





## Contents

Corporate Information .....	2
Directors' Report .....	3
Management Discussion & Analysis .....	10
Corporate Governance Report .....	24
Standalone Auditors' Report .....	40
Standalone Financial Statement .....	46
Consolidated Auditors' Report .....	89
Consolidated Financial Statement .....	92



# Corporate Information

## DIRECTORS

Anjanee Kumar Lakhotia  
DIN No. 00357695  
Chairman & Managing Director

Ashwini Kumar Singh  
DIN No. 00365901  
Independent Director

Bhagwan Singh Duggal  
DIN No. 06634772  
Independent Director

Sunita Palita  
DIN No. 03612793  
Independent Director

## COMPANY SECRETARY & COMPLIANCE OFFICER

Anubhav Maheshwari

## CHIEF FINANCIAL OFFICER

Darshan Singh Negi

## AUDITORS

M/s. Agarwal S. Kumar & Associates  
21, Hemanta Basu Sarani  
3rd Floor, Room No. 306,  
'CENTRE POINT', Kolkata – 700 001

## REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.  
59C, Chowringhee Road, 3rd Floor, Kolkata-700 020

## REGISTERED OFFICE

Divine Bliss, 1st Floor, 2/3, Judges Court Road,  
Kolkata- 700 027  
Phone: 033-3341 1800  
Fax: 033-3341 1801  
E-mail: Kolkata@mblinfra.com

## CORPORATE OFFICE

Baani Corporate One Tower  
Suite No. 303 & 308, 3rd Floor, Plot No. 5,  
Commercial Centre, Jasola, New Delhi-110025  
Phone: 011-4959 3300, Fax: 011-4959 3320  
E-mail: delhi@mblinfra.com

## BANKERS

Allahabad Bank  
Bank of Baroda  
Bank of India  
Bank of Maharashtra  
Corporation Bank  
IDBI Bank  
Indian Overseas Bank  
Oriental Bank of Commerce  
Punjab National Bank  
Punjab National Bank (International ) Limited  
State Bank of India  
United Bank of India (UK) Ltd.  
Vijaya Bank

# Directors' Report

To the Members,

Your Directors take pleasure in presenting the Twenty Second Annual Report together with the Company's Audited Financials Statement for the financial year ended 31st March 2017.

## Financial Results\*

(Rs. in Lakhs)

	Standalone		Consolidated	
	Year ended		Year ended	
	2016-17	2015-16	2016-17	2015-16
Gross Revenue	2,31,286.82	2,33,079.12	2,33,199.34	2,36,294.99
Profit/Loss Before Depreciation and Tax	(10,906.13)	12,471.60	(9,936.96)	14,481.93
Depreciation & Amortisation	1,777.22	1,723.79	2,721.76	3,315.00
Profit/ Loss Befor Tax	(12,683.35)	10,747.81	(12,658.72)	11,166.93
Provision for Tax (Current & Deferred)	(6,061.24)	2,280.88	(6,054.07)	2,480.96
Profit/Loss After Tax	(6,622.11)	8,466.93	(6,604.65)	8,685.97
Total Comprehensive Income	(6,597.09)	8,467.19	(6,579.63)	8,686.23
Profit/Loss brought forward from Previous Year	13,275.76	10,557.24	14,364.41	11,553.44

\*As per "Ind AS"

## Review of Operations

During the period under review, the annual turnover of the Company was Rs. 2312.87 crores on Standalone basis and Rs 2331.99 crores on consolidated basis. For the first time the Company has reported a loss of Rs. 65.97 crores vis-a vis profit of Rs. 84.67 crores in previous financial year (standalone) and loss of Rs. 65.80 crores vis-a-vis profit of Rs. 86.86 crores in previous financial year (consolidated). The Company entered into a viscous cycle of liquidity constrain primarily due to delay in working capital appraisal by the lenders, increased interest cost due to increase in the outstanding Fund Based facilities, delay in realization of debtors, increased requirement of funds by the subsidiary companies, elongated working capital cycle, disputes & arbitrations, etc.

The Company was in discussion with Lenders for evaluating various options of debt restructuring. In the meantime, Hon'ble National Company Law Tribunal, Kolkata Bench (NCLT) vide order dated 30th March 2017 initiated corporate insolvency resolution process under Insolvency and Bankruptcy Code, 2016 ("IBC"). There is a moratorium of 180 days extendable by 90 days i.e. till 23rd December 2017. The powers of the Board of the Directors have been suspended and the management of the affairs of the Company is vested with Interim Resolution Professional / Resolution professional ("RP")

(w.e.f. 18/05/2017). The members of the Board of Directors are performing their duties under the applicable laws to ensure that the Company operates as a going concern. The Company has initiated legal/arbitration proceedings in respect of most of the long term receivables and expect favourable outcome.

As per the directives of the COC, necessary audits from external agencies have been initiated. The resolution plan under IBC is expected to envisage necessary steps for the restructuring of the Company and in view of the efforts/ measures being initiated, it is expected that the resolution plan acceptable to all the stakeholders should be approved.

Due to losses suffered during the year under review, Mr. Anjanee Kumar Lakhota, Managing Director of the Company has voluntary foregone his remuneration for the financial year 2016-17. He has further informed that he will not take any remuneration till the approval of the resolution plan by COC.

## Business Overview

Our Company 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, which can be categorized in the following major segments:

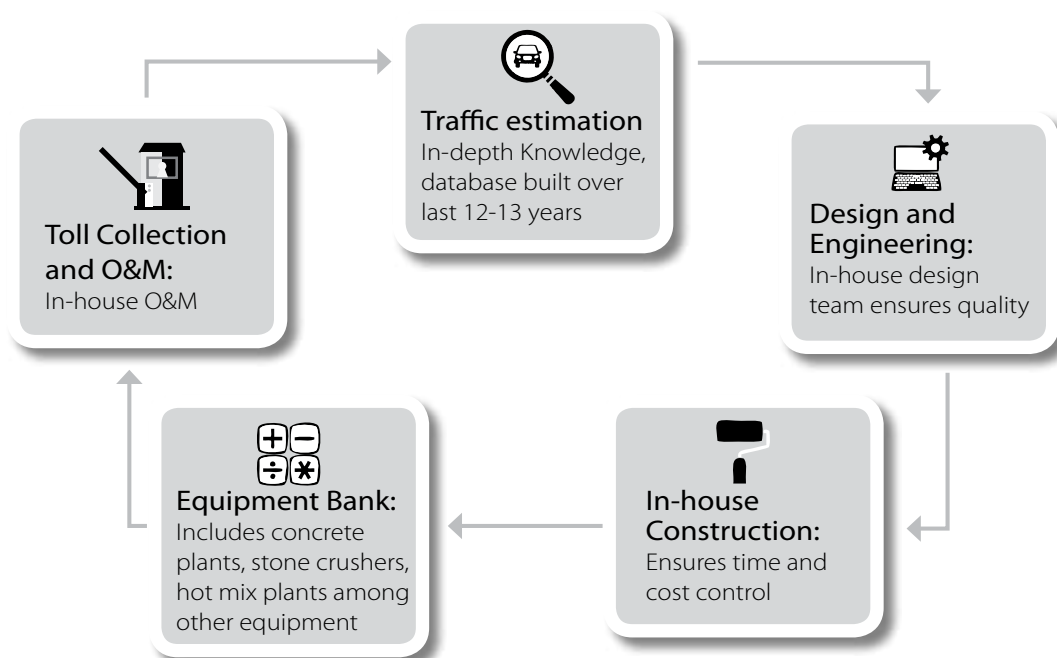
1. Highway Construction  
This is the Primary area of operations of the Company having NHAI, MoRTH and State PWDs/Corporations as the major clients.
2. Road Operations & Maintenance  
Constructed roads and highways require continues operations and maintenance. India possesses second largest road network in the world and the Company has an early mover advantages in the segment.
3. Highway - BOT Projects  
The Company has a fully operational BOT in Madhya Pradesh and the Bikaner-Suratgarh section of NH-15 (km 553/869 of NH-11 to km 173/000 of NH-15 via km 10/630 of NH-15) in the State of Rajasthan is under various stages of construction.
4. Industrial Infrastructure  
The Company has successfully executed some major projects in Industrial Infrastructures Development space across India and continuously seeks to have its presence in this segment.
5. Housing Infrastructure  
The Company is also engaged in the construction of various

housing projects and has successfully completed some of the projects awarded to it by various Government agencies. More projects are under various stages of completion.

6. Railway Infrastructure  
Indian Railways have embarked upon a very ambitious modernization and expansion programme and the Company is fully geared to take up challenges and utilize the opportunity presented to it. The Company has executed ROB projects and a project for Delhi Metro Rail Corporation.
7. Water Infrastructure  
The Company proposes to foray into civil engineering projects of Water Infrastructure including construction of ports, harbours/ marine structures. The Company has also executed an MOU with M/s. PIACENTINI COSTRUZIONI ("PIACENTINI"), Italy, for the same.
8. Other Infrastructure Projects  
The Company also forays into urban infrastructure development, construction of flyovers, mining, stone crushing, ready-mix concrete, etc.

All the segments in which Company operates, provide a healthy balance to the operations of the Company and also adequately balance the risks and rewards associated with a infrastructure construction Company.

## Integrated Business Model



## Subsidiary Companies

During the year under review, MBL (GSY) Road Ltd, MBL (CGRG) Road Ltd. and MBL (Udaipur Bypass) Road Ltd. were incorporated as subsidiary companies. Pursuant to Section 129(3) of the Companies Act, 2013 (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 subsidiaries is enclosed as Annexure 'A'. The Audited accounts of the each subsidiary is placed on the website of the Company [www.mblinfra.com](http://www.mblinfra.com) and on request a 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 subsidiaries. Summary of the BOT projects undertaken by the company through its subsidiaries is as under:

Project	SPV/Subsidiary companies	Type	Current Status
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
Developing and Operation of Bikaner – Suratgarh Section of NH – 15 in the State of Rajasthan	Suratgarh Bikaner Toll Road Company Private Limited	Toll	Work is in Progress

## Capital Expenditure

During the year under review, the Company has made additions of Rs. 437.65 Lakhs to its fixed assets on standalone basis and Rs. 10318.19 Lakhs on consolidated basis.

## Dividend

In view of the loss, your Directors do not recommend any dividend for the year.

## Transfer to Reserves

In view of losses incurred by the Company during the year, no amount has been transferred to the General Reserve.

## Changes in the nature of business

There has been no change in the nature of business of the Company during the financial year 2016-17.

## Changes in Share Capital

The paid-up Equity Share Capital of the Company as at 31st March,

2017 stood at Rs. 414.54 lakh. During the year under review, there has been no changes in the share capital of the Company.

## Management Discussion and Analysis Report

Management Discussion and Analysis Report is enclosed as Annexure 'B' and forms integral part of this Annual Report.

## Material Changes and Commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report

The Company is under corporate insolvency resolution process under IBC. There has been significant decrease in the level of the operations of the Company on account of non-availability of adequate working capital, non-realization of sales proceeds, limited human resources, viscous cycle, etc.

## Extract of Annual Retrun

The details forming part of the extracts of the Annual Report in form MGT-9 as provided under section 92 of the Act is enclosed as Annexure 'C' and forms integral part of this report.

## Corporate Governance

Your 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 report on CG and Auditors Certificate on compliance of conditions as stipulated therein is enclosed as Annexure 'D' and forms integral part of this report.

## Number of Meetings of the Board of Directors

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

## Directors' Responsibility Statement

Your Directors hereby confirm that:

- in the preparation of the annual accounts for the year ended 31st March, 2017, 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 loss of the Company for that period;

- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls were adequate and operating effectively; and
- f) they have proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### Independent Director Declaration

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as laid down under the Act and LODR.

### Corporate Social Responsibility (CSR)

The CSR policy of the Company is in accordance with the requirement of the Companies (CSR policy) Rules, 2014 and is available on company website. [www.mblinfra.com](http://www.mblinfra.com). The expenditure on activities undertaken are in accordance to schedule VII of the Act.

The focus areas of the CSR engagements amongst others are promoting healthcare including preventive healthcare and sanitation, ensuring environmental sustainability and measures for reducing inequalities faced by the socially and economically backward groups.

The report on the CSR activities is enclosed as Annexure 'E' and forms integral part of this Report.

### Directors

During the year under review, Mr. Kumar Singh Bhagel and Mr. Ram Dayal Modi had ceased to be directors of the Company w.e.f. 15th October, 2016 and 3rd January, 2017 respectively.

All the directors have made necessary disclosures as required under the Act & LODR.

### Key Managerial Personnel

In bid to increase the efficiency, the Company tried to recruit and appoint better Chief Financial Officer and Company Secretary, which led to frequent changes during the period under review. Accordingly, Mr. Somesh Kumar Jain, Mr. Ashok Maheshwari and Mr.

Anil Kumar Agarwal who were appointed as Chief Financial Officers of the Company on interim basis, had to resign. Mr. Darshan Singh Negi was reinstated as Chief Financial officer of the Company on 14th December, 2016. Ms Shalini Chawla, Mr. Manoj Adukia and Mr. Ravindra Jain who were also appointed as Company Secretary had resigned during the year and Mr. Anubhav Maheshwari was appointed as Company Secretary.

Mr. Anjaneer Kumar Lakhota, Chairman & Managing Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board recommends his re-appointment for the consideration of Members of the Company at the ensuing Annual General Meeting. The brief resume/profile of Mr Anjaneer Kumar Lakhota is attached with Notice for the ensuing Annual General Meeting.

### Auditors

#### Statutory Auditors

The term of appointment of M/s Agarwal S. Kumar & Associates, Chartered Accountants, (Firm Registration No.322324E) will be concluded from the close of ensuing AGM.

The members of the Board recommend appointment of SARC & Associates, Chartered Accountants, as Statutory Auditors of the Company for a term of consecutive five years from the conclusion of the ensuing Annual General Meeting, subject to approval of the Committee of Creditors under IBC.

The Company has received letter from SARC & Associates, Chartered Accountants, giving their consent to act as Statutory Auditors of the Company and a certificate stating that their appointment would be in compliance with the applicable provisions of the Act read with rules made there under.

They have confirmed that they have subjected themselves to Peer Review, a process of ICAI and they had a valid certificate issued by Peer Review Board of ICAI.

The Auditors report does not contain any qualifications, reservation and adverse remark or disclaimer. The note on financial statement referred in auditors report are self-explanatory and does not call for further comments. There has no fraud report to account or Board of Directors during the period.

#### Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s Mehak Gupta & Associates, Practicing Company Secretaries to conduct Secretarial Audit of the Company for the Financial Year 2016-17.



The Secretarial Audit Report is enclosed as Annexure 'F' and forms integral part of this Report.

The Secretarial Auditors report for the FY ended 31/03/17, does not contain any qualification or reservation or adverse remark or disclaimer.

### Cost Auditors

The members of the Board of Directors on the recommendation of members of the Audit Committee has appointed M/s Dipak Lal & Associates, Cost Accountant as Cost Auditors of the Company for the Financial Year ended 2017-18 at a remuneration of Rs. 30,000/- (Rupees Thirty Thousand only) plus applicable taxes and reimbursement of out of pocket expenses subject to ratification by Shareholders.

The Cost Audit report for F Y 2015-16 does not contain any qualification or reservation or adverse remark or disclaimer.

### Particulars of Loans, Guarantees or Investments Under Section 186

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's related party transactions ("RPT") are with its subsidiary companies which are entered for synergy of operation, long-term strategy, legal requirements, liquidity and capital requirement of Subsidiary companies.

All contracts/arrangements/transactions entered by the Company with related parties for the year under review were all on arm's length basis and in the ordinary course of business and were approved by the Audit Committee of the Board. Hence, disclosure in form AOC-2 under the Act read with the rules made therein is not required. The Company has not entered into any contract/ arrangement/ transaction which would be considered as material in accordance with the policy of the Company on the materiality of the related party transaction. The details of RPT transactions forms part of the notes to audited financial statement.

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

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

### Significant and Material Orders

During the period under review, Corporate Insolvency Resolution

process was initiated by Hon'ble NCLT on 30th March 2017 under IBC. The particulars of the order and as other relevant information are available on the website of the Company i.e. [www.mblinfra.com](http://www.mblinfra.com).

The moratorium period under corporate insolvency resolution process under IBC is for a period of 180 days which can be further extended for a period not exceeding 90 days i.e. till 23rd December 2017. In case resolution plan is not approved by or is rejected by Hon'ble NCLT within 23rd December, 2017 it shall pass an order for the liquidation of the Company under IBC. In such an event the Company may not be an ongoing concern and the financial statements have to be recasted.

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

### 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 has 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) The particulars of expenditure and earnings in foreign currency are furnished in the notes forming part of the financial statements.

### Risk Management

The Company has in place a Risk Management Policy. 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.

### Audit Committee

The Composition, terms of reference and number of meetings of the Audit committee during the period under review is covered in the enclosed Corporate Governance Report.

### Performance Evaluation

The evaluation of the Board members was done through structured questionnaires' in terms of the Company policy which inter- alia consider attendance of Directors at Board and Committees, performance of specific duties, obligations and governance.

The Independent Directors in their meeting held without the presence of the Managing Director have evaluated the performance of Executive Director and Board as a whole. The Board of Directors expressed their satisfaction on the evaluation process and the performance of all the Directors, the Committees and the Board as a whole. The evaluation of Independent Director was done by the entire board excluding the director being evaluated. On the basis of the performance evaluation report, the members of the Board have determined to continue the term of the Independent Directors.

## Particulars of the Employees

The information required pursuant to Section 197 of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company is given a separate annexure to this 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.

There are no employees of the Company drawing remuneration as specified in Rule 5(2) of the aforesaid Rules.

## 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 particulars of the remuneration policy are stated in the enclosed Corporate Governance Report.

## 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. M/s D Ghosh & Associates, Chartered Accountants, Internal Auditors of the Company have conducted the Internal Audit in line with the scope formulated, functioning, periodicity and methodology agreed with the Audit Committee. The reports furnished by them are exhaustive and detailed discussion are held from, time to time, on their findings/observation with the Management. The Internal Auditors monitor 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. To maintain its objectivity and independence, the Internal Auditors reports to the Chairman of the Audit Committee. 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

## General

Your director's states that no disclosure or reporting is required in respect of the following as there was no transaction on these items during the year under review.

- (i) Details relating to deposits covered under chapter V of the Act;
- (ii) No cases or complaints were filed pertaining to policy on prevention of Sexual Harassments.

## Acknowledgement

Your Company continues its relentless focus on strengthening competition in all its businesses. It is the endeavor of your Company to deploy resources in a balanced manner so as to secure the interest of the shareholders in the best possible manner in the short, medium and long terms.

Your Directors convey their grateful appreciation for the valuable patronage and co-operation received and goodwill enjoyed by the Company from its esteemed customers, commercial associates, banks, financial institutions, government Authorities, other stakeholders and the media.

Your Directors also wish to place on record their deep sense of appreciation to all the employees at all levels for their commendable team-work, professionalism and enthusiastic contribution towards the working of the Company during the year under review.

Your Directors look forward to the future with hope and conviction.

By Order of the Board

**Anjanee Kumar Lakhotia**

Chairman & Managing Director  
(DIN-00357695)

Place: New Delhi

Dated: 29th May 2017