

MEP LONGJIAN LOHA WARANGA ROAD PRIVATE LIMITED

Balance sheet as at March 31, 2022
(Currency : Indian rupees in lakhs)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, Plant & Equipment	3	-	0.04
Capital Work In progress	4	-	3,437.89
Other Non-Current Assets	5	29.09	23.16
Income tax assets		-	110.45
Total Non-Current Assets		29.09	3,571.53
Current Assets			
Financial Assets			
Cash and Cash Equivalents	6	4.33	17.65
Other Financial Assets	7	12.57	12.57
Other Current Assets	8	-	582.13
Total Current Assets		16.90	612.36
Total Assets		46.00	4,183.89
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	9	1.00	1.00
Other Equity	10	(715.20)	(411.30)
Total Equity		(714.20)	(410.30)
Liabilities			
Non-Current Liabilities			
Provisions	11	-	0.88
Total Non-Current Liabilities		-	0.88
Current liabilities			
Financial Liability			
i Borrowings	12	155.80	-
ii Trade and other payables	13		
Total outstanding due to micro and small enterprises		-	-
Total outstanding due to creditors other than micro and small enterprises		543.31	564.64
Other Financial Liabilities	14	57.86	4,025.47
Other Current Liabilities	15	2.17	3.01
Provisions	11	1.07	0.19
Total Current liabilities		760.20	4,593.31
TOTAL EQUITY AND LIABILITIES		46.00	4,183.89

Significant Accounting Policies 2

The accompanying Notes are an integral part of financial statements 3-33

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 Longjian Loha Waranga Road Private Limited

CIN:U45309MH2018PTC308692

Sd/-

Sd/-

Sd/-

CA Atul Kale

Partner

Membership No: 109947

Mumbai

Date : 23/05/2022

UDIN : 22109947AMYANQ9665

Yogita Walavalkar

Director

DIN : 07381190

Mumbai

Date : 23/05/2022

Rajesh Powale

Director

DIN : 07229649

Mumbai

MEP LONGJIAN LOHA WARANGA ROAD PRIVATE LIMITED

Statement of Profit and Loss
For the year ended March 31, 2022
(Currency : Indian rupees in lakhs)

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue form Operations		-	-
Other Income	16	7.18	45.40
Total Income		7.18	45.40
Expenses			
Operating and maintenance expenses	17	-	-
Employee Benefits Expenses	18	0.23	-
Depreciation and Amortization Expenses	3	-	-
Finance Costs	19	295.56	856.84
Other expenses	20	15.29	-
Total Expenses		311.09	856.84
Loss before Exceptional item & tax		(303.91)	(811.44)
Exceptional item		-	936.43
'Hormonius Substitution		-	1,416.26
'Capital work in progress w/off		-	(479.83)
Profit/(Loss) before tax		(303.91)	124.99
Tax expense			
Current Tax		-	-
MAT Tax		-	-
Deferred Tax		-	-
Profit for the period		(303.91)	124.99
Other Comprehensive Income			
<i>Items that will not be reclassified to profit or loss</i>			
Reameasurements of defined benefit plans		-	-
Tax on Reameasurements of defined benefit plans		-	-
<i>Items that will be reclassified to profit or loss</i>		-	-
Total of Other Comprehensive Income for the year (net of tax)		-	-
Total Comprehensive Income for the period		(303.91)	124.99
Basic and Diluted earning per share (Rs.)	23	(3,039.07)	1,249.90
Significant Accounting Policies	2		
The accompanying Notes are an integral part of financial statements	3-33		

As per our report of even date attached

For Gokhale & sathe

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CA Atul Kale

Partner

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MEP LONGJIAN LOHA WARANGA ROAD PRIVATE LIMITED

Cash Flow Statement for the year ended March 31, 2022
(Currency : Indian rupees in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash Flow from Operating Activities :		
(Loss)/Profit before exceptional Items and tax	(303.91)	(811.44)
Adjustment for:		
Depreciation and amortization expenses	-	-
Finance cost	295.56	856.84
Interest Income	-	(22.21)
Exceptional item	-	936.43
	(8.34)	959.63
Operating profit before working capital changes		
Adjustments for changes in working capital:		
(Increase)/decrease in Capital Work In Progress	3,437.89	295.38
(Increase)/decrease in Other non current financial Assets	(5.94)	287.13
(Increase)/decrease in Other Non current Assets	-	623.21
(Increase)/decrease in Other current assets	582.13	3,382.76
Increase/(decrease) in trade & other payables	(21.33)	237.47
Increase/(decrease) in Other financial liability	(698.50)	219.92
Increase/(decrease) in Other Current Liability	(0.85)	(5,404.25)
Net cash from operating activities	3,285.06	601.23
Income tax paid	110.45	(0.35)
Net cash from operating activities (a)	3,395.51	600.88
Cash Flow from Investing Activities:		
Interest received	-	22.21
Sale of property, plant & equipment	0.04	-
Net cash (used in)/ generated from investing activities (b)	0.04	22.21
Cash flow from Financing activities		
Repayment of share application money	(3,269.11)	-
Proceeds from borrowings	155.80	-
Finance Cost	(295.56)	(856.84)
Net cash (used in)/ generated from financing activities (c)	(3,408.87)	(856.84)
Net Increase/ (Decrease) in Cash and Bank Balances (a+ b+ c)	(13.32)	(233.75)
Add: Cash and cash equivalence at the beginning of the year	17.65	251.41
Cash and cash equivalence at end of the year	4.33	17.65
Cash and Cash equivalent as per above comprises of the following		
Cash and Cash equivalents (Refer Note 6)	4.33	17.65
Balance as per statement of cash flows	4.33	17.65

1. The above cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flow 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

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
P Longjian Loha Waranga Road Private Limited

CIN:U45309MH2018PTC308692

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Director

DIN : 07229649

Mumbai

MEP LONGJIAN LOHA WARANGA ROAD PRIVATE LIMITED

(Currency: Indian rupees in lakhs)

Statement of Changes in Equity as on 31st March 2022

Particulars	Equity	Other Equity		Total
	Equity share capital	Reserves and surplus Retained earnings	Share application Money pending allotement	
Balance as of April 1,2020	1.00	(536.29)	-	(535.29)
Increase in share capital on account of Issue of Share Capital	-	-	-	-
Received during the year but not allotted	-	-	-	-
Transfer to current financial liabilities	-	-	-	-
Profit /(Loss)for the period		124.99		124.99
Balance as of March 31,2021	1.00	(411.30)	-	(410.30)
Profit /(Loss)for the period		(303.91)		(303.91)
Balance as of March 31,2022	1.00	(715.20)	-	(714.20)

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 number : 103264W

For and on behalf of the Board of Directors of
MEP Longjian Loha Waranga Road Private Limited
CIN:U45309MH2018PTC308692

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CA Atul Kale
Partner
Membership No: 109947
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Date : 23/05/2022

Yogita Walavalkar
Director
DIN : 07381190
Mumbai
Date : 23/05/2022

Rajesh Powale
Director
DIN : 07229649
Mumbai

MEP LONGJIAN LOHA WARANGA ROAD PRIVATE LIMITED

Notes to Financial Statements

For the year ended March 31, 2022

(Currency : Indian rupees in lakhs)

1 Corporate information

MEP Longjian Loha Waranga Road Pvt. Ltd. having its registered office at B 406, boomerang, Chandivali Farm Road, Near Chandivali Studio, Andheri (E), Mumbai-400072, was incorporated on April 27, 2018 vide certificate of incorporation No U45209MH2018PTC308692 issued by the Registrar of Companies, Maharashtra, Mumbai. The Company is in to the business of construction 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, 2022 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.

Inventories :

The measurement of inventory including the determination of its net realizable value, involves the use of estimates.

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 LONGJIAN LOHA WARANGA ROAD PRIVATE LIMITED

Notes to Financial Statements

For the year ended March 31, 2022

(Currency : Indian rupees in lakhs)

- 5 Standards issued but not yet effective
Ind AS 115 Revenue from Contract with Customers.: In February 2015, the Ministry of Corporate Affairs had notified Ind AS 115, Revenue from Contract with Customers.. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers, in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Company is in the process of making an assessment of the impact of Ind AS 115 upon initial application. As at the date of this report, the Company's management does not expect that the impact on the Company's results of operations and financial position will be material upon adoption of Ind AS 115.

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.

MEP LONGJIAN LOHA WARANGA ROAD PRIVATE LIMITED

Notes to Financial Statements

For the year ended March 31, 2022

(Currency : Indian rupees in lakhs)

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.

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.

MEP LONGJIAN LOHA WARANGA ROAD PRIVATE LIMITED

Notes to Financial Statements

For the year ended March 31, 2022

(Currency : Indian rupees in lakhs)

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.

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.

MEP LONGJIAN LOHA WARANGA ROAD PRIVATE LIMITED

Notes to Financial Statements

For the year ended March 31, 2022

(Currency : Indian rupees in lakhs)

v) Leases

The company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

As a lessee

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short term leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Under IND AS 17

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.

The Company has no leases or any contract containing lease accordingly, no disclosure has been made on the same.

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

viii) Provisions, contingent liabilities and contingent assets

MEP LONGJIAN LOHA WARANGA ROAD PRIVATE LIMITED

Notes to Financial Statements

For the year ended March 31, 2022

(Currency : Indian rupees in lakhs)

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.

MEP LONGJIAN LOHA WARANGA ROAD PRIVATE LIMITED

Notes to Financial Statements

For the year ended March 31, 2022

(Currency : Indian rupees in lakhs)

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.

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

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

Amendment to Existing issued Ind AS

The MCA has notified below amendments which are effective 1st April 2022:

- Amendments to Ind AS 103, Business Combinations
- Amendments to Ind AS 16, Property, Plant and Equipment
- Amendments to Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets
- Amendments to Ind AS 109, Financial Instruments
- Amendments to Ind AS 116, Leases

Based on Preliminary work, the Company does not expect these amendments to have any significant impact on its Financial statements.

MEP LONGJIAN LOHA WARANGA ROAD PRIVATE LIMITED
Notes to Financial Statements
For the year ended March 31, 2022
(Currency : Indian rupees in lakhs)

Note 3 - Property, Plant and Equipment - As at March 31, 2022

Particulars	Gross carrying value				Accumulated depreciation				Net Block			
	As at 01,2021	April	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2022	As at 01,2021	April	Charges for the year	Deductions/ Adjustments	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
<i>Tangible Assets</i>												
Computer Systems		0.16	-	0.04	0.12	0.12	-	-	-	0.12	-	0.04
	0.16		-	0.04	0.12	0.12	-	-	-	0.12	-	0.04

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

Particulars	Gross carrying value				Accumulated depreciation				Net Block			
	As at 01,2020	April	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2021	As at April 01,2020	Charges for the year	Deductions/ Adjustments	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020	
<i>Tangible Assets</i>												
Computer Systems		0.16	-	-	0.16	0.12	-	-	0.12	0.04	0.04	
	0.16		-	-	0.16	0.12	-	-	0.12	0.04	0.04	

MEP LONGJIAN LOHA WARANGA ROAD PRIVATE LIMITED

Notes to Financial Statements

As at March 31, 2022

(Currency : Indian rupees in lakhs)

Note 4

Capital Work In Progress

Particulars	As at March 31, 2022	As at March 31, 2021
Construction Work In Progress	-	3,437.89
	<u>-</u>	<u>3,437.89</u>

Note 5

Other Non-Current Assets

Particulars	As at March 31, 2022	As at March 31, 2021
To parties other than related parties		
Balance with Statutory Authorities	29.09	23.16
	<u>29.09</u>	<u>23.16</u>

Note 6

Cash and Cash Equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Current Accounts	4.33	17.65
Cash & cheques on hand	-	-
	<u>4.33</u>	<u>17.65</u>

Note 7

Other Current Financial Assets

Particulars	As at March 31, 2022	As at March 31, 2021
Other receivable		
- receivable from authority	12.57	12.57
	<u>12.57</u>	<u>12.57</u>

Note 8

Other Current Assets

Particulars	As at March 31, 2022	As at March 31, 2021
To related parties		
Refundable Mobilisation advance (refer note 8.1 below)	-	562.11
To parties other than related parties		
Prepaid expenses - others	-	19.96
Advances to employees	-	0.06
	<u>-</u>	<u>582.13</u>

Note : 8.1

- MEP Infrastructure Developers Limited	-	562.11
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MEP LONGJIAN LOHA WARANGA ROAD PRIVATE LIMITED

Notes to Financial Statements

As at March 31, 2022

(Currency : Indian rupees in lakhs)

Note 9

Equity Share Capital

Particulars

	As at March 31, 2022	As at March 31, 2021
[a] Authorised share capital		
1,00,00,000 Equity shares of the par value of Rs 10 each	1,000.00	1,000.00
	1,000.00	1,000.00
[b] Issued		
10,000 Equity shares of the par value of Rs 10 each	1.00	1.00
	1.00	1.00
[c] Subscribed and paid up		
10,000 Equity shares of the par value of Rs 10 each	1.00	1.00
	1.00	1.00

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

	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Amount	Number of Shares	Amount
Equity :				
Shares outstanding at the beginning of the year	10,000	1.00	-	-
Issued during the year	-	-	10,000	1.00
Shares outstanding at the end of the year	10,000	1.00	10,000	1.00

[e] Shares held by its holding company:

Equity shares of Rs 10 each fully paid held by:

	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Amount	Number of Shares	Amount
MEP Infrastructure Developers Limited (Holding Company)	5,100	0.51	5,100	0.51

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

	As at March 31, 2022		As at March 31, 2021	
Name of the shareholder	Number of Shares	Percentage	Number of Shares	Percentage
MEP Infrastructure Developers Limited (Holding Company)	5,100	51%	5,100	51%
Longjian Road & Bridge Co. Ltd	4,900	49%	4,900	49%
	10,000	100%	10,000	100%

MEP LONGJIAN LOHA WARANGA ROAD PRIVATE LIMITED
Notes to Financial Statements
As at March 31, 2022
(Currency : Indian rupees in lakhs)

Note 10

Other Equity

(i) Retained earnings

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Balance as at the beginning of the year	(411.30)	(536.29)
Add : Profit/ (Loss) for the year	(303.91)	124.99
Other Comprehensive Income	-	-
(ii) Equity Contribution	<u>(715.20)</u>	<u>(411.30)</u>
(iii) Share Application Money Pending for Allotment	<u>-</u>	<u>-</u>
Balance as at the end of the year	<u>(715.20)</u>	<u>(411.30)</u>

MEP LONGJIAN LOHA WARANGA ROAD PRIVATE LIMITED

Notes to Financial Statements

As at March 31, 2022

(Currency : Indian rupees in lakhs)

Note 11

Non-current Liabilities - Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Particulars		
Non-Current Liability - Provisions		
Employee benefits		
Gratuity	-	0.88
Provision for Tax		
(A)	<u>-</u>	<u>0.88</u>
Current Liability - Provisions		
Employee benefits		
Gratuity	1.07	0.19
Provision for Tax		
(B)	<u>1.07</u>	<u>0.19</u>
Total (A)+(B)	<u><u>1.07</u></u>	<u><u>1.07</u></u>

Note 12

Current Financial Liability-Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured Loans		
From Related Parties (refer note 1 below)	155.80	-
	-	-
	<u>155.80</u>	<u>-</u>

i) Loan from MEP Infrastructure Developers Limited of Rs. 155.80 lakhs (March 31,2021 : NIL) is repayable on demand.

Note 13

Financial Liabilities - Trade and other payables

Particulars	As at March 31, 2022	As at March 31, 2021
Trade payables		
- dues of micro, small and medium enterprises**	-	-
- dues of other than micro, small and medium enterprises	543.31	564.64
	<u>543.31</u>	<u>564.64</u>

Ageing for trade payables outstanding is as follows

Particulars	As at March 31, 2022	As at March 31, 2021
- dues of micro and small enterprises		
Less than 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	<u>-</u>	<u>-</u>
- others		
Less than 1 year	526.87	548.20
1-2 years	-	11.04
2-3 years	11.04	5.40
More than 3 years	5.40	-
	<u>543.31</u>	<u>564.64</u>

MEP LONGJIAN LOHA WARANGA ROAD PRIVATE LIMITED

Notes to Financial Statements

As at March 31, 2022

(Currency : Indian rupees in lakhs)

Note 14

Current Financial Liability-Others

Particulars	As at March 31, 2022	As at March 31, 2021
allotment	-	591.13
Employee benefit payable	47.25	48.16
Other liabilities		
-Related Party	9.18	115.00
-Share Application Money Pending for Allotment	-	3,269.11
-Others	1.43	2.07
	57.86	4,025.47

Note 15

Other Current Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Mobilisation Advance	-	-
Statutory dues	2.17	3.01
	2.17	3.01

MEP LONGJIAN LOHA WARANGA ROAD PRIVATE LIMITED

Notes to Financial Statements

For the year ended March 31, 2022

(Currency : Indian rupees in lakhs)

Note 16

Other Income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income		
- from fixed deposits	-	22.21
- from other	6.63	-
Provision no longer required	0.55	23.19
Total	7.18	45.40

Note 17

Operating and Maintenance Expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Supervision and Independent Engineer Fees	-	73.16
Transfer to CWIP	-	(73.16)
	-	-

Note 18

Employee Benefit Expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and Wages	0.02	40.91
Bonus	-	-
Gratuity	0.20	-
Contribution to Provident and Other Funds (refere note 28)	0.01	1.27
Transfer to CWIP	-	(42.18)
	0.23	-

Note 19

Finance Costs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on Mob Advance	-	273.13
Bank guarantee and commission	-	134.44
Other Finance cost :		
¹ Interest on share application money	295.56	392.29
² Others	-	56.98
	295.56	856.84

Note 20

Other Expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rates and taxes	11.30	1.89
Legal and professional Fees	2.08	31.62
Travelling and conveyance	-	0.38
Insurance Expenses	-	31.24
Auditors remuneration	1.00	2.11
Miscellaneous expenses	0.91	2.04
Transfer to CWIP	-	(69.28)
	15.29	-

MEP LONGJIAN LOHA WARANGA ROAD PRIVATE LIMITED

Notes to Financial Statements

As at March 31, 2022

(Currency : Indian rupees in lakhs)

Note 21

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.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit/(Loss) for basic and diluted earnings per share (A)	(303.91)	124.99
Weighted average number of equity shares (B)	<u>10,000.0</u>	<u>10,000.0</u>
Basic earnings per share (Rs.) (A / B)	<u>(3,039.07)</u>	<u>1,249.90</u>
Weighted average number of equity shares outstanding during the year for the calculation of diluted earnings per share (C)	<u>10,000.0</u>	<u>10,000.0</u>
Diluted earnings per share (Rs.) (A / C)	<u>(3,039.07)</u>	<u>1,249.90</u>

Note 22

Contigent Liabilities

Particulars

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Bank Guarantees	<u>11,268.05</u>	<u>11,268.05</u>
Total	<u>11,268.05</u>	<u>11,268.05</u>

Note 23

Auditor's remuneration (including tax)

Particulars

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Statutory Audit Fees	<u>-</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>

MEP LONGJIAN LOHA WARANGA ROAD PRIVATE LIMITED

Notes to Financial Statements

As at March 31, 2022

(Currency : Indian rupees in lakhs)

Note 24

Construction Contract and Service Concession Arrangements

The Company has entered in to contract with National Highways Authority of India (NHAI) for four laning of Loha-Waranga Section of NH- 361 from km 187.800 to Km 244.369 under Bharatmala Pariyojana in the state of Maharashtra on Hybrid Annuity mode.

Total Revenue of the project is Rs. 107310 Lacs (adjusted for price index Multiple)for construction , 40 % of Which will be payable to company in 5 equal instalment on completion of 10% , 30%, 50%, 75% and 90% of Physical progress and balance 60% will be payable in biannual instalments over a period of 15 years commencing from date of commencement (COD).Each of the biannual instalments shall be paid along with interest on reducing balance of payment pending. The Company need to complete construction in 730 days from the date of appointment.

The Company has recognised revenue and expenses based on the stage of completion of the contract activity at the end of the financial year for its construction activity.

The Company determines the stage of completion of a contract by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

Particulars	Rs. In lakhs	
	As at <u>31 March 2022</u>	As at <u>31 March 2021</u>
Contract Revenue recognised for the financial year	-	-
Aggregate amount of contract cost incurred and recognised profits (less recognised losses) as at the end of the financial year for all contracts in progress as at that date	-	-
Amount of Customer advances of outstanding for contract in progress as at the end of the financial year	-	-
Retention amount by customer for contract in progress as at the end of the financial year	-	-
Billed revenue	-	-
Unbilled revenue/ (Excess billing to customers)	-	-

A part from Construction revenue company will also receive a lump sum financial support (adjusted for price index Multiple) in the form of biannual for Operation and maintenance cost from NHAI for 15 years.

MEP LONGJIAN LOHA WARANGA ROAD PRIVATE LIMITED

(Currency : ₹ in lakhs)

Notes to Financial Statements

Note 25

1. Financial instruments – Fair values and risk management

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

A. Accounting classification and fair values

March 31, 2022

	Carrying amount		Fair value		
	Amortised Cost	Total	Level 1	Level 2	Level 3
Financial assets					
Cash and cash equivalents	4.33	4.33	4.33	-	-
Other Non-current financial asset	-	-	-	-	-
Trade and other receivables	-	-	-	-	-
Other Current financial asset	12.57	12.57	12.57	-	-
Total	16.90	16.90	16.90	-	-
Financial liabilities					
Long term borrowings	-	-	-	-	-
Short term borrowings	-	-	-	-	-
Trade and other payables	543.31	543.31	543.31	-	-
Other Current financial liabilities	57.86	57.86	57.86	-	-
Total	601.17	601.17	601.17	-	-

March 31, 2021

	Carrying amount		Fair value		
	Amortised Cost	Total	Level 1	Level 2	Level 3
Financial assets					
Cash and cash equivalents	17.65	17.65	17.65	-	-
Other Non-current financial asset	-	-	-	-	-
Trade and other receivables	-	-	-	-	-
Other Current financial asset	12.57	12.57	12.57	-	-
Total	30.22	30.22	30.22	-	-
Financial liabilities					
Long term borrowings	-	-	-	-	-
Short term borrowings	-	-	-	-	-
Trade and other payables	564.64	564.64	564.64	-	-
Other Current financial liabilities	4,025.47	4,025.47	4,025.47	-	-
Total	4,590.11	4,590.11	4,590.11	-	-

MEP LONGJIAN LOHA WARANGA ROAD PRIVATE LIMITED

(Currency : ₹ in lakhs)

Notes to Financial Statements

Note 26

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 is primarily responsible to develop and monitor Company's Risk Management framework. The Company has a risk management policy in place.

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.

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 exposure to bad debts is not considered to be material.

The company has no significant concentrations of credit risk. The Company does not have any credit risk outside india.

Impairment

The ageing of trade and other receivables that were not impaired was as follows.

	Carrying amount	
	March 31, 2022	March 31, 2021
Neither past due nor impaired		
Past due 31–90 days		
Past due 181–360 days		
More than 360 days		
Total	-	-

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

Cash equivalents, othe Bank Balance/Deposits :

The Company held cash and cash equivalents and other bank balances and deposit of Rs.4.33 lakhs at March 31, 2022 (March 31, 2021: Rs.17.65 lakhs.) The cash equivalents and othe bank balance and deposits are held with bank counterparties with good credit ratings.

MEP LONGJIAN LOHA WARANGA ROAD PRIVATE LIMITED

(Currency : ₹ in lakhs)

Notes to Financial Statements

Note 26

Financial risk management (Continued)

iii. Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related such risk are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturity pattern of Financial- Liabilities

March 31, 2022

	Carrying amount	Total	Contractual cash flows			
			0-1 year	1-2 years	2-5 years	More than 5
Non-derivative financial liabilities						
Borrowings and interest thereon	-	-	-	-	-	-
Trade payables	543.31	543.31	543.31	-	-	-
Other Payable	57.86	57.86	57.86	-	-	-
Total	601.17	601.17	601.17	-	-	-

March 31, 2021

	Carrying amount	Total	Contractual cash flows			
			0-1 year	1-2 years	2-5 years	More than 5
Non-derivative financial liabilities						
Borrowings and interest thereon	591.13	591.13	591.13	-	-	-
Trade payables	564.64	564.64	564.64	-	-	-
Other Payable	3,434.34	3,434.34	3,434.34	-	-	-
Total	4,590.11	4,590.11	4,590.11	-	-	-

MEP LONGJIAN LOHA WARANGA ROAD PRIVATE LIMITED

(Currency : ₹ in lakhs)

Notes to Financial Statements

Note 26

Financial 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.

v. Currency risk

he 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.

vi. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Exposure to interest rate risk

Company's interest rate risk arises from borrowings. Borrowings taken and issued at fixed and floating rates exposes company to fair value and cashflow 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.

	As at March 31, 2022	As at March 31, 2021
Fixed-rate instruments		
Financial assets	-	
Financial liabilities		
	-	-
Variable-rate instruments		
Financial assets	-	
Financial liabilities		
	-	-
Total	-	-

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
March 31, 2022		
Variable-rate instruments	-	-
Cash flow sensitivity (net)	-	-
March 31, 2021		
Variable-rate instruments	-	-
Cash flow sensitivity (net)	-	-

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 LONGJIAN LOHA WARANGA ROAD PRIVATE LIMITED

(Currency : ₹ in lakhs)

Notes to Financial Statements

Note 26

Financial risk management (Continued)

vii. 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

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current Borrowings		
Current Borrowings (Current Maturities)		
Short Term Loan		
Gross Debt	-	-
Less - Cash and Cash Equivalents	4.33	17.65
Less - Other Bank Deposits	-	-
Less - Current Investments	-	-
Adjusted net debt	4.33	17.65
Total equity	(714.20)	(410.30)
Adjusted net debt to adjusted equity ratio	-	-

MEP LONGJIAN LOHA WARANGA ROAD PRIVATE LIMITED

(Currency : ₹ in lakhs)

Notes to Financial Statements

Note 27

Related party disclosures

a) 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
Long Jian Road & Bridge Co. Ltd.	Entity with Jointly controlled
Ms. Yogita Walavalkar	Directors
Mr. Rajesh Powale	Directors
Mr. Nitin Riwal	Directors

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

MEP Infrastructure Developers Limited	Entity with Jointly controlled
Long Jian Road & Bridge Co. Ltd.	Entity with Jointly controlled

MEP LONGJIAN LOHA WARANGA ROAD PRIVATE LIMITED

(Currency : ₹ in lakhs)

Notes to Financial Statements**Note 27****Related party disclosures****b) Disclosures of material transactions with related parties and balances**

	As at 31 March 2022	As at 31 March 2021
<u>I) Transactions during the year</u>		
<u>Interest Expense on share application money received</u>		
MEP Infrastructure Developers Limited	295.56	392.29
<u>Expenses incurred on behalf of</u>		
MEP Infrastructure Developers Limited	130.00	26.71
<u>Expenses incurred by</u>		
MEP Infrastructure Developers Limited	24.17	48.84
<u>II) Balances at the end of the year</u>		
<u>Share capital</u>		
MEP Infrastructure Developers Limited	0.51	0.51
Long Jian Road & Bridge Co. Ltd.	0.49	0.49
<u>Share application Money</u>		
MEP Infrastructure Developers Limited	-	3,269.11
<u>Interest payable on share application money received</u>		
MEP Infrastructure Developers Limited	-	591.13
<u>Payable on account of Expenses</u>		
MEP Infrastructure Developers Limited	9.17	115.00

MEP LONGJIAN LOHA WARANGA ROAD PRIVATE LIMITED

Notes to Financial Statements

As at March 31, 2022

(Currency : Indian rupees in lakhs)

Note 28

Employee Benefits

Defined Contribution Plan

- i) Contribution to Provident Fund
- ii) Contribution to Employees State Insurance Corporation
- iii) Contribution to Maharashtra Labour Welfare Fund

Contribution to defined contribution plan, recognised are charged off for the year us under

Description	As at	As at
	March 31, 2021	March 31, 2020
Group's contribution to Provident Fund	1.27	2.12
Group's contribution to Employee state Insurance Corporation	-	-
Group's Contribution to Maharashtra Labour Welfare Fund	-	-
	<u>1.27</u>	<u>2.12</u>

Note 29

Segmental reporting :

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

Note 30

Going Concern :

The Company has no longer in operations. Currently the company in process of evaluating other alternatives for merger with another group company. The Company financial statement have been prepared on a going concern basis as the holding company has under take to provide such financial support as necessary to enable the company to continue its operation and to meet its liabilities as and when they fall due in foreseeable future. Accordingly these financial statement do not include any adjustments relating to the recoverability and classification of carrying amount of the assets or the amounts and classification of liabilities as may be necessary if that entity is unable to continue as a going concern

MEP LONGJIAN LOHA WARANGA ROAD PRIVATE LIMITED

Notes to Financial Statements

(Currency : Indian rupees in lakhs)

Note 31

Other Disclosures

(i) Registration of charges or satisfaction with Registrar of Companies (ROC)

No charges or satisfaction yet to be registered with ROC beyond the statutory period by the company.

(ii) Compliance with number of layers of companies

The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(iii) Utilisation of Borrowed funds:

During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding party (Ultimate Beneficiaries)

- Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(iv) Details of Benami Property held

There are no proceedings which have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(v) Undisclosed income

The Company will not have any transaction which not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961

vi) The Company has not been declared willful defaulter by any of the banks or financial institutions or any other lender.

vii) The Company does not deal with the struck off companies.

viii) The funds borrowed for short term purposes have not been utilized for any other purpose / long term purposes.

ix) The Company does not trade or invest in any crypto currency.

x) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company.

MEP LONGJIAN LOHA WARANGA ROAD PRIVATE LIMITED

Notes to Financial Statements

(Currency : Indian rupees in lakhs)

Note 32

Following are the analytical ratios for the year ended 31 March 2022 and 31 March 2021

Ratio	Numerator	Denominator	As at 31 March 2022	As at 31 March 2021	Variance %	Explanation for Significant Change or more than 25%
Current Ratio (times)	Current Assets	Current liabilities	(743.30)	(3,980.95)	0.00%	
Debt Equity ratio	Total debt	Shareholders equity	(0.22)	-	N.A	
Debt Service Coverage Ratio (times)	Profit after tax + Finance cost + Depreciation and Amortisation	Debt service	N.A	N.A	N.A	
Return on Equity Ratio (%)	Profit for the year after tax	Shareholders equity	0.43	(0.30)	458.53%	
Inventory Trunover ratio	Cost of Goods sold / sales	Average Inventory	N.A	N.A	N.A	
Trade receivables turnover ratio	Revenue from operations	Average accounts receivable	N.A	N.A	N.A	
Trade payable turnover ratio	O&M and other expenses	Average Trade payabales	N.A	N.A	N.A	
Net Capital turnover ratio	Revenue from operations	Working capital	N.A	N.A	N.A	

MEP LONGJIAN LOHA WARANGA ROAD PRIVATE LIMITED**Notes to Financial Statements (continued)**

(Currency : Indian rupees in lakhs)

Ratio	Numerator	Denominator	As at 31 March 2022	As at 31 March 2021	Variance %	Explanation for Significant Change or more than 25%
Net Profit Ratio (%)	Profit for the year after tax	Revenue from operations	N.A	N.A	N.A	
Return on Capital Employed (%)	Profit before tax + Finance cost	Tangible net worth + borrowings + Deferred tax liabilities	N.A	N.A	N.A	
Return on Investment	Interst Income from Fixed Deposit	Investment in Fixed Desposit	N.A	N.A	N.A	

* Not calculated as ratio's are negative.

Note 33**Previous year comparatives**

Previous year figures are regrouped, re-arranged wherever necessary.

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 number : 103264W

Sd/-

CA Atul Kale

Partner

Membership No: 109947

Mumbai

Date : 23/05/2022

For and on behalf of the Board of Directors of

MEP Longjian Loha Waranga Road Private Limited

CIN:U45309MH2018PTC308692

Sd/-

Yogita Walavalkar

Director

DIN : 07381190

Mumbai

Date : 23/05/2022

Sd/-

Rajesh Powale

Director

DIN : 07229649

Mumbai

