



**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF MEP SANJOSE TALAJA MAHUVA ROAD  
PRIVATE LIMITED**

**Report on the Standalone Ind AS Financial Statements**

**Opinion**

We have audited the accompanying standalone financial statements of **MEP SANJOSE TALAJA MAHUVA ROAD PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at **31<sup>st</sup> March 2021**, the Statement of Profit and Loss (including other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, the **Loss** and total Comprehensive Income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is





sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Emphasis of Matter**

1. We draw attention to the Note No. 35 of Financial Statements, where it is mentioned that the National Highway Authority of India (NHAI) issued termination notice to the company on 17<sup>th</sup> February 2021. The said notices were challenged by the Company vide writ petition before the division bench of Hon'ble High Court of Delhi. The court vide its order dated 25<sup>th</sup> May 2021, has directed NHAI to consider the conciliation request of the Company. The conciliation request under consideration with NHAI.

Our Opinion is not modified in respect of the above matter.

### **Information Other than the Financial Statements and Auditor's Report thereon**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.





## **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Given the level of uncertainty and speed of increasing impact of COVID 19, management has considered the current position at the point of sign off as a part of subsequent events right up to the point of signing off the audit report.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

## **Auditor's responsibilities for the audit of Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the





economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.





Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on other Legal and Regulatory Requirements**

1. As required by section 143(3) of the Act, based on our audit 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 it appears from our examination of those books.
  - c) The Balance sheet, Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31 March 2021, taken on record by the Board of Directors, none of the directors are





disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in “**Annexure A**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, no remuneration was provided/paid by the Company to its directors during the year, hence the provisions of section 197 of the Act is not applicable.

- h) With respect to the other matters 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 have pending litigations which would have an impact on its financial position in its Standalone Ind AS Financial Statements. – Refer Note No. 28
- ii. The company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the company.





2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Gokhale & Sathe**  
**Chartered Accountants**  
**Firm Reg. No.: 103264W**



**Atul A Kale**  
**Partner**  
**Membership No.109947**

**Place: Mumbai**  
**Date: 25<sup>th</sup> June 2021**  
**UDIN: 21109947AAAAQO9686**



**MEP SANJOSE TALAJA MAHUVA ROAD PRIVATE LIMITED**  
**FINANCIAL YEAR ENDED MARCH 31, 2021**  
**ANNEXURE A**

**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 **MEP SANJOSE TALAJA MAHUVA ROAD PRIVATE LIMITED** (“the Company”) as of **31<sup>st</sup> March 2021** in conjunction with our audit of the Standalone 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.







## **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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 judgement, including the assessment of the risks of material misstatement of the Standalone Ind AS 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 Standalone Ind AS 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 Standalone Ind AS 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 Standalone Ind AS 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 March 31, 2021, 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 ICAI.

**For Gokhale & Sathe**  
**Chartered Accountants**  
**Firm Reg. No.: 103264W**

*Atul A Kale*



**Atul A Kale**  
**Partner**  
**Membership No.109947**

**Place: Mumbai**  
**Date: 25<sup>th</sup> June 2021**  
**UDIN: 21109947AAAAQO9686**



**MEP SANJOSE TALAJA MAHUVA ROAD PRIVATE LIMITED**  
**FINANCIAL YEAR ENDED MARCH 31, 2021**  
**ANNEXURE B**

In the Annexure, as required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government in terms of Section 143 (11) of the Companies Act 2013, on the basis of checks, as we considered appropriate, we report on the matters specified in paragraph 3 and 4 of the said order,

- i) a) The company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets for the year under audit in the soft (computerized) form.  
  
b) The Company has regular program of physical verification of fixed assets by which all fixed assets are verified over a period of two years. In our opinion, periodicity of physical verification is reasonable having regard to the size of the Company and nature of the asset. Pursuant to the programme, certain fixed assets were physically verified during this year.  
  
c) No immovable properties are held by the company. Hence, the clause is not applicable.
- ii) The Company does not hold any physical inventory. Accordingly, paragraph 3(ii) of the Order is not applicable to the Company.
- iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Therefore, provisions of clause 3 (iii) of the CARO are not applicable.
- iv) During the year, company has not advanced any loan to directors or to any other body corporate. Therefore, the provisions of Clause 3(iv) of the CARO are not applicable.
- v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits as per the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 of the Act and the rules framed. Accordingly, paragraph 3(v) of the order is not applicable to the company.





- vi) According to the information and explanations given to us, the company is not required by Central Government to maintain the cost records as per under sub section 1 of section 148 of the Companies Act, 2013. Therefore, provisions of clause 3(vi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- vii) a) The company is regular in depositing with appropriate authorities undisputed statutory dues including the Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Goods and Services Tax, duty of Excise, Value Added Tax, cess and any other statutory dues applicable to it.
- b) According to the information and explanation given to us, there are no dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty, GST, cess which have not been deposited on account of any dispute.
- viii) In our opinion and according to the information and explanation given to us, the company has defaulted in repayments of dues from financial institutions and banks during the year as below. The company does not have any loans or borrowings from the Government and has not issued any debentures.

(Amt in lakhs)

Particulars	Amount of default as at balance sheet date		Period of Default as on 31.03.2021
	Principal	Interest	
<b><u>From Banks</u></b>			
IDBI Bank	-	35.58	Ranging from 0 to 1 days
Bank of India	-	114.93	Ranging from 0 to 60 days
Bank of India (FITL)	-	4.48	Ranging from 0 to 32 days
<b>Total (A)</b>	-	<b>154.98</b>	
<b><u>From Financial Institution</u></b>			
IIFCL	-	514.44	Ranging from 0 to 183 days*
IIFCL (FITL)	-	21.25	Ranging from 0 to 183 days*
SREI Equipment Finance Ltd.	257.88	-	Ranging from 0 to 361 days*
<b>Total (B)</b>	<b>257.88</b>	<b>535.69</b>	
<b>GRAND TOTAL (A + B)</b>	<b>257.88</b>	<b>690.68</b>	

\*(The said Loans are flagged as Non Performing Asset (NPA) by the financial institution.)

- ix) During the year, the company has not raised any money by way of Initial Public Offer or further public offer nor obtained any term loans. Therefore, provisions of clause 3 (ix) of the CARO are not applicable.





- x) According to the information and explanation given to us, no fraud on or by the company, by its officers and employees has been noticed or reported during the course of our audit.
- xi) In our opinion and according to the information and explanation given to us, the company has not paid or provided managerial remuneration during the year. Accordingly, paragraph 3(xi) of the order is not applicable to the company.
- xii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 3 (xii) of the CARO are not applicable.
- xiii) In our opinion and according to the information and explanation given to us, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable Accounting Standards.
- xiv) In our opinion and according to the information and explanation given to us, during the year the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Therefore, the provisions of clause 3 (xiv) of the CARO are not applicable.
- xv) In our opinion and according to the information and explanation given to us, during the year the company has not entered into non-cash transactions with the directors or persons connected with the directors and hence the provisions of Clause 3 (xv) of the CARO are not applicable.





xvi)The company is not required to be registered under Section 45IA of the Reserve Bank of India Act, 1934.

**For Gokhale & Sathe**  
**Chartered Accountants**  
**Firm Reg. No.: 103264W**

*Atul A Kale*



**Atul A Kale**  
**Partner**  
**Membership No.109947**

**Place: Mumbai**  
**Date: 25<sup>th</sup> June 2021**  
**UDIN: 21109947AAAAQO9686**

**MEP SANJOSE TALAJA MAHUVA ROAD PVT. LTD.**  
**Balance sheet as at 31 March 2021**

(Currency : Indian rupees in lakhs)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	3	483.65	591.77
Other Non-Current assets	4	1,397.42	1,398.46
Deferred Tax Assets		68.54	68.53
Income Tax Assets		45.58	253.37
<b>Total Non-current assets</b>		1,995.19	2,312.13
<b>Current Assets</b>			
<b>Financial Assets</b>			
Trade and Other Receivables	5	391.22	391.22
Cash and Cash Equivalents	6	3.92	6.84
Loans	7	1.92	1.92
Other Current Financial Assets	8	7,975.29	7,537.44
Other Current Assets	9	25,417.01	24,716.68
<b>Total Current Assets</b>		33,789.36	32,654.10
<b>TOTAL ASSETS</b>		35,784.55	34,966.23
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	10	6,490.00	6,490.00
Other Equity	11	2,495.94	5,918.18
<b>Total Equity</b>		8,985.94	12,408.18
<b>Non-Current Liabilities</b>			
Long term borrowings	12	17,802.64	14,182.98
Provisions	13	0.69	1.24
Deferred Tax Liabilities		1,567.10	1,335.85
<b>Total Non-Current Liabilities</b>		19,370.43	15,520.07
<b>Current liabilities</b>			
<b>Financial Liability</b>			
i Borrowings	14	4,770.18	99.61
ii Trade and other payables	15	56.34	-
Total outstanding due to micro and small enterprises		130.03	183.83
Total outstanding due to creditors other than micro and small enterprises		1,761.86	1,734.12
Other Financial Liabilities	16	641.23	4,951.88
Other Current Liabilities	17	68.54	68.54
Current Tax liabilities ( net )		7,428.18	7,037.98
<b>Total Current liabilities</b>		7,428.18	7,037.98
<b>TOTAL EQUITY AND LIABILITIES</b>		35,784.55	34,966.23

**Significant Accounting Policies**

2

The accompanying Notes are an integral part of financial statements

3-36

As per our report of even date attached

**For Gokhale & Sathe**

**Chartered accountants**

Firm's registration number : 103264W

**CA Atul Kale**

Partner

Membership No: 109947

UDIN No. 21109947AAAAQO9686

Mumbai

Date : 25 June 2021



**For and on behalf of the Board of Directors of  
MEP SANJOSE TALAJA MAHUVA ROAD PVT. LTD.**

CIN:U45309MH2016PTC282605

*(Signature of Uttam Pawar)*      *(Signature of Satish Rugle)*

**Uttam Pawar**

Director

DIN : 03381300

**Satish Rugle**

Director

DIN : 08213836

Mumbai

Date : 25 June 2021



**MEP SANJOSE TALAJA MAHUVA ROAD PVT. LTD.**  
**Statement of Profit and Loss for the year ended 31 March 2021**

(Currency : Indian rupees in lakhs)

Particulars	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue form Operation	18	1,064.42	3,652.22
Other Income	19	609.39	4,822.51
<b>Total Income</b>		<b>1,673.81</b>	<b>8,474.73</b>
<b>Expenses</b>			
Operating and Maintenance Expenses	20	83.42	2,541.74
Employee Benefits Expenses	21	52.80	104.48
Depreciation and Amortization Expenses	3	108.12	133.35
Finance Costs	22	2,543.83	1,862.43
Other Expenses	23	232.38	216.85
Total Expenses		<b>3,020.55</b>	<b>4,858.85</b>
Profit before tax		<b>(1,346.74)</b>	<b>3,615.88</b>
Tax expense		-	-
Current Tax		-	-
Deferred Tax	33	(95.10)	(1,001.95)
<u>Profit for the period</u>		<u>(1,441.84)</u>	<u>2,613.93</u>
Other Comprehensive Income			
<u>Items that will not be reclassified to profit or loss</u>			
Reameasurements of defined benefit plans		0.96	(0.22)
<b>Tax on Reameasurements of defined benefit plans</b>		<b>(0.28)</b>	<b>0.05</b>
<b>Items that will be reclassified to profit or loss</b>		<b>-</b>	<b>-</b>
Total of Other Comprehensive Income for the period, net of tax		<b>0.68</b>	<b>(0.16)</b>
Total Comprehensive Income for the period		<b>(1,441.16)</b>	<b>2,613.76</b>
Earnings per equity share			
Equity shares of par value Rs. 10 each			
Basic and Diluted earning per share (Rs.)	26	(2.22)	4.08

**Significant Accounting Policies**

2

The accompanying Notes are an integral part of financial statements

3-36

As per our report of even date attached

**For Gokhale & Sathe**  
**Chartered Accountants**

Firm's registration number : 103264W

**For and on behalf of the Board of Directors of**  
**MEP SANJOSE TALAJA MAHUVA ROAD PVT. LTD.**  
**CIN:U45309MH2016PTC282605**

*Atul Kale*



**CA Atul Kale**

Partner

Membership No: 109947

UDIN No. 21109947AAAAQO9686

Mumbai

Date : 25 June 2021

*Uttam Pawar*

**Uttam Pawar**

Director

DIN : 03381300

*Satish Rugle*

**Satish Rugle**

Director

DIN : 08213836

Mumbai

Date : 25 June 2021

**MEP SANJOSE TALAJA MAHUVA ROAD PVT. LTD.**  
**Cash Flow Statement for the year ended March 31, 2021**

(Currency : Indian rupees in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Cash Flow from Operating Activities :</b>		
(Loss)/Profit before exceptional Items and tax	(1,346.74)	3,615.88
<b>Adjustment for:</b>		
Depreciation and amortization expenses	108.12	133.35
Finance cost	2,543.83	1,862.43
Interest income	(415.98)	(4,564.63)
Liabilities/provisions no longer required written back / assets written off	135.86	-
Reameasurements of defined benefit plans	0.96	(0.22)
	<u>1,026.05</u>	<u>1,046.81</u>
<b>Operating profit before working capital changes</b>		
<b>Adjustments for changes in working capital:</b>		
(Increase)/decrease in trade & other receivables	-	23.19
(Increase)/decrease in current financial assets	(437.85)	(7,537.44)
(Increase)/decrease in Other current assets	(700.33)	(711.19)
Increase/(decrease) in trade & other payables	2.53	(449.54)
Increase/(decrease) in provisions	(0.54)	0.95
Increase/(decrease) in Other financial liability	(225.44)	727.09
Increase/(decrease) in Other Current Liability	(4,310.65)	(25.54)
<b>Net cash from operating activities</b>	<u>(4,646.23)</u>	<u>(6,925.67)</u>
Income tax paid	207.79	(5.15)
<b>Net cash from operating activities ( a )</b>	<u>(4,438.44)</u>	<u>(6,930.82)</u>
<b>Cash Flow from Investing Activities:</b>		
Purchase of property, plant and equipment	-	-
Interest received	415.98	4,564.63
Fixed deposit with bank	-	-
<b>Net cash (used in)/ generated from investing activities ( b )</b>	<u>415.98</u>	<u>4,564.63</u>
<b>Cash flow from Financing activities</b>		
(Increase)/decrease in Other Non current Assets	1.04	(190.77)
Proceeds from Borrowings	8,606.37	4,336.12
Repayment of Borrowings	(85.96)	(214.90)
Proceeds from Issue of Share capital	-	430.00
Proceeds from share application money	(1,981.08)	(151.21)
Interest Paid	(2,520.83)	(1,839.64)
<b>Net cash (used in)/ generated from financing activities ( c )</b>	<u>4,019.54</u>	<u>2,369.61</u>
<b>Net Increase/ (Decrease) in Cash and Bank Balances ( a+ b+ c )</b>	<u>(2.92)</u>	<u>3.41</u>
Add: Cash and cash equivalents at the beginning of the year	6.84	3.43
<b>Cash and cash equivalents at end of the year</b>	<u><u>3.92</u></u>	<u><u>6.84</u></u>
<b>Cash and Cash equivalent as per above comprises of the following</b>		
Cash and Cash equivalents (Refer Note 6 )	3.92	6.84
<b>Balance as per statement of cash flows</b>	<u><u>3.92</u></u>	<u><u>6.84</u></u>

**Change in liability arising from financing activities**

Particulars	01 April 2020	Cashflows	Fairvalue changes/other	31 March 2021
Borrowing - Non Current (Refer Note - 12, 14 & 16)	14,480.04	8,520.41	(23.00)	23,023.44
	<u>14,480.04</u>	<u>8,520.41</u>	<u>(23.00)</u>	<u>23,023.44</u>

1. The above cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard ( Ind AS 7) of cash flow statement notified under section 133 of the Companies Act,2013 ('Act') read with Rule 4 of the Companies (Indian Accounting Standards) Rules,2015 and the relevant provisions of the Act.

2. Figures in bracket indicate cash outflow

The notes referred to above form an integral part of financial statements

For Gokhale & Sathe  
Chartered Accountants  
Firm's registration number : 103264W

*Atul Kale*  
CA Atul Kale  
Partner  
Membership No: 109947  
UDIN No. 21109947AAAAQO9686  
Mumbai  
Date : 25 June 2021



For and on behalf of the Board of Directors of  
MEP SANJOSE TALAJA MAHUVA ROAD PVT. LTD.  
CIN:U45309MH2016PTC282605

*Uttam Pawar*  
Uttam Pawar  
Director  
DIN : 03381300

*Satish Ragle*  
Satish Ragle  
Director  
DIN : 08213836

Mumbai  
Date : 25 June 2021

**MEP SANJOSE TALAJA MAHUVA ROAD PVT. LTD.**  
**Notes to Financial Statements for the year ended March 31, 2021**

(Currency : Indian rupees in lakhs)

**Statement of Changes in Equity**

**A. Equity Share Capital**

**Particulars**

**Balance as at March 31, 2020**

Changes in equity share capital during the year

**Balance as at March 31, 2021**

**Amount**

6,490.00

-

**6,490.00**

**B. Other Equity**

**Reserves and Surplus**

**Particulars**

**Retained earnings**

**Total**

**Balance at March 31, 2020**

Other comprehensive income

Profit/(Loss) for the year

Share Application money pending for allotment

**Balance at March 31, 2021**

3,937.10

0.68

(1,441.84)

-

**2,495.94**

5,918.18

0.68

(1,441.84)

-

**4,477.02**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

**For Gokhale & Sathe**

**Chartered Accountants**

Firm's Registration No: 103264W

*Atul Kale*

**CA Atul Kale**

Partner

Membership No: 109947

UDIN No. 21109947AAAAQO9686

Mumbai

Date : 25 June 2021



**For and on behalf of the Board of Directors of  
MEP SANJOSE TALAJA MAHUVA ROAD PVT. LTD.**

CIN:U45309MH2016PTC282605

*Uttam Pawar*

**Uttam Pawar**

Director

DIN : 03381300

*Satish Ragle*

**Satish Ragle**

Director

DIN : 08213836

Mumbai

Date : 25 June 2021

## MEP SANJOSE TALAJA MAHUVA ROAD PVT. LTD.

Notes to Financial Statements for the year ended March 31, 2021

(Currency : Indian rupees in lakhs)

### 1 Corporate information

MEP Sanjose Talaja Mahuva Road Pvt. Ltd. having its registered office at B1-406, boomerang, Chandivali Farm Road, Near Chandivali Studio, Andheri (E), Mumbai-400072, was incorporated on June 20, 2016 vide certificate of incorporation No U45309MH2016PTC282605 issued by the Registrar of Companies, Maharashtra, Mumbai. The Company is into the business of onstruction of roads.

### 2 Statement of Significant Accounting Policies

#### **2.1 Basis of preparation**

These financial statements of the Company for the year ended March 31, 2021 along with comparative financial information for the year March 31, 2020 have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

#### **Historical Cost Convention**

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that are measured at fair value;
- assets held for sale – measured at fair value less cost to sell;
- defined benefit plans – plan assets measured at fair value

#### **Current non-current classification**

All assets and liabilities have been classified as current or noncurrent as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of business and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities.

#### **2.2 Functional and presentation currency**

These standalone financial statements are presented in Indian rupees, which is the Company's functional currency. All amounts have been rounded to the nearest lakhs, unless otherwise indicated.

#### **2.3 Critical accounting judgements and key sources of estimation uncertainty**

The preparation of financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the (standalone) balance sheet and (standalone) statement of profit and loss. The actual amounts realised may differ from these estimates.

Estimates and assumptions are required in particular for:

- a) **Property, plant and equipment :**  
Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized. Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Assumptions also need to be made, when the Company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.
- b) **Recognition and measurement of defined benefit obligations :**  
The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined based on the prevailing market yields of Indian Government Securities as at the Balance Sheet Date for the estimated term of the obligations.
- c) **Recognition of deferred tax assets :**  
A deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The management is reasonably certain that taxable profits will be available to absorb carried forward losses while recognising deferred tax assets.
- d) **Recognition and measurement of other provisions :**  
The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the figure included in other provisions.
- e) **Discounting of long-term financial instruments :**  
All financial instruments are required to be measured at fair value on initial recognition. In case of financial instruments which are required to subsequently measured at amortised cost, interest is accrued using the effective interest method.



## MEP SANJOSE TALAJA MAHUVA ROAD PVT. LTD.

Notes to Financial Statements for the year ended March 31, 2021

(Currency : Indian rupees in lakhs)

### 2.4 Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments. When measuring the fair value of a financial asset or a financial liability, fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company recognises transfers due to change between levels of the fair value hierarchy at the end of the reporting period.

### 2.5 Significant accounting policies

#### i) Tangible Assets

##### a) Recognition and measurement

Tangible fixed assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in profit or loss.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

##### b) Depreciation / amortization

Depreciation is provided on a pro-rata basis on the written down value method over the estimated useful life of the assets. Depreciation on addition/deletion of fixed assets during the year is provided on pro-rata basis from / to the date of addition/deletion. Fixed assets costing up to ₹ 5,000 individually are fully depreciated in the year of purchase.

Useful life of the asset is taken, as specified in Schedule II of the Companies Act, 2013

##### d) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

##### e) Impairment of fixed assets

The carrying values of assets at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognized for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such Reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such Reversal is not recognized.

#### ii) Borrowing cost

Borrowing costs are interest and other costs related to borrowing that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs include interest costs measured at Effective Interest Rate (EIR) and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Ancillary borrowing costs are amortised over the tenure of the loan.

Borrowing costs that are attributable to acquisition or construction of qualifying assets are capitalized as a part of cost of such assets till the time the asset is ready for its intended use. A qualifying assets is the one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recorded as an expense in the year in which they are incurred. Ancillary borrowing costs are amortised over the tenure of the loan.

#### iii) Investment in associates, joint venture and subsidiaries

##### a) Recognition & Measurement

The Company has accounted for its investment in subsidiaries and associates, joint venture at cost.

#### iv) 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.



**MEP SANJOSE TALAJA MAHUVA ROAD PVT. LTD.**  
**Notes to Financial Statements for the year ended March 31, 2021**

(Currency : Indian rupees in lakhs)

**A Financial assets**

**Classification**

The Company shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset

**Initial recognition and measurement**

Financial assets are recognised when the Company becomes a party to a contract that gives rise to a financial asset of one entity or equity instrument of another entity. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, other than those designated as fair value through profit or loss (FVTPL), are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognised immediately in statement of profit and loss.

**Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

**Debt instruments at FVOCI**

A 'debt instrument' is measured at the Fair value through other comprehensive income(FVOCI) if both the following conditions are met:

- a) The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

For assets classified as subsequently measured at FVOCI, interest revenue, expected credit losses, and foreign exchange gains or losses are recognised in profit or loss. Other gains and losses on remeasurement to fair value are recognised in OCI. On derecognition, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

**Debt instrument at fair value through profit and loss (FVTPL)**

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the group may elect to classify a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

**Equity investments**

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVOCI or FVTPL. The group 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 FVOCI, 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 and loss, even on sale of investment. However, the group 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 profit and loss.

Further, the Company has elected the policy to account to continue the carrying value for its investments in subsidiaries and associates as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP as at the date of transition (April 1, 2015) as per the exemption available under Ind AS 101. Also, in accordance with Ind AS 27 Company has elected the policy to account investments in subsidiaries and associates at cost.



## MEP SANJOSE TALAJA MAHUVA ROAD PVT. LTD.

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

(Currency : Indian rupees in lakhs)

#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- a) The rights to receive cash flows from the asset have expired, or
- b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) it has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### Impairment of financial assets

Financial assets of the Company comprise of trade receivable and other receivables consisting of debt instruments e.g., loans, debt securities, deposits, and bank balance. Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. An impairment loss for trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Impairment losses if any, are recognised in profit or loss for the period.

## B Financial liabilities

Financial instruments with a contractual obligation to deliver cash or another financial assets is recognised as financial liability by the Company.

#### Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

#### ii) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

#### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### v) Leases

Leases of property, plant and equipment where the group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

#### vi) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment.

#### vii) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which 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.



## MEP SANJOSE TALAJA MAHUVA ROAD PVT. LTD.

Notes to Financial Statements for the year ended March 31, 2021

(Currency : Indian rupees in lakhs)

### viii) Provisions, contingent liabilities and contingent assets

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes to the financial statements. Contingent assets are not recognized in the financial statements.

Further, long term provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

### ix) Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company, the revenue can be reliably measured and no significant uncertainty as to the measurability and collectability exists.

#### Revenue from Construction Contracts

Contract revenue and contract cost associated with the construction of road are recognised as revenue and expenses respectively by reference to the stage of completion of the projects at the balance sheet date. The stage of completion of project is determined by the proportion that contract cost incurred for work performed up to the balance sheet date bear to the estimated total contract costs. Where the outcome of the construction cannot be estimated reliably, revenue is recognised to the extent of the construction costs incurred if it is probable that they will be recoverable.

If total cost is estimated to exceed total contract revenue, the Company provides for foreseeable loss. Contract revenue earned in excess of billing has been reflected as unbilled revenue and billing in excess of contract revenue has been reflected as unearned revenue.

#### Road repair and maintenance

Revenue from road repair and maintenance work is recognised upon completion of services as per contractual terms.

#### Other income

- Interest income is recognized on a time proportion basis taking into account the amount outstanding and the effective rate of interest.
- Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

### x) Retirement and other employee benefits

#### a) Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognized in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### b) Post Employment Employee Benefits

Retirement benefits to employees comprise payments to government provident funds, gratuity fund and Employees State Insurance.

#### Defined contribution plans

The Company's contribution to defined contributions plans such as Provident Fund, Employee State Insurance and Maharashtra Labour Welfare Fund are recognised in the Statement of Profit and Loss in the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective Funds.

#### Defined benefit plans

Gratuity liability is defined benefit obligation. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation by an independent actuary, using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the Balance Sheet date.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Actuarial gains/losses are recognized in the other comprehensive income.





**MEP SANJOSE TALAJA MAHUVA ROAD PVT. LTD.**  
**Notes to Financial Statements for the year ended March 31, 2021**

(Currency : Indian rupees in lakhs)

**xi) Income taxes**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961. Deferred income tax reflects the impact of current year timing differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes and Reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are offset only if:

- a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity

Deferred tax asset / liabilities in respect of on temporary differences which originate and reverse during the tax holiday period are not recognised. Deferred tax assets / liabilities in respect of temporary differences that originate during the tax holiday period but reverse after the tax holiday period are recognised. The tax effect is calculated on the accumulated timing differences at the year-end based on the tax rates and laws enacted or substantially enacted on the balance sheet date.

Minimum alternate tax credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**xii) Earnings Per Share**

**a) Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year

**b) Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

**xiii) Recent Accounting Pronouncements**

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS-115 – Revenue from Contract with Customers and certain amendment to existing Ind As. These amendments shall be applicable to the company from April 01, 2018.



**MEP SANJOSE TALAJA MAHUVA ROAD PVT. LTD.**

Notes to financial statements as at 31 March 2021

(Currency : Indian rupees in lakhs)

Note 3 - Property, Plant and Equipment - As at March 31, 2021

Particulars	Gross carrying value			Accumulated depreciation			Net Block		
	As at April 01,2020	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2021	As at April 01,2020	Charges for the year	As at 31 March 2021	As at Mar 31,2020	
<b>Tangible Assets</b>									
Furniture & Fixture	1.05	-	-	1.05	0.68	0.10	0.78	0.27	0.37
Computer Servers & Networks	14.82	-	-	14.82	10.58	1.67	12.24	2.58	4.24
Computer Systems	4.72	-	-	4.72	4.54	0.11	4.65	0.06	0.17
Plant & Machinery	948.55	-	-	948.55	361.56	106.25	467.81	480.74	586.99
	969.14	-	-	969.14	377.36	108.12	485.48	483.65	591.77

Particulars	Gross carrying value			Accumulated depreciation			Net Block		
	As at April 01,2019	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2020	As at April 01,2019	Charges for the year	As at March 31, 2020	As at Mar 31,2019	
<b>Tangible Assets</b>									
Furniture & Fixture	1.05	-	-	1.05	0.56	0.13	0.68	0.37	0.50
Computer Servers & Networks	14.82	-	-	14.82	7.82	2.76	10.58	4.24	7.00
Computer Systems	4.72	-	-	4.72	4.24	0.30	4.54	0.17	0.48
Plant & Machinery	948.55	-	-	948.55	231.40	130.16	361.56	586.99	717.15
	969.14	-	-	969.14	244.01	133.35	377.36	591.77	725.12



**MEP SANJOSE TALAJA MAHUVA ROAD PVT. LTD.**  
**Notes to financial statements as at 31 March 2021**

(Currency : Indian rupees in lakhs)

**4. Other Non-Current Assets\***

Particulars	As at 31 March 2021	As at March 31, 2020
To parties other than related parties		
Balance with Statutory Authorities	1,397.42	1,398.46
	<u>1,397.42</u>	<u>1,398.46</u>

**5. Trade and Other Receivables**

Particulars	As at 31 March 2021	As at March 31, 2020
Trade Receivable*	391.22	391.22
	<u>391.22</u>	<u>391.22</u>

\* Refer Note 25 for credit rate risk.

**6. Cash and Cash Equivalents**

Particulars	As at 31 March 2021	As at March 31, 2020
Current Accounts	3.72	6.64
Cash & cheques on hand	0.20	0.20
	<u>3.92</u>	<u>6.84</u>

**7. Loans**

Particulars	As at 31 March 2021	As at March 31, 2020
Deposits Others	1.92	1.92
	<u>1.92</u>	<u>1.92</u>

**8. Other Current Financial Assets**

Particulars	As at 31 March 2021	As at March 31, 2020
To related parties		
Mobilisation Advance	7,215.73	7,537.44
Other receivable		
- receivable from authority (Refer Note 8 (a))	759.56	-
	<u>7,975.29</u>	<u>7,537.44</u>

**Note 8 (a) - receivable from authority**

The company has recognised claim of Rs.759.56 lakh (March 31, 2020 : Rs. Nil) receivable from National Highway Authority of India (herein after referred as "NHAI") towards cost arising of "Force majeure" clause under Article 28.7 of the concession agreement due to occurrence of "Force majeure - Political Event 28.4 - Covid -19".

**9. Other Current Assets**

Particulars	As at 31 March 2021	As at March 31, 2020
To parties other than related parties		
Advances to supplier	-	7.05
Contract Assets	25,417.01	24,709.63
	<u>25,417.01</u>	<u>24,716.68</u>



**MEP SANJOSE TALAJA MAHUVA ROAD PVT. LTD.**

Notes to financial statements as at 31 March 2021

(Currency : Indian rupees in lakhs)

**Note 10**

**Equity Share Capital**

**Particulars**

	As at 31 March 2021	As at March 31, 2020
<b>[a] Authorised share capital</b>		
7,00,00,000 (March 31, 2020: 7,00,00,000) equity shares of the par value of Rs 10 each	7,000.00	7,000.00
	<u>7,000.00</u>	<u>7,000.00</u>
<b>[b] Issued</b>		
6,49,00,000 (March 31, 2020: 6,49,00,000) equity shares of the par value of Rs 10 each	6,490.00	6,490.00
	<u>6,490.00</u>	<u>6,490.00</u>
<b>[c] Subscribed and paid up</b>		
6,49,00,000 (March 31, 2020: 6,49,00,000) equity shares of the par value of Rs 10 each	6,490.00	6,490.00
	<u>6,490.00</u>	<u>6,490.00</u>

**[d] Reconciliation of number of shares outstanding at the beginning and end of the year :**

	As at 31 March 2021 No. of Shares	As at 31 March 2021 Amount	As at March 31, 2020 No. of Shares	As at March 31, 2020 Amount
<b>Equity :</b>				
Shares outstanding at the beginning of the year	64,900,000	6,490.00	60,600,000	6,060.00
Issued during the year	-	-	4,300,000	430.00
<b>Shares outstanding at the end of the year</b>	<u>64,900,000</u>	<u>6,490.00</u>	<u>64,900,000</u>	<u>6,490.00</u>

**[e] Shares held by its holding company:**

Equity shares of Rs 10 each fully paid held by:

	As at 31 March 2021		As at March 31, 2020	
	Number of Shares	Amount	Number of Shares	Amount
MEP Infrastructure Developers Limited (Holding Company)	38,936,000	3,893.60	38,936,000	3,893.60

**[f] Details of shareholders holding more than 5% of the aggregate shares in the Company:**

Name of the shareholder	As at 31 March 2021		As at March 31, 2020	
	Number of Shares	Percentage	Number of Shares	Percentage
MEP Infrastructure Developers Limited (Holding Company)	38,936,000	60%	38,936,000	60%
Sanjose Infrastructure & Construction Pvt. Ltd	25,964,000	40%	25,964,000	40%
	<u>64,900,000</u>	<u>100%</u>	<u>64,900,000</u>	<u>100%</u>



# MEP SANJOSE TALAJA MAHUVA ROAD PVT. LTD.

Notes to financial statements as at 31 March 2021

(Currency : Indian rupees in lakhs)

## Note 11 Other Equity

### (i) Retained earnings

Particulars	As at 31 March 2021	As at March 31, 2020
(i) Balance as at the beginning of the year	3,937.10	1,323.34
Add : Profit/(Loss) for the year	(1,441.84)	2,613.76
Other comprehensive income	0.68	-
(ii) Equity Contribution	-	-
	<u>2,495.94</u>	<u>3,937.10</u>
(iii) Share Application Money Pending for Allotment	-	1,981.08
<b>Balance as at the end of the year</b>	<u><b>2,495.94</b></u>	<u><b>5,918.18</b></u>



**MEP SANJOSE TALAJA MAHUVA ROAD PVT. LTD.**

Notes to financial statements as at 31 March 2021

(Currency : Indian rupees in lakhs)

**12. Financial Liabilities - Borrowings**

Particulars	As at 31 March 2021	As at March 31, 2020
<b>Loans</b>		
-Banks	17,450.86	13,735.62
-Financial Institution	351.78	447.36
<b>Total</b>	<b>17,802.64</b>	<b>14,182.98</b>

**D) Term loans - from Banks**

Term loan from bank amounting to Rs. 17,884.37 Lakhs (March 31,2020: Rs.14,192.12 lakhs ) is secured by way of following details:

- A first charge by way of mortgage of the entire immovable properties of the Company, save and except Project Assets ( as defined in the Concession Agreement).
- A first charge by way of hypothecation of entire movable assets of the Company.
- A first charge over all accounts of the company including without limitation, the Escrow Account and Debt Service Reserve Account to be established by the Company and other account to be created by Company.
- A first charge on all intangibles assets.
- 51% Pledge of Shares by Sponsors/Promoters ( Mep Infrastructure Developers Limited)
- Corporate Guarantee by Mep Infrastructure Developers Limited up to COD for securing debt obligation
- Personal Guarantee by Director of Holding company ( Mep Infrastructure Developers Limited) Mr. J D Mhaiskar.

The term loan from consortium is repayable in 28 structured half yearly instalments commencing from 9 months from the schedule.

The term loan from the consortium carries an interest rate is 10.50% p.a to 11.25% p.a.

**II) Secured Loans - Equipment Loan**

Commercial equipment loans of Rs Rs. 802.41 Lakhs (March 31,2020: Rs. 644.81 Lakhs) are from a financial institution and carry an interest rate of 8.80% p.a. .The loans are repayable in 60 monthly instalments along with interest, from the date of disbursement. The loans are secured by the way of hypothecation of the respective equipments. The loans are also secured by corporate guarantee given by MEP Infrastructure Developers Limited, the Holding Company and personal Guarantee by Mr. Jayant Mhaiskar, director of the Company.

**13. Long-Term Provisions**

Particulars	As at 31 March 2021	As at March 31, 2020
Employee Benefits		
- Gratuity	0.69	1.24
<b>Total</b>	<b>0.69</b>	<b>1.24</b>

**14. Current Financial Liabilities - Borrowings**

Particulars	As at 31 March 2021	As at March 31, 2020
<b>Secured Loans</b>		
From Banks	2,271.04	-
<b>Unsecured Loans</b>		
From Related Party*	2,499.14	99.61
<b>Total</b>	<b>4,770.18</b>	<b>99.61</b>

**\*Loan from related parties**

Unsecured loan from MEP Infrastructure Developers Limited of Rs 2,499.14 lakhs (31 March 2020 : Rs 99.61 Lakh) is repayable on demand.



**MEP SANJOSE TALAJA MAHUVA ROAD PVT. LTD.**  
Notes to financial statements as at 31 March 2021

(Currency : Indian rupees in lakhs)

**15. Financial Liabilities - Trade and Other Payables**

Particulars	As at 31 March 2021	As at March 31, 2020
<b>Trade payables</b>		
- dues of micro enterprises and small enterprises**	56.34	-
- other creditors*	130.03	183.83
<b>Total</b>	<b>186.38</b>	<b>183.83</b>

\*The carrying amount of trade payables as at reporting date at fair value.

**\*\*Disclosure for Micro, Small and Medium Enterprises**

On the basis of the information and records available with the management there are Rs.56.34 lakh (31 march 2020 : Nil) is payable to to Micro, Small and Medium Enterprises. Further, disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 are given below.

Particulars	As at 31 March 2021	As at March 31, 2020
Principal amount remaining unpaid to any supplier.	56.34	-
Interest due thereon.	-	-
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006).	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	-	-
	<b>56.34</b>	<b>-</b>

**16. Current Financial Liability-Others**

Particulars	As at 31 March 2021	As at March 31, 2020
Interest accrued and due on borrowings	690.68	242.27
Interest accrued but not due on borrowings	-	132.42
Interest accrued and not due - others	217.89	762.60
Current Maturity of Long term borrowings	450.63	197.45
Employee benefit payable	34.24	36.84
Other liabilities		
-Related Party	193.82	196.87
-Others	174.60	165.67
<b>Total</b>	<b>1,761.86</b>	<b>1,734.12</b>

**17. Other Current Liabilities**

Particulars	As at 31 March 2021	As at March 31, 2020
Statutory dues	18.74	6.66
Mobilisation Advance	622.49	4,945.22
<b>Total</b>	<b>641.23</b>	<b>4,951.88</b>



**MEP SANJOSE TALAJA MAHUVA ROAD PVT. LTD.**

Notes to Financial Statements for the year ended March 31, 2021

(Currency : Indian rupees in lakhs)

**18. Revenue form Operations**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Construction revenue	304.86	3,651.49
Utility Shifting Income	-	0.73
Claims form Authority	759.56	-
<b>Total</b>	<b>1,064.42</b>	<b>3,652.22</b>

**19. Other Income**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income	402.51	4,564.63
Interest on refund of income tax	13.47	-
Other Income	193.41	257.88
<b>Total</b>	<b>609.39</b>	<b>4,822.51</b>

**20. Operating and Maintenance Expenses**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Construction Expenses	83.42	2,745.73
Other Site Operational Expenses	-	-203.99
<b>Total</b>	<b>83.42</b>	<b>2,541.74</b>

**21. Employee Benefit Expense**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and Wages	49.06	95.22
Bonus ( Salary)	1.47	5.44
Gratuity Expenses (Refer Note 29)	0.70	0.39
Contribution to Provident and Other Funds (Refer Note 29)	1.57	3.43
<b>Total</b>	<b>52.80</b>	<b>104.48</b>

**22. Finance Costs**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Interest on Loan</b>		
- Banks	1,826.13	1,426.92
- Financial Institution	284.68	60.43
- Mob Advance	121.66	311.41
<b>Other Borrowing Cost</b>		
Bank guarantee and commission	260.56	47.60
Others	50.80	16.07
<b>Total</b>	<b>2,543.83</b>	<b>1,862.43</b>

**23. Other Expenses**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Bank charges	0.09	0.23
Rent	-	2.32
Rates and taxes	5.78	(1.58)
IE Fees	7.50	141.54
Legal and professional Fees	38.55	30.33
Travelling and conveyance	1.04	3.32
Auditors remuneration (Refer Note 27)	2.23	1.11
Insurance	41.33	39.32
Miscellaneous expenses	135.86	0.26
<b>Total</b>	<b>232.38</b>	<b>216.85</b>





**MEP SANJOSE TALAJA MAHUVA ROAD PVT. LTD.**

Notes to Financial Statements for the year ended March 31, 2021

(Currency : Indian rupees in lakhs)

**24. Financial instruments – Fair values and risk management**

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

**A. Accounting classification and fair values**

As at 31st March 2021	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Cash and cash equivalents	-	-	3.92	3.92	-	-	-	-
Other Bank Balances	-	-	-	-	-	-	-	-
Trade and other receivables	-	-	391.22	391.22	-	-	-	-
Other Current Financial Assets	-	-	-	-	-	-	-	-
Other Non Current Financial Assets	-	-	1,397.42	1,397.42	-	-	-	-
Loans	-	-	1.92	1.92	-	-	-	-
	-	-	1,794	1,794	-	-	-	-
<b>Financial liabilities</b>								
Long term borrowings	-	-	17,802.64	17,802.64	-	-	-	-
Short term borrowings	-	-	450.63	450.63	-	-	-	-
Trade and other payables	-	-	186.38	186.38	-	-	-	-
Other Current financial liabilities	-	-	1,311.23	1,311.23	-	-	-	-
	-	-	19,750.88	19,750.88	-	-	-	-

As at 31st March 2020	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Cash and cash equivalents	-	-	6.84	6.84	-	-	-	-
Other Bank Balances	-	-	-	-	-	-	-	-
Trade and other receivables	-	-	391.22	391.22	-	-	-	-
Other Current Financial Assets	-	-	-	-	-	-	-	-
Other Non Current Financial Assets	-	-	1,398.46	1,398.46	-	-	-	-
Loans	-	-	1.92	1.92	-	-	-	-
	-	-	1,798	1,798	-	-	-	-
<b>Financial liabilities</b>								
Long term borrowings	-	-	14,182.98	14,182.98	-	-	-	-
Short term borrowings	-	-	197.45	197.45	-	-	-	-
Trade and other payables	-	-	183.83	183.83	-	-	-	-
Other Current financial liabilities	-	-	1,536.67	1,536.67	-	-	-	-
	-	-	16,100.93	16,100.93	-	-	-	-

**Note 25**

**Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

**i. Risk management framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors are responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The board of directors oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.



**MEP SANJOSE TALAJA MAHUVA ROAD PVT. LTD.**  
Notes to Financial Statements for the year ended March 31, 2021

(Currency : Indian rupees in lakhs)

**ii. Credit risk**

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, Credit risk on its receivables is recognised on the statement of financial position at the carrying amount of those receivable assets, net of any provisions for doubtful debts. Receivable balances and deposit balances are monitored on a monthly basis with the result that the company's exposure to bad debts is not considered to be material.

**Credit Risk Disclosure**

**As at March 31, 2021**

Particulars	Not overdue	0-30	31 - 90	91-120	Over due for days			Total	Ind AS Adjustments
					121-180	181-360	> 360		
Debtors	-	-	-	-	-	391.22	391.22		

**As at March 31, 2020**

Particulars	Not overdue	0-30	31 - 90	91-120	Over due for days			Total	Ind AS Adjustments
					121-180	181-360	> 360		
Debtors	-	-	-	-	391.22	-	391.22		

**Cash equivalents & Other bank balances/deposits**

The Company held cash equivalents and other bank balances/deposits of Rs. 3.92 lakhs at March 31, 2021 (March 31, 2020: Rs. 6.84 lakhs). The cash equivalents and other bank balances/deposits are held with bank counterparties with good credit ratings.



**MEP SANJOSE TALAJA MAHUVA ROAD PVT. LTD.**  
**Notes to Financial Statements for the year ended March 31, 2021**

(Currency : Indian rupees in lakhs)

**Financial instruments – Fair values and risk management (continued)**

**iii. Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

**Exposure to liquidity risk**

March 31, 2021	Carrying Amount	Contractual cash flows				
		Total	0-1 year	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Borrowings and Interest thereon	18,253.27	18,943.95	18,943.95	-	-	-
Secured Loans from bank	18,253.27	18,253.27	18,253.27			
Interest payouts	-	690.68	690.68			
Trade and other payables	186.38	186.38	186.38			
Other financial Liabilities Payables	1,761.86	1,761.86	1,761.86			
	<b>20,201.50</b>	<b>20,892.18</b>	<b>20,892.18</b>	-	-	-

March 31, 2020	Carrying Amount	Contractual cash flows				
		Total	0-1 year	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Borrowings and Interest thereon	14,380.43	15,211.62	671.74	400.40	1,491.49	12,647.99
Trade and other payables	183.83	183.83	183.83			
Other financial Liabilities Payables	1,734.12	1,734.12	1,734.12			
	<b>16,298.38</b>	<b>17,129.57</b>	<b>2,589.69</b>	<b>400.40</b>	<b>1,491.49</b>	<b>12,647.99</b>



**MEP SANJOSE TALAJA MAHUVA ROAD PVT. LTD.**

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

**(Currency : Indian rupees in lakhs)**

**Financial instruments – Fair values and risk management (continued)**

**iv. Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates 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.

**• Currency risk:**

The risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. Since company does not have any foreign exchange transactions, it is not exposed to this risk.



**MEP SANJOSE TALAJA MAHUVA ROAD PVT. LTD.**  
**Notes to Financial Statements for the year ended March 31, 2021**

(Currency : Indian rupees in lakhs)

**Financial instruments – Fair values and risk management (continued)**

**v. Interest rate risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

**Exposure to interest rate risk**

Company's interest rate risk arises from borrowings and finance lease obligations. Borrowings issued at fixed rates and finance lease obligations exposes to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

	March 31, 2021	March 31, 2020
<b>Fixed-rate instruments</b>		
Financial assets	-	-
Bank Deposits with maturity beyond 12 months - non - current	-	-
Financial liabilities	-	-
	-	-
<b>Variable-rate instruments</b>		
Financial assets	-	-
Financial liabilities	23,023.44	14,480.04
	23,023.44	14,480.04
<b>Total</b>	<b>23,023.44</b>	<b>14,480.04</b>

**Cash flow sensitivity analysis for variable-rate instruments**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss	
	100 bp increase	100 bp decrease
<b>March 31, 2021</b>		
Variable-rate instruments	230.23	(230.23)
<b>Cash flow sensitivity (net)</b>	<b>230.23</b>	<b>(230.23)</b>
<b>March 31, 2020</b>		
Variable-rate instruments	144.80	(144.80)
<b>Cash flow sensitivity (net)</b>	<b>144.80</b>	<b>(144.80)</b>

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.



**MEP SANJOSE TALAJA MAHUVA ROAD PVT. LTD.**  
**Notes to Financial Statements for the year ended March 31, 2021**

(Currency : Indian rupees in lakhs)

**vi. Capital Management**

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves . The primary objective of the Company's Capital Management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using Adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances

	<u>As at March 31, 2020</u>	<u>As at March 31, 2020</u>
Non-Current Borrowings	22,572.82	14,282.59
Current Borrowings	450.63	197.45
<b>Gross Debt</b>	<b>23,023.44</b>	<b>14,480.04</b>
Less - Cash and Cash Equivalents	(3.92)	(6.84)
Less - Other Bank Deposits	-	-
Less - Current Investments	-	-
<b>Adjusted net debt</b>	<b>23,019.53</b>	<b>14,473.20</b>
Total equity	8,985.94	12,408.18
Adjusted net debt to adjusted equity ratio	<b>2.56</b>	<b>1.17</b>



**MEP SANJOSE TALAJA MAHUVA ROAD PVT. LTD.****Notes to Financial Statements for the year ended March 31, 2021**

(Currency : Indian rupees in lakhs)

**Note 26****Earnings Per Share**

Basic and diluted earnings per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average of equity shares outstanding during the year.

<b>Particulars</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
Profit/(Loss) for basic and diluted earnings per share (A)	(1,441.84)	2,613.93
Weighted average number of equity shares (B)	<u>64,900,000</u>	<u>64,126,301</u>
<b>Basic earnings per share (Rs.) ( A / B )</b>	<u>(2.22)</u>	<u>4.08</u>
Weighted average number of equity shares outstanding during the year for the calculation of diluted earnings per share ( C )	<u>64,900,000</u>	<u>64,126,301</u>
<b>Diluted earnings per share (Rs.) ( A / C )</b>	<u>(2.22)</u>	<u>4.08</u>

**Note 27****Auditor's remuneration (including service tax)**

<b>Particulars</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
Statutory audit fees	<u>2.23</u>	<u>1.11</u>
<b>Total</b>	<u>2.23</u>	<u>1.11</u>

**Note 28****Contingent Liabilities**

<b>Particulars</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
Bank Guarantees	<u>-</u>	<u>4,989.00</u>
<b>Total</b>	<u>-</u>	<u>4,989.00</u>

**Note 29****Domestic transfer pricing**

The Indian Finance Bill, 2012 had sought to bring in certain class of domestic transactions in the ambit of the transfer pricing regulations with effect from 1 April 2012. The Company's management is of the opinion that its domestic transaction are at arm's length so that appropriate legislation will not have an impact on financial statements, particularly on the amount of tax expense and that of provision for taxation. The Company does not have any international transactions with related parties during the year.



**MEP SANJOSE TALAJA MAHUVA ROAD PVT. LTD.**  
**Notes to Financial Statements for the year ended March 31, 2021**

(Currency : Indian rupees in lakhs)

**Note 30**

**Employee benefits**

**Defined Contribution Plan**

The Company makes provident fund, Employees State Insurance and Maharashtra Labour Welfare Fund contributions for eligible employees. Under the schemes, the Company is required to contribute a specified percentage / fixed amount of the payroll costs to fund the benefits. The contributions as specified under the law are paid to the respective fund set up by the government authority.

The Company has recognised the following amounts in the Statement of Profit and Loss for the year.

	As at March 31, 2021	As at March 31, 2020
Employer's contribution to Provident Fund	1.57	3.43
	<u>1.57</u>	<u>3.43</u>

**Defined Benefit Plan - Gratuity**

The Company has defined benefit plan for gratuity which is unfunded. The scheme provides payment to vested employees at retirement, death or on resignation/termination of employment of an amount equivalent to 15 days salary for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

**Present value of the defined benefit liabilities**

The amount included in the Balance sheet arising from the Company's obligations in respect of its defined benefit schemes is as follows:

	As at March 31, 2021	As at March 31, 2020
<b>Movement in defined benefit obligations:</b>		
<b>At the beginning of the year</b>	1.24	0.29
Current service cost	0.63	0.36
Past service cost	-	-
Interest cost	0.06	0.03
Remeasurements :		
- (Gain)/loss from change in financial assumptions	0.03	0.09
- (Gain)/loss from change in demographic assumptions	-	-
Experience (gains)/losses	(0.99)	0.13
Benefits paid	-	-
Liabilities assumed / (settled)	(0.28)	0.34
<b>At the end of the year</b>	<u>0.69</u>	<u>1.24</u>

**Amount recognised in the balance sheet**

	As at March 31, 2021	As at March 31, 2020
Present value of obligations	1.24	0.29
Present value of plan assets	0.69	1.24
<b>Net liability recognised</b>	<u>(0.55)</u>	<u>0.95</u>

**Classification into Current / Non-current**

The liability in respect of the plan comprises of the following current and non-current portion

	As at March 31, 2021	As at March 31, 2020
Current	0.00	0.00
non-current	0.69	0.29
	<u>0.69</u>	<u>0.29</u>





**MEP SANJOSE TALAJA MAHUVA ROAD PVT. LTD.**  
**Notes to Financial Statements for the year ended March 31, 2021**

(Currency : Indian rupees in lakhs)

The components of defined plan cost are as follows

	As at March 31, 2021	As at March 31, 2020
<b>Recognised in income statement</b>		
Current service cost	0.63	0.36
Past service cost	-	-
Interest cost / (income) (net)	0.06	0.03
Expected return on plan assets	-	-
<b>Total</b>	<b>0.70</b>	<b>0.39</b>
<b>Recognised in Other Comprehensive Income</b>		
Remeasurement of net defined benefit liability/(asset)	(0.96)	0.22
<b>Expenses recognised in Total Comprehensive Income</b>	<b>(0.27)</b>	<b>0.61</b>

The principal actuarial assumptions used for estimating the Company's benefit obligations are set out below (on a weighted average basis):

	As at March 31, 2021	As at March 31, 2020
Rate of increase in salaries	6.00%	6.00%
Discount rate	4.35%	5.20%
Expected average remaining service lives of the employees	2.13	2.35

**Notes:**

1. Discount rate

The discount rate is based on the prevailing market yields of Indian government securities for the estimated term of the obligations.

2. Salary escalation rate

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

3. Assumptions regarding future mortality experience are set in accordance with the statistics published by the Life Insurance Corporation of India

Sensitivity of the defined benefit obligation :	Change in assumption	Effect on Gratuity Obligation	
		As at March 31, 2021	As at March 31, 2020
Discount rate	Minus 50 basis point	0.02	0.01
	Plus 50 basis points	(0.02)	(0.01)
Rate of increase in salaries	Minus 50 basis point	(0.02)	(0.01)
	Plus 50 basis points	0.02	0.01

The above sensitivity analyses have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other

The weighted average duration of the defined benefit obligation is 4.64 Year (31 March 2020 :5.38 years)

The Company makes payment of liabilities from its cash and cash equivalent balances whenever liability arises.

Defined benefit liability and employer contribution

Expected cash flow profile of the benefits to be paid is as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
<b>March 31, 2021</b>					
Defined benefit obligations (Gratuity)	0.00	0.13	0.42	0.30	0.86
<b>Total</b>	<b>0.00</b>	<b>0.13</b>	<b>0.42</b>	<b>0.30</b>	<b>0.86</b>
<b>March 31, 2020</b>					
Defined benefit obligations (Gratuity)	0.01	0.01	0.87	0.78	1.66
<b>Total</b>	<b>0.01</b>	<b>0.01</b>	<b>0.87</b>	<b>0.78</b>	<b>1.66</b>



**MEP SANJOSE TALAJA MAHUVA ROAD PVT. LTD.**  
**Notes to Financial Statements for the year ended March 31, 2021**

(Currency : Indian rupees in lakhs)

**31 Construction Contract and Service Concession Arrangements**

Description of the arrangement	Significant terms of the arrangement		Financial Assets	
			FY 2020-21	FY 2019-20
The Company has entered in to contract with National Highways Authority of India (NHAI) for Four laning of Talaja - Mahuva Section of NH-8E from KM. 53.585 to KM 100.100 (Design change from KM. 54.990 to KM. 100.450) (Package - II) In The State of Gujarat on Hybrid Annuity mode under NHDP Phase IV	i) Period of concession:-	2017-2034		
	ii) Investment grant from concession grantor	Rs. 5745.70 Lakhs		
	iii) Infrastructure return at the end of concession period:	Yes		
	iv) Investment and renewal obligations:	Nil	397.06	399.98
	v) Re-Pricing dates:-	No		
	vi) Basis upon which re-pricing or re-negotiation is determined	NA		
	vii) Premium payable to grantor	Nil		

Total Revenue of the project is Rs. 64305 Lacs (adjusted for price index Multiple )for construction , 40 % of Which will be payable to company in 5 equal instalment on completion of 20% , 40%, 60%, 75% and 90% of Physical progress and balance 60% will be payable in biannual installments over a period of 15 years commencing from date of commencement (COD) Each of the biannual installments shall be paid along with interest on reducing balance of payment pending. The Company need to complete construction in 910 days from the date of appointment.



**MEP SANJOSE TALAJA MAHUVA ROAD PVT. LTD.**  
**Notes to Financial Statements for the year ended March 31, 2021**

(Currency : Indian rupees in lakhs)

**32. Income Tax Expense**

**Tax expenses recognised in Statement of Profit and Loss**

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Current tax	-	-
Current Tax on taxable income for the year	-	-
<b>Total current tax expense</b>	<b>-</b>	<b>-</b>
Deferred tax charge/(credit)	(95.10)	(1,001.95)
Current Tax	-	-
<b>Total Tax Expenses</b>	<b>(95.10)</b>	<b>(1,001.95)</b>

A reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income tax is summarized below:

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Enacted income tax rate in India applicable to the Company	25.17%	26.00%
Profit before tax	(1,346.74)	3,615.88
Current tax expenses on profit before tax expenses at the enacted income tax rate in India	(338.95)	940.13
Permanent Disallowances	-	-
Mat credit entitlement	-	-
Deferred tax charge/(credit)	(95.10)	(1,001.95)
Other	338.95	(940.13)
	<b>(95.10)</b>	<b>(1,001.95)</b>



**MEP SANJOSE TALAJA MAHUVA ROAD PVT. LTD.**  
**Notes to Financial Statements for the year ended March 31, 2021**

(Currency : Indian rupees in lakhs)

**33 Related party disclosures**

In accordance with the requirements of Ind AS 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015., following are the names of related parties and their relationships, details of the transaction during the year and balances as at the year end :

*(i) Names of related parties where control exists*

Name of related party	Nature of relationship
MEP Infrastructure Developers Limited	Entity with Jointly controlled
Sanjose Infrastructure & Construction Pvt. Ltd.	Entity with Jointly controlled
Mr. Uttam S. Pawar	Director
Mr. Satish Rugle	Director
Mr. Alvaro Bastida Cilleruelo	Director

*(ii) Names of other related parties with whom transactions have taken place during the year*

MEP Infrastructure Developers Limited	Entity with Jointly controlled
Sanjose Infrastructure & Construction Pvt. Ltd.	Entity with Jointly controlled
MEP Nagpur Ring Road 1 Pvt Ltd.	Associate Concern
MEP Longjian VTR Private Limited	Associate Concern



**MEP SANJOSE TALAJA MAHUVA ROAD PVT. LTD.**  
**Notes to Financial Statements for the year ended March 31, 2021**

(Currency : Indian rupees in lakhs)

**33 Related party disclosures**

**B. Disclosures of material transactions with related parties and balances**

		For the Year ended 31 March 2021	Year ended 31 March 2020
<b>I) Transactions during the year</b>			
<b>Entity with Jointly Control :</b>			
MEP Infrastructure Developers Limited	Shares allotted	-	258.00
	Share application money received	-	4,180.35
	Share application money received returned back	-	4,157.55
	Advances Given	123.11	-
	Advances refunded	352.65	-
	Advances Adjusted	-	633.63
	Maintenance Cost - Direct cost	83.42	2,745.73
	Payment made towards EPC Cost	-	3,109.48
	Expenses incurred on behalf of	225.22	-
	Expenses incurred by	213.85	84.12
Sanjose Infrastructure & Construction Pvt. Ltd.	Shares allotted	-	172.00
	Share application money received	-	256.00
	Share application money received returned back	-	-
<b>Associate Concern :</b>			
MEP Longjian VTR Private Limited	Acquisition of liability (Gratuity)	0.28	-
<b>II) Balances at the end of the year</b>			
<b>Entity with Jointly Control :</b>			
MEP Infrastructure Developers Limited	Share application Money	-	1,897.08
	Advances Payable	7,215.73	7,537.44
	Payable on account of Expenses	88.52	99.88
Sanjose Infrastructure & Construction Pvt. Ltd.	Share application Money	-	84.00
<b>Associate Concern :</b>			
MEP Nagpur Ring Road 1 Pvt Ltd.	Expenses Payable	33.19	33.19
MEP Longjian VTR Private Limited	Expenses Payable	0.28	-



**MEP SANJOSE TALAJA MAHUVA ROAD PVT. LTD.**  
**Notes to Financial Statements for the year ended March 31, 2021**

(Currency : Indian rupees in lakhs)

**34. Segmental reporting :**

The Company has one reportable business segment " Road construction". Therefore, disclosure for segment reporting not applicable.

**35. Termination notice from Authority :**

National Highway Authority of India (NHAI) issued termination notice on 17 February 2021. The said notices were challenged by the Company vide petition before the division bench of Hon'ble High Court of Delhi. The court vide its order dated 25 May 2021, has directed NHAI to consider the conciliation request of the company. The conciliation request under consideration with NHAI.

**36. Previous year comparatives**

Previous year's figures have been reclassified, regrouped/rearranged wherever considered necessary to conform to the current year's presentations.

**For Gokhale & sathe**  
**Chartered accountants**  
Firm's registration number : 103264W



**CA Atul Kale**  
Partner  
Membership No: 109947  
UDIN No. 21109947AAAAQO9686  
Mumbai  
Date : 25 June 2021



**For and on behalf of the Board of Directors of**  
**MEP SANJOSE TALAJA MAHUVA ROAD PVT. LTD.**  
CIN:U45309MH2016PTC282605



**Uttam Pawar**  
Director  
DIN : 03381300

Mumbai  
Date : 25 June 2021



**Satish Rugle**  
Director  
DIN : 08213836