



**H K Shah & Co.**  
**CHARTERED ACCOUNTANTS**

## INDEPENDENT AUDITOR'S REPORT

TO  
THE MEMBERS OF  
MBL (CGRG) ROAD LIMITED  
NEW DELHI

### Report on the Financial Statements

We have audited the accompanying financial statements of **MBL (CGRG) ROAD LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit and Loss (including other comprehensive income) for the period 01st April 2017 to 31st March 2018, the Cash Flow Statement for the year then ended and the statement of changes in equity for the period, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements")

### Management's Responsibility for Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act 2013 ("the Act") read with relevant rules issued there under.

This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting



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079-27544995 / 27542785  
+91-9909919785  
+91-9714744995  
hkshahandco@gmail.com  
www.hkshahandco.com

**Head Office** | 403+404 'SARAP' Building,  
Opp. Navjivan Press, Off Ashram Road,  
Nr. Income Tax, Ahmedabad - 380014  
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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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.



## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, and its profit (including other comprehensive income), its cash flows and the statement of changes in equity for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

- I. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order.
- II. 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 balance sheet, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with relevant rules issued there under;
  - e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is

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disqualified as on 31 March 2018 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
- g) 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 does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts having any material foreseeable losses; and
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2018

For, H. K. Shah & Co.,  
*Chartered Accountants*  
FRN: 109583W

  
CA Prerak Shah  
Partner  
M. No. 181302



Place: Ahmedabad  
Date: 08/05/2018



# H K Shah & Co.

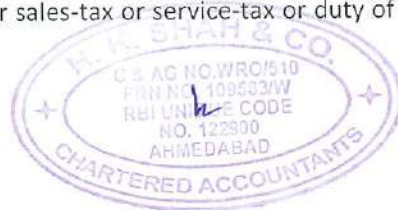
## CHARTERED ACCOUNTANTS

### ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in Para 1 of paragraph –

Report on Other Legal and Regulatory Requirements of our report of even date)

- i. **In respect of fixed assets:**  
The company does not have any fixed assets during the year. So the reporting obligations under the sub-clause (a), (b) and (c) are not applicable.
- ii. **In respect of inventories:**  
The company does not have any inventories during the year. So the reporting obligations under this clause is not applicable.
- iii. **In respect of loans granted:**  
The Company has not granted any loans, secured or unsecured, during the year.
- iv. **In respect of loans, investments, guarantees and security:**  
According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, guarantees and security or not made any investment as stipulated in section 185 and 186 of the Companies Act, 2013.
- v. **In respect of acceptance of deposits:**  
The Company has not accepted any deposits with non-compliance of directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- vi. **In respect of cost records:**  
In our opinion and according to the information and explanations given to us, the Company does not fall within the criteria prescribed by the Central Government for maintenance of cost records under section 148(1) of the Companies Act, 2013.
- vii. **In respect of statutory dues:**
  - a. According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sale-tax, service-tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it.
  - b. According to the information and explanations given to us, there is no amount due on account of dispute in respect of income-tax or sales-tax or service-tax or duty of customs or duty of excise or value added tax.



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- viii. **In respect of default of repayment of loans or borrowing:**  
According to the information and explanations given to us and on the basis of our examination of the records, the Company has not defaulted in repayment of loans or borrowing to a financial institution or bank or Government or debenture holders.
- ix. **In respect of application of money raised:**  
According to the information and explanations given to us and on the basis of our examination of the records, the Company has not raised the money by way of initial public offer or further public offer (including debt instruments) and term loans.
- x. **In respect of fraud:**  
To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by or on the Company has been noticed or reported during the year.
- xi. **In respect of managerial remuneration:**  
According to the information and explanations given to us and on the basis of our examination of the records, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. **In respect of Nidhi Company:**  
According to the information and explanations given to us and on the basis of our examination of the records, the company is not a Nidhi Company.
- xiii. **In respect of transactions with related parties:**  
According to the information and explanations given to us and on the basis of our examination of the records, all the transactions with 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 Financial Statements etc., as required by the applicable accounting standards.
- xiv. **In respect of allotment or placement of shares:**  
According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. **In respect of non-cash transaction:**  
According to the information and explanations given to us and on the basis of our examination of the records, the Company has not entered into any non-cash transactions with directors or persons connected with them in non-compliance of provision of section 192 of the Companies Act, 2013.

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xvi. **In respect of registration with RBI:**

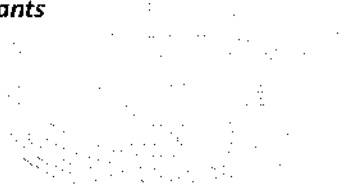
According to the information and explanations given to us and on the basis of our examination of the records, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and so, registration has not been obtained.

**For, H. K. Shah & Co.,  
Chartered Accountants**

**FRN: 109583W**



**CA Prerak Shah  
Partner  
M. No. 181302**



**Place: Ahmedabad**

**Date: 09/05/2018**



# H K Shah & Co.

## CHARTERED ACCOUNTANTS

### Annexure - B to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **MBL (CGRG) ROAD LIMITED** ("the company") as of 31 March 2018 in conjunction with our audit of the Ind AS 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 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 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 Companies Act, 2013. As informed to us the internal audit is being conducted for the parent company, which covers the subsidiary company audited by us.



#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about



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 079-27544995 / 27542785  
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whether adequate internal financial controls over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

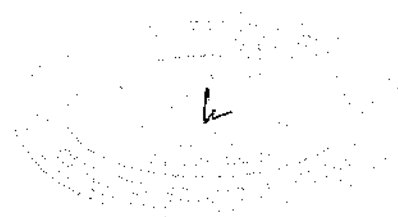
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting includes 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, 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 issued by the Institute of Chartered Accountants of India.

For, H. K. Shah & Co.,  
*Chartered Accountants*

FRN: 109583W



CA Prerak Shah  
Partner  
M. No. 181302



Place: Ahmedabad

Date: 09/05/2018

	Notes	As at 31 March 2018	As at 31 March 2017
<b>ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Financial assets			
(i) Service concession receivable	4	10,720.00	-
(b) Other non-current assets	5	26.29	7.34
<b>Total non-current assets</b>		<b>10,746.29</b>	<b>7.34</b>
<b>2. Current assets</b>			
(a) Financial assets			
(i) Cash and cash equivalents	6	0.28	5.17
(ii) Bank balances other than (i) above	7	2,930.74	-
(b) Other current assets	8	999.21	-
<b>Total current assets</b>		<b>3,930.23</b>	<b>5.17</b>
<b>Total assets</b>		<b>14,676.52</b>	<b>12.51</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	9(A)	5.00	5.00
(b) Instruments entirely equity in nature	9(B)	2,823.55	-
(c) Other equity	9(C)	(17.53)	-
<b>Total equity</b>		<b>2,811.02</b>	<b>5.00</b>
<b>LIABILITIES</b>			
<b>1. Non-current liabilities</b>			
(a) Deferred tax liabilities	10	7.74	-
<b>Total non-current liabilities</b>		<b>7.74</b>	<b>-</b>
<b>2. Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	11	8,449.10	-
(ii) Trade payables	12	3,186.03	-
(iii) Other financial liabilities	13	50.86	-
(b) Other current liabilities	14	171.77	7.51
<b>Total current liabilities</b>		<b>11,857.76</b>	<b>7.51</b>
<b>Total equity and liabilities</b>		<b>14,676.52</b>	<b>12.51</b>

Notes forming part of the financial statements (Refer note 1 to 35)

As per our report of even date

For H.K. Shah & Co.

Chartered Accountants

Firm Registration No.: 109583W



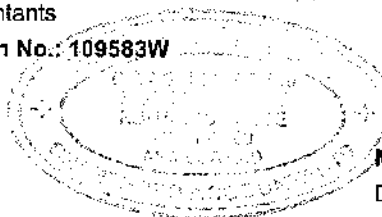
CA Prerak Shah

Partner

Membership No.: 181302

Place: Mumbai

Date: 9 May 2018



For and on behalf of the Board of Directors

Mohan Manikkan

Director

DIN : 00007108

Place: Mumbai

Date: 9 May 2018

Harshit Khandelwal

Director

DIN : 07851142

Place: Mumbai

Date: 9 May 2018

**MBL (CGRG) Road Limited**

**Statement of Profit and Loss for the year ended 31 March 2018**

(Rupees in Lakhs)

	Note	Year ended 31 March 2018	Period ended 31 March 2017
<b>I. Income</b>			
Revenue from operations	15	10,692.17	-
Other income	16	27.83	-
Finance income	17	1.58	-
<b>Total income</b>		<b>10,721.58</b>	<b>-</b>
<b>II. Expenses</b>			
Employee benefit expenses	18	0.77	-
Finance costs	19	39.20	-
Other expenses	20	10,691.40	-
<b>Total expenses</b>		<b>10,731.37</b>	<b>-</b>
<b>III. Profit before exceptional items and tax ( I - II )</b>		<b>(9.79)</b>	<b>-</b>
<b>IV. Exceptional items (net)</b>		<b>-</b>	<b>-</b>
<b>V. Profit before tax ( III - IV )</b>		<b>(9.79)</b>	<b>-</b>
<b>VI. Tax expense</b>			
- Current tax		-	-
- Deferred tax charge /(benefit)		7.74	-
<b>Total tax expense</b>		<b>7.74</b>	<b>-</b>
<b>VII. Profit for the year ( V - VI )</b>		<b>(17.53)</b>	<b>-</b>
<b>VIII. Other comprehensive income</b>			
Items that will not be reclassified to profit or loss		-	-
- Remeasurement gains/(losses) on defined benefit plan		-	-
Income tax effect on above		-	-
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>-</b>
<b>IX. Total comprehensive income for the year (VII+VIII)</b>		<b>(17.53)</b>	<b>-</b>

**Earnings per equity share of Rs. 10 each fully paid-up 25**

Basic EPS (Rs)	(35.06)	-
Diluted EPS (Rs)	(35.06)	-

Notes forming part of the financial statements (Refer note 1 to 35)

As per our report of even date attached.

For H.K. Shah & Co.

Chartered Accountants

Firm Registration No.: 109583W

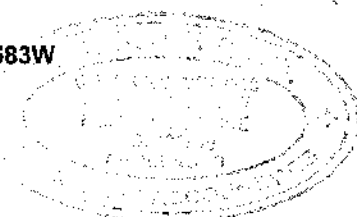
**CA Prerak Shah**

Partner

Membership No.: 181302

Place: Mumbai

Date: 9 May 2018



For and on behalf of the Board of Directors

**Mohan Manikkan**

Director

DIN : 00007108

Place: Mumbai

Date: 9 May 2018

**Harshit Khandelwal**

Director

DIN : 07851142

Place: Mumbai

Date: 9 May 2018

**MBL (CGRG) Road Limited**  
**Cash Flow Statement for the year ended 31 March 2018**

(Rupees in Lakhs)

	31 March 2018
<b>A. Cash Flow from Operating Activities</b>	
Net Profit before taxation	(9.79)
<u>Add adjustment for non cash items:</u>	
Financial Expenses including Interest	39.20
<b>Operating Profit before Working Capital changes</b>	<b>29.41</b>
<u>Working Capital Adjustments for :</u>	
Increase/ (decrease) in borrowing	11,272.65
Increase/ (decrease) in other current liabilities	215.12
Increase/ (decrease) in Trade Payable	3,186.03
(Increase) / (decrease) in short-term loans and advances	(999.21)
(Increase)/ decrease in Trade Receivables	(10,720.00)
(Increase)/ decrease in Other Current Assets	(18.95)
Cash generated from /(used in) operations	<b>2,935.64</b>
<b>CASH GENERATED FROM OPERATIONS</b>	<b>2,965.05</b>
Income tax Paid	-
<b>Net Cash inflow from/ (outflow) from Operating activities</b>	<b>2,965.05</b>
<b>B. Cash Flow from Investing Activities</b>	
Purchase of fixed assets	-
<b>Net Cash inflow from/ (outflow) from Investing activities</b>	-
<b>C. Cash Flow from Financing Activities</b>	
Financial Expenses including Interest	(39.20)
<b>Net Cash inflow from/ (outflow) from Financing activities</b>	<b>(39.20)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>2,925.85</b>
<b>Opening Cash and Cash Equivalents</b>	5.17
<b>Closing Cash and Cash Equivalents</b>	2,931.02
<b>Closing Cash and Cash Equivalents</b>	
Cash in hand <i>at bank</i>	0.28
Balance with banks	2,930.74
	<b>2,931.02</b>

Note: The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

As per our report of even date

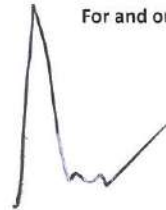
For **H.K. Shah & Co.**  
Chartered Accountants  
Firm Registration No.: 109583W



**CA Prerak Shah**  
Partner  
Membership No.: 181302  
Place : Mumbai  
Date: 9 May 2018



For and on behalf of the Board of Directors



**Mohan Manikkan**  
Director  
DIN : 00007108  
Place: Mumbai  
Date: 9 May 2018



**Harshit Khandelwal**  
Director  
DIN : 07851142  
Place: Mumbai  
Date: 9 May 2018

**MBL (CGRG) Roads Limited**

**Statement of changes in equity for the year ended 31 March 2018**

**9(A) - Equity share capital**

(Rupees in Lakhs)

	Note	Amount
<b>Balances as at 31 March 2016</b>		-
Changes in equity share capital		5.00
<b>Balances as at 31 March 2017</b>		<b>5.00</b>
Changes in equity share capital		-
<b>Balances as at 31 March 2018</b>		<b>5.00</b>

**9(B) - Instrument entirely equity in nature**

(Rupees in Lakhs)

	Note	Amount
<b>Balances as at 31 March 2016</b>		-
Instrument entirely equity in nature		-
<b>Balances as at 31 March 2017</b>		-
Instrument entirely equity in nature		<b>2,823.55</b>
<b>Balances as at 31 March 2018</b>		<b>2,823.55</b>

**9(C) - Other equity**

(Amount in Rs.)

	Retained earnings	Total other equity
<b>Balances as at 31 March 2016(A)</b>	-	-
Profit for the year	-	-
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year (B)</b>	-	-
<b>Balances as at 31 March 2017 (C = (A + B))</b>	-	-
Profit for the year	(17.53)	(17.53)
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year (D)</b>	<b>(17.53)</b>	<b>(17.53)</b>
<b>Balances as at 31 March 2018 (E = (C + D))</b>	<b>(17.53)</b>	<b>(17.53)</b>

Notes forming part of the financial statements (Refer note 1 to 35)

As per our report of even date attached.

**For H.K. Shah & Co.**

Chartered Accountants

Firm Registration No.: 109583W



**CA Prerak Shah**

Partner


Membership No.: 181302

Place: Mumbai

Date: 9 May 2018



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



**Mohan Manikkan**

Director

DIN : 00007108

Place: Mumbai

Date: 9 May 2018



**Harshit Khandelwal**

Director

DIN : 07851142

Place: Mumbai

Date: 9 May 2018

## **MBL (CGRG) Road Limited**

### **Notes forming part of the financial statements**

#### **1. Company information**

MBL (CGRG) Road Limited, ('the Company') is domiciled and incorporated in India. The Company is joint arrangement between Welspun Enterprises Limited and RGY Road Private Limited. The Company is engaged into infrastructure development on Hybrid Annuity model basis.

The financial statements of the Company are prepared for the year ended 1st April 2017 to 31st March 2018 and authorized for issue by the Board of Directors at their meeting held on 9 May 2018.

#### **2. Basis of preparation**

(a) The financial statements have been prepared to comply in all material respects with the Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act and rules framed there under.

The financial statements have been prepared under the historical cost convention and on accrual basis, except for certain financial assets and liabilities which have been measured at fair value.

The financial statements are presented in Indian Rupees ('INR') with values rounded off to the nearest lakhs with two decimals, thereof, accept otherwise indicated.

(b) Current and non-current classification

Assets and liabilities are classified as current if it is expected to realize or settle within twelve months after the balance sheet date. Deferred tax assets and liabilities are classified as non-current.

#### **3(A) Significant accounting policies**

##### **i) Current versus non-current classification**

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is classified as current when it is:

Expected to be realized or intended to be sold or consumed in normal operating cycle

- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period



## **MBL (CGRG) Road Limited**

### **Notes forming part of the financial statements**

The Company classifies all other liabilities as non-current.

The company has identified 12 months as its operating cycle.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

#### **ii) Property, plant and equipment**

Subsequent to initial recognition, property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. The carrying amount of the replaced part accounted for as a separate asset previously is derecognized. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss when incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation on property, plant and equipment is provided on written down value basis as per the rate derived on the basis of useful life and method prescribed under Schedule – II of the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate.

#### **iii) Impairment of non-financial assets**

The carrying amounts of other non-financial assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying amount exceeds its recoverable value. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to the assets. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. The impairment loss recognized in prior accounting periods is reversed by crediting to the statement of profit and loss if there has been a change in the estimate of recoverable amount.

#### **iv) Service concession arrangements**

The Company constructs or upgrades infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) 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 A to Ind AS 11 - Service Concession Arrangements, these arrangements are accounted for based on the nature of the consideration. The financial asset model is used to the extent the Company has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. If the Company performs more than one service (i.e., construction or upgrade services and operation services) under a single





## **MBL (CGRG) Road Limited**

### **Notes forming part of the financial statements**

contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

In the financial assets model, the amount due from the grantor meets the identification of the receivable which is measured at fair value. Based on the business model assessment the Company measures such financial assets at fair value and subsequently also classified the same as fair value through profit & loss account (FVTPL). Any assets carried under concession arrangement is derecognized on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial assets expire

#### **v) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. All revenues are accounted on accrual basis except to the extent stated otherwise.

##### **a) Construction contracts revenue**

Revenue from construction contracts is recognized by applying percentage of completion method after providing for foreseeable losses, if any. Percentage of completion is determined as a proportion of the cost incurred up to the reporting date to the total estimated cost to complete. Foreseeable losses, if any, on the contracts is recognized as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract. While determining the amount of foreseeable loss, all elements of cost and related incidental income not included in contract revenue is taken into consideration. Contract is reflected at cost that are expected to be recoverable till such time the outcome of the contract cannot be ascertained reliably and at releasable value thereafter.

Contract revenue corresponds to the fair value of consideration received/ receivable from the customer to the extent that it is probable that they will result in revenue, and they are capable of being reliably measured.

##### **b) Interest income**

Interest income for all debt instruments, measured at amortized cost or fair value through other comprehensive income, is recognized using the effective interest rate method and shown under interest income in the statement of profit and loss.

#### **vi) Taxes on income**

##### **a) Current tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.



## **MBL (CGRG) Road Limited**

### **Notes forming part of the financial statements**

#### **b) Deferred tax**

Deferred tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in the statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

#### **vii) Foreign currency transactions**

The Company's financial statements are presented in INR, which is also the Company's functional currency. Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.

#### **viii) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and other short term highly liquid investments with an original maturity of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

#### **ix) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted



## **MBL (CGRG) Road Limited**

### **Notes forming part of the financial statements**

average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares except when the results would be anti-dilutive.

#### **x) Provisions, contingent liabilities and contingent assets**

##### **a) Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made to the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

##### **b) Contingent liabilities and contingent assets**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the Company or a present obligation which is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Information on contingent liabilities is disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

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 Company. Contingent assets are not recognized, but are disclosed in the financial statements.

##### **xi) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.



## **MBL (CGRG) Road Limited**

### **Notes forming part of the financial statements**

#### **A. Financial assets**

##### **Initial recognition and measurement**

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its financial assets at initial recognition. All financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset except for financial assets classified as fair value through profit or loss.

##### **Subsequent measurement**

For the purposes of subsequent measurement, financial assets are classified in four categories:

- a) Debt instruments measured at amortized cost
- b) Debt instruments measured at fair value through other comprehensive income (FVTOCI)
- c) Debt instruments measured at fair value through profit or loss (FVTPL)
- d) Equity instruments measured at FVTOCI or FVTPL

##### **Debt instruments**

The subsequent measurement of debt instruments depends on their classification. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

##### **a) Debt instruments measured at amortized cost**

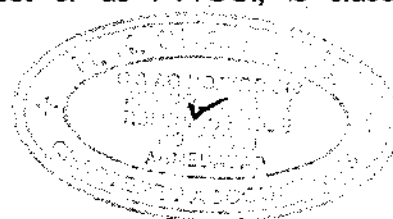
Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in the statement of profit and loss when the asset is derecognized or impaired. Income from these financial assets is included in interest income using the effective interest rate method.

##### **b) Debt instruments measured at FVTOCI**

Debt instruments that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payment of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest income which are recognized in statement of profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in the OCI is reclassified from equity to statement of profit and loss. Income from these financial assets is included in interest income using the effective interest rate method. Currently the Company doesn't have any financial assets classified under this category.

##### **c) Debt instruments measured at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.



## **MBL (CGRG) Road Limited**

### **Notes forming part of the financial statements**

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument (except referred in note 3(a) (iv) as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

#### **d) Equity instruments measured at FVTOCI or FVTPL**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as FVTPL. The Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. Currently the Company doesn't have any financial assets classified under these categories.

#### **Derecognition of financial assets**

A financial asset is derecognized only when

- i) The Company has transferred the rights to receive cash flows from the financial asset or
- ii) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

#### **Impairment of financial assets**

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- i) Financial assets measured at amortized cost
- ii) Financial assets measured at fair value through other comprehensive income (FVTOCI)

Expected credit losses are measured through a loss allowance at an amount equal to





## **MBL (CGRG) Road Limited**

### **Notes forming part of the financial statements**

#### **xii) Fair value measurement**

The Company measures financial instruments, such as, investment in debt and equity instruments at fair value at each reporting date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

#### **xiii) Government grants**

Government grants (except those existing on transition date) are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.



## **MBL (CGRG) Road Limited**

### **Notes forming part of the financial statements**

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the statement of profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual installments.

#### **xiv) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a Substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### **xv) Exceptional items**

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the company, is such that its disclosure improves an understanding of the performance of the Company. Such income or expense is classified as an exceptional item and accordingly disclosed in the notes to accounts.

### **3(B) Significant estimates, judgments and assumptions**

The preparation of financial statements requires management to exercise judgment in applying the Company's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures including disclosure of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognized in the period in which the estimates are revised and in any future periods affected.

#### **a) Contingencies and commitments**

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that have a low probability of crystallizing or are very difficult to quantify reliably, are treated as contingent liabilities. Such liabilities are disclosed in the notes, if any, but are not provided for in the financial statements. There can be no assurance regarding the final outcome of these legal proceedings.

#### **b) Impairment testing**

- i) Judgment is also required in evaluating the likelihood of collection of customer debt after revenue has been recognized. This evaluation requires estimates to be made, including the level of provision to be made for amounts with uncertain recovery profiles. Provisions are based on historical trends in the percentage of debts which are not recovered, or on more detailed reviews of individually significant balances
- ii) Determining whether the carrying amount of these assets has any indication of impairment also requires judgment. If an indication of impairment is identified, further judgment is required to assess whether the carrying amount can be supported by the net present value of future cash flows forecast to be derived from the asset. This forecast involves cash flow projections and selecting the appropriate discount rate





## **MBL (CGRG) Road Limited**

### **Notes forming part of the financial statements**

#### **c) Taxes**

- a) The Company's tax charge is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process.
- b) Accruals for tax contingencies require management to make judgments and estimates in relation to tax audit issues and exposures.
- c) The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. Where the temporary differences are related to losses, the availability of the losses to offset against forecast taxable profits is also considered. Recognition therefore involves judgment regarding the future financial performance of the particular legal entity or tax Company in which the deferred tax asset has been recognized.

#### **d) Fair Value Measurement**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date. For details of the key assumptions used and the impact of changes to these assumptions (Refer note 23).

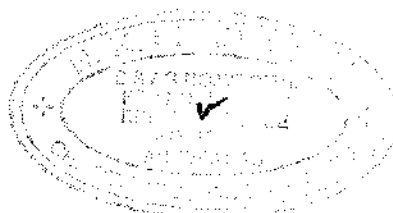
#### **e) Standards issued but not effective**

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard.

##### **a) Ind AS 115 "Revenue from Contracts with Customers.**

Ind AS115 was issued and notified on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.



## **MBL (CGRG) Road Limited**

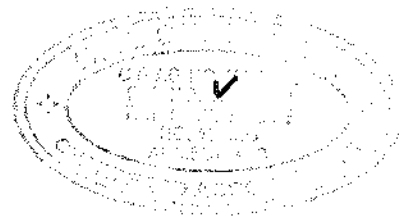
### **Notes forming part of the financial statements**

#### **b) Ind AS 12 "Income Taxes"**

The amendment considers that tax law determines which deductions are offset against taxable income and that no deferred tax asset is recognised if the reversal of the deductible temporary difference will not lead to tax deductions.

Accordingly, segregating deductible temporary differences in accordance with tax law and assessing them on entity basis or on the basis of type of income is necessary to determine whether taxable profits are sufficient to utilise deductible temporary differences

The Company is evaluating the disclosure requirements of these amendments and its effect on the financial statements



**MBL (CGRG) Road Limited**  
**Notes forming part of the financial statements**  
**Financial assets**

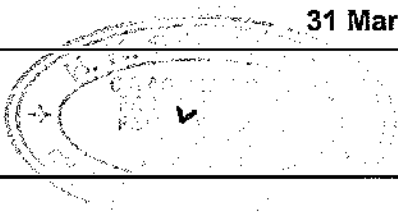
<b>4 Other non-current financial assets</b>	(Rupees in Lakhs)	
	As at 31 March 2018	As at 31 March 2017
Service concession receivable	10,720	-
<b>Total</b>	<b>10,720</b>	<b>-</b>

<b>5 Non-current assets - others</b>	(Rupees in Lakhs)	
	As at 31 March 2018	As at 31 March 2017
Intangible assets under development		
- Statutory audit	-	0.05
- Preliminary expenses written off	-	7.11
- Rent	-	0.18
- Administrative expenses	-	0.00
Prepaid expense	26.29	-
<b>Total</b>	<b>26.29</b>	<b>7.34</b>

<b>6 Cash and cash equivalents</b>	(Rupees in Lakhs)	
	As at 31 March 2018	As at 31 March 2017
Balances with banks		
- In current accounts	0.28	0.17
Cash in hand	-	5.00
<b>Total</b>	<b>0.28</b>	<b>5.17</b>

<b>7 Other bank balances</b>	(Rupees in Lakhs)	
	As at 31 March 2018	As at 31 March 2017
Balances with banks		
In Earmarked accounts :-		
-Escrow account	2,458.19	-
- Deposit accounts having original maturity of more than 3 months but less than 12 months	472.55	-
<b>Total</b>	<b>2,930.74</b>	<b>-</b>

<b>8 Other current assets</b>	(Rupees in Lakhs)	
	As at 31 March 2018	As at 31 March 2017
Balance with government authorities		
- Indirect tax	944.83	-
Prepaid financial cost	54.38	-
<b>Total</b>	<b>999.21</b>	<b>-</b>



9 Share capital and other equity

9(A) - Equity share capital (Rupees in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
<b>Authorised share capital</b>		
50,00,000 (50,00,000 31 March 2017) Equity Shares of Rs.10 each fully paid up	500.00	500.00
<b>Issued, subscribed and paid up</b>		
50,000 (50,000 31 March 2017) Equity Shares of Rs.10 each fully paid up	5.00	5.00
	<b>5.00</b>	<b>5.00</b>

**Terms/ rights attached to equity shares**

The company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholder in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holder of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(i) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the last five years immediately preceding the reporting date

Particulars	As at 31 March 2018	As at 31 March 2017
Equity shares allotted as fully paid up for consideration other than cash	Nil	Nil
Equity shares allotted as fully paid up bonus shares	Nil	Nil
Equity shares bought back	Nil	Nil

(ii) Shares held by holding/ ultimate holding companies and / or their subsidiaries/ associates / Co-ventures

Particulars	As at 31 March 2018		As at 31 March 2017	
	Number of shares	% Holding	Number of shares	% Holding
Welspun Enterprises Limited	24,500.00	49.00%	-	-
RGY Road Limited	25,450.00	50.90%	-	-
MBL Infrastructure Limited	50.00	0.10%	-	-
MBL Projects Limited	-	-	49,950.00	99.90%

(iii) Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2018		As at 31 March 2017	
	Number of shares	% Holding	Number of shares	% Holding
Welspun Enterprises Limited	24,500.00	49.00%	-	-
RGY Road Limited	25,450.00	50.90%	-	-
MBL Infrastructure Limited	50.00	0.10%	-	-
MBL Projects Limited	-	0.10%	49,950.00	99.90%



**MBL (CGRG) Roads Limited**  
**Notes forming part of the financial statements**

(iv) Reconciliation of the number of shares outstanding and the amount of the share capital

Particulars	As at 31 March 2018		As at 31 March 2017	
	Number of shares	Amount	Number of shares	Amount
Number of shares at the beginning of the period	-	5.00	-	-
Add : Shares issued during the year	-	-	-	5.00
Number of shares at the end of the period	-	5.00	-	5.00

**9(B) - Instrument entirely equity in nature**

(Rupees in Lakhs)

Particulars	As at	As at
	31 March 2018	31 March 2017
Instrument entirely equity in nature	2,823.55	-
<b>Total</b>	<b>2,823.55</b>	<b>-</b>

**9(C) - Other equity**

(Rupees in Lakhs)

Particulars	As at	As at
	31 March 2018	31 March 2017
Securities premium reserve	-	-
Retained earnings	(17.53)	-
<b>Total</b>	<b>(17.53)</b>	<b>-</b>

(i) Retained earnings

(Rupees in Lakhs)

Particulars	As at	As at
	31 March 2018	31 March 2017
Opening balance	-	-
Total Comprehensive income for the year	(17.53)	-
<b>Closing balance</b>	<b>(17.53)</b>	<b>-</b>



**MBL (CGRG) Road Limited****Notes forming part of the financial statements****10 Deferred tax liabilities**

(Rupees in Lakhs)

	As at 31 March 2018	As at 31 March 2017
Deferred tax		
Gain on fair valuation of financial assets measure at FVTPL	7.74	-
	7.74	-

**11 Current financial liabilities - borrowings**

(Rupees in Lakhs)

	As at 31 March 2018	As at 31 March 2017
Borrowings from related parties		
- Optionally convertible debentures	5,652.00	
- Loan payable on demand	2,797.10	-
<b>Total</b>	<b>8,449.10</b>	<b>-</b>

Each debenture having face value of Rs 100 each shall be convertible, at the option of the holder or the Company into 10 equity shares of Rs 10 each of the Company at any time after the expiry of 5 years and such conversion option shall be available till the expiry of the tenure (10 years from date of allotment) unless redeemed earlier. Besides, the Debenture holder as well as the Company has the right to seek redemption or do redemption, as the case may be, any time after the allotment of debentures. If the debentures are not converted into equity or redeemed until the expiry of the tenure, the debentures shall be redeemed at the expiry of the tenure.

**12 Trade payables**

(Rupees in Lakhs)

	As at 31 March 2018	As at 31 March 2017
Trade payables	3,186.03	-
<b>Total</b>	<b>3,186.03</b>	<b>-</b>

**Terms and conditions of the above financial liabilities:**

Acceptances are non-interest bearing and are normally settled on 60-day terms.

Trade payables are non-interest bearing and are normally settled on 60-day terms.



MBL (CGRG) Road Limited

Notes forming part of the financial statements

13 Current financial liabilities - others

(Rupees in Lakhs)

	As at 31 March 2018	As at 31 March 2017
Creditors for expenses	50.86	-
<b>Total</b>	<b>50.86</b>	<b>-</b>

Interest payable is normally settled quarterly throughout the financial year

Deposits are non-interest bearing and have an average term of six months

Payable to employees are non-interest bearing and are normally settled on 60-day terms

14 Other current liabilities

(Rupees in Lakhs)

	As at 31 March 2018	As at 31 March 2017
Statutory dues payable	171.77	0.13
Other Current Liabilities	-	7.39
<b>Total</b>	<b>171.77</b>	<b>7.51</b>



**MBL (CGRG) Roads Limited**  
**Notes forming part of the financial statements**

15 Revenue from operations	(Rupees in Lakhs)	
	Year ended 31 March 2018	Period ended 31 March 2017
<b>Revenue from</b>		
Contract work income including WIP	10,692.17	-
<b>Total</b>	<b>10,692.17</b>	<b>-</b>
<b>16 Other Income</b>	(Rupees in Lakhs)	
	Year ended 31 March 2018	Period ended 31 March 2017
Net gain on financial assets	27.83	-
Mandatorily measured at fair value through Profit & loss (FVTPL)		
	<b>27.83</b>	<b>-</b>
<b>17 Finance income</b>	(Rupees in Lakhs)	
	Year ended 31 March 2018	Period ended 31 March 2017
Interest income		
- On bank deposits	1.58	-
<b>Total</b>	<b>1.58</b>	<b>-</b>
<b>18 Employee benefit expenses</b>	(Rupees in Lakhs)	
	Year ended 31 March 2018	Period ended 31 March 2017
Salaries, wages and bonus	0.77	-
<b>Total</b>	<b>0.77</b>	<b>-</b>
<b>19 Finance costs</b>	(Rupees in Lakhs)	
	Year ended 31 March 2018	Period ended 31 March 2017
Bank charges and other finance costs	39.04	-
Other interest costs	0.16	-
<b>Total</b>	<b>39.20</b>	<b>-</b>
<b>20 Other expenses</b>	-	(Rupees in Lakhs)
	Year ended 31 March 2018	Period ended 31 March 2017
Sub-contract costs and other costs	10,193.67	-
Rent	0.36	-
Insurance	0.63	-
Travelling and conveyance expense	0.44	-
Legal and professional fees	487.02	-
Printing and stationary	0.38	-
Payment to Auditor :-		
- Audit fees	0.58	-
Preliminary expenses written off	7.11	-
Miscellaneous expenses	1.22	-
<b>Total</b>	<b>10,691.40</b>	<b>-</b>





**MBL (CGRG) Road Limited****Notes forming part of the financial statements****21 Financial risk management objectives and policies**

The Company's principal financial liabilities mainly comprise borrowings and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets includes loans, service concession receivables, other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks.

**Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations provisions and on the non-financial assets and liabilities. The sensitivity of the relevant profit and loss item is the effect of the assumed changes in respective market risks.

**a) Interest rate risk**

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize Company's position with regard to interest income and interest expenses and manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instrument in its total portfolio.

**(i) Interest rate risk exposure**

(Rupees in Lakhs)

	As at 31 March 2018	As at 31 March 2017
Variable rate borrowings	-	-

**(ii) Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact of change in interest rate of borrowings, as follows:

(Rupees in Lakhs)

	Increase / decrease in	Effect on profit before tax
Interest rates : (Increase) by 50 basis points	-	-
Interest rates : Decrease by 50 basis points	-	-

**B Credit risk**

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2018 is the carrying amounts.



**MBL (CGRG) Road Limited**  
**Notes forming part of the financial statements**

The carrying amount of following financial assets represents the maximum credit exposure:

(Rupees in Lakhs)

	As at 31 March 2018	As at 31 March 2017
<b>Service concession receivables</b>		
Less than six months	10,720.00	-
<b>Total</b>	<b>10,720.00</b>	<b>-</b>

The Company reviews its outstanding position of financial assets on monthly basis and takes necessary action to mitigate the risk.

**C Liquidity risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that the funds are available for use as per the requirements.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as at 31 March, 2018

(Rupees in Lakhs)

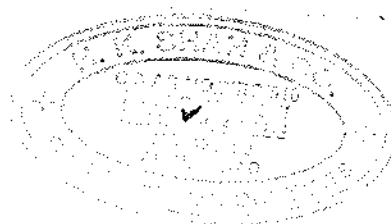
	Total	Less than 1 year
<b>Financial Liabilities</b>		
Borrowings	8,449.10	8,449.10
Trade Payable	3,186.03	-
Other current financial liabilities	50.86	50.86
<b>Total</b>	<b>11,685.99</b>	<b>8,499.96</b>

**22 (a) Fair value measurement:**

**Financial instruments by category**

(Rupees in Lakhs)

	As at 31 March 2018		As at 31 March 2017	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Service concession receivables	10,720.00		-	
Cash and cash equivalents		0.28		5.17
Loans		2,930.74		
Other advances	-			
<b>Total</b>	<b>10,720.00</b>	<b>2,931.02</b>	<b>-</b>	<b>5.17</b>
<b>Financial liabilities at amortised cost</b>				
Borrowings		8,449.09		-
Trade payables		3,186.03		-
Creditor for expenses		50.86		-
<b>Total</b>	<b>-</b>	<b>11,685.98</b>	<b>-</b>	<b>-</b>



(b) Fair value hierarchy

	Carrying amount As at 31 March 2018	Fair value measurement Level 3
<b>Financial Instrument measured at FVTPL</b>		
Service concession receivables	10,720.00	10,720.00
<b>Total</b>	<b>10,720.00</b>	<b>10,720.00</b>
	Carrying amount As at 31 March 2017	Fair value measurement Level 3
<b>Financial Instrument measured at FVTPL</b>	-	-
Service concession receivables	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

The following methods and assumptions were used to estimate the fair values:

1. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which uses inputs that have a significant effect on the recorded fair value that are not based on observable market data.

2. The carrying amounts of loans, trade receivables, cash and cash equivalents, other bank balances, other financial assets, non-current and current borrowings, trade payables and other financial liabilities that are measured at amortised cost are considered to be approximately equal to the fair value due to short-term maturities of these financial assets/ liabilities.

**23 Service concession receivables**

The Company manages concession arrangement which include the construction of road on hybrid annuity basis followed by a period in which the Company maintains and services the infrastructure. These concession arrangements set out rights and obligations relating to the infrastructure and services to be provided. For fulfilling those obligations, the Company is entitled to receive either cash from the grantor. The Consideration received or receivable is allocated by reference to the relative fair value of the services provided. The same is classified and disclosed as current and non current service concession receivable in the balance sheet based on the criteria of current and non current classification mentioned in note 3 (A) (i).

**24 Capital Management**

For the purpose of the Company's capital management, capital includes issued equity capital, instruments entirely equity in nature (compulsorily convertible debentures) and all other equity reserves attributable to the shareholder of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.



**MBL (CGRG) Road Limited****Notes forming part of the financial statements**

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants, if any. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing borrowings, trade and other payables, less cash and cash equivalents.

(Rupees in Lakhs)

	As at 31 March 2018	As at 31 March 2017
Borrowing from related parties	8,449.09	-
Trade Payable	3,186.03	-
Other current financial liabilities	50.86	-
Less : cash and cash equivalents	(2,931.02)	(5.17)
	-	-
<b>Net Debt</b>	<b>8,754.96</b>	<b>(5.17)</b>
Equity	5.00	5.00
Instruments entirely equity in nature	2,823.55	-
Other Equity	(17.53)	-
<b>Total Capital</b>	<b>2,811.02</b>	<b>5.00</b>
	-	-
<b>Capital and net debt</b>	<b>11,565.98</b>	<b>(0.17)</b>
<b>Gearing Ratio</b>	<b>76%</b>	<b>3097%</b>

**25 Earnings per share (EPS)**

(Rupees in Lakhs)

	As at 31 March 2018	As at 31 March 2017
Net profit after tax available for equity shareholders	(17.53)	-
Weighted average number of equity shares of Rs. 10 each outstanding during the year used for calculating basic EPS (Number of shares)	50,000	-
Add : Effect of dilutions :-	-	-
Compulsorily convertible debentures (number of shares)	2,823,550	-
Optionally convertible debenture (number of shares)	5,651,995	-
Weighted average number of equity shares of Rs. 10 each outstanding during the year used for calculating diluted EPS (Number of shares)	8,525,545	-
Basic earnings per share	(35.06)	-
Diluted earnings per share	(35.06)	-

**26 Contingent liabilities (to the extent not provided for)**

There are no contingent liabilities as on 31 March 2018.

**27 Segment information**

The Company is engaged in the business of infrastructure development which in the opinion of the management is considered the only business segment in the context of Ind AS 108. The geographical segment is not relevant as the Company operates in a single geographical segment i.e. India.



**MBL (CGRG) Road Limited**  
**Notes forming part of the financial statements**

**28 Disclosure as required by Ind AS 24 - Related Party disclosures**

Name of the entities	Extent of holding	
	As at 31 March 2018	As at 31 March 2017
Welspun Enterprises Limited - Coventure	49.00%	0%
RGY Road Private Limited - Coventure	50.90%	0%
MBL Infrastructure Limited	0.10%	99.99%

**b) Directors / Key managerial Personnel (KMP)**

Mr. Mohan K Manikkan	Director
Mr. Navin K P Sinha	Director
Mr. Harshit Khandelwal	Director

**c) Related party transactions**

(Rupees in Lakhs)

	Year ended 31 March 2018	Period ended 31 March 2017
<b>Sub Contracting Cost</b>		
Welspun Enterprises Limited	10,193.67	
<b>Loan Payable on Demand</b>		
Welspun Enterprises Limited	2,796.64	-
<b>Compulsorily Convertible Debentures issued</b>		
Welspun Enterprises Limited	2,823.55	-
<b>Optional Convertible Debentures issued</b>		
Welspun Enterprises Limited	5,652.00	-

**Closing balances as at**

(Rupees in Lakhs)

	Year ended 31 March 2018	Period ended 31 March 2017
<b>Compulsorily convertible debentures issued:</b>		
Welspun Enterprises Limited	2,823.55	-
<b>Optional convertible debentures issued:</b>		
Welspun Enterprises Limited	5,652.00	-
<b>Closing balances as at (Payable)</b>		
Welspun Enterprises Limited	5,982.68	-

**Note**

Transactions with related parties are at arm's length and in the ordinary courses of business. All the outstanding balances are unsecured and settled for consideration in cash.

**29 Income Tax**

(a) Tax expenses recognised in statement of profit & loss

(Rupees in Lakhs)

	Year ended 31 March 2018	Period ended 31 March 2017
<b>Current Tax</b>		
Current tax on taxable income for the period	0.00	0.00
<b>Deferred Tax</b>		
fair value adjustment	7.74	0.00
MAT Credit entitlement	0.00	0.00
<b>Total tax expense</b>	<b>7.74</b>	<b>0.00</b>



**MBL (CGRG) Road Limited**  
**Notes forming part of the financial statements**

(b) Reconciliation of expenses and the accounting profit multiplied by India's domestic tax rate.

	Year ended 31 March 2018	Period ended 31 March 2017
Accounting profit before tax	0.00	0.00
at India statutory Income tax rate (MAT)	0.00	0.00
MAT Credit taken	0.00	0.00
Tax effect of amount which are in calculating taxable income		
Fair value adjustment	7.74	
	7.74	

(refer not 3 (B) (c) of Significant accounting policies)

(c) Deferred tax relates to the following:

(Rupees in Lakhs)

	Balance Sheet		Recognized in the statement of profit and loss	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
<b>A. Deferred tax liabilities (net)</b>				
<b>I). Deferred tax liabilities</b>				
Taxable temporary difference - fair valuation	7.74	-	7.74	-
Less: MAT credit entitlement	-			
<b>Total</b>	<b>7.74</b>	<b>-</b>	<b>7.74</b>	<b>-</b>
<b>B. Deferred tax assets</b>				
<b>II). Deferred tax assets</b>				
MAT credit entitlement	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred tax charge/(credit) (A + B)</b>			<b>7.74</b>	<b>-</b>

30 Disclosures as required by Ind AS 11 "Construction contracts"

(Rupees in Lakhs)

	Year ended 31 March 2018	Year ended 31 March 2017
Contract revenue recognised as revenue in the period	10,692.17	-
Aggregate amount of costs incurred and recognised profits (less losses) to date	10,731.37	-
Profit or losses recognised on exchanging construction services for financial assets	-	-
Amount due from customers for contract work	-	-
amount due to customer for contract work	-	-
Advance received	-	-



**31 Concession arrangements - main features**

- (i) Name of the concession : Chutmalpur-Ganeshpur and Roorkee-Gagalherisection Highway
- (ii) Description of arrangements : 4-Laning of Chutmalpur-Ganeshpur section of NH-72A from km 0.000 (km 22.825 of NH-73) to km 16.000 (Design Chainagekm 17.900) & Roorkee-Chutmalpur- Gagalherisection of NH-73 from km 0.000 (km 167.800 of NH- 58) to km 33.000 (Design Chainage 35.400) in the State of Uttarakhand and Uttar Pradesh under NHDP-IV.
- (iii) Significant terms of arrangements :  
 Period of  
 Remuneration: Annuity, Interest and O&M  
 Investment grant from concession grantor: Yes  
 Infrastructure return to grantor at end of concession : Yes  
 Investment and renewal obligations: No  
 Re-pricing dates: Half Yearly for O&M  
 Basis upon which re-pricing or re-negotiation is determined: Inflation price index as defined in concession agreement
- (iv) Financial assets : 10,720.00

The project is under construction as on 31st March 2018

**32** On the basis of information available with the Company and intimation received from suppliers (Trade Payable and other payable), there are no dues payable as on 31st March 2018 (31st March 2017 - Nil-) to Micro, Small and Medium enterprises development act, 2006.

**33 Reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities as required by Ind AS 7 "Statement of Cash Flows" is as under:**

(Rupees in Lakhs)

	Equity share capital	Compulsorily convertible debentures	Borrowings
As at 31 March 2017	5.00	-	-
Cash inflows	-	2,823.55	8,449.09
Cash outflows	-	-	-
Non cash changes :			
a) Interest accrued	-	-	-
b) Others	-	-	-
<b>As at 31 March 2018</b>	<b>5.00</b>	<b>2,823.55</b>	<b>8,449.09</b>

**34 Details of loans given, investments made and guarantee given covered U/s 186 of the Companies Act,**

a) The Company is engaged in the business of providing infrastructural facilities as specified under Schedule VI of the Companies Act 2013 (the 'Act') and hence the provisions of Section 186 of the Act related to loans/ guarantees given or securities provided are not applicable to the Company. There are no investments other than as disclosed in Note 5 forming part of the financial statements.



**MBL (CGRG) Road Limited**

**Notes forming part of the financial statements**

- 35 Figures for the previous year are re-classified/ re-arranged/ re-grouped, wherever necessary to be in conformity with the figures of the current year's classification/ disclosure.

As per our report of even date

**For H.K. Shah & Co.**

Chartered Accountants

Firm Registration No.: 109583W



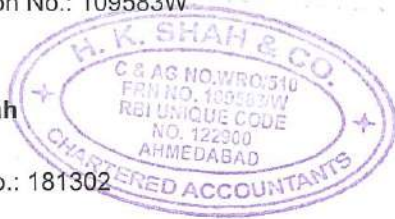
**CA Prerak Shah**

Partner

Membership No.: 181302

Place: Mumbai

Date: 9 May 2018



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

**Mohan Manikkan**

Director

DIN : 00007108

Place: Mumbai

Date: 9 May 2018

**Harshit Khandelwal**

Director

DIN : 07851142

Place: Mumbai

Date: 9 May 2018