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CIN: L45200MH2002PLC136779

MEPIDL/OUT/2023-24/362  
25<sup>th</sup> January, 2024

<b>Listing Department</b> <b>National Stock Exchange of India Limited</b> Exchange Plaza, C-1 Block G, Bandra Kurla Complex, Bandra (E), Mumbai-400051 Fax No. 022-26598120/38 <b>Scrip Symbol: MEP</b>	<b>Corporate Relationship Department</b> <b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001 Fax No. 022-22723121/3027/2039/2061 <b>Security Code: 539126</b>
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Dear Sir/Madam,

**Sub: Intimation under Regulation 30 of SEBI (LODR) Regulations.**

In terms of Regulation 30 of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015, we have vide email dated 24<sup>th</sup> January, 2024 received a Letter No. SEBI/HO/CFD/SEC-2/P/OW/2024/3628/1 dated 24<sup>th</sup> January, 2024 from the Securities and Exchange Board of India ("SEBI") in relation to the Postal Ballot Notice dated 11<sup>th</sup> March, 2023 issued by the Company.

As per the instruction of SEBI we have noted the contents of the Letter and Our Company shall place the said letter before the Board at the ensuing Board Meeting for further course of action with regard to the transactions envisaged through the said Postal Ballot.

We hereby confirm that we have not implemented upon the resolution(s) at Item No. 2, 3 and 4 of the Postal Ballot Notice dated 11<sup>th</sup> March, 2023 and we shall abide by the instructions of SEBI.

Further as advised by SEBI this information is being submitted to your good offices to enable you to take note of the contents.

Thanking You,

Yours faithfully,

For **MEP INFRASTRUCTURE DEVELOPERS LIMITED**

**VIKRAM MUKADAM**  
**COMPANY SECRETARY & COMPLIANCE OFFICER**



INFRASTRUCTURE  
DEVELOPERS LTD.



SEBI/HO/CFD/SEC-2/P/OW/2024/3628/1  
January 24, 2024

To,  
MEP Infrastructure Developers Ltd  
2102, Floor-21st, Plot-62,  
Kesar Equinox, Sir Bhalchandra Road,  
Hindu Colony, Dadar (E),  
Mumbai, Maharashtra, 400014

**Kind Attention: Mr. Jayant Dattatray Mhaiskar, MD**

Sir/Ma'am,

**Subject: Disclosure of results of postal ballot notice dated March 11, 2023.**

1. Certain discrepancies have been brought to the notice of SEBI with respect to disclosure of voting results on April 18, 2023 by MEP Infrastructure Developers Ltd ('Company') to the stock exchange.
2. It was thereby observed that the company is intending to sell its material and wholly owned subsidiary viz. MEP Infrastructure Private Limited to another of its wholly owned subsidiary viz. Mhaiskar Toll Road Private Limited and consequently MEP Infrastructure Private Limited would become a step down subsidiary of the listed entity. Further, the company wants to dispose off controlling stake in the step down subsidiary viz. MEP Infrastructure Private Limited to another entity (Earlier to Neo Star Infraprojects Private Limited in April 2022 and later to Ashmi Road Carriers Pvt Ltd in February/March 2023).
3. In this regard, upon perusal of the notice of postal ballot and voting results as disclosed by the company to the stock exchange, the following was observed:
  - 3.1. The company had sought approval of shareholders through postal ballot for the above transaction three times i.e. on April 22, 2022, February 07, 2023 & March 11, 2023.
  - 3.2. The company had disclosed the results of the postal ballot notice dated March 11, 2023 on April 18, 2023 to the stock exchange along with scrutinizers report dated April 12, 2023.
  - 3.3. While the scrutinizers report clearly declares that the resolutions related to the above transaction had been voted against and could not be passed, the company has declared the said resolutions as approved by shareholders, along with the following note.





*“Owing to some technical issues the NSDL eVoting portal was not working for some time while some of the shareholders were trying to cast their eVoting. The*

*company had received letters from the following shareholders who could not vote online and have given their written consent to consider their votes in favour of the resolution. Accordingly, if the company considers the following votes for arriving at the results, it will be deemed that the resolutions have attained the requisite majority and hence it would be deemed to have been passed.*

Folio No.	Name of the Shareholder	No. of shares	% of holding
IN30097413006951	Vibhaben Jyotindrakumar Vasa	308000	0.1679
1207100000000049	Latin Manharlal Securities Pvt. Ltd.	105000	0.0572
1203350000038773	Kirjal Securities Private Ltd	150000	0.0818
1201980000399918	Kapashi Commercial Ltd	75000	0.0409
IN30413110170470	Vinubhai Nanjibhai Vekaria	200000	0.109
<b>Total</b>		<b>838000</b>	<b>0.4568</b>

3.4. In this regard your attention is drawn to sub rule 8, 9, 10, 11 & 12 of Rules 22 of Companies (Management & Administration) Rules, 2014 which provide that:

*(8) Postal ballot received back from the shareholders shall be kept in the safe custody of the scrutinizer and after the receipt of assent or dissent of the shareholder in writing on a postal ballot, no person shall deface or destroy the ballot paper or declare the identity of the shareholder.*

*(9) The scrutinizer shall submit his report as soon as possible after the last date of receipt of postal ballots but not later than seven days thereof;*

*(10) The scrutinizer shall maintain a register either manually or electronically to record their assent or dissent received, mentioning the particulars of name, address, folio number or client ID of the shareholder, number of shares held by them, nominal value of such shares, whether the shares have differential voting right, if any, details of postal ballots which are received in defaced or mutilated form and postal ballot forms which are invalid.*

*(11) The postal ballot and all other papers relating to postal ballot including voting by electronic means, shall be under the safe custody of the scrutinizer till the chairman considers, approves and signs the minutes and thereafter, the scrutinizer shall return the ballot papers and other related papers or register to the company who shall preserve such ballot papers and other related papers or register safely.*



(12) The assent or dissent received after thirty days from the date of issue of notice shall be treated as if reply from the member has not been received.

- 3.5 Considering that the notice of the postal ballot dated March 11, 2023, clearly mentions that the communication of assent/dissent on the resolutions will take place only through the remote e-voting system, any physical letters received from shareholders by the company should have been regarded as invalid. Alternatively, considering that the scrutinizer has been appointed for the exclusive purpose of supervising the voting and declaring results, the company should have brought to the notice of the scrutinizer any issues related to voting for the scrutinizer's consideration before declaration of results. However, the company not only disclosed the scrutinizers report and voting results with a delay of 6 days but also suo moto took a decision to declare voting results different from what was declared by the scrutinizer.
- 3.6. On further examination, the following was observed:
- a) The e-voting service provider (NSDL) has submitted that *there were no technical issues with respect to e-Voting during the aforesaid period. NSDL e-Voting System was working fine. Further, they did not receive any queries/complaint on their dedicated helpdesk.*
  - b) Additionally, in this regard NSDL has also informed that they had received a mail from the company on April 19, 2023 forwarding letters dated April 10, 2023 from 5 shareholders regarding technical issues and that it had already clarified to the company vide email dated April 21, 2023 that:
    - i. Postal ballot was open from March 12, 2023 to April 10, 2023. During this period close to 170 shareholder had cast their vote without any issue.
    - ii. NSDL had not received any queries from the shareholders mentioned by the company in its note.
    - iii. There are many methods to login to NSDL e-Voting system, which are already mentioned in the notice issued by company.
  - c) Company raised this matter regarding technical issues with the stock exchange only on April 12, 2023 (at 7:59 pm i.e. after receipt of scrutinizer's report) and with e-Voting service provider (NSDL) on April 19, 2023 i.e. after closure of voting period of 30 days and after receipt of scrutinizer's report.
  - d) NSDL has submitted that only the following 2 shareholders from the abovementioned 5 shareholders had attempted login and OTP was generated on NSDL e-voting system well within the closing time for e-Voting.
    - i. VINUBHAI NANJIBHAI VEKARIA
    - ii. KAPASHI COMMERCIAL LTD
  - e) 21 shareholders had successfully voted on the same day (i.e. Last day of voting) without any issues being reported to NSDL.
- 3.7 It appears that company in an attempt to get the resolutions approved, had deviated from the laid down process and acted on the letters received from shareholders,

without even verifying whether there were any actual issues being faced by them. Despite the correspondence with the e-voting service provider whereby it was clarified that there was no issue in the e-voting portal the company considered such physical requests favourably, treating the resolution as passed.

3.8 Therefore, based on the above, the resolution cannot be considered as passed.

#### Design & Consideration of sale transaction

4 On checking further details of the transaction proposed in the postal ballot notice, the following was observed:

4.1 The proposed resolution in the postal ballot notice dated March 11, 2023 mentions that 100 % stake of the company in MEP Infrastructure Private Limited is being sold to Mhaiskar Toll Road Private Limited at a consideration of Rs. 390.00 Crores in the form of combination of Equity/ Debt/Redeemable Preference Shares of Mhaiskar Toll Road Private Limited. Consequently, MEP Infrastructure Private Limited will become a subsidiary of Mhaiskar Toll Road Private Limited and a step down subsidiary of the listed entity. Further, subsequent disinvestment of upto 51% of the equity shares in such consequent step down subsidiary to Ashmi Road Carriers Private Limited is being undertaken for a total consideration of Rs. 100 Crores.

4.2 Theoretically, the value of 51% stake in MEP Infrastructure Private Limited being sold to Ashmi Road Carriers Private Limited should have been around Rs. 199 Crore (i.e. 51% of 390 Crore) as against an amount of Rs. 100 crore.

4.3 The following table summarizes the proposed consideration for the above transaction in all the 3 postal ballot notices issued by the company.

Particulars	Postal Ballot Notice date		
	April 22, 2022	February 07, 2023	March 11, 2023
Step 1 – Sale of MEP Infrastructure Private limited to Mhaiskar Toll Road Private Limited	Rs. 374.28 crores Payable by Mhaiskar Toll Road Private Limited to listed entity	Rs. 390 crores Payable by Mhaiskar Toll Road Private Limited to listed entity	Rs. 390 crores Payable by Mhaiskar Toll Road Private Limited to listed entity
Step 2 – Sale of MEP Infrastructure Private limited to third party.	Rs. 218 crores for upto 60% stake Payable by Neo star Infraprojects Private Limited to	Rs. 100 crores for upto 51% stake Payable by Ashmi Road Carriers Private Limited to	Rs. 100 crores for upto 51% stake Payable by Ashmi Road Carriers Private Limited to



	Mhaiskar Toll Road Private Limited	Mhaiskar Toll Road Private Limited	Mhaiskar Toll Road Private Limited
Theoretical apparent value for step 2	Rs. 224 Crores (Rs. 374.28 Crores x 60%)	Rs. 198.9 Crores (Rs. 390 Crores x 51%)	Rs. 198.9 Crores (Rs. 390 Crores x 51%)

- 4.4 It was observed that the consideration in step 1 which was Rs. 374.28 crores in postal ballot notice dated April 22, 2022 has increased to Rs. 390 crores in the subsequent postal ballot notices dated February 07, 2023 & March 11, 2023. However, the consideration in step 2 which was Rs. 218 crores (for upto 60% stake) in postal ballot notice dated April 22, 2022 has substantially decreased to Rs. 100 crores (for upto 51% stake) in the subsequent postal ballot notices dated February 07, 2023 & March 11, 2023.
- 4.5 No discussion on the structure or pricing of the transaction was observed from perusal of the extract of agenda items or extract of minutes of meeting of Board of directors of the company dated March 11, 2023. The above practice of the Board is in negligence of principles governing disclosure and obligation laid down in the LODR Regulations which inter-alia state that *Members of the board of directors shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the listed entity and the shareholders.*
- 4.6 In this regard it may be noted that Section 102 of the Companies Act, 2013 stipulates that:
- (1) A statement setting out the following material facts concerning each item of special business to be transacted at a general meeting, shall be annexed to the notice calling such meeting, namely:*
- (a) the nature of concern or interest, financial or otherwise, if any, in respect of each items of—*
- (i) every director and the manager , if any;*
- (ii) every other key managerial personnel ; and*
- (iii) relatives of the persons mentioned in sub-clauses (i) and (ii);*
- (b) any other information and facts that may enable members to understand the meaning, scope and implications of the items of business and to take decision thereon.*
- 4.7 However, the explanatory statement to the above resolution in the postal ballot notice dated March 11, 2023 does not provide any explanation for selling 51% shares at a steep discount of Rs. 100 crores as compared to Rs. 199 crores (390\*51%) which is acquisition cost of 51% stake in MEP Infrastructure Private Limited by Mhaiskar Toll Road Private Limited.
- 4.8 Additionally, the following information has also not been mentioned in the explanatory statement nor could the same be found in the extract of agenda items

or extract of minutes of meeting of Board of directors of the company dated March 11, 2023.

- Details such as the reason for first converting a wholly owned subsidiary of the listed entity into a step down subsidiary and later selling controlling stake in such consequent step down subsidiary to another entity, instead of directly selling the controlling stake in a wholly owned subsidiary of the listed entity to another entity.
- The reason for transferring a profitable company (i.e. MEP Infrastructure Private Limited) to company having nil revenue (i.e. Mhaskar Toll Road Private Limited).

4.9 The above, being material information, should have been disclosed in the explanatory statement to enable the members to take an informed decision.

4.10 Having regard to the above, it is evident that the company attempted to manipulate the voting results to give an appearance of the resolutions being approved so as to benefit the other parties to whom the listed entity is selling a profitable company apparently at a steep discount leading to erosion of the wealth of shareholders.

5 Further, from the Independent Auditors Report on the financial statements for the year ended March 31, 2023, it is observed that the company has made default in payment of principal/ interest on the following loans:

(Amount in lakhs)

Particulars	Amount of default as at Balance Sheet Date		Period of Default
	Principal	Interest	
<b>From Banks</b>			
ICICI Bank	8.81	-	More than 90 days
Bank of Maharashtra	427.58	28.02	From 0 to 60 days
IDBI Bank	1,017.33	826.44	More than 90 days
Bank of India	5,486.50	756.70	More than 90 days
Deogiri Nagari Sahakari Bank	513.80	35.99	More than 90 days
Dombivli Nagari Sahakari Bank	12.29	25.79	From 0 to 89 days
Kalyan Janta Sahakari Bank	187.94	7.33	More than 90 days
Ambarnath Jaihind Bank	222.49	1.37	More than 90 days
Thane Janata Sahakari Bank	1,749.66	170.78	More than 90 days
Axis Bank	8.33	-	More than 90 days
Federal Bank	62.46	-	From 0 to 60 days
Raigad Bank		5.35	From 0 to 60 days
HDFC Bank	11.29		From 0 to 60 days
<b>Sub-Total</b>	<b>9,708.48</b>	<b>1857.77</b>	
<b>From Financial Institutions</b>			
Srei Equipment Finance Ltd	551.96	316.02	More than 90 days
Mahindra & Mahindra Financial Services Ltd	2.23	-	More than 90 days
Tata Motors	9.51	-	From 0 to 60 days
<b>Sub-Total</b>	<b>563.70</b>	<b>316.02</b>	
<b>Total</b>	<b>10,272.18</b>	<b>2,173.79</b>	

However, it is observed that disclosure in this regard, in terms of SEBI circular dated November 21, 2019, has not been made by the company.



- 6 In view of the above, the company is hereby advised to ensure that the proposed transaction with respect to sale of material and wholly owned subsidiary (i.e. MEP Infrastructure Private Limited) shall not be further acted upon without obtaining requisite approval of shareholders as per due process prescribed under applicable laws and after providing adequate details with respect to the entire transaction.
- 7 Further, the company is advised to make disclosures with respect to default in payment of principal/ interest on loans in terms of the above mentioned circular.
- 8 The above directions are without prejudice to any other action that SEBI may take in the matter for any violation of SEBI Regulations, as deemed fit.
- 9 You are advised to disseminate this letter to the Stock Exchange immediately upon receipt, who shall take note of the contents of this letter and disseminate the same.

Yours faithfully,

**Surabhi Gupta**

