

CREATING HIGHWAYS TO SUCCESS

MBL Infrastructures Ltd | Annual Report 2018-19



Contents

Corporate information	1
Directors' Report	2
Management Discussion and Analysis	8
Corporate Governance Report	22
Standalone Financial Statement	42
Consolidated Financial Statement	98

Corporate Information

BOARD OF DIRECTORS

Anjaneer Kumar Lakhota
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

CHIEF FINANCIAL OFFICER

Darshan Singh Negi

COMPANY SECRETARY & COMPLIANCE OFFICER

Anubhav Maheshwari

STATUTORY AUDITORS

M/s. SARC & Associates, Chartered Accountants

REGISTRAR & SHARE TRANSFER AGENT

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

REGISTERED & CORPORATE OFFICE

Baani Corporate One Tower
Suite No. 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/ cs@mblinfra.com

BANKERS

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

Directors' Report

Dear Members,

The Board of Directors is pleased to present the Twenty Fourth Annual Report of the Company together with the Audited Financial Statements for the financial year ended 31st March 2019.

Financial Highlights

(₹ in Lakhs)

	Standalone		Consolidated	
	Year ended		Year ended	
	2018-19	2017-18	2018-19	2017-18
Gross Revenue	22,831.93	54,535.03	24,098.51	57,669.57
Earnings Before Interest, Taxes and Depreciation	12,201.21	9,081.33	12,337.08	12,075.80
Less : Interest & Finance Charges	10,602.88	24,596.62	12,539.72	24,985.77
Less : Depreciation	1,450.00	1,460.74	1,980.24	2,265.71
Profit Before Tax and Exceptional Item	148.33	(16,976.03)	(2,182.88)	(15,175.68)
Exceptional item (Net) (Transferred to capital Reserve)	(28,371.30)	40,212.56	(28,371.30)	16,384.15
Profit before Tax*	(28,222.97)	23,236.53	(30,554.18)	1,208.47
Less: Provision for Tax (Current & Deferred)	(4,099.31)	(666.00)	(4,167.66)	(700.90)
Profit After Tax*	(24,123.66)	23,902.53	(26,386.52)	1,909.37
Balance Brought Forward From Last Year	(10,296.82)	6,013.20	(30,573.72)	7,641.01
Transfer to Capital Reserve	(28,371.30)	40,212.56	(28,371.30)	40,212.56
Balance carried to Balance Sheet	(6,049.18)	(10,296.82)	(28,949.48)	(30,573.72)

* Including exceptional items (refer Note No. 38 to the Financial Statements) State of the Company's affairs

The Company has taken necessary steps for the implementation of the Resolution Plan approved by Hon'ble National Company Law Tribunal, Kolkata Bench (NCLT) by order dated 18.04.18 under the Insolvency & Bankruptcy Code, 2016. During the year, Company has substantially completed various public interest projects. Commercial operations of toll collections for 90.86% of 172.384 kms of the BOT project at Suratgarh-Bikaner Section of NH-62 in the state of Rajasthan has commenced w.e.f. 17.02.2019 by Suratgarh Bikaner Toll Road Pvt Ltd., subsidiary of the Company, in which the Company has investment of ₹185.05 crores.

The financial performance of the Company was adversely effected during the year due to non-implementation of the Resolution Plan by working capital Bankers. The turnover of the Company during the Financial year 2018-19 was ₹14,667.11 lakhs on standalone basis and ₹15,413.71 lakhs on consolidation basis as against ₹48,674.13 lakhs on standalone basis and ₹51,069.70 lakhs on consolidation basis during FY2017-18. The Company had profit of ₹148.33 lakhs on standalone basis and loss of ₹2,182.88 lakhs on consolidation basis during FY2018-

19 as against loss of ₹16,976.03 lakhs on standalone basis and loss of ₹15,175.68 lakhs on consolidation basis during FY2017-18. However, after considering the Exceptional Item, the loss on standalone basis was ₹24,123.66 lakhs and ₹28,371.30 lakhs on consolidation basis during FY2018-19 as against profit of ₹23,902.53 lakhs on standalone basis and ₹1,909.37 lakhs on consolidation basis during FY2017-18.

On account of cost over-run arising due to client responsibility delays, client's suspension of projects, deviation in design, change in scope of work, etc. significant amount has been withheld by clients. 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 inducted many professionals in various departments to strengthen the management of the Company. The Registered office of the Company has been shifted from Kolkata to New Delhi after obtaining necessary approvals.

Some of the banks have preferred appeals before the Hon'ble NCLAT

against the order of the Hon'ble NCLT approving the Resolution Plan. 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 appeals. In the unlikely event of ultimate rejection of the Resolution Plan, the Company may go under liquidation and may not be a going concern and the financial statements have to be recasted.

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

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 2018-19.

Changes in Share Capital

During the period under review, Authorized Capital of the Company has increased from ₹5,000 lakhs divided into 5,00,00,000 equity shares of ₹10 each to ₹10,500 lakhs divided into 10,50,00,000 equity shares of ₹10 each. The paid up Equity Share Capital of the Company as at 31st March, 2019 has increased from ₹4145.46 lakhs to ₹10475.46 lakhs due to issue and allotment of 6,33,00,000 crores of equity shares of ₹10 each on 10th July, 2018 to the promoters and entities forming part of promoter group during the year under review after receiving necessary approval from both the Stock Exchanges i.e. BSE & NSE. The amount of ₹6330 lakhs has been utilized pursuant to the approved resolution plan.

Non-Convertible Debentures

In terms of the approved Resolution Plan and in accordance with the then Insolvency and Bankruptcy Code, 2016 read with Regulations, 0.10% p.a. Secured Non- convertible debentures aggregating to ₹88,085.05 lakhs were issued on 30/04/2018 to the working capital banks who had voted in favour of approved Resolution plan. However, consequent to the deletion of Regulation 38(1) of IBBI (Insolvency Process for Corporate Persons) Regulations, 2016, pursuant to Hon'ble NCLAT judgements and to give effect to the same, the Board had further issued 0.10% p.a. Secured Non- convertible debentures aggregating to ₹30,749.02 lakhs on 14/02/2019 to Dissenting working capital banks. The aforesaid debentures are redeemable in 39 unequated quarterly installments at a premium of 10% payable at time of final redemption.

Transfer to Reserves

After the approval of the Resolution Plan, pursuant to the then IBC Regulations, the dissenting financial creditors were entitled for the proportionate share of the assessed liquidation value. The Company had accordingly provided for the liquidation value in the books of accounts against the dues of the dissenting financial creditors. ₹26,719.75 lakhs being the difference between the dues of the dissenting financial

creditors and their share in the liquidation value and being capital in nature was transferred to capital reserve. As per subsequent judgement of Hon'ble NCLAT and amendments made in the IBC Regulations, there is no disparity between assenting and dissenting financial creditors and the Resolution Plan is binding on all stakeholders. Therefore, capital reserve of ₹28,371.30 lakhs created earlier has been reinstated. Detailed explanation has been provided in the note 38 to the financial statements.

Pursuant to Companies Act, 2013, the Company has during the year created Debenture Redemption Reserve of ₹29,708.52 lakhs.

Dividend

Due to inadequate profits, the Directors do not recommend any dividend for the year.

Management Discussion and Analysis Report

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

Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of the Report

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

Extract of Annual Return

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

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 "Report on Corporate Governance" 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-C 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 8 (Eight) Board Meetings were convened and held, details of which are provided in enclosed Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Act and LODR.

Independent Directors Declaration

The Company has received declarations from Mr. Ashwini Kumar Singh, Mr. Bhagwan Singh Duggal and Ms. Sunita Palita, Independent Directors of the Company confirming that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16 of the Listing Regulations. 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.

Performance Evaluation

The Company has in place formal process for evaluation of performance of the Board, its Committee and individual directors. The evaluation process was done through a 'structured questionnaires' in terms of the Company policy which, inter- alia, consider composition and attendance of Directors at Board and Committees, acquaintance with business, effective participation, regulatory compliance, corporate governance, etc.

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 performance of the Committees was evaluated after seeking inputs from the committee members on the basis of criteria such as composition of the committees, effectiveness of the committees meetings, etc. 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 Board has determined to continue the term of the Independent Directors.

Directors & Key Managerial Personnel

The shareholders of the Company in its Annual General Meeting held on 29th September, 2018 have approved appointment of Mr. Ashwini Kumar Singh and Mr. Bhagwan Singh Duggal for period of 5 years w.e.f. 1st April, 2019 and appointment of Ms. Sunita Palita as Independent Director for a period of 5 years w.e.f. 26th May, 2019.

The shareholders in the Annual General Meeting held on 29th September, 2018 had also approved re-appointment of Mr Anjanee Kumar Lakhotia as Chairman & Managing Director of the Company

for a period of five years w.e.f. 26th May, 2019. Mr. Anjanee Kumar Lakhotia, Chairman and Managing Director of the Company, retire by rotation at the ensuing Annual General Meeting ("AGM") and being eligible offers himself for re-appointment. The Board recommends his re-appointment for the consideration of Members of the Company at the ensuing Annual General Meeting. The brief resume/profile of Mr. Anjanee Kumar Lakhotia is attached with Notice for the ensuing Annual General Meeting.

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

Directors' Responsibility Statement

Your Directors here by confirm that:

- in the preparation of the annual accounts for the year ended 31st March, 2019, 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;
- they have 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 company website at https://www.mblinfra.com/uploadimages/pdf/pdf_1502256043.pdf. The expenditure on activities undertaken are in accordance to schedule VII of the Act. 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. As a part of its initiative under CSR drive, the Company has undertaken projects in the areas of environmental sustainability, protection of flora and fauna.

The report on the CSR activities as required under Companies (CSR) Rules, 2014 is enclosed as **Annexure-D** 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 48 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-E** and forms integral part of the Report.

Suratgarh Bikaner Toll Road Company Pvt. Ltd. is a material subsidiary of the Company as per thresholds laid down under Listing Regulations. The Board of Directors of the Company has approved a policy for determining material subsidiaries which is in line with the Listing Regulations as amended from time to time. The policy was amended w.e.f. 01/04/2019 in line with the amendments made to Listing Regulations. The policy has been uploaded on website of the Company at https://www.mblinfra.com/uploadimages/pdf/pdf_1566885918.pdf.

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

During the year, the Board of Directors reviewed the affairs of the subsidiaries. Summary of the BOT projects undertaken by the Company through its subsidiaries is as under:

Project	SPV/Subsidiary companies	Type	Current Status
Developing and Operation of Bikaner – Suratgarh Section of NH – 15 in the State of Rajasthan	Suratgarh Bikaner Toll Road Company Private Limited	Toll	Operational (PCOD 90.87% achieved)
Strengthening, Widening, Maintaining and Operating of 18.303 kms Waraseoni- Lalbarra Road in the state of Madhya Pradesh	MBL (MP) Toll Road Company Limited	Toll + Annuity	Operational

Auditors

STATUTORY AUDITORS

M/s SARC & Associates, Chartered Accountants, (Firm Registration No. 006085N) were appointed as Statutory Auditors of the Company in the Annual General Meeting held on 11th November, 2017, for period of 5 (Five) consecutive years. Pursuant to amendment in the Companies Act, 2013, ratification by shareholders every year for the appointment of statutory auditors is no longer required and accordingly the Notice of Annual General Meeting does not include the proposal for seeking shareholders approval for ratification of Statutory auditors' appointment. The Auditor have confirmed that they are not disqualified from continuing as Statutory Auditor of the Company and hold a valid certificate issued by Peer Review Board of the ICAI.

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

SECRETARIAL AUDITORS

The Secretarial Audit was conducted by M/s Mehak Gupta & Associates, Practicing Company Secretaries for the FY 2018-19. The Secretarial Audit Report is enclosed as **Annexure-F** and forms integral part of the Directors Report. The Secretarial Audit report does not contain any reservations or adverse remarks or disclaimers. There has been no fraud reported by the Secretarial Auditor during the period. The Board of Directors of the Company has appointed M/s Mehak Gupta & Associates, Practicing Company Secretaries to conduct Secretarial Audit of the Company for the Financial Year 2019-20 after obtaining written consent from them that their appointment is in accordance with applicable provisions of the Act and rules made therein.

The Secretarial Audit Report of Ms. Alapana Setia, Practicing Company Secretary, for material unlisted Company is enclosed as **Annexure-G**. 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 ended 2019-20 at a remuneration of ₹35,000/- (Rupees Thirty five thousand only) plus applicable taxes and reimbursement of out of pocket expenses, subject to ratification by members in the ensuing AGM.

The Cost Audit report for FY 2017-18 does not contain any qualification or reservation or adverse remark or disclaimer. There has been no fraud reported by the Cost Auditor during the year.

Particulars of Loans, Guarantees or Investments

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

Particulars of Contract or Arrangements with Related Parties

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

All contracts/arrangements/transactions entered by the Company with related parties for the year under review were on arm's length basis and in the ordinary course of business. Hence, disclosure in form AOC-2 under the Act read with the rules made therein is not required. The shareholders in the Annual General Meeting held on 29th September, 2018 have approved to undertake related party transactions for a period of five years not exceeding aggregate amount of ₹10,000 lakhs per annum. The Company has not entered into any contract/ arrangement/ transaction which would be considered as material in accordance with the policy of the Company on the materiality of the related party transaction. The details of RPT transactions forms part of the notes to audited financial statement.

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

The policy on Related Party Transactions as approved by the Board of Directors of the Company may be accessed on the weblink https://www.mblinfra.com/uploadimages/pdf/pdf_1566885890.pdf.

Significant and Material Orders

Some of the banks have preferred appeals before the Hon'ble NCLAT against the order dated 18.04.2018 of the Hon'ble NCLT approving the Resolution Plan. 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 appeals. In the unlikely event of ultimate rejection of the Resolution Plan, the Company may go under liquidation and may not be a going concern and the financial statements have to be recasted.

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) 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 the 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 MDA.

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 is covered in the enclosed CGR.

Particulars of the Employees

The information required pursuant to Section 197 of the Act, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company is given in a separate annexure to this Report. A Statement comprising the names of top 10 employees of the Company is annexed as Annexure- H and forms integral part of the 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. During the period under review, no employee

of the Company drew remuneration in excess of the limits specified under the provisions of the Act read with rules made therein and hence no disclosure is required to be made in the Annual Report.

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 https://www.mblinfra.com/uploadimages/pdf/pdf_1566911108.pdf.

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 Auditors 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 https://www.mblinfra.com/uploadimages/pdf/pdf_1566911108.pdf 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.

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

Acknowledgments

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.

Anjaneer Kumar Lakhota
Chairman & Managing Director
(DIN-00357695)

Place: New Delhi
Dated: 30th May, 2019

Annexure A

Management Discussion and Analysis

Indian Economic Overview

The Indian economy continues to be one of the fastest growing and least affected by global turmoils such as the escalation of US-China trade tensions, tighter credit policies in China, and financial tightening alongside the normalisation of monetary policy in the larger advanced economies. However, Indian economic growth has slowed down in 2018-19 primarily on account of declining growth of private consumption, tepid increase in fixed investments and muted exports. The Indian rupee suffered because of crude price and conditions exacerbated as recovery in some advanced economies caused faster investments outflows. The effects of the external factors were contained in part by India's strong macroeconomic fundamentals and policy changes.

The structural initiatives identified by the government in improving ease of business and fostering greater value addition within the country would be important to boost the performance of the economy and realise its full potential. The continued implementation of structural and financial sector reforms and easing of infrastructure bottlenecks are expected to brighten the prospect of economic growth. With structural drivers of growth, favorable demographics, rapid urbanisation, accelerated digitalisation and improvement in infrastructure -- firmly in place, the pace of Indian economy is expected to pick up over time.

Even in comparison to other emerging economies, the outlook of the Indian economy looks robust. The government has launched various initiatives with an aim to boost the manufacturing sector of the Indian economy and to increase purchasing power which should further boost demand and spur development. Private investment while carefully managing public finances could help the economy go a long way. The Indian economy has made rapid progress over a decade and emerged as the engine of economic growth in Asia.

Road Sector

Roads play a key role in the social and economic growth of any country. It forms a part of the critical infrastructure sector for economic development of a country. Roads influence the pace, structure and pattern of development. Development and maintenance of the road infrastructure sector is a priority of the government. India boasts of the second largest road network in the world. Creating better road and rail network and water transport system among others is expected to make the Indian economy grow faster in future. The sector has received strong budgetary support over the years as road infrastructure has been a key government priority. There is now a growing participation of

the private sector through Public- Private Partnership. Fiscal spending on infrastructure and the rural economy should continue to support economic growth.

Road infrastructure has seen consistent improvement in the last few years. Roads are providing better access to services, ease of transportation and freedom of movement to people. Recognizing the significance of a reliable and swift road network in the country and the role it plays in influencing its economic development, the Ministry of Road Transport and Highways (MORTH) has taken up the responsibility of building quality roads and highways across the country. The government aims to boost corporate investments in the road sector along with introducing business- friendly strategies that are expected to balance profitability with effective project execution. India has become the fastest highway developer in the world with nearly 30 kms of highway being built on an average every day during the financial period under review, while the target is to bring the pace up to 40 km per day. Between 2009 to 2019 the budgets outlay for road and highway construction has increased at a robust CAGR of 16.82%. Bharatmala, a centrally sponsored road and highway project with a target of completing 83,667 kms of new highways at an estimated cost of ₹5.35 trillion crores, had started in 2017.

As the infrastructure sector is a key driver for the Indian economy, increasing impetus to develop infrastructure in the country is attracting major global player. The country is witnessing significant interest from institutional investors in the infrastructure sector. India has the largest road network globally and carries almost 90% of the country's passenger traffic. To increase private sector participation in the road sector, the government has laid down comprehensive policy guidelines for private sector participation. Over the years, the speed of road construction had become the benchmark for a country's infrastructure creation. The new integrated infrastructure programme which involves building of roads, railways, water ways and airports will play a pivot role in leveraging cost and facilitate in achieving the growth of infrastructure sector.

Some of the key developments/incentives taken by the government in road sectors are:

- (i) The Government has allocated ₹1.12 trillion under Ministry of Roads & Highways
- (ii) PM Gram Sadak Yojna (PMGSY) is the scheme for the development of rural roads. The government has allocated ₹19,000 crores under PMGSY.