: 090129

Place: New Delhi

Date: June 23, 2021

**Darshan Singh Negi**

Chief Financial Officer

**Anubhav Maheshwari**

Company Secretary

**Anjaneer Kumar Lakhota**

Chairman & Managing Director

DIN-00357695

**Sunita Palita**

Director

DIN-00365901

**For and on behalf of the Board of Directors**

## Consolidated Statement of Profit and Loss for the year ended March 31, 2021

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Income</b>			
Revenue from Operation	32	20,283.05	21,275.62
Other Income	33	11,950.96	10,281.24
<b>(A) Total Income</b>		<b>32,234.01</b>	<b>31,556.86</b>
<b>Expenses</b>			
Cost of Materials Consumed	34	3,724.73	2,212.04
Employee Benefits Expense	35	1,195.70	1,358.89
Finance Costs	36	4,223.04	6,614.10
Depreciation and Amortisation Expense	37	9,569.62	5,460.77
Other Expenses	38	16,930.51	23,171.03
<b>(B) Total Expenses</b>		<b>35,643.60</b>	<b>38,816.83</b>
<b>(C) Profit/ (Loss) before Exceptional Items and Tax (A-B)</b>		<b>(3,409.59)</b>	<b>(7,259.97)</b>
<b>(D) Exceptional Items (net)</b>	39	<b>945.41</b>	<b>28,466.96</b>
<b>(E) Profit/ (Loss) before Tax (C+D)</b>		<b>(2,464.18)</b>	<b>21,206.99</b>
<b>(F) Tax Expense:</b>			
(1) Current Tax		-	-
(2) Deferred Tax	48 (c)	3,007.34	(5,314.24)
(3) Income tax for Earlier Years		(11,809.21)	-
<b>(G) Profit/ (Loss) for the period (E-F)</b>		<b>6,337.69</b>	<b>26,521.23</b>
<b>Other Comprehensive Income</b>			
i. Items that will not be reclassified to Profit or Loss		15.85	5.77
ii. Income Tax relating to items that will not be reclassified to Statement of Profit or Loss		(3.99)	(2.02)
<b>(H) Total Other Comprehensive Income for the year (net of tax)</b>		<b>11.86</b>	<b>3.75</b>
<b>Total Comprehensive Income for the year (G+H)</b>		<b>6,349.55</b>	<b>26,524.98</b>
<b>Profit/(Loss) for the year attributable to:</b>			
- Owners of the Company		6,337.69	26,521.23
- Non Controlling Interest			
<b>Total</b>		<b>6,337.69</b>	<b>26,521.23</b>
<b>Other Comprehensive Income attributable to:</b>			
- Owners of the Company		11.86	3.75
- Non Controlling Interest		-	-
<b>Total</b>		<b>11.86</b>	<b>3.75</b>
<b>Total Comprehensive Income attributable to:</b>			
- Owners of the Company		6,349.55	26,524.98
- Non Controlling Interest		-	-
<b>Total</b>		<b>6,349.55</b>	<b>26,524.98</b>
Earnings per Equity Share (Face Value Rs. 10/- each) (in Rs.)			
Basic and Diluted	46	6.05	25.32

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

As per our report of even date attached  
**For S A R C & 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

**Darshan Singh Negi**  
Chief Financial Officer

**Anjaneer Kumar Lakhota**  
Chairman & Managing Director  
DIN-00357695

Place: New Delhi  
Date: June 23, 2021

**Anubhav Maheshwari**  
Company Secretary

**Sunita Palita**  
Director  
DIN-00365901



**Consolidated Statement of changes in equity** for the year ended March 31, 2021

**A. Equity Share Capital**

(₹ in lakhs)

Particulars	No. of Shares	Share Capital
<b>Balance as on April 1, 2019</b>	<b>104,754,624</b>	<b>10,475.46</b>
Add: Addition during the year	-	-
<b>Balance as on March 31, 2020</b>	<b>104,754,624</b>	<b>10,475.46</b>
Add: Addition during the year	-	-
<b>Balance as on March 31, 2021</b>	<b>104,754,624</b>	<b>10,475.46</b>

**B. Other Equity**

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	
<b>Balance As on April 1, 2019</b>	<b>11,841.26</b>	<b>20,703.24</b>	<b>29,708.52</b>	<b>5,253.89</b>	<b>(28,852.13)</b>	-	<b>38,654.78</b>
Profit/(Loss) for the year	-	-	-	-	(1,945.74)	-	<b>(1,945.74)</b>
Transfer to Debenture Redemption Reserve	-	-	(7,687.25)	7,687.25	-	-	-
Transfer due to Insolvency & Bankruptcy Code, 2016	28,466.96	-	-	-	-	-	<b>28,466.96</b>
Re-measurements of defined benefit Plans	-	-	-	-	-	3.75	<b>3.75</b>
Transfer to Retained Earnings from Other Comprehensive Income	-	-	-	-	3.75	(3.75)	-
Consolidation elimination adjustment	-	-	-	-	5.17	-	<b>5.17</b>
<b>Balance As on March 31, 2020</b>	<b>40,308.22</b>	<b>20,703.24</b>	<b>22,021.27</b>	<b>12,941.14</b>	<b>(30,788.95)</b>	-	<b>65,184.92</b>
Profit/(Loss) for the year	-	-	-	-	5,392.28	-	<b>5,392.28</b>
Adjustment due one time Settlement (Refer Note 39)	945.41	-	-	-	-	-	<b>945.41</b>
Re-measurements of defined benefit Plans	-	-	-	-	-	11.86	<b>11.86</b>
Transfer to Retained Earnings from Other Comprehensive Income	-	-	-	-	11.86	(11.86)	-
Consolidation elimination adjustment	-	-	-	-	(0.45)	-	<b>(0.45)</b>
<b>Balance As on March 31, 2021</b>	<b>41,253.63</b>	<b>20,703.24</b>	<b>22,021.27</b>	<b>12,941.14</b>	<b>(25,385.26)</b>	-	<b>71,534.02</b>

Refer Note No. 20 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 S A R C & 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

**Darshan Singh Negi**

Chief Financial Officer

**Anjanee Kumar Lakhotia**

Chairman & Managing Director

DIN-00357695

Place: New Delhi

Date: June 23, 2021

**Anubhav Maheshwari**

Company Secretary

**Sunita Palita**

Director

DIN-00365901

## Consolidated Cash Flow Statement for the year ended March 31, 2021

(₹ in lakhs)

Particulars		For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A.</b>	<b>Cash flow from Operating Activities</b>		
	<b>Net Profit/(Loss) Before Tax &amp; Exceptional Items</b>	<b>(3,409.59)</b>	<b>(7,259.97)</b>
	<b>Adjustment for:</b>		
	Depreciation & Amortisation expenses	9,569.62	5,460.77
	Loss/(Gain) on Currency Transaction & Translation	(104.79)	1,167.49
	Finance Cost	4,223.05	6,614.10
	Interest Income	(11,475.72)	(9,479.41)
	Consolidation Elimination Adjustment	(0.45)	(3.91)
	<b>Operating Profit/ (Loss) before working capital changes</b>	<b>(1,197.88)</b>	<b>(3,500.93)</b>
	<b>Working Capital Adjustments :</b>		
	(Increase) / Decrease in Inventories	177.61	10.51
	(Increase) / Decrease in Trade Receivables	(3,332.92)	(7,968.93)
	(Increase)/ Decrease in Current Financial Assets	(3.60)	(331.89)
	(Increase)/ Decrease in Other Current and Non-Current Financial Assets	(230.47)	1,448.89
	(Increase) / Decrease in Loans	(811.48)	-
	(Increase)/ Decrease in Other Current and Non-Current Assets	13,547.43	13,492.17
	Increase/ (Decrease) in Current and Non Current Trade Payables	832.12	482.26
	Increase/ (Decrease) in Other Current and Non-Current Financial Liabilities	554.62	24,642.90
	Increase/ (Decrease) in Other Current and Non- Current Liabilities & Provisions	(4,858.25)	(28,806.98)
	<b>Cash generated from/ (used for) Operations</b>	<b>4,677.18</b>	<b>(532.00)</b>
	Taxes Paid (net)	(94.74)	(27.27)
	<b>Net Cash generated from/ (utilised in) Operating Activities (A)</b>	<b>4,582.44</b>	<b>(559.27)</b>
<b>B.</b>	<b>Cash flow from Investing Activities</b>		
	Capital Expenditure	(2,599.10)	(1,383.56)
	Interest Received	37.02	43.08
	<b>Net Cash generated from/ (used in) Investing Activities (B)</b>	<b>(2,562.08)</b>	<b>(1,340.48)</b>

**Consolidated Cash Flow Statement** for the year ended March 31, 2021

(₹ in lakhs)

Particulars		For the year ended March 31, 2021	For the year ended March 31, 2020
<b>C.</b>	<b>Cash flow from Financing Activities</b>		
	Proceeds from / (Repayment of) Long Term Borrowings (net)	(5,950.07)	5,128.68
	Proceeds from / (Repayment of) Short Term Borrowings (net)	5,088.66	3,409.22
	Interest and Finance Charges Paid	(50.46)	(5,876.29)
	<b>Net Cash generated from/ (used in) Financing Activities (C)</b>	<b>(911.87)</b>	<b>2,661.61</b>
	<b>Net increase/ (decrease) Cash &amp; Cash Equivalents (A+B+C)</b>	<b>1,108.49</b>	<b>761.86</b>
	Cash & Cash Equivalents (Closing Balance) (Including Book overdraft)	2,001.73	893.24
	Cash & Cash Equivalents (Opening Balance) (Including Book overdraft)	893.24	131.38
	Net Changes in Cash & Cash Equivalents	1,108.49	761.86
	<b>Cash and Cash Equivalents as per Note No. 15</b>	<b>2,029.88</b>	<b>896.11</b>
	Book Overdraft as per Note No. 27	28.15	2.87
	<b>Cash &amp; Cash Equivalents (Closing Balance) (Including Book overdraft)</b>	<b>2,001.73</b>	<b>893.24</b>

**Note:**

- The consolidated 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

Particulars	As at March 31, 2020	Proceeds Raised through		Non Cash Flow- Fair Value Changes/ Foreign Exchange (gain)/loss	As at March 31, 2021
		Non cash Flow- Others	Proceeds/ (Repayment)		
Long Term Borrowings (Including current maturity)	114,304.95	(149.70)	-	1.70	114,156.95
Short Term Borrowings	11,041.17	229.03	686.42	-	11,956.62

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 S A R C & 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

**Darshan Singh Negi**

Chief Financial Officer

**Anjaneer Kumar Lakhotia**

Chairman & Managing Director

DIN-00357695

Place: New Delhi

Date: June 23, 2021

**Anubhav Maheshwari**

Company Secretary

**Sunita Palita**

Director

DIN-00365901

## Notes to the Consolidated Financial Statement for the year ended March 31, 2021

### 1. CORPORATE AND 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, 3<sup>rd</sup> 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

#### 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 June 23, 2021.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of Preparation of Consolidated Financial Statements

- (i) The Consolidated Financial Statements relate to MBL Infrastructure Ltd (the Company), and its subsidiaries collectively known as the Group as detailed below:

Name of the Subsidiaries	Estimated Useful Life (in years)	% of Shareholding / Voting Power	
		31.03.2021	31.03.2020
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.

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 the Hon'ble National Company Law Tribunal ("NCLT"), Kolkata by its order dated April 18, 2018. The appeals filed by some of the banks were dismissed by the Hon'ble National Company Law Appellate Tribunal ("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

## Notes to the Consolidated Financial Statement for the year ended March 31, 2021

the Hon'ble Supreme Court against the order of the Hon'ble NCLAT, which is pending. The Holding Company has taken necessary steps for the implementation of the Resolution Plan under IBC, 2016 on its approval by order dated April 18, 2018 by the Hon'ble NCLT, Kolkata. Stay was not granted by the Hon'ble NCLAT on implementation of the Resolution Plan during pendency of appeals before the Hon'ble NCLAT. The Resolution Plan has not been implemented by the financial creditors, first on the plea of pending appeals before the Hon'ble NCLAT and thereafter on the plea of pending civil appeal before the Hon'ble Supreme Court against the Hon'ble NCLAT order dated August 16, 2019. The financial results have been prepared on going concern basis. In an unlikely event of ultimate rejection of the Resolution Plan, the Holding Company may go under liquidation and not remain a going concern. Consequently, the financial results 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 recognized at fair value of construction services rendered and profit from such contracts is considered as realized. Accordingly, in respect of BOT/DBFOT contracts the intra group transactions relating to constructions and the profits arising thereon are taken as realized 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 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.

## Notes to the Consolidated Financial Statement for the year ended March 31, 2021

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 recognize 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:

- (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 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 recognized 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.

### **(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.



## Notes to the Consolidated Financial Statement for the year ended March 31, 2021

### (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	Estimated Useful Life (in years)
Buildings	60 Years
Plant and machinery	4-13 Years*
Computer equipment	3 Years
Furniture and fixtures	10 Years
Office equipment	4-10 Years*
Vehicles	
- Motor cycles, scooters and other mopeds	
Motor Bus, Motor Lorry, Motor Cars other than those used in a business of running them on hire	6-8 Years*
Motor Cycles, Scooters & Other Mopeds	5-10 years*

\* For these class of assets , based on internal assessment and independent technical evaluation carried out by the chartered engineers, the company believes that the useful lives as given above best represents the period over which the company expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule-II of the Companies Act, 2013.

Freehold Land is not depreciated.

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

## Notes to the Consolidated Financial Statement for the year ended March 31, 2021

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 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.

### **(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.

## Notes to the Consolidated Financial Statement for the year ended March 31, 2021

### **(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 (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.

## Notes to the Consolidated Financial Statement for the year ended March 31, 2021

### (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 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

## Notes to the Consolidated Financial Statement for the year ended March 31, 2021

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 recognized on actual collection of toll revenue as per concession agreement. Revenue from electronic toll collection is recognized on accrual basis. Annuity from BOT (Toll plus Annuity) projects is recognized on accrual basis.

### (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.

## Notes to the Consolidated Financial Statement for the year ended March 31, 2021

### **(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 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.

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 base 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 substantively 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 Accounting**

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 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 useful lives of some of the assets have been reviewed during the year and the same have been revised on the basis of such evaluation duly supported by technical advice. This has resulted in additional depreciation of Rs. 4,020.24 lakhs for the year ended March 31, 2021.

The Group reviews carrying value of its Tangible and intangible Assets whenever there is objective evidence that the assets are impaired. In such situation Asset's 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.

**(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.

**Notes to the Consolidated Financial Statement** for the year ended March 31, 2021

**Note 5. Property, Plant and Equipment**

**As at March 31, 2021**

(₹ in lakhs)

Particulars	Freehold Land	Buildings	Plant & Machinery	Furniture & Fittings	Vehicles	Office Equipment	Computer	Grand Total
<b>GROSS BLOCK</b>								
<b>As at April 1, 2020</b>	<b>10.62</b>	<b>1,633.10</b>	<b>16,557.40</b>	<b>362.76</b>	<b>386.41</b>	<b>206.82</b>	<b>131.73</b>	<b>19,288.84</b>
Additions	-	-	-	0.12	0.81	3.92	5.52	10.37
Disposal/ Adjustments	-	-	-	-	-	-	-	-
<b>As at March 31, 2021</b>	<b>10.62</b>	<b>1,633.10</b>	<b>16,557.40</b>	<b>362.88</b>	<b>387.22</b>	<b>210.74</b>	<b>137.25</b>	<b>19,299.21</b>
<b>Accumulated Depreciation</b>								
<b>As at April 1, 2020</b>	<b>-</b>	<b>141.19</b>	<b>6,718.04</b>	<b>221.65</b>	<b>299.36</b>	<b>175.28</b>	<b>109.88</b>	<b>7,665.40</b>
Charge during the year	-	27.53	5,144.74	37.42	34.53	12.11	4.73	5,261.07
Disposal/ Adjustments	-	-	-	-	-	-	-	-
<b>As at March 31, 2021</b>	<b>-</b>	<b>168.72</b>	<b>11,862.78</b>	<b>259.07</b>	<b>333.89</b>	<b>187.39</b>	<b>114.61</b>	<b>12,926.46</b>
<b>Net Block as at March 31, 2021</b>	<b>10.62</b>	<b>1,464.38</b>	<b>4,694.62</b>	<b>103.81</b>	<b>53.33</b>	<b>23.34</b>	<b>22.64</b>	<b>6,372.75</b>

**As at March 31, 2020**

(₹ in lakhs)

Particulars	Freehold Land	Buildings	Plant & Machinery	Furniture & Fittings	Vehicles	Office Equipment	Computers	Grand Total
<b>GROSS BLOCK</b>								
<b>As at April 1, 2019</b>	<b>10.62</b>	<b>1,633.10</b>	<b>16,557.24</b>	<b>362.76</b>	<b>386.41</b>	<b>201.42</b>	<b>118.79</b>	<b>19,270.35</b>
Additions	-	-	0.16	-	-	3.45	14.88	18.49
Disposal/ Adjustments	-	-	-	-	-	-	-	-
<b>As at March 31, 2020</b>	<b>10.62</b>	<b>1,633.10</b>	<b>16,557.40</b>	<b>362.76</b>	<b>386.41</b>	<b>204.87</b>	<b>133.67</b>	<b>19,288.84</b>
<b>Accumulated Depreciation</b>								
<b>As at April 1, 2019</b>	<b>-</b>	<b>113.66</b>	<b>5,416.22</b>	<b>183.05</b>	<b>261.65</b>	<b>152.38</b>	<b>106.02</b>	<b>6,232.98</b>
Charge during the year	-	27.53	1,301.82	38.60	37.71	22.90	3.86	1,432.42
Disposal/ Adjustments	-	-	-	-	-	-	-	-
<b>As at March 31, 2020</b>	<b>-</b>	<b>141.19</b>	<b>6,718.04</b>	<b>221.65</b>	<b>299.36</b>	<b>175.28</b>	<b>109.88</b>	<b>7,665.40</b>
<b>Net Block as at March 31, 2020</b>	<b>10.62</b>	<b>1,491.91</b>	<b>9,839.36</b>	<b>141.11</b>	<b>87.05</b>	<b>29.59</b>	<b>23.79</b>	<b>11,623.43</b>

## Notes to the Consolidated Financial Statement for the year ended March 31, 2021

### 5A Intangible Assets under Development

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Opening Cost	-	1,366.33	-
Add: Additions during the year	5A.1	2,592.60	1,366.33
Less: Capitalised during the year	-	(2,271.28)	-
<b>Closing Gross carrying value</b>		<b>1,687.65</b>	<b>1,366.33</b>

#### 5A 1. The details of expenditure incurred during construction period are as follows:

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Payment For Development Charges	2,592.60	1366.33

### 5B Other Intangible Assets

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Opening Gross Carrying value		83,460.25	83,460.25
Transfer to Intangible assets from intangible assets under development *		2,271.28	-
Disposal/(Adjustments)			-
Closing Gross carrying value		85,731.53	83,460.25
<b>Accumulated Amortization</b>			
Opening		5,590.94	1,562.59
Amortization for the year **		4,308.55	4,028.35
Disposal/(Adjustments)			-
Closing		9,899.49	5,590.94
<b>Closing Net Carrying Amount</b>		<b>75,832.04</b>	<b>77,869.31</b>

\*Being the right to operate and maintain the highways on Build, Operate and Transfer basis.

\*\*\*The amortisation of Intangible assests (Carriage ways) created has been done according to MCA circular G.S.R.(E) dated April 17, 2012.

**Notes to the Consolidated Financial Statement** for the year ended March 31, 2021

**Note 6. Investments - Non Current**

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
<b>Investment in Equity Instruments (at cost) - Unquoted</b>			
<b>RGY Road Private Limited</b>	-	1.00	1.00
9,990 (2020 : 9,990) equity shares of Rs. 10/- each fully paid			
<b>MBL (CGRG) Road Limited</b>	-	0.01	0.01
50 (2020 : 50) equity shares of Rs. 10/- each fully paid up			
<b>MBL (GSY) Road Limited</b>	-	0.01	0.01
50 (2020 : 50) equity shares of Rs. 10/- each fully paid up			
<b>Orissa Steel Expressway Private Limited*</b>	6.2	0.02	0.02
200 (2020 :200) equity shares of Rs. 10/- each fully paid			
<b>Total</b>		<b>1.04</b>	<b>1.04</b>

**6.1 Statement of Investment in Subsidiaries**

**Investment in Subsidiaries**

Name of the Company	Principal Activity	Country of Incorporation	% of holding as at March 31, 2021	% of holding as at March 31, 2020
AAP Infrastructure Limited	Construction and Civil Engineering	India	100	100
MBL Highway Development Co. Limited	Construction and Civil Engineering	India	100	100
MBL (MP) Toll Road Co. Limited	Construction and Civil Engineering	India	100	100
MBL (Haldia) Toll Road Co. Ltd.	Construction and Civil Engineering	India	100	100
Suratgarh Bikaner Toll Road Company Private Limited	Construction and Civil Engineering	India	100	100
MBL Projects Ltd.	Construction and Civil Engineering	India	100	100
MBL (MP) Road Nirman Co. Ltd.	Construction and Civil Engineering	India	100	100
MBL (Udaipur Bypass) Road Limited	Construction and Civil Engineering	India	100	100

**6.2** 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.

## Notes to the Consolidated Financial Statement for the year ended March 31, 2021

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.

### 7 Trade Receivables - Non Current

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered Good	7.1 & 13.1	138,045.10	121,842.72
<b>Total</b>		<b>138,045.10</b>	<b>121,842.72</b>

7.1 Refer Note No. 13 for Current portion of Trade Receivables

7.2 Break-up of trade receivable is as follows:

(₹ in lakhs)

Break-up of trade receivables is as follows:	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Non Current	7	138,045.10	121,842.72
Current	13	5,066.43	7,425.27
Deferred Credit (Non current)	11	36,861.27	48,814.36
Deferred Credit (Current)	19	9,782.30	10,508.55
<b>Total</b>		<b>189,755.10</b>	<b>188,590.90</b>

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

7.3 Ageing of trade receivables is as follows:

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Within Credit period	13	4,968.89	6,072.31
Past due 0-180 days	-	97.54	1,352.96
Past due more than 180 days	-	184,688.67	181,165.63
<b>Total</b>		<b>189,755.10</b>	<b>188,590.90</b>

### 8 Other Financial Assets - Non Current

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Deposit with Banks having maturity more than 12 months	8.1	291.48	291.48
Accrued Interest on fixed deposits	-	144.32	140.09
Security Deposit	-	1.34	1.34
<b>Total</b>		<b>437.14</b>	<b>432.91</b>

8.1 Fixed deposits includes pledged with banks as margin of Rs. 79.37 Lakhs (March 31, 2020: Rs. 79.37 Lakhs)

8.1 Fixed deposits includes pledged with others as security deposit of Rs. 212.11 lakhs (March 31, 2020: Rs. 212.11 Lakhs)

### 9 Deferred Tax Assets (Net) - Non Current

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Deferred Tax Assets	48(c)	32,107.01	51,204.56
Less: Deferred Tax Liabilities		22,619.63	38,705.85
<b>Deferred Tax Assets (Net)</b>		<b>9,487.38</b>	<b>12,498.71</b>

**Notes to the Consolidated Financial Statement** for the year ended March 31, 2021

**10 Non Current Tax Asset (net)**

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Advance tax (Tax Deducted at Source)	-	102.86	-
<b>Total</b>		<b>102.86</b>	<b>-</b>

**11 Other Non Current Assets - Non Current**

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Deferred credit - Deposits	-	36,861.27	48,814.36
<b>Total</b>		<b>36,861.27</b>	<b>48,814.36</b>

**12 Inventories - Current**

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
<b>(As valued and certified by the management)</b>			
<b>(at cost or net realisable value, whichever is lower)</b>			
Construction materials at site	-	390.03	567.64
<b>Total</b>		<b>390.03</b>	<b>567.64</b>

**13 Trade Receivables - Current**

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
<b>(Unsecured - considered good unless otherwise stated)</b>			
Considered Good	13.1	5,066.43	7,425.27
<b>Total</b>		<b>5,066.43</b>	<b>7,425.27</b>

**13.1** Refer Note No. 7.4 for ageing of trade receivables

**14 Cash and Cash Equivalents - Current**

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
<b>Balances with Banks:</b>			
In current accounts	-	1,988.51	866.56
Cash on hand	-	40.65	29.55
Deposits with banks having maturity less than 3 months	-	0.72	-
<b>Total</b>		<b>2,029.88</b>	<b>896.11</b>

**15 Other Bank Balances - Current**

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Deposits with banks having maturity more than 3 months but less than 12 months	15.1	3.80	3.80
Unclaimed Dividend	-	1.07	1.69
Deposits with banks having original maturity less than 3 months	15.2	241.86	241.86
<b>Total</b>		<b>246.73</b>	<b>247.35</b>

**15.1** Fixed deposits includes pledged with others as security deposit of Rs. 3.80 lakhs (March 31, 2020: Rs. 3.80 Lakhs)

**15.2** Fixed deposits includes pledged with banks as margin of Rs. 241.46 lakhs (March 31, 2020: Rs. 241.46 lakhs)

## Notes to the Consolidated Financial Statement for the year ended March 31, 2021

### 16 Loans

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
<b>(Unsecured - considered good unless otherwise stated)</b>			
Considered Good	-	857.99	-
<b>Total</b>		<b>857.99</b>	<b>-</b>

### 17 Other Financial Assets - Current

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
<b>Unsecured Considered Good unless otherwise stated</b>			
Advance to Related Parties (Refer Note No. 40)	-	173.76	100.25
Security and Other Deposits	17.1	448.18	646.82
Accrued Interest on Fixed Deposits	-	41.05	16.58
Others	-	1,250.69	919.56
<b>Total</b>		<b>1,913.68</b>	<b>1,683.21</b>

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

### 18 Current Tax (Asset)

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Income Tax Refundable	-	9,182.32	-
<b>Total</b>		<b>9,182.32</b>	<b>-</b>

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

### 19 Other Current Assets - Current

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Advance against materials, services, etc.	19.1	2,412.06	2,948.62
Deferred credit-deposits/others	-	9,782.30	10,508.55
Prepaid expenses	-	43.37	22.06
Balances with government authorities	-	41.07	14.31
Other Advances	-	4.54	22.09
<b>Total</b>		<b>12,283.34</b>	<b>13,515.63</b>

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

### 20 Equity Share Capital

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
<b>Authorised Shares</b>			
10,50,00,000 (March 31, 2020 - 10,50,00,000) Equity Shares of Rs. 10/- each		10,500.00	10,500.00
<b>Total</b>		<b>10,500.00</b>	<b>10,500.00</b>
<b>Issued, Subscribed &amp; Fully Paid Up Shares</b>			
10,47,54,624 (March 31, 2020 - 10,47,54,624) Equity Shares of Rs. 10/- each fully paid up	17.1	10,475.46	10,475.46
<b>Total</b>		<b>10,475.46</b>	<b>10,475.46</b>



## Notes to the Consolidated Financial Statement for the year ended March 31, 2021

**20.1** 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.

**20.2** 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.

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

(₹ in lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	Value	Number	Value
<b>Equity Shares:</b>				
Number of Shares at the beginning of the year	104,754,624	10,475.46	104,754,624	10,475.46
Add: Addition during the year	-	-	-	-
<b>Number of Shares at the end of the year</b>	<b>104,754,624</b>	<b>10,475.46</b>	<b>104,754,624</b>	<b>10,475.46</b>

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

Name of the Shareholders	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	%	No. of Shares	%
MBL A Capital Limited	33,274,877	31.77%	33,274,877	31.77%
Anjanee Kumar Lakhotia	13,358,716	12.75%	13,358,716	12.75%
Dipika Suppliers LLP	11,800,000	11.27%	11,800,000	11.27%
Chetan Commotrade LLP	9,900,000	9.45%	9,900,000	9.45%

## 21 Other Equity

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Capital Reserve	21.2	41,253.63	40,308.22
Securities Premium	21.3	20,703.24	20,703.24
Debenture Redemption Reserve	21.4 & 39	22,021.27	22,021.27
General Reserve	21.5	12,941.14	12,941.14
Retained Earnings	21.6	(25,385.26)	(30,788.95)
<b>Total</b>		<b>71,534.02</b>	<b>65,184.92</b>

**21.1** Refer Statement of changes in Equity (SOCE) for movement in balances of reserves.

### Nature and purpose of Reserves:

#### 21.2 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. 39.

#### 21.3 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.

#### 21.4 Debenture Redemption Reserve

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

## Notes to the Consolidated Financial Statement for the year ended March 31, 2021

### 21.5 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.

### 21.6 Retained Earnings

Retained Earnings generally represent the undistributed profits /amount of accumulated earnings of the Company.

## 22 Borrowings - Non Current

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
<b>Secured</b>			
0.10% Non-Convertible Debentures	22.1	49,571.64	49,571.64
Working Capital Term Loans (WCTL) from Banks	22.2	3,737.54	3,737.54
Equipment/Vehicle Finance/Term Loan/External Commercial Borrowings	22.3		
- From Banks		47,966.42	51,342.23
- From Others		3,847.52	3,847.52
<b>Total</b>		<b>105,123.12</b>	<b>108,498.93</b>

**22.1** 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 the 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:

- (i) 1<sup>st</sup> pari-passu charge on the long term receivables.
- (ii) 2<sup>nd</sup> pari-passu charge on the entire current assets of the company.

**22.2** 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) 1<sup>st</sup> pari-passu charge on the entire Fixed Assets (movable and immovable) of the Company except those specifically charged to Equipment/ECB lenders.
- (ii) 1<sup>st</sup> pari-passu charge on the long term receivables.
- (iii) 2<sup>nd</sup> pari-passu charge on the entire current assets of the Company.

**22.3 (a)** 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.

**(b)** 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.

## Notes to the Consolidated Financial Statement for the year ended March 31, 2021

- (c) 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.

**22.4** 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.

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

(₹ 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	48033.07
WCTL from Banks	1 Year SBI MCLR + (0.70 % p.a.)	-	28.03	37.38	3672.13
External Commercial Borrowings/ Equipment Term Loan	1 Year SBI MCLR + (0.70 % p.a.)				
- From Banks		45.35	44.93	122.81	11798.68
- From Others		15.25	229.73	247.36	3370.43
Term Loan					
- From Banks	7.6%	8973.23	3600	5100	27300
<b>Total</b>		<b>9033.83</b>	<b>4629.54</b>	<b>6319.27</b>	<b>94174.31</b>

\* Interest rates have been considered as per the Resolution Plan approved by the Hon'ble NCLT, Kolkata on April 18, 2018.

## 23 Trade Payables - Non Current

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
A) Total outstanding dues of micro enterprises and small enterprises	23.1	-	-
B) Total outstanding dues of Creditors other than micro enterprises and small enterprises	23.2 & 23.3	4,543.26	3,847.80
<b>Total</b>		<b>4,543.26</b>	<b>3,847.80</b>

**23.1** 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.

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
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	-	-

## Notes to the Consolidated Financial Statement for the year ended March 31, 2021

**23.2** Refer Note No. 44.2

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

### 24 Other Financial Liabilities - Non Current

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Others	-	340.65	313.53
<b>Total</b>		<b>340.65</b>	<b>313.53</b>

### 25 Provisions - Non Current

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits	41	56.33	64.27
Provision for Tax (Net of advance tax)	-	-	2,618.76
Others	-	632.55	899.41
<b>Total</b>		<b>688.88</b>	<b>3,582.44</b>

### 26 Other Non Current Liabilities - Non Current

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Statutory Dues Payable	49	15.16	64.62
Deferred gain on fair valuation of financial instruments	-	38,513.41	38,513.41
<b>Total</b>		<b>38,528.57</b>	<b>38,578.03</b>

### 27 Borrowings - Current

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
<b>Secured</b>			
- Working Capital facilities from banks (repayable on demand)	27.1	3737.54	3737.54
- Liquidation Value of Dissenting Financial Creditors	-	4,902.24	4,902.24
- Term Loan from Bank		-	-
- From Body Corporates	27.2	328.36	328.36
<b>Unsecured</b>			
- From Body Corporates	-	2,988.48	2,073.03
- Book Overdraft	-	28.15	2.87
<b>Total</b>		<b>11,984.77</b>	<b>11,044.04</b>

#### 27.1 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:

- 1<sup>st</sup> pari-passu charge on the entire current assets of the company.
- 2<sup>nd</sup> pari-passu charge on the entire Fixed Assets (movable and immovable) of the Company.
- 2<sup>nd</sup> pari-passu charge on the long term receivables.

## Notes to the Consolidated Financial Statement for the year ended March 31, 2021

**27.2** Short term secured borrowings from other parties is secured by way of pledge of 9,78,000 nos. (March 31, 2020- 9,78,000 nos.) shares of the Company held by Promoter Company MBL A Capital Limited.

**27.3** 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.

## 28 Trade Payables - Current

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
A) Total outstanding dues of micro enterprises and small enterprises	28.1	-	-
B) Total outstanding dues of Creditors other than micro enterprises and small enterprises	28.2 & 28.3	5,164.31	5,546.75
<b>Total</b>		<b>5,164.31</b>	<b>5,546.75</b>

**28.1** 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, 2021	As at March 31, 2020
a) Interest amount remaining unpaid but not due as at year end	-	-
b) Interest amount remaining unpaid but not due as at year end	-	-
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	-	-

**28.2** Refer Note No. 44.2

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

## 29 Other Financial Liabilities - Current

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Current maturities of Long Term Debt			
- From Banks	-	9018.58	5,790.77
- From Others	-	15.25	15.25
Unclaimed Dividend	-	1.06	1.69
Liabilities against capital goods			
- Total outstanding dues of MSME	-	-	-
- Total outstanding dues of creditors other than MSME	29.1 & 29.2	73.28	69.44
Provision for Claims	-	41508.47	39828.45
Others	29.1	574.59	1726.48
<b>Total</b>		<b>51,191.23</b>	<b>47,432.08</b>

**29.1** Refer Note No. 44.2

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

## Notes to the Consolidated Financial Statement for the year ended March 31, 2021

### 30 Other Current Liabilities- Current

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Advance from Customers	-	795.75	3,326.02
Advance from Related Parties	40	174.99	127.96
Deferred gain on fair valuation of financial instruments	-	-	562.47
Others	-	1,675.56	1,686.55
<b>Total</b>		<b>2,646.30</b>	<b>5,703.00</b>

### 31 Provisions - Current

(₹ in lakhs)

Particulars	Refer Note No.	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits	41	3.51	3.49
Provision for Independent Engineer Fees	-	73.55	73.55
<b>Total</b>		<b>77.06</b>	<b>77.04</b>

### 32 Revenue from Operations

(₹ in lakhs)

Particulars	Refer Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Construction and Project related activities	47	13,655.34	15,174.68
User fee(toll)	-	6,627.71	6,100.94
<b>Total</b>		<b>20,283.05</b>	<b>21,275.62</b>

### 33 Other Income

(₹ in lakhs)

Particulars	Refer Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on fixed deposits	-	37.02	43.08
Interest income on Financial Asset carried at amortised cost			
- Trade Receivables	-	10,510.61	7,962.22
- Loan		-	-
- Advances	-	319.10	566.74
Interest income on BOT Adjustment		-	346.44
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	-	1.10	-
Net gain on Foreign currency transactions and translation	-	105.14	-
Miscellaneous income	-	415.51	800.28
<b>Total</b>		<b>11,950.96</b>	<b>10,281.24</b>

## Notes to the Consolidated Financial Statement for the year ended March 31, 2021

### 34 Cost of Materials Consumed

(₹ in lakhs)

Particulars	Refer Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Cost of Materials Consumed	-	3,724.73	2,212.04
<b>Total</b>		<b>3,724.73</b>	<b>2,212.04</b>

### 35 Employee Benefit Expense

(₹ in lakhs)

Particulars	Refer Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, Wages and Bonus	-	1,028.53	1,162.88
Contribution to Provident and Other funds	-	56.53	53.94
Staff Welfare Expenses	-	110.64	142.07
<b>Total</b>		<b>1,195.70</b>	<b>1,358.89</b>

### 36 Finance Costs

(₹ in lakhs)

Particulars	Refer Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expense	36.1 & 36.2	3,470.46	5,876.29
Interest expense on amortisation of financial assets and financial liabilities	-	752.58	737.81
<b>Total</b>		<b>4,223.04</b>	<b>6,614.10</b>

**36.1** As part of the approved Resolution Plan of the Holding Company 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 Financial creditors are yet to implement the approved Resolution Plan, interest etc. have not accrued to them. Accordingly, no provision for interest amounting to Rs. 6,467.15 lakhs (March 31, 2020 Rs. 4,409.36 lakhs) has been made as on March 31, 2021.

**36.2** In one of the subsidiary company Suratgarh bikaner toll road Company private Limited, there is a account with banks became NPA in terms of the original sanction due to delay in Commercial Operation Date (COD). A Resolution Plan under RBI guidelines has been submitted which is under consideration of the Banks/their financial advisor. Provision has been made for the finance costs during the year as per the said resolution plan. On acceptance of the resolution plan, the classification of term loan to long term/ current maturity, provision for claims, carriage ways of intangible assets etc. may undergo change. These will be accounted for on approval of Resolution Plan by the banks.

### 37 Depreciation and Amortisation Expense

(₹ in lakhs)

Particulars	Refer Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation on Property, Plant and Equipment	5	5,261.07	1,432.42
Amortisation of Intangible Asset	5B	4,308.55	4,028.35
<b>Total</b>		<b>9,569.62</b>	<b>5,460.77</b>



## Notes to the Consolidated Financial Statement for the year ended March 31, 2021

### 38 Other Expenses

(₹ in lakhs)

Particulars	Refer Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Direct labour, sub-contract etc.	-	1,885.75	2,096.44
Stores and spares consumed	-	93.68	104.00
Power, fuel and lubricants	-	496.80	327.21
Hire charges - vehicles and equipments	-	74.34	77.72
Routine maintenance expenses	-	92.20	136.11
Periodical maintenance expenses	-	24.33	-
Sites rent	-	35.66	58.27
Repairs to machinery	-	23.22	4.02
Insurance	-	55.29	50.09
Rates and taxes, excluding taxes on income	-	85.28	70.00
Other repairs	-	92.17	95.91
Remuneration to Auditors	38.1	26.63	24.96
Bank commission and charges	-	45.09	49.77
Financial Assets written off			
- Trade Receivables	-	11,886.60	8,711.15
- Advances	-	-	545.59
Corporate Social Responsibility (CSR) expenditure	38.2	0.71	0.74
Director's Remuneration	-	60.00	60.00
Premium Paid- Additional Concession Fee	-	192.44	263.55
Miscellaneous expenses	-	1,102.21	1,448.32
Claims Adjustment	-	133.46	5,864.96
Provision for expenses	-	524.30	2,014.73
Loss on Currency Transaction & Translation	-	0.35	1,167.49
<b>Total</b>		<b>16,930.51</b>	<b>23,171.03</b>

#### 38.1 Remuneration to Auditors comprises of:

(₹ in lakhs)

Particulars	Refer Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Payment to Auditors</b>			
- Statutory audit	-	22.13	22.16
- Tax audit	-	2.90	2.80
- Certification fees etc.	-	1.60	-
<b>Total</b>		<b>26.63</b>	<b>24.96</b>

#### 38.2 The CSR expenditure comprises the following:

(a) Gross amount required to be spent by the Company during the year Rs. NIL (March 31, 2020 - Rs. Nil)

(b) Amount spent during the year on:

(₹ in lakhs)

S.No	Particulars	For the year ended March 31, 2021			For the year ended March 31, 2020		
		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	0.71	-	0.71	0.74	-	0.74
<b>Total</b>		<b>0.71</b>	<b>-</b>	<b>0.71</b>	<b>0.74</b>	<b>-</b>	<b>0.74</b>

## Notes to the Consolidated Financial Statement for the year ended March 31, 2021

### 39 Exceptional items:

In one of the subsidiary company, one time settlement was arrived at for NPA account with a Bank. In the current year, the adjustment entry out of the same amounting to Rs. 945.41 lakhs, being capital in nature has been transferred to Capital Reserve.

### 40 Related Party Disclosures

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

#### A Name of the Related Party

##### Joint Ventures

TCIL - MBL (JV) (100%)

MBL - Supreme (JV) (100%)

MBL- ABCI (JV) (2%)

MBL- VIL (JV) (100%)

##### Relationship

Enterprises-Participation interest

Enterprises-Participation interest

Enterprises-Participation interest

Enterprises-Participation interest

#### B Key Management Personnel

Mr. Anjanee Kumar Lakhotia, as a Member of Board

Mr. Ashwini Kumar Singh, Independent Director

Mr. Bhagwan Singh Duggal, Independent Director\*

Mrs. Sunita Palita, Independent Director\*

Mr. Ranjit Datta, Independent Director\*

Mr. Surender Aggarwal, Director\*

Mr. Darshan Singh Negi, Chief Financial Officer, MBL Infrastructures Ltd., MBL (MP) Toll Road Company Limited, MBL Highway Development Company Limited, AAP Infrastructure Limited, MBL Projects Limited and MBL (MP) Road Nirman Company Limited\*

Mr. Mukesh Baheti, Chief Financial Officer, Suratgarh Bikaner Toll Road Company Private Limited

Mr. Prakash Sharma, Director, as a Member of Board, AAP Infrastructure Limited and MBL (Haldia) Toll Road Company Limited

Mr. Sudhanshu Chaturvedi, Director, as a Member of Board, AAP Infrastructure Limited and MBL (Haldia) Toll Road Company Limited

Mr. Ramnarayan Sharma, Director, as a Member of Board, AAP Infrastructure Limited and MBL (Haldia) Toll Road Company Limited

Mr. Rama Shankar Singh, Chief Financial Officer, MBL Projects Ltd. and MBL (MP) Road Nirman Company Limited\*

Mr. Anubhav Maheshwari, Company Secretary, MBL Infrastructures Ltd., MBL (MP) Toll Road Company Limited and MBL Highway Development Company Limited & AAP Infrastructure Limited\*

Ms. Sonam Arora, Company Secretary, Suratgarh Bikaner Toll Road Company Private Limited

Mr. Alok Kumar, Company Secretary, MBL Projects Ltd. and MBL (MP) Road Nirman Company Limited.

##### Relationship

Key Management Personnel

Key Management Personnel

Key Management Personnel

Key Management Personnel

Key Management Personnel

Key Management Personnel

Key Management Personnel

Key Management Personnel

Key Management Personnel

Key Management Personnel

Key Management Personnel

Key Management Personnel

Key Management Personnel

Key Management Personnel

Key Management Personnel

#### C Enterprises owned or significantly influenced by key management personnel or their relatives with whom transactions have taken during the period.

Chetan Commotrade LLP

## Notes to the Consolidated Financial Statement for the year ended March 31, 2021

### NOTE:

\* Mr. Ranjit Datta appointed as an Independent Director w.e.f. August 13, 2020, Mr. Surender Aggarwal appointed as Director (w.e.f. September 30, 2020), Mrs. Sunita Palita appointed as an Independent Director in MBL (MP) Toll Road Company Limited, MBL Highway Development Company Limited and MBL (MP) Road Nirman Company Limited w.e.f. March 24, 2021, Mr. Bhagwan Singh Duggal ceased to be Director of MBL Infrastructures Ltd., MBL (MP) Toll Road Company Limited, MBL Highway Development Company Limited and MBL (MP) Road Nirman Company Limited due to his demise on March 01, 2021, Mr. Darshan Singh Negi appointed as CFO of MBL Projects Limited and MBL (MP) Road Nirman Company Limited w.e.f. September 4, 2020, Mr. Rama Shankar Singh resigned from MBL Projects Ltd. and MBL (MP) Road Nirman Company Limited w.e.f. June 30, 2020. Mr. Anubhav Maheshwari appointed as Company Secretary of AAP Infrastructure Limited w.e.f. March 01, 2021.

### D. Transactions during the year

(Rs. in Lakhs)

Particulars	Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Enterprises-Participation Interest	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Director's Sitting Fees	4.45	5.35	-	-	-	-
Reimbursement of expenses/Payments/ (Receipts) (Net)	-	-	35.61	1,396.45	1,117.42	916.26
Contract Revenue Billed, etc.	-	-	-	-	606.34	2379.71

### E Outstanding balances

(Rs. in Lakhs)

Particulars	Key Management Personnel		Enterprises owned or significantly influenced by key management personnel or their relatives		Enterprises-Participation Interest	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Amount Receivable	-	-	-	-	915.52	2,595.12
Amount Payable	-	-	-	35.61	175.01	130.86

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

(₹ in lakhs)

Particulars	2020-21	2019-20
Director's Remuneration	60.00	60.00
Remuneration - Other Key Managerial Personnel	171.00	100.87
Post-employment benefit, etc. (includes provision for leave, gratuity and other post-retirement benefits)*	-	-
<b>Total</b>	<b>231.00</b>	<b>160.87</b>

\* 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:

## Notes to the Consolidated Financial Statement for the year ended March 31, 2021

All transactions are from related parties are made in ordinary course of business. For the year ended March 31, 2021, 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.

### 41 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:

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Employer's Contribution to Provident Fund	16.90	19.52
<b>Total</b>	<b>16.90</b>	<b>19.52</b>

#### 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:

(₹ in lakhs)

S.No	Particulars	Gratuity	Leave Encashment
(i)	<b>Movement in Obligation</b>		
	<b>Present value of obligation - March 31, 2020</b>	<b>56.47</b>	<b>11.28</b>
	Service cost	8.75	2.55
	Interest on defined benefit obligation	3.92	0.80
	Benefits settled	(1.67)	-
	Remeasurement- Actuarial (Gain)/Loss	(15.85)	(6.41)
	<b>Present value of obligation - March 31, 2021</b>	<b>51.62</b>	<b>8.22</b>

(₹ in lakhs)

(ii)	Change in Plan assets	Gratuity (Funded)	
	Particulars	March 31, 2021	March 31, 2020
	<b>Fair Value of Plan assets at the beginning of the financial year</b>	-	-
	Expected return on plan assets	-	-
	Actuarial Gain/ (Loss)	-	-
	Contributions	-	-
	Benefits settled	-	-
	<b>Fair Value of Plan assets at the end of the financial year</b>	<b>-</b>	<b>-</b>

## Notes to the Consolidated Financial Statement for the year ended March 31, 2021

### Net Funded Status of Plan-Gratuity

(₹ in lakhs)

(iii)	Particulars	March 31, 2021	March 31, 2020
	Closing Defined Benefit Obligation	51.62	56.47
	Closing fair value of plan assets	-	-
	<b>Net Funded Status of Plan (Surplus/(Deficit))</b>	<b>(51.62)</b>	<b>(56.47)</b>

### Expenses recognised in the statement of Profit and Loss:

(₹ in lakhs)

(iv)	Particulars	Gratuity	Leave Encashment
	Service cost	11.01	3.38
	Interest cost	3.42	1.76
	Actuarial Gain/ (Loss)	(5.77)	(19.23)
	Expected return on plan assets	-	-
	<b>For the year ended March 31, 2020</b>	<b>8.66</b>	<b>(14.09)</b>
	Service cost	8.75	2.55
	Interest cost	3.92	0.80
	Actuarial Gain/ (Loss)	(15.85)	(6.41)
	Expected return on plan assets	-	-
	<b>For the year ended March 31, 2021</b>	<b>(3.18)</b>	<b>(3.06)</b>

### Expenses recognised in Other Comprehensive Income-Gratuity

(₹ in lakhs)

(v)	Particulars	March 31, 2021	March 31, 2020
	Remeasurement- Actuarial (Gain)/Loss	(15.85)	(5.77)
	<b>Net expenses recognised in Other Comprehensive Income</b>	<b>(15.85)</b>	<b>(5.77)</b>

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

(₹ in lakhs)

(vi)	Particulars	March 31, 2021	March 31, 2020
	Discounting rate (%)	7.04%	6.88%
	Estimated rate of return on plan assets (%)	0%	0%
	Salary Increase (%)	6%	6%
	Attrition rate (%)	5%	5%
	Mortality Rate	IALM (2012-14)	IALM (2012-14)
	<b>Retirement age (years)</b>	<b>60</b>	<b>60</b>

(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.

(₹ in lakhs)

Particulars	Gratuity	Leave Encashment
<b>As at March 31, 2021</b>		
Current Liability	2.12	1.38
Non Current Liability	49.50	6.84
<b>Total</b>	<b>51.62</b>	<b>8.22</b>
<b>As at March 31, 2020</b>		
Current Liability	1.53	1.96
Non Current Liability	54.94	9.32
<b>Total</b>	<b>56.47</b>	<b>11.28</b>

**Notes to the Consolidated Financial Statement** for the year ended March 31, 2021

**Sensitivity Analysis**

(₹ in lakhs)

Gratuity	Change in assumptions	March 31, 2021	March 31, 2020
<b>Discount rate</b>	1.00%	(47.43)	(51.10)
	-1.00%	56.43	62.74
<b>Salary Growth rate</b>	1.00%	56.30	62.69
	-1.00%	(47.48)	(51.06)
<b>Attrition rate</b>	1.00%	(51.46)	56.19
	-1.00%	51.76	(56.74)
<b>Mortality Rate</b>	10.00%	51.62	56.47

(₹ in lakhs)

Leave Encashment	Change in assumptions	March 31, 2021	March 31, 2020
<b>Discount rate</b>	1.00%	(7.55)	(10.35)
	-1.00%	9.00	12.37
<b>Salary Growth rate</b>	1.00%	8.95	12.34
	-1.00%	(7.57)	(10.36)
<b>Attrition rate</b>	1.00%	8.26	11.29
	-1.00%	(8.18)	(11.27)
<b>Mortality Rate</b>	10.00%	8.22	11.29

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 31<sup>st</sup> March, 2021:**

(₹ in lakhs)

Period	Gratuity	Leave Encashment
Within 1 year	2.12	0.44
1-2 years	2.01	0.41
2-3 years	1.90	0.39
3-4 years	3.80	0.45
4-5 years	1.61	0.34
5-10 years	13.61	2.66
Above 10 years	26.57	3.53
<b>Total</b>	<b>51.62</b>	<b>8.22</b>

## Notes to the Consolidated Financial Statement for the year ended March 31, 2021

### 42 Fair value of financial assets and liabilities

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

(₹ in lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets-At amortised cost</b>				
Trade Receivables	143,111.53	143,111.53	129,267.99	129,267.99
Cash & Cash Equivalents	2,029.88	2,029.88	896.11	896.11
Other Bank Balances	246.73	246.73	247.35	247.35
Other Financial Assets	2,350.82	2,350.82	2,116.12	2,116.12
<b>Total</b>	<b>147,738.96</b>	<b>147,738.96</b>	<b>132,527.57</b>	<b>132,527.57</b>
<b>Financial Liabilities-At amortised cost</b>				
Borrowings	126,113.57	126,113.57	125,346.12	125,346.12
Trade Payable	9,707.57	9,707.57	9,394.55	9,394.55
Other Financial Liabilities	42,498.05	42,498.05	41,939.59	41,939.59
<b>Total</b>	<b>178,319.19</b>	<b>178,319.19</b>	<b>176,680.26</b>	<b>176,680.26</b>

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.

#### b) Fair Value 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:

- 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 31<sup>st</sup> March, 2021 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.

### 43 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



## Notes to the Consolidated Financial Statement for the year ended March 31, 2021

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's objective is to maintain 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, 2021

(₹ in lakhs)

Particulars	Less than 12 months	More than 12 months	Total
<b>Financial Liability</b>			
Borrowings	21,018.60	105,094.97	126,113.57
Trade Payables	5,164.31	4,543.26	9,707.57
Others	42,157.40	340.65	42,498.05
<b>Total</b>	<b>68,340.31</b>	<b>109,978.88</b>	<b>178,319.19</b>

#### As at March 31, 2020

(₹ in lakhs)

Particulars	Less than 12 months	More than 12 months	Total
<b>Financial Liability</b>			
Borrowings	16,847.19	108,498.93	125,346.12
Trade Payables	5,546.75	3,847.80	9,394.55
Others	41,626.06	313.53	41,939.59
<b>Total</b>	<b>64,020.00</b>	<b>112,660.26</b>	<b>176,680.26</b>

### 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 transaction in foreign currency except foreign currency ECB loan. There are no outstanding Derivative contracts as on 31<sup>st</sup> March 2021. In terms of resolution plan, ECB Loan is payable in INR Currency.

## Notes to the Consolidated Financial Statement for the year ended March 31, 2021

### b) Interest rate and sensitivity

The Company's exposure in market relating to change in interest rate primarily arises from floating rate borrowing with banks and financial institutions. As at March 31, 2021, 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 fair value.

#### Borrowings

As at March 31, 2021

(₹ in lakhs)

Particulars	Total borrowings	Floating rate borrowings	Fixed rate borrowings	Weighted average interest rate (%)
INR	126,113.57		125,198.12	8.32
<b>Total</b>	<b>126,113.57</b>	<b>-</b>	<b>125,198.12</b>	

As at March 31, 2020

(₹ in lakhs)

Particulars	Total borrowings	Floating rate borrowings	Fixed rate borrowings	Weighted average interest rate (%)
INR	125,346.12		125,346.13	10.03
<b>Total</b>	<b>125,346.12</b>	<b>-</b>	<b>125,346.13</b>	

### 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.

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

#### Gearing Ratio

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Debt</b>		
Borrowing	126,113.57	125,346.12
Cash and Cash Equivalent	896.11	896.11
<b>Net Debt(net of cash and cash equivalent)</b>	<b>125,217.46</b>	<b>124,450.01</b>
<b>Capital</b>		
Equity Share Capital	10,475.46	10,475.46
Other Equity	65,184.92	65,184.92
<b>Total Capital</b>	<b>75,660.38</b>	<b>75,660.38</b>
<b>Capital and net debt</b>	<b>200,877.84</b>	<b>200,110.39</b>
<b>Gearing Ratio</b>	<b>0.62</b>	<b>0.62</b>

## Notes to the Consolidated Financial Statement for the year ended March 31, 2021

### 44 Contingent Liabilities and Commitments (to the extent not provided for)

#### a) Contingent Liabilities

(₹ in lakhs)

S.No	Particulars	As at March 31, 2021	As at March 31, 2020
a	Claims against the company / disputed liabilities not acknowledged as debts (to the extent ascertained)	5.00	1,718.32
b	Outstanding bank guarantees	6,428.23	6,909.55
c	Tax matters disputed under appeal	1,038.80	13,839.41

**44.1** 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.

**44.2** As per judgments of the Hon'ble Supreme Court, the Resolution Plan approved under IBC is binding on all creditors including Central Government, State Government, any Local Authority under section 31(1) of IBC, 2016 and any amount not claimed by the operational creditors stand extinguished. These claims are subject to reconciliation and rights and remedies available with the Group and are not acknowledged as debt.

**44.3** As per resolution plan approved under IBC, 2016,

- 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, 2020 - Rs. Nil)

### 45 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.

### 46 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	2020-21	2019-20
Profit/(loss) attributable to equity shareholders	5,392.28	(1,945.73)
Weighted average number of equity shares (in nos.)	104,754,624	104,754,624
<b>Basic &amp; diluted earnings per equity share (In Rs)</b>	<b>5.16</b>	<b>(1.85)</b>

## Notes to the Consolidated Financial Statement for the year ended March 31, 2021

### After Exceptional Items

(Rs. In Lakhs except otherwise stated)

Particulars	2020-21	2019-20
Profit/(loss) attributable to equity shareholders	6,337.69	26,521.23
Weighted average number of equity shares (in nos.)	104,754,624	104,754,624
<b>Basic &amp; diluted earnings per equity share (In Rs.)</b>	<b>6.05</b>	<b>25.32</b>

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

### 47 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, 2021

(Rs. In Lakhs)

Type of good or service	Revenue as per Ind AS 115
Civil construction	14,633.29
<b>Total</b>	<b>14,633.29</b>

#### b) Contract balances:

(Rs. In Lakhs except otherwise stated)

i) Movement in contract balances during the year:			
Particulars		Year ended March 31, 2021	Year ended March 31, 2020
Opening balance	Contract liabilities	909.88	1,024.16
Closing balance	Contract liabilities	319.71	909.88
<b>Net increase/(decrease)</b>		<b>(590.17)</b>	<b>(114.28)</b>

ii) Revenue recognised during the year from opening balance of contract liabilities amounting to Rs. 1,604.57 Lakhs (March 31, 2020 Rs. 2,562.16 lakhs).

#### c) Reconciliation of Contracted Price with Revenue during the year:

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening Contracted Price of Orders at the start of the year*	86,378.30	142,380.50
Add:		
Fresh Orders/Change Orders received (net)	6,033.78	8,156.24
Increase due to additional consideration recognised as per contractual terms	-	-
Less: Orders completed during the year	16,237.76	64,158.44
Closed Contracted price of orders on hand at the end of the year*	<b>76,174.32</b>	<b>86,378.30</b>
Total Revenue recognised during the year	14,633.29	16,620.59
a. Revenue out of orders completed during the year	9,983.60	11,344.54
b. Revenue out of orders under execution at the end of the year(i)	4,649.69	5,276.05
Revenue recognised upto previous year (from order pending completion at the end of the year)(ii)	64,921.79	70,778.55
Balance Revenue to be recognised in future viz. Order Book (iii)	6,602.84	10,323.70
Closing Contracted price of Orders on hand at the end of the year*(i+ii+iii)	<b>76,174.32</b>	<b>86,378.30</b>
Closing Contracted price of Orders on hand at the end of the year- Continuing Operations	6,602.84	10,323.70

\*including full value of partially executed contracts

**Notes to the Consolidated Financial Statement** for the year ended March 31, 2021

- 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:**

(₹ in lakhs)

	Year	Transaction price allocated to the remaining performance obligation
Expected conversion in revenue	Upto 1 year	6,602.84
	From 1 to 2 years	-
	From 2 to 3 years	-
	From 3 to 4 years	-
	From 4 to 5 years	-
	Beyond 5 years	-
	<b>Total</b>	<b>6,602.84</b>

**48 Tax Expenses**

- (a) The major components of income tax expense for the year are as under:

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Income Tax recognised in the Statement of Profit and Loss</b>		
Current Tax	-	-
Deferred Tax	3,007.34	(5,314.24)
Income tax for Earlier year	(11,809.21)	-
<b>Total Income Tax expenses recognised in statement of profit and loss</b>	<b>(8,801.87)</b>	<b>(5,314.24)</b>
<b>Income Tax expense recognised in OCI</b>		
Deferred Tax expense on re-measurement of defined benefit plans	3.99	2.02
<b>Income Tax expense recognised in OCI</b>	<b>3.99</b>	<b>2.02</b>
<b>Total (Net)</b>	<b>(8,797.88)</b>	<b>(5,312.22)</b>

- (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, 2021.

- (c) Gross Deferred Tax Liability and Assets for the year ended March 31, 2021 are as follows:

(₹ in lakhs)

Particulars	Opening Balance April 1, 2020	Recognised in Profit and Loss	Recognised in OCI	Closing Balance March 31, 2021
<b>Deferred Tax Assets</b>				
Provision for expense allowed for tax purpose on payment basis	122.63	(99.08)	(3.99)	19.56
Tax effect on Unabsorbed Loss and Depreciation	11,535.43	(6,599.35)	-	4,936.08
Difference in carrying value and tax base of Financial Asset carried at Amortised Cost	25,199.83	(8,730.14)	-	16,469.69
Difference in carrying value and tax base of Intangible Assets	1,018.26	(118.24)	-	900.02
Difference in carrying value and tax base of Non-Financial Liability	13,328.41	(3,546.75)	-	9,781.66
<b>Total Deferred Tax Assets</b>	<b>51,204.56</b>	<b>(19,093.56)</b>	<b>(3.99)</b>	<b>32,107.01</b>
<b>Deferred Tax Liabilities</b>				
Difference between written down value/capital work in progress of Fixed Assets as per the books of accounts and Income Tax Act, 1961.	1,760.46	(1,580.65)		179.81
Difference in carrying value and tax base of Financial Liability	13,297.96	(3,576.10)		9,721.86
Difference in carrying value and tax base of Non-Financial Asset	22,576.15	(10,929.47)		11,646.68
Difference in carrying value and tax base of Financial Asset	1,071.28	-		1,071.28
<b>Total Deferred Tax Liabilities</b>	<b>38,705.85</b>	<b>(16,086.22)</b>	<b>-</b>	<b>22,619.63</b>
<b>Deferred Income Tax Assets (Net)</b>	<b>12,498.71</b>	<b>(3,007.34)</b>	<b>(3.99)</b>	<b>9,487.38</b>

## Notes to the Consolidated Financial Statement for the year ended March 31, 2021

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

(₹ in lakhs)

Particulars	Opening Balance April 1, 2019	Recognised in Profit and Loss	Recognised in OCI	Closing Balance March 31, 2020
<b>Deferred Tax Assets</b>				
Provision for expense allowed for tax purpose on payment basis	124.97	(0.32)	(2.02)	122.63
Tax effect on Unabsorbed Loss	7,415.06	4,120.37	-	11,535.43
Difference in carrying value and tax base of Financial Asset carried at Amortised Cost	28,354.04	(3,154.21)	-	25,199.83
Difference in carrying value and tax base of Intangible Assets	1,137.24	(118.98)	-	1,018.26
Difference in carrying value and tax base of Non-Financial Liability	17,784.72	(4,456.31)	-	13,328.41
<b>Total Deferred Tax Assets</b>	<b>54,816.03</b>	<b>(3,609.45)</b>	<b>(2.02)</b>	<b>51,204.56</b>
<b>Deferred Tax Liabilities</b>				
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 Financial Liability	17,814.17	(4,516.21)	-	13,297.96
Difference in carrying value and tax base of Non-Financial Asset	26,631.51	(4,055.36)	-	22,576.15
Difference in carrying value and tax base of Financial Asset	1,305.41	(234.13)	-	1,071.28
<b>Total Deferred Tax Liabilities</b>	<b>47,629.54</b>	<b>(8,923.69)</b>	<b>-</b>	<b>38,705.85</b>
<b>Deferred Income Tax Assets (Net)</b>	<b>7,186.49</b>	<b>5,314.24</b>	<b>(2.02)</b>	<b>12,498.71</b>

**48.1** Pursuant to the provisions of Ind AS 12 "Income Taxes", the Group has conservatively recognised deferred tax assets (net) as at March 31, 2021 amounting to Rs. 9,487.38 lakhs (March 31, 2020 Rs. 12,498.71 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, recovery of pending claims, 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.

**48.2** Income tax for earlier years amounting to Rs. 11,809.21 lakhs (March 31, 2020 Rs. Nil) for the year ended March 31, 2021 represents reassessment of tax liabilities of earlier years on the basis of recent judgements.

## 49 Statutory Dues

**In terms of the approved Resolution Plan:**

- 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. Admitted claims alone will be paid after reconciliation and subject to rights and remedies available.
- 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. Admitted claims alone will be paid after reconciliation and subject to rights and remedies available.
- Refer Note No. 44.2

## Notes to the Consolidated Financial Statement for the year ended March 31, 2021

### 50 Segment Reporting

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

### 51 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
<b>Parent Company</b>								
MBL Infrastructures Limited	142.42	116,798.98	147.27	9,333.53	100.00	11.86	147.18	9,345.39
<b>Subsidiaries</b>								
AAP Infrastructure Ltd.	(1.06)	(868.40)	(1.07)	(67.83)	-	-	(1.07)	(67.83)
MBL Highway Development Company Ltd.	(17.38)	(14,249.67)	(9.01)	(570.90)	-	-	(8.99)	(570.90)
MBL (MP) Toll Road Company Ltd.	1.29	1,060.93	0.45	28.64	-	-	0.45	28.64
MBL Projects Ltd.	2.68	2,195.54	0.49	30.78	-	-	0.48	30.78
MBL (MP) Road Nirman Company Ltd.#	(0.10)	(84.92)	(0.07)	(4.67)	-	-	(0.07)	(4.67)
MBL (Haldia) Toll Road Company Ltd.	0.01	6.44	(0.00)	(0.10)	-	-	(0.00)	(0.10)
Suratgarh Bikaner Toll Road Company Private Ltd.	13.16	10,789.37	(50.65)	(3,210.18)	-	-	(50.56)	(3,210.18)
MBL (Udaipur Bypass) Road Limited#	(0.00)	(1.33)	(0.00)	(0.07)	-	-	(0.00)	(0.07)
<b>Minority Interest in all Subsidiaries</b>	-	-	-	-	-	-	-	-
Consolidation Adjustments/Elimination	(41.02)	(33,637.46)	12.60	798.49	-	-	12.58	798.49
<b>Total</b>	<b>100.00</b>	<b>82,009.48</b>	<b>100.00</b>	<b>6,337.69</b>	<b>100.00</b>	<b>11.86</b>	<b>100.00</b>	<b>6,349.55</b>

# Step-down subsidiaries MBL projects Ltd.

- 52** In one of the subsidiary company AAP Infrastructure Limited, MPRDC by Order No. 4313/ MPRDC/BOT/10/Maint./2017 dated June 08, 2017 suspended the right to collect toll and by Order No. 20177/Seoni-Balaghat-Gondia Road/BOT/MPRDC/2017 Bhopal dated February 23,2018 terminated the concession agreement. Differences and disputes have arisen between the authority and the concessioner including period of concession agreement, change of scope, increase in project cost etc. The company has invoked arbitration and raised claim of Rs. 2,339,065.00 lakhs on MPRDC before the Hon'ble Madhya Pradesh Arbitral Tribunal, Bhopal under the Madhya Pradesh Madhyastham Adhikaran Adhiniyam 1983. The claims shall be accounted for on certainty of their realization.
- 53** In one of the subsidiary company MBL Highway Development Company Limited, MPRDC by Order No. MPRDC/BOT/S-K/2016/13233 dated November 18, 2016 terminated the concession agreement. Differences and disputes have arisen between the authority and the Company including period of concession agreement, change of scope, increase in project cost etc. The company has invoked arbitration and raised claim of Rs. 1,10,031.00 lakhs on MPRDC before the Hon'ble Madhya Pradesh Arbitral Tribunal Bhopal under the Madhya Pradesh Madhyastham Adhikaran Adhiniyam 1983. The claims shall be accounted for on certainty of their realization.
- 54** In one of the subsidiary company MBL (MP) Road Nirman Company Limited, MPRDC by Order No. MPRDC/BOT/G-W/2016/13237 dated November 18, 2016 terminated the concession agreement. Differences and disputes have arisen between the authority and the Company including period of concession agreement, change of scope, increase in project cost etc. The company has invoked arbitration and raised claim of Rs. 94,278.00 lakhs on MPRDC before the Hon'ble Madhya Pradesh Arbitral Tribunal Bhopal under the Madhya Pradesh Madhyastham Adhikaran Adhiniyam 1983. The claims shall be accounted for on certainty of their realization.



- 55** In one of the subsidiary company MBL Highway Development Company Limited, there was a participation in concession agreement dated 09.09.2011 by way of project centric ECB facility as per prudential norms of financing infrastructure projects in India as per RBI guidelines & other applicable Indian laws. Repayments and interest were to be made from escrow account out of deposit of user fee (toll) on achievement of Commercial Operation Date(COD) or termination payment or out of share of debt under Arbitration Award. However the concession agreement was terminated by MPRDC on 18.11.2016.

Legal proceedings are pending at various forums for adjudication of disputes including writ petition & dispute resolution proceedings in India and summary judgement & certificate of enforcement from a foreign country and its execution petition in India by such participant. The company has received legal advice that the same is not enforceable in India. The company is in the process of filing defence to the execution petition.

Arbitration in terms of the substitution agreement and escrow agreement has been invoked. The company has counter claims against the participant exceeding the amount of the claims.

However, provision has been made for claims including foreign exchange fluctuation as per 'conservative principles of accounting' but the same is not acknowledged as debt payable by the Company.

- 56** Disclosure pursuant to Regulation 34(3) read with Schedule VA(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) regulations, 2015 are given in Note No. 40.

- 57** 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.

- 58** 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.

- 59** The outbreak of COVID-19 had impacted the operations of the Group. 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 the Ministry of Home Affairs ("MHA"), collection of toll of two SPVs of the Group was suspended w.e.f. March 25/26, 2020 till April 19, 2020 mid-night and commenced w.e.f. April 20, 2020. The construction activities have commenced in a phased manner after implementation of the standard protocols in line with the directives of the concerned authorities.

The impact of the COVID-19 (1<sup>st</sup> wave and 2<sup>nd</sup> wave) including government policies will have to be assessed from time to time. The Group has considered various external and internal information upto the date of approval of these financial results for assessing, inter-alia, the recoverability of investments, trade receivables, project work in progress, inventories and other assets. The Group expects to recover the carrying amount of these assets based on the current indication of future economic conditions.

The Tolling Operation of one SPV of the Group suffered due to Farmer's Agitation in the current year.

The Group has exercised protections available to it as per the various contractual provisions to reduce the impact of COVID-19/ Farmer's Agitation. The revenue in respect of claims pertaining to COVID-19/Farmer's Agitation will be recognised when the Group will be reasonably certain of their quantification and realisation.

- 60** 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.

- 61** Previous year's figures were regrouped, rearranged and reclassified , wherever considered necessary.
- 62** These financial statements have been approved by Board of Directors of the Company in their meeting dated June 23, 2021 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 and on behalf of the Board of Directors**

**For S A R C & Associates**

Chartered Accountants

Firm's ICAI Registration No.: 006085N

**per Kamal Aggarwal**

Partner

Membership No.: 090129

**Darshan Singh Negi**

Chief Financial Officer

**Anjanee Kumar Lakhotia**

Chairman & Managing Director

DIN-00357695

Place: New Delhi

Date: June 23, 2021

**Anubhav Maheshwari**

Company Secretary

**Sunita Palita**

Director

DIN-00365901



Some of completed projects





## **MBL Infrastructures Ltd.**

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