GAYATRI

INDORE Dewas

Indore Dewas Tollways Ltd

9th Annual Report 2018-19

"Infrastructure is the life line of an economy and we add our bit to it"

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. J. Brij Mohan Reddy	Director
Mr. T.V. Sandeep Kumar Reddy	Director
Mr. Ch. Harivithal Rao	Independent Director
Mr. M. V. Narasimha Rao	Independent Director

AUDIT COMMITTEE

Mr. Ch. Harivithal Rao -	Chairman
Mr. J. Brij Mohan Reddy-	Member
Mr. M.V Narasimha Rao-	Member

NOMINATION & REMUNERATION COMMITTEE

Mr. M.V Narasimha Rao-	Chairman
Mr. J. Brij Mohan Reddy-	Member
Mr. Ch. Harivithal Rao -	Member

AUDITORS

M/s. Gianender & Associates
Chartered Accountants
Plot No.21, Site No.6, Geeta Mandir Marg,
New Rajinder Nagar,
New Delhi – 110 060.

PROJECT LENDERS

Union Bank of India, Hyderabad
Punjab National Bank, Hyderabad
State Bank of Hyderabad, Hyderabad
India Infrastructure Finance Co. Ltd., New Delhi

REGISTRARS & SHARE TRANSFER AGENTS

M/s. Bigshare Services Private Limited
306, Right Wing, Amrutha Ville
Opp. Yashoda Hospital, Somajiguda,
Rajbhavan Road, Hyderabad-500082,

Telangana -India

REGISTERED & CORPORATE OFFICE

6-3-1090, B-1,
TSR Towers, Rajbhavan Road,
Somajiguda,
Hyderabad – 500 082, Telangana
CIN: U45200TG2010PLC068238

CONCESSIONING AUTHORITY

NATIONAL HIGHWAYS AUTHORITY OF INDIA
G – 5 & 6, Sector – 10,
Dwarka, New Delhi – 110 075

BOARDS' REPORT

To

The Members,

Your Directors have immense pleasure in presenting the 9th Annual Report of your Company and the Audited Financial Statements for the year ended 31st March, 2019.

1. FINANCIAL SUMMARY:

The following table depicts the financial results of your Company for the year ending 31st March 2019:

S. No.	Particulars	For the year ended 31.03.2019 (Rs.)	For the year ended 31.03.2018 (Rs.)
1)	**INCOME**		
	Income from Operations	58,63,99,092	51,49,66,329
	Other Operating Income	1,02,58,657	8,08,31,036
	Other Income	5,82,850	55,11,050
	TOTAL	**59,72,40,599**	60,13,08,415
2)	**EXPENDITURE**		
	Employee Benefits Expense	1,87,79,774	1,75,26,787
	Finance Costs	94,60,35,566	89,90,24,786
	Depreciation & Amortization expense	9,58,27,144	8,43,04,022
	Operations & Maintenance Expenses	4,27,14,560	3,99,72,480
	Periodic Maintenance Expenses	-	-
	Other Operating Expense	1,00,95,125	8,07,16,557
	Other Expenses	6,62,08,029	5,22,06,450
	TOTAL	**1,17,96,60,198**	**1,17,37,51,082**
3)	**PROFIT / (LOSS) BEFORE TAX**	**(58,24,19,599)**	**(57,24,42,667)**
	Provision for Taxation:		
	- Current Tax		
4)	**PROFIT / (LOSS) AFTER TAX**	**(58,24,19,599)**	**(57,24,42,667)**
	Less: Prior Period adjustments		
	Other Comprehensive Income		
	Re-measurements of the defined benefit Plan		7,10,821
	Total Other Comprehensive income	**(1,40,216)**	**7,10,821**
	Total comprehensive income for the period	**(58,25,59,815)**	**(57,17,31,846)**
5)	**PROFIT / (LOSS) AFTER PRIOR PERIOD ITEMS**		
	Add: Balance brought forward from previous year	**(58,25,59,815)**	**(57,17,31,846)**
6)	**BALANCE CARRIED TO BALANCE SHEET**	**(229,81,71,937)**	**(171,56,12,122)**
	Earnings (Loss) per Share – Basic & Diluted	**(11651.20)**	**(11434.64)**

2. THE YEAR IN RETROSPECT

According to the Concession Agreement, the Company is collecting Toll/User fees from the Appointed Date ie 1st September, 2011 from the existing 4-lane road. The Toll Collections during the construction period, have been Utilised towards the Construction of the Project Highway. The project has achieved Provisional Completion Certificate on 29th May, 2015. The Supplementary Agreement was signed dated 22nd May, 2015. The Construction of the New Toll Plaza A & Toll B has been completed and is fully operational with all the equipment in the current Financial Year. A change of scope award is expected to be awarded by NHAI for the implementation of the Hybrid ETC lanes for all the lanes in Toll A & Toll B. The Electronic Tolling system at Toll A & Toll B is functional for 2 lanes either side at both Toll A & Toll B.

➢ **Brief update on the Operations during the year:**

The current year has been a very crucial year for your company. The Company has collected a toll fee of **Rs. 58,63,99,092/-** for the period 1st April, 2017 to March 31st, 2018 (includes an amount of **Rs. 1,09,37,768/-** received on 30th Oct, 2018 being the 40% of the claim released by NHAI on account of the claim submitted to NHAI for Rs. 4,50,48,398/- (Interest due and O&M expenses for 24 days) for the Loss of Toll Revenue during the demonetization Period ie., from 2nd Nov 2016 to 9th Dec, 2016 as per the circular issued by NHAI dated NHAI/CGM/BOT(FIN02016-17) dated 29.11.2016). NHAI has finalised the claim for Rs. 2,73,44,419/- which is the average toll collections per day during the previous 3 months multiplied by 24 days of the demonetization period. The SPV has initially released an amount of Rs. 1,36,72,210/- on 16th Jan, 2018 being the 50% of the claim. As per the above the SPV has till now received an amount of Rs. 2,46,09,978/- and the balance to be received is Rs. 27,34,441/-.

The company has estimated/projected the toll collections based on the traffic in anticipation of the development of the adjoining and connecting stretches to the Project Highway and the growth rates anticipated as per the planning commission report. NHAI's failure to complete the adjoining roads along the project stretch resulted in significant underperformance in traffic on the project stretch. The actual average daily revenue for the project in FY19 was INR 15.76 Lakhs/day against the estimated INR 42 Lakhs/day as per the Original Financial model.

Due to Lower toll collections the company was and is unable to service the debt and interest obligations towards the lenders. The account is always in SMA2.

➢ Developments to the Adjoining stretches during the Current Financial Year :

(i) The **Stretch of Ghar – Dewas** has been abandoned by the IVRCL. Because of which, the traffic coming from Ahmedabad has abandoned the Indore – Dewas Stretch. Consequently, the toll collections have reduced and the traffic from the west is cut off consequently resulting in low toll revenues.

Total length of the project is 155 kms and works in a length of 139 kms have been completed. The PCOD for the project has been granted in the month of Nov'2018. The 4-lane highway is open for traffic and tolling is being done. Works in a length of 16 kms is balance due to non-receipt of clearance from the forest department for the use of forest land.

(ii) The **Stretch of Gwalior – Shivpuri – Dewas Highway** is totally dilapidated with no maintenance, due to which the entire traffic, which normally passes through Shivapuri –Guna – Shajapur – Dewas, is now taking the alternate route resulting in reduced traffic on the Indore – Dewas Stretch. As NHAI has failed in the execution of the 2-4 laning road from Shivpuri – Dewas, which was initially awarded to GVK in 2011 and was later cancelled and abandoned by them. The entire stretch of 342.26 Kms is in a dilapidated condition and not road worthy for heavy vehicles. The traffic from the north is totally cut off resulting in low toll revenues.

NHAI has now awarded the above works to three Developers on EPC/BOT basis as mentioned below

1. IRCON International Pvt ltd	– Shivpuri – Guna (EPC) (Km 236 to km 332.10).
2. Dilip Buildcon ltd	- Guna - Biaora (BOT) (Km 332.100 to Km 426.100).
3. Oriental Structural Engineers Pvt Ltd	- Biaora - Dewas (BOT) (Km 426.100 to Km 566.450).

The status of the above works is as below:-

(i) **IRCON International Pvt ltd – Shivpuri – Guna (Km 236 to km 332.10)**

The total length of project is 96 kms. The PCOD for the project has been attained on 06/06/18 for 83.6 kms. The 4-lane highway is open for traffic and tolling is being done. The Final COD has also been granted on 05/11/2018.

Balance 12.4 kms is basically Guna bypass, where the toll operations are being done by the earlier agency and their concession period will be completed in the year 2022. After that the same will be handed over to IRCON for 4 laning work under phase-II. Post 2022 IRCON has been awarded the same to make it 4 lane

(ii)**Dilip Buildcon ltd - Guna-Biaora (Km 332.100 to Km 426.100)**

The total project length is 93.05 kms. The works have been completed and PCOD for the project has been obtained 17/06/2018. The 4-lane highway is opened for traffic and tolling is being done. The Final COD has been attained 5/11/2018.

(iii)**Oriental Structural Engineers Pvt Ltd - Biaora-Dewas (Km 426.100 to Km 566.450)**

The total length of project is 141 kms. 80% of the works have been completed PCOD for the project is attained on 30th April 2019. The balance works are expected to be completed by end of 2019.

Gwalior - Shivpuri Highway

Total project length is 125 kms, out of which 6 kms is forest land, hence 119 is to be constructed. As of now, total of 119 kms length has been completed. The PCOD for the project has been granted in the month of Jan'2019. The 4-lane highway is open for traffic and tolling is being done. Works in a length of 6 kms is balanced due to non-receipt of clearance from the forest department for the use of forest land.

Although with the completion of the above stretches there seems to be no immediate substantial increase in the toll revenues which will be sufficient to service the interest and principal obligations to the Lenders as stipulated in the Restructuring package dated 1st July, 2014.

- **Deferment of Premium by NHAI and its review of Annual accounts by NHAI.**

As your are aware, NHAI has approved for the deferment of premium vide their letter dated: 11th June, 2014, whereby the premium payable to NHAI is deferred for 6 years starting from 2013-14 (ie., November 2013 onwards) and will be again reviewed after the 6th year. However the annual review of the premium deferment is being done every year by NHAI. After the review of the Annual accounts for the FY 2014-15 & FY 2015-16, NHAI has served a demand on the SPV for the payment of deferred premium amounting to Rs. 54 crs for both the financial years. NHAI has also completed the review of the

Annual accounts for the FY 2016-17 and has served a demand notice for the payment of deferred premium amounting to Rs. 8.58 crs.

The reasons and the details of the claim are as below :-

As per the terms of the sanction of the Restructuring proposal dated July 2014, an amount of Rs. 39.20 crs had to be kept with the escrow banker for the purpose of Debt service Reserve account over a period of 3 years.

The company has created the above reserve with the Lead Bank ie., Union Bank of India, for which NHAI is having an objection and states that the creation of the reserve is ultra-vies the provisions of the Concession Agreement. The contention of NHAI is that the SPV cannot keep funds in the Reserve account without payment of dues neither to the Lenders nor to NHAI on account of Premium deferred.

The company's contention is that, as the company is a stressed Asset and is not having sufficient cash flows even to remit the outstanding interest and principal Obligation to the Lenders in the FYs 2014-15; 2015-16 & 2016-17, the lenders have sanctioned the revised/ restructured debt repayment schedule with a moratorium of 33 months. The reserve of Rs. 39.20 crs (with accrued interest) can be Utilized only for the payment of debt service obligations towards the Lenders from April 2017. The company has submitted to NHAI that the company is incurring losses every year due to low toll collections and is unable to service even the debt obligations to the lenders regularly. The account is always in SMA2 and hence there is no surplus cash available with the company for the payment of Premium deferred.

However, the Reserve kept in the form of Fixed Deposits with Lenders amounting to Rs. 39.20 crs were redeemed on 26th May, 2017 as per the decision of the Lenders in the consortium meeting dated 19th May, 2017 and the proceeds were utilised for the payment of 25% of the Funded Interest Term Loan proportionately to all the Lenders and the repayment of Term Loan II in full, so as to reduce the interest burden on the SPV. The same is permitted as per Clause 22(xxvi) of the Supplementary Common Rupee Loan Agreement dated 29th June, 2015 which reads as below :

(xxvi) *The Borrower hereby agrees that as per the financial model prepared for restructuring finalised by MITCON/ Capital Fortune, a deposit reserve of Rs.10.00 crores for Financial Year ending 2015, Rs.9.50 crores for Financial Year ending 2016 and Rs.19.70 crores for Financial Year ending 2017 shall be created out of toll collections of the Project which reserve shall not be kept as deposit and shall be adjusted towards prepayment of Loans on an as and when basis in order to reduce the interest liability of the Borrower for the Project.*

The Lead Bank has written to NHAI vide its letter dated 8th January, 2018 vide no IFB/HYD/485A/2018, and explained about the DSRA and has clarified that the demand amount is not possible to be remitted as there is stress in the company and the cash flows are not even sufficient to meet even the Debt service obligations towards the Lenders.

The account is in SMA2 always and the SPV has submitted a proposal to the Lenders for the Restructuring of Debt under S4A scheme. As per the terms of the Approved Restructuring package wef 1st July, 2014, the Principal repayment obligations for Term loan I & Funded Interest Term loan to the lenders had begin from the FY 2017-18 after a moratorium of 33 months.

➢ **Balance EPC works/COS works & Status of the Issuance of the Final Completion certificate :-**

a) The Company has achieved 97.37% of Physical progress of work upto March 2017 and the value of the EPC works completed till now are Rs. 462.99 crs. The Routine Maintenance works are being carried out by the EPC Contractor as per the terms of the Agreement entered with them.

The balance works of approximately Rs. 12 crs cannot be completed due to the delay on the part of NHAI in handing over of ROW as mentioned below. The company has already applied to NHAI, for the deletion of the same from the scope of works and for the issuance of the Final Completion Certificate dated 30.8.2016.

Now after several meetings with NHAI at PIU-Indore, NHAI (HQ) and Commissioner-Indore with respect to the issuance of the Final Completion Certificate, it has been decided by NHAI that the works on account of Balance Service roads, Drains, Toll-B building, minor junction etc., should be completed expeditiously **to the extent for which the land has been recently made available** to the SPV and in places where the **Utilities have been shifted recently**.

The total value of the works to be executed is Rs. 2.78 crores, which are essential to be completed for obtaining the Completion Certificate from NHAI. The EPC Contractor has completed the above works as it was necessary to facilitate the issuance of the Completion Certificate.

b) New change of scope works are completed to the extent of Rs. 34.35 crs upto March 2019 out the total of Rs. 34.96 crs approved by NHAI.

c) For the completion of the works as per the EPC Contract, the ROW has not been handed over by NHAI with respect to the shifting of the main water pipeline (which supplies drinking water to Indore) at Km 12+400, and for widening and reconstruction of box culverts at km 4+930, and so the associated works on approaches, drains, service roads etc are held up due to the above structures. NHAI is unable to shift the water pipe line at Km 12+400 at the Rau circle for the past 6.5 years.

d) Execution of substantial works comprising of a flyover at chainage 12+400, a PUP at 4+930 and other associated miscellaneous works costing approximately Rs.12 crs (which forms part of the EPC cost of Rs. 475 crs) are on hold due to abnormal delay in decision making by NHAI as under.

(i) Flyover @12+400 Main raw water pipeline to Indore passes through the site of flyover. Indore Municipal Corporation objected to construction of flyover. Due to the delay on the part of NHAI in handing over of Right of way, no work on this flyover could commence so far.

(ii) PUP @4+930 Construction of this PUP has been on hold due to non – issuance of change of scope order till date for widening and reconstruction of a box culver that falls under its approach.

(iii) Associated works Associated works on approaches, drains, service roads etc are held up due to structures listed at (a) and (b) above."

The SPV has applied for the Issuance of the final completion letter to the PD, PIU, Indore dated 28.5.2018. The balance punch list items are long completed and further the safety Audit Committee site visit has also been completed successfully.

All the quality tests have been successfully conducted. The final COS has been submitted. The meeting was held with member Technical and the CGM was directed to visit the site which was completed on 23.8.2018.

Recently the Central Roads Research Institute (CRRI) has been appointed by NHAI to Inspection the cracks in the PQC Panels and its remedial measures. The team has completed the Inspection and they have submitted the report to the Independent Consultant and NHAI. However, the % of the damaged PQC panels have been identified to be 0.17% of the total panels in the entire project stretch which is very miniscule.

The SPV is expecting the Final Completion certificate in couple of months' time.

3. FUTURE OUTLOOK

The Company has attained PCC on 29th May, 2015. We are glad to inform that the toll collections have improved from an average of Rs. 13.79 lacs per day in the previous year to Rs. 15.76 lacs per day during the FY 2018-19. The Toll Collections have to further improve to support the debt obligations to the lenders.

The company is expecting the toll revenues to increase gradually from FY 2019-20 to FY: 2021-22 based on the developments in the adjoining stretches ie., Gwalior – Shivpuri - Dewas highway & the Ghar Dewas.

There is an escalation in the cost of the project under the heads of EPC Cost, Interest during construction, Preliminary and Preoperative expenditure due to the delays on the part of NHAI in the declaration of the Appointed date by 9 months, delays in shifting of Utilities, delays in approvals of change of scope works.

The Principal & interest payments in Term Loan I & FITL has started from April 2017 onwards as per the approved Restructuring package. The company has pre-paid 25% of the Funded Interest term loan out of the proceeds of the FDR kept in the form of DSRA to reduce the interest burden on the company. However the Company will not be in a position to pay the Term loan Installments in TL I & FITL for the quarter ended 30th June, 2019 amounting to Rs. 4.41 crs as the toll collections will not be able to support the same. The company has already requested the Lenders to restructure the account as per the 12th February, 2018 circular. The consortium of lenders, have decided to appoint consultants for the TEV study and for conducting the Transaction/Forensic Audit.

The Lenders have discussed and have appointed the following consultants in order to formulate the Resolution Plan.

1) M/s Mott Macdonald : Techno Economic Viability study (TEV).
2) M/s Sagar & Associates, Chartered Accountants: Forensic Audit/Transaction Audit/Toll Audit.

Both the consultants have started their work and are expected to give their report to the lenders by end of April 2019. However the Supreme Court has strike off the 12th Feb 2018 circular vide judgment dated April 4th 2019. However RBI is yet to issue circulars regarding the above judgment. A consortium meeting is expected to be called for in the 1st week of May 2019 to discuss the above.

4. EXTRACT OF ANNUAL RETURN

The Extracts of Annual Return is prepared in Form MGT-9 as per the provisions of the Companies Act, 2013 and Rule 12 of Companies (Management and Administration) Rules, 2014 and the same is enclosed as **Annexure-1.**

5. BOARD MEETINGS

During the year ended 31st March, 2019, Four Board Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

The dates on which the Board meetings were held are 22nd May, 2018, 28th August, 2018, 12th December, 2018 and 26th March, 2019.

Attendance of Directors at the meetings:
The details of the attendance of the Directors at the Board meetings held during the year ended 31st March, 2019.

Name of the Director	Number of Board Meetings	
	Held	Attended
J. Brij Mohan Reddy	4	4
T.V. Sandeep Kumar Reddy	4	4
Ch. Harivithal Rao	4	4
M.V. Narasimha Rao	4	3

Audit Committee Meetings

During the year ended 31st March, 2019, two Audit Committee Meetings were convened and held. The dates on which the Audit Committee meetings were held are 22nd May, 2018 and 25th March, 2019.

Attendance of Directors at the meetings:
The details of the attendance of the Directors at the Audit Committee meetings held during the year ended 31st March, 2019:

Name of the Director	Number of Audit Committee Meetings	
	Held	Attended
M.V. Narasimha Rao	2	1
Ch. Harivithal Rao	2	2
J. Brij Mohan Reddy	2	2

6. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

a. that in the preparation of the annual financial statements for the year ended 31st March, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b. that such accounting policies and applied them consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2019 and of the profit of the Company for the year ended on that date;

c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. that the annual financial statements have been prepared on a going concern basis;

e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.

f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL

There is no change in the Board of Directors of the Company during the Financial Year ending 31st March, 2019.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

8. DECLARATION BY INDEPENDENT DIRECTORS

The independent directors have submitted the declaration of independence, as required pursuant to section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section(6).

9. RE-APPOINTMENTS

Mr. T.V. Sandeep Kumar Reddy, Director of the Company is retiring by rotation and being eligible, offers himself for re-appointment.

10. POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The Nomination and Remuneration (N&R) Committee discusses and decides the appointment of the Board of Directors and their remuneration.

The Committee headed by Mr. M.V. Narasimha Rao as a Chairman and Mr. J. Brij Mohan Reddy and Mr. Ch. Harivithal Rao, members of the Committee.

The Committee meetings are held as and when required by the Company.

11. AUDITORS REPORT

EXPLANATORY NOTES TO THE QUALIFICATIONS IN THE AUDITORS' REPORT

Auditors Qualification

Non Accounting of interest on deferred additional concession fee for the year amounting to Rs. 12,37,35,785/ has resulted in understatement of loss for the year by 12,37,35,785/ and understatement of non-current financial liabilities by the same amount.

Interest on Additional Concession Fees payable to NHAI

The Statutory Auditor has qualified his Audit Report with regard to INDAS, and has mentioned that a provision amounting to Rs. ***12,37,35,785*** has not been provided in the Annual Accounts of the Company. The said amount is on account of Interest on Deferred Additional Concession fees payable to NHAI which is now deferred.

Your Company disagrees with the Statutory Auditor's interpretation and explains the facts as below:

Additional Concession fee has to be paid to National Highways Authority of India as per clause 26.2.1 of the Concession Agreement dated 17th May, 2010. National Highways Authority of India has granted deferment of Additional concession fees payable to them vide their sanction letter dated 11th June, 2014. Interest on the Additional concession fees payable to National Highways Authority of India for the FY 18-19 is not provided in the books of accounts as National Highways Authority of India has deferred the premium payment up to 6 years. The Interest liability on Additional Concession fees is neither accrued nor due until the completion of the 6 years, up to which NHAI has deferred the premium. After the completion of the 6th year, NHAI will review the deferment of premium payment, based on the cash flows available then. The Interest liability accrues and becomes due as and when there are cash flows sufficient for the payment. At the end of the 6th year based on the cash flow position, National Highways Authority of India will review the deferment proposal and may extend the deferment, if the cash flows are not sufficient to meet the debt and O&M obligations.

There is a decline in the Toll collections due to the non-maintenance of the adjoining stretches of the project highway ie., Shivpuri to Dewas & Ghar to Dewas. The development of those stretches were stalled due to issues between the National Highways Authority of India and the developer to whom the projects were awarded. Now Shivpuri - Dewas project has been rewarded on EPC basis to new developers, which are expected to be completed within a period of 3-4 years from now. Till such time the revenues from the Toll collections seem bleak and no surplus cash flows are being expected after debt obligations, so as to pay the Additional Concession fees to National Highways Authority of India or Interest thereon. In view of the total stress in the Funds flow, the management has considered that the liability accrues and becomes due as and when the cash flows are sufficient for the payment as explained above.

12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of contracts or arrangements with the related parties entered during the current Financial Year referred to in Section 188 in the Form **AOC – 2** is annexed herewith as **Annexure-2**.

14. TRANSFER OF AMOUNT TO RESERVES

The Company does not propose to transfer any amount to the general reserve for the Financial Year ended 31st March, 2019.

15. DIVIDEND

The Board of Directors does not recommend any dividend on the Equity Shares for the financial year ended 31st March, 2019.

16. MATERIAL CHANGES AND COMMITMENTS

There has been no material change and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial Statements relate and the date of the report.

There has been no change in the nature of business of the Company.

17.CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information relating to Conservation of Energy, Technology absorption and Foreign Exchange Earnings and Outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with The Companies (Accounts) Rules, 2014 is Nil.

18. STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY –

The source of income for your Company is Toll collections which is completely dependent on the traffic on the highway. There has been a significant decline in the toll collections due to the deteriorating condition of the adjoining roads to the Indore Dewas Highway as mentioned in point no 2 above. The development of the adjoining stretches has already begun and is in progress and the traffic is expected to substantially grow from 2019-20 to 2022-23 (on the expectation of completion of the Guan Bypass at Shivpuri to Guna which connects the traffic from the North as briefed in point no 2). NHAI has approved the deferment for payment of Additional concession fees upto a period of 6 years with an annual review of the Annual accounts.

With the Current toll collections the SPV is still unable to service the interest & principal obligations to the Lenders on monthly basis. The account is always in SMA2. As per the Consortium meeting held dated 2.1.2018 all the Lenders, based on their In principle approvals (Lead Bank sanction letter dated 27.11.2017, PNB email dated 27.12.17) taken from their competent Authorities have decided to declare the reference date in the 1st week of February 2018 **to restructure the asset under the Scheme of sustainable Restructuring of stressed Assets (S4A) as per the RBI circular**. The lenders have also decided to appoint various resolution professionals to conduct the TEV Study and other scheme related works.

But, as per the **RBI Circular dated 12.2.2018** all the existing schemes of restructuring of stressed Assets are cancelled/ repealed. As per the new circular, the banks have to formulate a Resolution plan to revive the stressed Assets and take approval from their respective sanctioning authorities. The SPV is working on the Resolution Plan in consultation with the Lenders.

The Lenders have discussed and have appointed the following consultants in order to formulate the Resolution Plan.

1) M/s Mott Macdonald : Techno Economic Viability study (TEV).
2) M/s Sagar & Associates, Chartered Accountants: Forensic Audit

Both the consultants have started their work and are expected to give their report to the lenders by end of April 2019. However the Supreme court has strike off the 12th Feb 2018 circular vide judgment dated April 4th 2019. However RBI is yet to issue circulars regarding the above Judgment. A consortium meeting is expected to be called for in the last week of April 2019 to discuss the above.

Your Company has also ensured that proper systems are planned, implemented and effectively monitored to ensure that all accounting and financial transactions are properly authorized and recorded, so as to ensure that the financial statements are free from material misstatements.

19. POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON CORPORATE SOCIAL RESPONSIBILITY INITIATIVES TAKEN DURING THE YEAR

The policy developed and implemented by the Company on Corporate Social Responsibility initiatives taken during the year is Nil as the relevant provisions of the Companies Act, 2013 in this regard are not applicable to the Company.

20. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

21. SUBSIDIARY COMPANIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATE COMPANIES

During the Financial Year ending on 31st March 2019, your Company had no subsidiaries and associate Companies.

The names of companies which have become or ceased to be Company's Subsidiaries, joint ventures or associate companies during the year:

During the Financial Year, no company is ceased as Company's Subsidiary, joint venture or associate company.

22. CONSOLIDATED FINANCIAL STATEMENTS

As the Company does not have any subsidiary or associate companies, hence the Consolidated Financial Statements are not applicable.

23. STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ ASSOCIATE COMPANIES/ JOINT VENTURES

As the Company does not have any subsidiary or associate companies, the statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures is not applicable.

24. DEPOSITS

The Company has not accepted any deposits from the public in terms of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

25. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations during the Financial Year 2018-19.

26. STATUTORY AUDITORS

At the Annual General Meeting held on 26th August, 2015, M/s. Gianender & Associates, Chartered Accountants, New Delhi bearing ICAI Regn. No. 004661N, were appointed as statutory auditors of the

Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2020.

27. PARTICULARS OF EMPLOYEES

There are no employees in the Company who are drawing prescribed salary pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

28. VIGIL MECHANISM

The Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any. The details of the Vigil Mechanism Policy are available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company.

29. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Your Company has ensured that appropriate policies and procedures are adopted for ensuring orderly and efficient conduct of the business, including adherence to Company's policies, the safeguarding of its assets, prevention and detection of fraud and error, the accuracy and completeness of accounting records, and the timely preparation of reliable financial information.

30. SECRETARIAL AUDITOR

As per Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 every listed entity and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice, in such form as may be specified with effect from the year ended 31st March, 2019.

Your Company being a material subsidiary of the listed Company i.e. Gayatri Highways Limited, hence the Company has appointed Mr. C.N. Kranthi Kumar, Practicing Company Secretary, as a Secretarial Auditor for the Financial Year 2018-19 to comply with the Regulation 24A of SEBI (LODR) Regulations, 2015.

Secretarial Audit Report issued by the Mr. C.N. Kranthi Kumar, Practising Company Secretary is attached as **Annexure-3**.

31. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Your Company lays emphasis on competence and commitment of its human capital recognizing its pivotal role for organizational growth.

During the year, the Company maintained a record of peaceful employee relations. Your Directors wish to place on record their appreciation for the commitment shown by the employees throughout the year.

32. ACKNOWLEDGEMENTS

Your Directors express their appreciation to the Company's Bankers, Statutory Auditors, Customers, Consultants and Members for their constant help, co-operation and support.

For and on behalf of the Board

	J. BRIJ MOHAN REDDY	**T.V. SANDEEP KUMAR REDDY**
Place: **Hyderabad**	**Director**	**Director**
Date: **26th April, 2019**	**DIN:00012927**	**DIN:00005573**

Form No. MGT-9 **Annexure-1**

EXTRACT OF ANNUAL RETURN
as on the financial year ended 31.03.2019
[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:	
CIN	U45200TG2010PLC068238
Registration Date	04/05/2010
Name of the Company	INDORE DEWAS TOLLWAYS LIMITED
Category / Sub-Category of the Company	Company Limited by Shares/ Indian Non Government Company
Address of the Registered Office and contact details	6-3-1090, B-1, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad - 500082, Telangana. E Mail: ghl@gayatrihighways.com, Tel: 040-23310330
Whether listed company	Unlisted
Name, address and contact details of Registrar and Transfer Agent, if any	BIGSHARE SERVICES PVT. LTD. Branch Office: 306, Right Wing, Amrutha Ville, Opp, Yasodha Hospital, Rajbhavan Road, Somajiguda, Hyderabad - 500082, Telangana. E Mail: bsshyd@bigshareonline.com, Tel: 040- 2337 4967

II. Principal Business Activities of the Company			
All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:			
Sl. No.	**Name and Description of main products / services**	**NIC Code of the Product/ service**	**% to total turnover of the company**
1	Construction of Roads	42101	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -					
Sl. No.	**Name and address of the Company**	**CIN/GLN**	**Holding/ Subsidiary/ Associate**	**% of shares held**	**Applicable Section**
1	Gayatri Highways Limited	L45100TG2006PLC052146	Holding	66.64	2(46)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	-	15	15	0.02	-	15	15	0.02	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	33,320	16,660	49,980	99.96	33,320	16,660	49,980	99.96	0
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other….	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1):	**33,320**	**16,675**	**49,995**	**99.98**	**33,320**	**16,675**	**49,995**	**99.98**	**0**
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other….	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2):	**-**	**0**	**0**	**0**	**-**	**0**	**0**	**0**	**0**
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	**33,320**	**16,675**	**49,995**	**99.98**	**33,320**	**16,675**	**49,995**	**99.98**	**0**
B. Public Shareholding									
(1) Institutions									
-a) Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1):	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	5	5	0.02	-	5	5	0.02	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2):	**0**	**5**	**0.02**	**-**	**0**	**5**	**5**	**0.02**	**0**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**0**	**5**	**0.02**	**-**	**0**	**5**	**5**	**0.02**	**0**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**33,320**	**16,680**	**50,000**	**100**	**33,320**	**16,680**	**50,000**	**100**	**0**

ii) Shareholding of Promoters

S. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Balaji Highways Holding Private Limited	16,660	33.32	-	16,660	33.32	-	-
2	Gayatri Highways Limited	33,320	66.64	100	33,320	66.64	100	-
3	Mr. T. V. Sandeep Kumar Reddy	5	0.01	-	5	0.01	-	-
4	Mr. J. Brij Mohan Reddy	5	0.01	-	5	0.01	-	-
5	Mr. T. Rajiv Reddy	3	0.01	-	3	0.01	-	-
6	Ms. T. Indira Reddy	2	0.01	-	2	0.01	-	-
Total		**49,995**	**99.99**	**66.64**	**49,995**	**99.99**	**66.64**	-

*As per the NCLT order dated 3rd November, 2017 of Composite Scheme of Arrangement between Gayatri Projects Ltd, Gayatri Infra Ventures Ltd and Gayatri Highways Ltd (Formerly Gayatri Domicile Pvt. Ltd), all the investments held by Gayatri Infra Ventures Ltd and Gayatri Projects Limited has been transferred to Gayatri Highways Ltd.

iii) Change in Promoters' Shareholding (Please specify, if there is no change)

S. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	49995	99.99		
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
	At the end of the year	49995	99.99	-	-

iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	5	0.01	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	5	0.01	-	-

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	10	0.02	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	10	0.02	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Rs. in Crores

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	591.45 0.53	70.25		661.70 0.53
Total (i+ii+iii)	591.98	70.25		662.23
Change in Indebtedness during the financial year				
Addition	19.13			19.13
Reduction	41.92			41.92
Net Change	(22.79)			(22.79)
Indebtedness at the end of the financial year	569.19			569.19
i) Principal Amount	550.07	70.25		620.31
ii) Interest due but not paid	19.13			19.13
iii) Interest accrued but not due				
Total (i+ii+iii)	569.20	70.25		639.44

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
1.	Gross Salary	-	-	-
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-	-
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	--
4.	Commission	-	-	-
	as % of profit	-	-	-
	others, specify…	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	-	-	-
	Ceiling as per the Act	-	-	-

B. Remuneration to other directors:

1. Independent Directors

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Mr. Ch. Harivithal Rao	Mr. M.V. Narasimha Rao	
	-Fee for attending Board/Committee Meetings	**Rs. 22,975/-**	**Rs. 22,975/-**	**Rs. 45,950/-**
	-Commission	-	-	-
	- Others, please specify	-	-	-
	Total (B)(1)	**Rs. 22,975/-**	**Rs. 22,975/-**	**Rs. 45,950/-**

2. Other Non Executive Directors

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
	-Fee for attending Board/Committee Meetings	-	-	-
	-Commission	-	-	-
	- Others, please specify	-	-	-
	Total (B)(2)	-	-	-
	Total (B)= (B)(1)+ (B)(2)	**Rs.22,975/-**	**Rs.22,975/-**	**Rs.45,950/-**

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	**Gross salary**	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	as % of profit	-	-	-	-
	others, specify…	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	-	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: -N.A.-

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board

J. BRIJ MOHAN REDDY
Director
DIN:00012927

T.V. SANDEEP KUMAR REDDY
Director
DIN:00005573

Place: **Hyderabad**
Date: **26th April, 2019**

ANNEXURE-2

Form No. AOC-2

(Pursuant to *clause (h) of sub-section (3)of section 134 of the Act and* Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

(a) Name(s) of the related party and nature of relationship	NIL
(b) Nature of contracts/arrangements/transactions	
(c) Duration of the contracts / arrangements/transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
(e) Justification for entering into such contracts or arrangements or transactions	
(f) date(s) of approval by the Board	
(g) Amount paid as advances, if any:	
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

2. Details of material contracts or arrangement or transactions at arm's length basis

(a) Name(s) of the related party and nature of relationship	During the year, no material contracts or arrangements have been entered into by the Company.
(b) Nature of contracts/arrangements/transactions	NIL
(c) Duration of the contracts / arrangements/transactions	NIL
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	NIL
(e) Date(s) of approval by the Board, if any:	NIL
(f) Amount paid as advances, if any:	NIL

For and on behalf of the Board

J. BRIJ MOHAN REDDY
Director
DIN:00012927

T.V. SANDEEP KUMAR REDDY
Director
DIN:00005573

Place: **Hyderabad**

Date: **26th April, 2019**

C.N.KRANTHI KUMAR
FCS
Company Secretary in Practice

Cell Phone: +91 - 76 75 00 11 22
E-mail: kranthisarkar369@gmail.com

ACCOUNTABILITY & TRANSPARENCY

FORM NO MR - 3
Secretarial Audit Report
for the financial year ended 31st March, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members
Indore Dewas Tollways Limited,
6-3-1090, B-1, TSR Towers, RajBhavan Road,
Somajiguda, Hyderabad -500082, Telangana.

I have conducted the Secretarial Audit for compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Indore Dewas Tollways Limited,** CIN: U45200TG2010PLC068238 (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records [as provided to me] maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period ended on 31st March, 2019 (hereinafter called the "Audit Period" starting from 01/04/2018 to 31/03/2019) complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

COMPANY SECRETARY IN PRACTICE C.N. KRANTHI KUMAR

C.N.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the audit period according to the provisions of:

I. The Companies Act, 2013 (**'the Act'**) (as amended from time to time) and the rules made there under;

II. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) (as amended from time to time) and the rules made thereunder;

III. The Depositories Act, 1996 (as amended from time to time) and the regulations and bye-laws framed there under;

IV. Foreign Exchange Management Act, 1999 (as amended from time to time) and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) to the extent applicable to the Company (as amended from time to time) :-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009; and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

COMPANY SECRETARY IN PRACTICE C.N. KRANTHI KUMAR

C.N.

I have also examined compliance with the applicable clauses of the following:

i. Secretarial Standards issued by The Institute of Company Secretaries of India as notified from time to time;

ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

iii. The Other laws specifically applicable to the Company;

iv. Adequate systems and processes for compliance with labour laws, competition law, and environmental laws;

v. Board structures / systems and processes; and

vi. Memorandum and Articles of Association.

I report that, during the audit period under review, in my opinion, the following provisions are not applicable to the Company:

- Foreign Exchange Management Act, 1999 (as amended from time to time) and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; and

- The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 specified in Point V (a) to (h) above.

I report that, during the audit period under review, the Company has, in my opinion :

- Complied with the provisions of The Companies Act, 2013 (as amended) and the rules made there under to the extent applicable;

- Complied with the provisions of The Securities Contracts (Regulation) Act, 1956 (as amended) and the rules made thereunder to the extent applicable;

- Complied with the provisions of The Depositories Act, 1996 (as amended) and the regulations and bye-laws framed there under to the extent applicable;

- Complied with the provisions of the Secretarial Standards issued by The Institute of Company Secretaries of India as notified from time to time;

- Complied with The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [to the extent applicable];

COMPANY SECRETARY IN PRACTICE
C.N. KRANTHI KUMAR

- Complied with Other specific applicable laws to the Company to the extent applicable;

- Complied with the provisions of the Memorandum and Articles of Association of the Company;

- Given adequate notice to all directors to schedule the Board Meetings, sent agenda and detailed notes on agenda at least seven days and there exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- All decisions at Board Meetings and Committee Meetings were carried out with majority and were recorded in the minutes of the meeting of the Board of Directors or Committee of the Board as the case may be, and there were no dissenting decisions to be recorded.

- There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report, that during the audit period under review, the Company has, in my opinion:

- Has no specific events / actions having a major bearing on the Company's affairs in pursuance of the above laws, rules, regulations, guidelines, standards, etc. referred to above.

- Has no cases of fraud which are required to be reported pursuant to provisions of section 143 read with section 447 of the Companies Act, 2013 and the rules made there under.

COMPANY SECRETARY IN PRACTICE
C.N.
KRANTHI
KUMAR

Date : 23/04/2019
Place: Hyderabad

C.N.Kranthi Kumar
Company Secretary in Practice
FCS No.9255, CP No.13889

Note: This report is to be read with my letter of even date which is annexed as Annexure-A and forms as integral part of this report.

C.N.KRANTHI KUMAR
FCS
Company Secretary in Practice

Cell Phone: +91 - 76 75 00 11 22
E-mail: kranthisarkar369@gmail.com

A C C O U N T A B I L I T Y & T R A N S P A R E N C Y

ANNEXURE - 'A'

To

The Members
Indore Dewas Tollways Limited,
6-3-1090, B - 1, TSR Towers, RajBhavan Road,
Somajiguda, Hyderabad -500082, Telangana.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of **Indore Dewas Tollways Limited** (the "Company"). My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records with best possible care, reasonable skill and due diligence.

3. The verification was done on sample basis / test basis / random basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices that I have followed [based on guiding principles] has provided a reasonable basis for my opinion.

4. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.

5. Where ever required, I have obtained the management representation about the compliance of laws, rules, regulations, guidelines and happening of events, etc.

6. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on sample / test / random basis.

7. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

COMPANY SECRETARY IN PRACTICE
C.N. KRANTHI KUMAR

C.N.Kranthi Kumar
Company Secretary in Practice
FCS No.9255, CP No.13889

Date : 23/04/2019
Place: Hyderabad

Flat No. 402, 4th Floor, Maruti Raghavendra Nilayam, H.No. 1-8-7/3,
Street No.13, Chikkadpally, Hyderabad - 500 020, Telangana.

INDEPENDENT AUDITOR'S REPORT

To the Members of
INDORE DEWAS TOLLWAYS LIMITED

Report on the audit of the Standalone Ind AS Financial Statements

Qualified Opinion

We have audited the Standalone Ind AS financial statements of **INDORE DEWAS TOLLWAYS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019 and the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, **except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report**, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its loss, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

Non Accounting of interest on deferred additional concession fee (deferred premium) amounting to Rs. 42,84,87,155/- resulted in understatement of cumulative loss by Rs. 42,84,87,155 (for the year Rs. 16,75,42,874/-) and understatement of liabilities by the same amount .

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS 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 together with the ethical requirements that are relevant to our audit of the Standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 12(b) in the financial statements, which indicates that the Company incurred a cumulative net loss of Rs. 2,29,81,71,937 upto March 31st, 2019 resulting in negative net-worth of the Company. These events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, as stated in Note 46, it has been represented by the management that the company's net worth has eroded primarily due to high amortization , high interest on term loans and high deferred premium liability. The Management expects that the Company's revenue for the subsequent financial years will be sufficient to meet the expenditure and recoup the losses incurred thereby strengthening the financial position of the Company and the company will be able to discharge all its obligations in foreseeable future and therefore going concern assumption is appropriate for preparation of financial statements

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Our opinion is not modified in respect of this matter.

Information Other than the Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our 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.

Responsibility of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

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

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 it 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

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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 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 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss, the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

g) The company has paid remunerations to directors which is in conformity with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The company does not have any pending litigations which would impact its financial position except those disclosed in financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Gianender & Associates
Chartered Accountants
(Firm's Registration No. 004661N)

GIANENDER & ASSOCIATES
NEW DELHI
Chartered Accountants

Jeetender Kumar Gupta
(Partner)
(M No. 092547)

Place: New Delhi
Date : 26/4/19

Annexure 'A' to the Independent Auditor's Report of INDORE DEWAS TOLLWAYS LIMITED for the Year ended as on 31st March 2019

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report on even date:-

i. a. The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

b. The Fixed Assets have been physically verified by the Management at regular Intervals and no material discrepancies were noticed on such verification.

c. The title deeds of immovable properties are held in the name of the company.

ii. As the company is engaged in the business of infrastructure development, operations and its maintenance and there is no inventory in hand at any point of time, hence 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, limited liabilities partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, reporting under clause (a) to (c) of Para 3(iii) are not applicable.

iv. The Company has not entered into any transaction in respect of loans, investments, guarantee and securities, which attracts compliance to the provisions of the sections 185 and 186 of the Companies Act, 2013. Therefore the paragraph 3(iv) of the Order is not applicable to the company.

v. The Company has not accepted deposits and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the Company.

vi. The Company is prima-facie maintaining the cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

vii. a. According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has been generally regular in depositing undisputed statutory dues including provident fund, employee state insurance, income tax, service tax, value added tax, cess and other statutory dues during the year with the appropriate authorities. As on 31st March 2019, there are no undisputed statutory dues payables for period exceeding for a period more than six month from the date they become payable.

b. According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues which have not been deposited on account of dispute.

viii. The company has taken term loans from various banks and a financial institution. During the year, the company has defaulted in payment of interest on borrowings to the banks & financial institute as per the details given below .The Company has not taken any loans or borrowings from Government and has not issued any debentures during the year.

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Particulars	Banks	Financial Institutions
Interest for the month of January 19	2,73,38,586	87,70,923
Interest for the month of February 19	2,74,85,104	79,19,205
Interest for the month of March 19	3,05,32,365	87,59,858
Total	**8,53,56,055**	**2,54,49,986**

ix. Money raised by way of term loans were applied for the purpose for which it was raised. The Company has not raised money by way of initial public offer or further public offer.

x. According to the information and explanation given to us by the management which have been relied by us, there were no frauds on or by the company noticed or reported during the period under audit.

xi. The company has not paid managerial remuneration, hence paragraph 3(xi) of the order is not applicable to the company.

xii. The Company is not a Nidhi Company and hence clause3 (xii) of the Companies (Auditor's Report) Order 2016 is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Standalone Ind AS financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Gianender & Associates
Chartered Accountants
(Firm's Registration No. 004661N)

GIANENDER & ASSOCIATES
NEW DELHI
Chartered Accountants

Jeetender Kumar Gupta
(Partner)
(M No. 092547)

Place: New Delhi
Date: 26/4/19

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in our Report of even date)

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 **INDORE DEWAS TOLLWAYS LIMITED** ("the Company") as of March 31, 2019 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 (the "Guidance Note"). 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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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.

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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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Gianender & Associates
Chartered Accountants
(Firm's Registration No. 004661N)

GIANENDER & ASSOCIATES NEW DELHI Chartered Accountants

Jeetender Kumar Gupta
(Partner)
(M No. 092547)

Place: New Delhi
Date : 26/4/19

INDORE DEWAS TOLLWAYS LIMITED

Notes to financial statements for the Year ended 31st March 2019.

1. Corporate Information

M/s Indore Dewas Tollways Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is a Special Purpose Vehicle (SPV) for execution of the project " Six Laning of Indore-Dewas section of NH 3 from KM 577.550 to KM 610.00 and KM 0.000 to KM 12.600 (Approx. length 45.05 KM) in the state of Madhya Pradesh under NHDP Phase-V to be executed as BOT (Toll) project on Design, Build, Finance, Operate and Transfer "DBFOT" pattern. The company has entered into a Concession Agreement with National Highways Authority of India, which specifies a two and half year of construction period and twenty two and half years of operation & maintenance period. The Company achieved the Provisional Completion Certificate w.e.f. 29th May, 2015.

2. Significant Accounting Policies

2.01 Basis of preparation

(a) Compliance with IndAS

The Company's financial statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(b) Basis of measurement

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

Items	Measurement basis
Certain Financial Assets and Liabilities	Fair Value
Net Defined Benefit (Asset)/Liability	Fair Value of Plan Assets (if any) less Present Value of Defined Benefit Obligations
Assets Held for Sale	Fair Value less Costs to Sell

(c) Use of Estimates and Judgements

The preparation of these Financial Statements in conformity with IndAS requires the management to make estimates and assumptions considered in the reported amounts of Assets, Liabilities (including contingent liabilities), Income and Expenses. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ due to these estimates and the differences between the actual results and the estimates

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are recognised in the periods in which the results are known / materialize. Estimates include the useful lives of Property Plant and Equipment and Intangible Fixed Assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, provisions for resurfacing obligations, fair value measurement etc.

(d) Measurement of fair values

A number of the accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities. Fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- **Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that entity can access at measurement date
- **Level 2** inputs other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- **Level 3** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.02 Presentation of Financial Statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in Schedule III to the Companies Act, 2013 ("the Act"). The Cash Flow Statement has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards.

2.03 Revenue recognition

The Company has adopted Ind AS 115 " Revenue from Contracts with Customers " with the date of initial application being April 1, 2018. Ind AS 115, revenue from contracts with customers, mandatory for reporting period beginning on or after April 1, 2018 replaced existing revenue recognition requirements i.e Ind AS 18 Revenue Recognition and Ind AS 11 Construction Contracts. There were no significant adjustments required to the retained earnings as on April 1, 2018.

Accordingly, the policy for Revenue is amended as under:

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The Company derives revenue primarily from toll collection and other miscellaneous construction contracts.Toll collections from the users of the infrastructure facility constructed by the Company under the Service Concession Arrangement is accounted for based on completion of the performance obligation which largely coincides with actual toll collection from the user. Revenue from sale of smart cards is accounted on recharge basis. To recognize revenue, the Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligation in the contract, and (5) recognize revenue when a performance obligation is satisfied.

At contract inception, the Company assesses its promise to transfer services to a customer to identify separate performance obligations.. The Company applies judgment to determine whether each service promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised services are combined and accounted as a single performance obligation. For performance obligations where control is transferred over time, revenue are recognized by measuring progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the services to be provided. The method for recognizing revenues and cost depends on the nature of the services rendered.

a) Toll collections from the users of the infrastructure facility constructed by the Company under the Service Concession Arrangement is accounted for based on completion of the performance obligation which largely coincides with actual toll collection from the user. Revenue from sale of smart cards is accounted on recharge basis.

b) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable rate.

c) Fair value gains on current investments carried at fair value are included in other income.

d) Dividend income is recognised when the right to receive the same is established by the reporting date.

e) Insurance and other claims are recognized as revenue on virtual certainty of receipt basis.

f) Dividend income is recognized when the right to receive is established. Other items of income are accounted as and when the right to receive arises and recovery is certain.

2.04 Cash and bank balances

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term highly liquid investments being not free from more than insignificant risk of change

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are not included as part of cash and cash equivalents. Bank overdrafts which are part of the cash management process is included as part of cash and cash equivalents.

2.05 Cash flow statement

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit/(loss) is adjusted for the effects of:

(a) transactions of a non-cash nature;
(b) any deferrals or accruals of past or future operating cash receipts or payments and,
(c) all other items of income or expense associated with investing or financing cash flows.

The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. Cash and cash equivalents (including bank balances) are reflected as such in the Cash Flow Statement. Those cash and cash equivalents which are not available for general use as on the date of Balance Sheet are also included under this category with a specific disclosure.

2.06 Current & Non Current classification :

Current Asset :

An asset shall be classified as current when it satisfies any of the following criteria:

(a) it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
(b) it is held primarily for the purpose of being traded.
(c) It is expected to be realized within twelve months after the reporting date, or
(d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.
All other assets shall be classified as non-current.

Current Liabilities:

A liability shall be classified as current when it satisfies any of the following criteria:

(a) it is expected to be settled in the company's normal operating cycle;
(b) it is held primarily for the purpose of being traded;
(c) it is due to be settled within twelve months after the reporting date : or
(d) the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could at the option of the counterparty, result in its settlement by the issue of equity instruments do not effect its classification. All other liabilities shall be classified as non-current.

2.07 Property, plant and equipment (PPE)

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Property, plant and equipment are stated at historical cost less accumulated depreciation and cumulative impairment. Historical cost includes expenditure that is directly attributable to acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. Cost includes expenditure that is directly attributable and for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Depreciation on assets has been provided on Straight line basis at the useful lives specified in the Schedule II of the Companies Act, 2013. Depreciation on additions/ deductions is calculated pro- rata from/ to the month of additions/ deductions.

An item of property, plant and equipment is derecognised upon disposal. Any gain or loss arising on the disposal of an item of property plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement or profit and loss.

For transition to IndAS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as of April 01, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost on the transition date.

Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

2.08 Intangible assets

a) Rights under Service Concession Arrangements

Intangible assets are recognised when it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment.

b) Toll Projects (Right to charge users)

Toll collection rights obtained in consideration for rendering construction services, represent the right to collect toll revenue from the users of the public service (road) during the concession period in respect of Build-Operate-Transfer ("BOT") project undertaken by the Company. Toll collection rights are capitalized as intangible assets upon completion of the project at the cumulative construction costs plus the present value of obligation towards

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negative grants and additional concession fee payable to National Highways Authority of India ("NHAI")/State authorities, if any. Till the completion of the project, the same is recognised under intangible assets under development.

The cost incurred for work beyond the original scope per Concession agreement (normally referred as "Change of Scope") is capitalized as intangible asset under development as and when incurred. Reimbursement in respect of such amounts from NHAI/State authorities are reduced from the carrying amount intangible assets to the extent of actual receipts for Change of scope works done upto the date of capitalization. However post issuance of PCC, all the Change of scope works income and expenditure is taken to the Profit and loss account.

Extension of concession period by the authority in compensation of claims made are capitalised as part of Toll Collection Rights at the time of admission of the claim or when there is a contractual right to extension at the estimated amount of claims admitted or computed based on average collections whichever is more evident.

Any Viability Gap Funding (VGF) in the form of equity support in connection with project construction is accounted as a receivable and is adjusted to the extent of actual receipts. The toll collections received during the construction period have been adjusted to the carraigeways on the date of Capitalization of the Asset.

Pre-operative expenses including administrative and other general overhead expenses that are directly attributable to the development or acquisition of intangible assets are allocated and capitalized as part of cost of the intangible assets.

Intangible assets that are not ready for the intended use on the date of the Balance Sheet are disclosed as "Intangible assets under development".

For transition to IndAS, the Company has elected to continue with the carrying value of all its Intangible Assets, recognised as of April 01, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost on the transition date.

Amortisation of intangible assets

Toll collection rights in respect of road projects are amortized over the period of concession using the revenue based amortisation method prescribed under Schedule II to the Companies Act, 2013. Under the revenue based method, amortisation is provided based on proportion of actual revenue earned till the end of the year to the total projected revenue from the intangible asset expected to be earned over the concession period. Total projected revenue is reviewed at the end of each financial year and is adjusted to reflect the changes in earlier estimate vis-a-vis the actual revenue earned till the end of the year so that the whole of the cost of the intangible asset is amortised over the concession period.

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For transition(01/04/2016) to IndAS, the Company has availed the option(under para D22 of Ind As 101) to continue with the Revenue based amortisation method prescribed under Schedule II to the Companies Act, 2013 for toll collection rights recognised under service concession arrangements recognised for the period ending immediately before the beginning of the first IndAS reporting period(i.e. 31/03/2017) as per the previous Indian GAAP.

2.09 Borrowing costs

Borrowing costs include interest calculated using the effective interest method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Consolidated Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilized for acquisition, construction or production of qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalization of such asset are added to the cost of the assets. Capitalization of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

2.10 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.11 Income taxes

The income tax expense or credit for the year is the tax payable on current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets

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NEW DELHI
Chartered Accountants

and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates, positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the entity will pay normal income tax. Accordingly, MAT is recognised as an asset when it is highly probable that future economic benefit associated with it will flow to the entity.

Deferred income tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However deferred income tax is not accounted if it arises from the initial recognition of an asset or liability that at the time of the transaction affects neither the accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset/liability is realised or settled.

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

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity wherein the related tax is also recognised in other comprehensive income or directly in equity.

2.12 Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

(a) an intangible asset that is not yet available for use; and

(b) an intangible asset that is amortized over a period exceeding ten years from the date when the asset is available for use.

If the carrying value of the asset exceeds the estimated recoverable amount, impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case

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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 higher of the fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset for which the estimated future cash flows have not been adjusted.

When there is indication that an impairment loss recognised 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 recognised 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 recognised.

2.13 Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation (legal or constructive) 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.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognsied as an asset if it is virtually certain that the reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are disclosed in notes in case of a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation or a present obligation arising from past events, when no reliable estimate is possible. Contingent assets are disclosed in the financial statements where an in flow of economic benefits are probable.

2.14 Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from

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NEW DELHI
Chartered Accountants

the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

a) **Financial Assets**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

Investments in debt instruments that meet the following conditions are subsequently measured at amortised cost (unless the same are designated as fair value through profit or loss (FVTPL)):

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (unless the same are designated as fair value through profit or loss)

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

Debt instruments at FVTPL is a residual category for debt instruments and all changes are recognised in profit or loss.

Investments in equity instruments are classified as FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in OCI for equity instruments which are not held for trading.

Interest income, dividend income and exchange difference (on debt instrument) on FVTOCI debt instruments is recognised in profit or loss and other changes in fair value are recognised in OCI and accumulated in other equity. On disposal of debt instruments FVTOCI the cumulative gain or loss previously accumulated in other equity is reclassified to profit & loss. However in case of equity instruments at FVTOCI cumulative gain or loss is not reclassified to profit & loss on disposal of investments.

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b) **Financial Liabilities**

Financial liabilities are classified at initial recognition, as financial liabilities as fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Loans and borrowings are subsequently measured at amortised costs using Effective Interest Rate method.

Financial liabilities at fair value through profit or loss (FVTPL) are subsequently measured at fair value.

Financial guarantee contracts are subsequently measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

c) **Impairment of financial assets (Expected Credit Loss Model)**

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset and financial guarantees not designated at FVTPL

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract/agreement and all the cash flows that the Company expects to receive (i.e.. all cash shortfalls), discounted at the original effective interest rate. The Company estimates cash flows by considering all contractual terms of the financial instrument, through the expected life of the financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the life-time expected credit losses if the credit risk on that financial instrument has increase significantly since initial recognition. If the credit risk has not increased significantly, the Company measures the loss allowance at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the life-time cash shortfalls that will result if the default occurs within 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

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When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of a change in the amount of the expected credit loss. To achieve that, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

2.15 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

2.16 Claims

Claims against the Company not acknowledged as debts are disclosed under contingent liabilities. Claims made by the company are recognised as and when the same is approved by the respective authorities with whom the claim is lodged.

2.17 Commitments

Commitments are future liabilities for contractual expenditure. Commitments are classified and disclosed as follows:

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for

(ii) Uncalled liability on shares and other investments partly paid

(iii) Funding related commitment to subsidiary, associate and joint venture companies and

(iv) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

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NEW DELHI
Chartered Accountants

2.18 Employee Benefit

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

Provisions for/contributions to retirement benefit schemes are made as follow as per Indian Accounting Standard (Ind AS) – 19, "Employee Benefits:

a) Provident fund on actual liability basis

b) Gratuity based on actuarial valuation

c) The company is not having the policy of Leave encashment benefit to its employees

and hence there is no provision.

For and on behalf of the Board

As per our report attached
For Gianender & Associates
Chartered Accountants
Firm's Registration No: 004661N

GIANENDER & ASSOCIATES
NEW DELHI
Chartered Accountants

Jeetender Kumar Gupta
Partner
Membership No. 092547
Place: New Delhi
Date: 26th April, 2019

J Brij Mohan Reddy
Director
DIN No 00012927

T V Sandeep Kumar Reddy
Director
DIN No 00005573

INDORE DEWAS TOLLWAYS LIMITED

Balance Sheet as at March 31, 2019

(All amounts in ₹unless otherwise stated)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current Assets			
Property, plant and equipment	3	15,12,648	17,82,309
Capital work-in-progress			
Investment Property	5	3,08,910	3,08,910
Intangible assets			
(i) under SCA	4	8,14,69,09,473	8,24,24,66,957
(ii) others			
Intangible assets under development		-	-
Other Non-Current Assets	6	7,78,197	7,78,197
Total Non-current Assets		**8,14,95,09,228**	**8,24,53,36,372**
Current Assets			
Financial assets			
(i) Cash and Cash equivalents	7	1,67,16,495	67,05,495
(ii) Other Bank Balance	7	-	-
(iii) Other Financial Assets	8	3,62,313	4,78,613
Tax assets			
Current tax assets (Net)	9	1,39,40,843	1,41,93,198
Other Current Assets	10	70,11,889	55,11,169
Assets classified as held for sale			
Total Current Assets		**3,80,31,540**	**2,68,88,475**
Total Assets		8,18,75,40,768	8,27,22,24,847
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	5,00,000	5,00,000
Instrument entirely Equity in Nature	12	70,25,00,000	70,25,00,000
Other Equity	12	(2,29,81,71,937)	(1,71,56,12,122)
Total Equity		**(1,59,51,71,937)**	**(1,01,26,12,122)**
LIABILITIES			
Non-current Liabilities			
Financial Liabilities			
(i) Long-term borrowings	13	9,42,73,78,907	9,11,01,86,767
(ii)Other financial liabilities	14	3,04,45,850	3,04,45,850
Provisions	15	17,10,200	12,53,878
Total Non-current Liabilities		**9,45,95,34,957**	**9,14,18,86,495**
Current liabilities			
Financial liabilities			
Other financial liabilities	16	32,01,47,331	13,89,21,188
Provisions	17	10,02,355	4,17,186
Other current liabilities	18	20,28,062	36,12,100
Total Current Liabilities		**32,31,77,748**	**14,29,50,474**
Total Liabilities		**9,78,27,12,705**	**9,28,48,36,970**
Total Equity and Liabilities		**8,18,75,40,768**	**8,27,22,24,847**

The accompanying notes form an integral part of the financial statements.

This is the Balance Sheet referred to in our report of even date.

For Gianender & Associates
Chartered Accountants
Firm's registration no. 004661N

GIANENDER & ASSOCIATES NEW DELHI Chartered Accountants

Jeetender Kumar Gupta
Partner
Membership No :092547
Place: New Delhi
Date: 26th April, 2019

For and on behalf of the Board

J Brij Mohan Reddy
Director
DIN No 00012927

T V Sandeep Kumar Reddy
Director
DIN No 00005573

INDORE DEWAS TOLLWAYS LIMITED

Statement of Profit and Loss for the Period ended 31st March 2019

(All amounts in ₹unless otherwise stated)

Particulars	Notes	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Revenue from Operations	19	58,63,99,092	51,49,66,329
Other Operating Income	20	1,02,58,657	8,08,31,036
Other Income	21	5,82,850	55,11,050
Total Income		**59,72,40,599**	**60,13,08,415**
Expenses			
Operation & Maintenance Expenses	22	4,27,14,560	3,99,72,480
Other Operating Expenses	22	1,00,95,125	8,07,16,557
Employee Benefits Expenses	23	1,87,79,774	1,75,26,787
Finance Costs	24	94,60,35,566	89,90,24,786
Depreciation and Amortisation Expenses	25	9,58,27,144	8,43,04,022
Other Expenses	26	6,62,08,029	5,22,06,450
Total expenses		**1,17,96,60,198**	**1,17,37,51,082**
Profit before exceptional items and tax		**(58,24,19,599)**	**(57,24,42,667)**
Add: Exceptional items			
Profit before tax		**(58,24,19,599)**	**(57,24,42,667)**
Less: Tax expense			
(1) Current tax			
(2) MAT credit entitlement			
(2) Deferred tax			
Profit for the period		**(58,24,19,599)**	**(57,24,42,667)**
Other Comprehensive Income			
Remeasurements of the defined benefit plans		(1,40,216)	7,10,821
Total other comprehensive income		**(1,40,216)**	**7,10,821**
Total comprehensive income for the period		**(58,25,59,815)**	**(57,17,31,846)**
Earnings per share (Face Value `10/- per share) Not annualised :			
(1) Basic (in `.)	40	(11,651.20)	(11,434.64)
(2) Diluted (in `.)	40	(11,651.20)	(11,434.64)

The accompanying notes form an integral part of the financial statements.

This is the Statement of Profit and Loss referred to in our report of even date.

For Gianender & Associates
Chartered Accountants
Firm's registration no. 004661N

GIANENDER & ASSOCIATES NEW DELHI Chartered Accountants

Jeetender Kumar Gupta
Partner
Membership No :092547
Place: New Delhi
Date: 26th April, 2019

For and on behalf of the Board

J Brij Mohan Reddy
Director
DIN No 00012927

T V Sandeep Kumar Reddy
Director
DIN No 00005573

INDORE DEWAS TOLLWAYS LIMITED

Statement of Changes in Equity

(All amounts in ₹ unless otherwise stated)

A. Share Capital:

a. Equity share capital

Movement during the period	**For the Year ended March 31, 2019**		**For the Year ended March 31, 2018**	
Particulars	**Number of shares**	**Share capital (Amount)**	**Number of shares**	**Share capital (Amount)**
Shares having face value of ₹ 10/-				
Balance at the start of the period	50,000	5,00,000	50,000	5,00,000
Issued during the period				
Balance at the end of the period	**50,000**	**5,00,000**	**50,000**	**5,00,000**

B. Other Equity

a. Instruments entirely equity in Nature

Particulars	**Balance at the Beginning of the Reporting Period**	**Changes in the other Equity during the Year**	**Balance at the end of the Reporting Period**
Loan from Promoters	**70,25,00,000**	**-**	**70,25,00,000**
Total	**70,25,00,000**	**-**	**70,25,00,000**

b. Other Equity

Particulars	**Reserves and Surplus**		**Total**
	Securities Premium Reserve	**Retained Earnings**	
Balance at the beginning of the reporting period i.e. 01.04.2018	-	(1,71,56,12,122)	(1,71,56,12,122)
Changes in accounting policy or prior period errors	-	-	-
Restated balance at the beginning of the reporting period	-	(1,71,56,12,122)	(1,71,56,12,122)
Total Comprehensive Income for the year		(58,25,59,815)	(58,25,59,815)
Dividends			-
Transfer to Retained Earnings			-
Any other change (to be specified)			-
Balance at the end of the reporting period i.e. 31.03.2019.	**-**	**(2,29,81,71,937)**	**(2,29,81,71,937)**

The accompanying notes form an integral part of the financial statements.

This is the Statement of Changes in Equity Capital referred to in our report of even date.

For Gianender & Associates
Chartered Accountants
Firm's Registration No: 004661N

GIANENDER & ASSOCIATES NEW DELHI Chartered Accountants

Jeetender Kumar Gupta
Partner
Membership No : 092547
Place: New Delhi
Date: 26th April, 2019

For and on behalf of the Board

J Brij Mohan Reddy
Director
DIN No 00012927

T V Sandeep Kumar Reddy
Director
DIN No 00005573

INDORE DEWAS TOLLWAYS LIMITED

Cash Flow Statement for the Year ended 31st March, 2019

(All amounts in ₹ unless otherwise stated)

S. No.	Particulars	As at March 31, 2019	As at March 31, 2018
A	**Net profit / (loss) before tax and extraordinary items**	(58,25,59,815)	(57,17,31,846)
	Adjustment for		
	Depreciation and amortisation expense	9,58,27,144	8,43,04,022
	Interest expense	58,18,52,810	89,90,24,786
	Interest income	-	(46,71,206)
	Proceeds from redemption of FDRs	-	(37,37,84,603)
	Operating profit before working capital changes	**9,51,20,139**	**3,31,41,153**
	Adjustments for:		
	Increase / (Decrease) in Long Term Provisions	4,56,322	(4,70,020)
	Increase / (Decrease) in Other Current Financial liabilitites	18,12,26,143	(29,48,606)
	Increase / (Decrease) in Other Current Liabilities	(15,84,038)	(1,75,18,847)
	Increase / (Decrease) in Short Term Provisions	5,85,169	(4,80,000)
	(Increase) / Decrease in Other Non-Current Assets	-	(1,05,200)
	(Increase) / Decrease in other financial asset	1,16,300	3,04,65,280
	(Increase) / Decrease in other current assets	(15,00,720)	2,37,81,335
	Net cash generated from/(used in) operating activities	**27,44,19,315**	**6,58,65,095**
	Direct taxes paid (net of refunds)	2,52,355	(37,54,807)
	Net Cash(used in)/generated from Operating Activities	**27,46,71,670**	**6,21,10,288**
B	**Cash flow from investing activities**		
	Purchase of fixed assets	-	(89,17,714)
	Sale/dispose off of fixed assets	-	(37,37,84,603)
	Purchase of current investments	-	-
	(Purchase)/Sale of current investments	-	-
	Intercorporate deposits (placed)/refunded (net)	-	-
	Dividend received from current investments	-	-
	Interest received	-	46,71,206
	Net cash (used in)/generated from investing activities	**-**	**(37,80,31,110)**
C	**Cash flow from financing activities**		
	Proceeds from issue of capital	-	-
	Proceeds from long term borrowings	18,05,71,080	10,14,27,393
	Repayment of long term borrowings	3,62,500	41,73,58,017
	Deferred payment liability	-	32,71,41,651
	Interest paid	(44,55,94,250)	(89,90,24,786)
	Net cash (used in)/generated from financing activities	**(26,46,60,670)**	**(5,30,97,725)**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**1,00,11,000**	**(36,90,18,547)**
	Cash and cash equivalents as at the beginning of the year	67,05,495	37,57,24,042
	Cash and cash equivalents as at the end of the year	**1,67,16,495**	**67,05,495**
		1,67,16,495	67,05,495

Notes:

1. Cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7 - Cash Flow statements
2. Cash and cash equivalents represent cash and bank balances.
3. Previous year's figures have been regrouped/reclassified wherever applicable.

As per our report attached
For Gianender & Associates
Chartered Accountants
Firm's Registration No: 004661N

NEW DELHI

GIANENDER & ASSOCIATES Chartered Accountants

Jeetender Kumar Gupta
Partner
Membership No : 092547
Place: New Delhi
Date: 26th April , 2019

For and on behalf of the Board

J Brij Mohan Reddy
Director
DIN No 00012927

T V Sandeep Kumar Reddy
Director
DIN No 00005573

INDORE DEWAS TOLLWAYS LIMITED

Notes to Financial Statements for the Year ended 31st March 2019

(All amounts in ₹ unless otherwise stated)

3 Property, Plant and Equipment

Particulars	Cost or Deemed cost				Accumulated Depreciation and Impairment				Carrying Amount	
	Balance as at April 1, 2018	Additions	Disposals	Balance at March 31, 2019	Balance as at April 1, 2018	Depreciation expense	Disposals	Balance at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Property Plant and Equipment*										
Furniture & Fixtures	68,602	-		68,602	32,037	10,669		42,706	25,895	36,565
Office Equipment	3,08,778	-		3,08,778	2,51,008	23,571		2,74,579	34,199	57,770
Computers	18,341	-		18,341	18,341	-		18,341	(0)	(0)
Vehicle	20,58,755	-		20,58,755	3,70,780	2,35,420		6,06,201	14,52,554	16,87,975
Total	24,54,475	-	-	24,54,475	6,72,167	2,69,660	-	9,41,827	15,12,648	17,82,309

Property, Plant and Equipment (Previous Year FY 2017-18)

Particulars	Cost or Deemed cost				Accumulated Depreciation and Impairment				Carrying Amount	
	Balance as at April 1, 2017	Additions	Disposals	Balance at March 31, 2018	Balance as at April 1, 2017	Depreciation expense	Disposals	Balance at March 31, 2018	As at Mar 31, 2018	As at March 31, 2017
Property Plant and Equipment*										
Furniture & Fixtures	68,602	-		68,602	21,368	10,669		32,037	36,565	47,234
Office Equipment	2,70,678	38,100		3,08,778	2,19,431	31,577		2,51,008	57,770	51,247
Computers	18,341	-		18,341	18,341	-		18,341	(0)	(0)
Vehicle	20,58,755	-		20,58,755	1,00,832	2,69,948		3,70,780	16,87,975	19,57,923
Total	24,16,375	38,100	-	24,54,475	3,59,972	3,12,195	-	6,72,167	17,82,309	20,56,403

4 Intangible Assets

Particulars	Cost or Deemed cost				Accumulated Depreciation and Impairment				Carrying Amount	
	Balance as at April 1, 2018	Additions	Disposals	Balance at March 31, 2019	Balance as at April 1, 2018	Amortisation Expense	Disposals	Balance at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Toll Plaza Management Systems $	1,65,35,845	-		1,65,35,845	23,16,159	7,72,053		30,88,212	1,34,47,633	1,42,19,686
Carraigeways capitalized	8,43,63,77,963			8,43,63,77,963	20,81,30,692	9,47,85,431		30,29,16,123	8,13,34,61,840	8,22,82,47,271
Total	8,45,29,13,808	-	-	8,45,29,13,808	21,04,46,851	9,55,57,484	-	30,60,04,335	8,14,69,09,473	8,24,24,66,957

Intangible Assets (Previous Year FY 2017-18)

Particulars	Cost or Deemed cost				Accumulated Depreciation and Impairment				Carrying Amount	
	Balance as at April 1, 2017	Additions	Disposals	Balance at March 31, 2018	Balance as at April 1, 2017	Depreciation Expense	Disposals	Balance at March 31, 2018	As at Mar 31, 2018	As at March 31, 2017
Toll Plaza Management Systems $	1,65,35,845	-		1,65,35,845	15,44,106	7,72,053		23,16,159	1,42,19,686	1,49,91,739
Carraigeways capitalized	8,20,54,23,657	23,09,54,306		8,43,63,77,963	12,49,10,917	8,32,19,775		20,81,30,692	8,22,82,47,271	8,08,05,12,739
Total	8,22,19,59,502	23,09,54,306	-	8,45,29,13,808	12,64,55,023	8,39,91,828	-	21,04,46,851	8,24,24,66,957	8,09,55,04,478

The company has availed the exemption under para D22(ii)(b) of Ind AS 101 in respect of Intangible Asset. As per the principles, the previous GAAP carrying values for intangible asset has been considered as the deemed cost on the transition date (1.4.2015).

$ Toll Plaza Management systems has been amortized over the period of the Concession

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Notes to Financial Statements for the Year ended 31st March 2019

(All amounts in ₹ unless otherwise stated)

5 Investment Property

Particulars	As at March 31, 2019	As at March 31, 2018
Land	3,08,910	3,08,910
Total	**3,08,910**	**3,08,910**

The Management estimate fair Value of the Land as at the Balance Sheet date is Rs.3,08,910/-

The Best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company consider information from a variety of sources including:

a) Current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.

b) Discounted cash flow projections based on reliable estimates of future cash flows.

c) Capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

The fair values of investment properties have been determined by management. The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data. All resulting fair value estimates for investment properties are included in level 3.

6 Other Non Current Assets

Particulars	As at March 31, 2019	As at March 31, 2018
Long term loans and advances(Unsecured, considered good)		
Security Deposits	5,56,197	5,56,197
Rent Advance	22,000	22,000
Advance for Toll Collection Management	2,00,000	2,00,000
Total	**7,78,197**	**7,78,197**

7 Cash and Cash Equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
Balance with Banks		
In Current Accounts	1,38,66,401	53,23,588
Cash on Hand	28,50,094	13,81,907
Total	**1,67,16,495**	**67,05,495**

8 Other Financial Asset

Particulars	As at March 31, 2019	As at March 31, 2018
ETC O&M Receivable From NHAI	3,62,313	4,78,613
Total	**3,62,313**	**4,78,613**

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9 Current Tax Asset (Net)

Particulars	As at March 31, 2019	As at March 31, 2018
Current tax Asset		
Receivable from Statutory Authorities	1,39,40,843	1,41,93,198
	1,39,40,843	**1,41,93,198**
Total	**1,39,40,843**	**1,41,93,198**

10 Other Current Assets

Particulars	As at March 31, 2019	As at March 31, 2018
Mobilization advance - COS & Utility shifting paid to GPL	9,93,584	9,93,584
Advances towards New Toll Plaza contract works	31,50,680	20,02,012
Prepaid Expenses	20,93,293	18,92,429
Others	7,74,332	6,23,144
Total	**70,11,889**	**55,11,169**

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11 Equity Share Capital

Particulars	As at March 31, 2019	As at March 31, 2018
Note: 1 SHARE CAPITAL		
AUTHORISED:		
Equity Shares of ₹.10/- each	1,00,00,000	1,00,00,000
	1,00,00,000	**1,00,00,000**
ISSUED, SBSCRIBED & PAID UP:		
Equity Shares of Rs. 10 each	5,00,000	5,00,000
Total	**5,00,000**	**5,00,000**

Foot Notes:

i) Reconciliation of the number of shares outstanding at the beginning and for the period ended 31st March' 2019

Equity Share

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number	Amount in Rs	Number	Amount in Rs
Number of equity shares at the beginning of the Year	50,000	5,00,000	50,000	5,00,000
Equity shares issued during the year				
Less : Shares bought back during the year				
Number of equity shares at the end of the Year	**50,000**	**5,00,000**	**50,000**	**5,00,000**

ii) Terms and rights attached to equity shares

The company has only one class of shares referred to as equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The rights and preferences of each shareholder are in accordance with the Shareholders' Agreement.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting. During the year ended 31st March, 2019, no dividend is declared by Board of Directors. (Previous year - Nil)

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

iii) Equity shares held by holding company and the Ultimate holding company and or their subsidiaries/ associates - Nil

Out of the equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/associates are as below:

Particulars	As at March 31, 2019		As at March 31, 2018	
	% of Holding	No. of shares held	% of Holding	No. of shares held
M/s Gayatri Highways Limited	66.64%	33,320	66.64%	33,320
M/s Balaji Highways Holding Pvt Limited	33.32%	16,660	33.32%	16,660

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iv) Details of shareholders holding more than 5% shares in the company

Name of the Shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of shares held	% of Holding	No. of shares held	% of Holding
M/s Gayatri Highways Limited	33,320	66.64	33,320	66.64
M/s Balaji Highways Holding Pvt Limited	16,660	33.32	16,660	33.32

As per the Composite Scheme of Merger & Demerger the benefical ownership has been transferred to Gayatri Highways Limited as per the NCLT order dated 3rd November, 2017, however as on 31st March, 2019, the shares of Gayatri Infra Ventures Limited and Gayatri Projects Ltd are yet to be transferred in the name of Gayatri Highways Ltd (in demat form).

12 a) Instrument entirely Equity in nature

Particulars	As at March 31, 2019	As at March 31, 2018
Loans from Promoters	70,25,00,000	70,25,00,000
Total	**70,25,00,000**	**70,25,00,000**

12 b) Other Equity

Particulars	As at March 31, 2019	As at March 31, 2018
Surplus in profit and loss account	(2,29,81,71,937)	(1,71,56,12,122)
Total	**(2,29,81,71,937)**	**(1,71,56,12,122)**

Particulars	As at March 31, 2019	As at March 31, 2018
Statement of Profit and Loss		
Balance at Beginning of the period	(1,71,56,12,122)	(1,14,38,80,276)
Net profit for the period / year	(58,25,59,815)	(57,24,42,667)
Other Comprehensive Income / (Expense)	-	7,10,821
Reserves		
Transfer to Capital Redemption Reserves		
Balance at end of the period	**(2,29,81,71,937)**	**(1,71,56,12,122)**

13 Long - Term Borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
Term Loans		
a. Secured		
Indian Rupee Term Loans		
from Banks - TL - I	3,42,55,63,529	3,48,21,21,961
from Financial Institutions	98,48,00,000	99,98,00,000
Indian Rupee - Funded Interest on Term Loans		
from Banks - FITL	90,47,81,049	87,93,63,165
from Financial Institutions - FITL	23,27,93,140	23,01,34,123
Total of Secured Term Loans(A)	**5,54,79,37,717**	**5,59,14,19,248**
Additional Concession Fees Payable to NHAI	3,87,94,41,190	3,51,87,67,519
Total of Deferred Payment Liability	**3,87,94,41,190**	**3,51,87,67,519**
Total of Long term borrowings (A+B)	**9,42,73,78,907**	**9,11,01,86,767**

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Note: National Highways Authority of India has approved the proposal for the deferment of premium payable as per the sanction letter dated 11th June, 2014. Based on the approval received from National Highways Authority of India, the company has applied to the consoritum of lenders for restructuring of the term loan. The Consortium of Lenders have approved the restructuring package with the cutoff date being 1st July, 2014 with a Moratorium of 33 months for Interest and principal Obligations. The current maturities with respect to the Term loan I principal repayment is Rs. 6,75,00,000/- and towards Funded Interest Term loan principal repayment is Rs.10,89,04,000/- for the FY 2019-20. The Rate of Interest charged by all the Lenders during the current Financial year is 10.10% pa.

Terms of Repayment

Secured Loans:

(a) As per the terms of the sanction, the Term Loan II of ₹40,00,00,000 is repayable within 20 equal instalments immediately from the next month of the disbursement. The total amount of term loan II disbursed was ₹ 31,12,00,000/- which has been fully repaid during the FY 2017-18. The draft Restructuring documents on 5th May, 2015 to National Highways Authority of India for review, and also submitted the executed documents on 26th July, 2015 for approval to National Highways Authority of India .

(b) As per the terms of the Restructuring package, an amount of ₹39.20 Crs were kept as Debt Service Reserve Account with the Lead bank for the FY: 2014-15 to 2016-17. As per the decision of the consortium of Lenders and the Minutes of the Meeting dated 19th May, 2017, **the DSRA lying in the form of FDRs amounting to Rs. 39.20 crs was redeemed and the proceeds were utlitised for the prepayment of 25% of the Funded Interest Term proportionately to the Lenders along with the repayment of Term Loan II in full, so as to to reduce the interest burden on the SPV.** Hence the Interest and Principal payments for the FY 2017-18 & FY 2018-19 have been serviced in advance by way of pre payment of FITL loan as per the repayment schedule . With the above the company has serviced the monthly interest and Principal payments in advance to FITL account and there will be no dues until May 2019 in FITL account. As such there is a regular service of Interest and Principal Installment by way of advance payment in FITL, hence the account is standard.

(c) The additional term loan of ₹ 40,00,00,000 was sanctioned by the lenders for the completion of the balance EPC works which were delayed due to the below mentioned reasons:

(i) Delay on the part of National Highways Authority of India in handing over of the Right Of Way. There was also a delay on the part of National Highways Authority of India in publishing the Gazette notification for Toll collection.

(ii)Delay on the part of National Highways Authority of India in shifting of Utilities ie., electrical poles, drinking water pipe lines etc, which created a hindrance for the completion of the project works.

(iii) Delay on the part of National Highways Authority of India in declaring the Appointed date (1st Sep, 2011) after signing of the Concession Agreement (17th May, 2010). (delay of 7 months from the date of financial closure ie 8th Feb, 2011).

(iv) The Right of Way issue & the shifting of the drinking water pipe line at Rau junction was pending at the time of issue of Provisional Completion certificate ie on 29th May, 2015.

Due to all the above reasons, the Schedule Project Completion Date was delayed.

(d) Due to all the above factors, the Interest during construction has increased as against the budgeted amount stipulated in the Project cost and the funds budgeted for EPC cost were utilized for the purpose of servicing interest to the lenders. In lieu of the above the lenders have agreed to fund the additional term loan for the completion of the balance EPC works.

e) Terms of the Restructuring Package:

1) The Restructuring package is approved with a cut off date of July 01, 2014.

2) Reduction in interest rates on all Term Loan facilitites (Term Loan -I ₹ 450,00,00,000, Funded Interest Term Loan ₹136,18,58,057 & Term Loan -II ₹ 40,00,00,000) to 11% fixed p.a. upto FY: 2016-17, which is to be linked to the Base Rate of the Lead Lender.

3) The interest on Term Loan for 11 quarters from cut-off date (July 1, 2014) to March 31, 2017 is to be funded through Funded Interest Term Loan (₹136,18,58,057).

4) Moratorium of 2 years 9 months for the repayment of Term Loan I & Funded Interest Term Loan.

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f) Security for Term Loans:

Term Loans from lenders are secured by

(i) All monies including Toll collected on the Project Highway to the credit of the Escrow Account as per the provisions of the Concession Agreement.

(ii) All the Borrower's Properties and Assets excluding the Project Assets as defined in the Concession Agreement

(iii) All Tangible Assets of the Company not limited to Goodwill, undertaking and uncalled capital of the company.

(iv) Pledge of shares aggregating to 66.64% of the paid-up equity capital of the Borrower, Provided that any enforcement of the pledge over shares shall be subject to prior approval of NHAI as provided in the Concession Agreement.

(v) A first charge by way of assignment or creation on Security Interest on:

a) All rights, title, interest, benefits, claims and demands of Indore Dewas Tollways Limited under project documents subject to the provisions of the Concession Agreement.

b) Assignment of rights in favour of the lenders in accordance with the substitution agreement in respect of financing by the senior lenders under the financing documents for the project.

c) Lenders to be named as loss payees in the insurance policies.

g) Terms of Repayment of Term Loan from Lenders

a) The tenor of the repayment of the Term Loan - I for ₹450,00,00,000 shall be for a period of 12 years (twelve) years excluding 2.9 years of moratorium with 48 structured unequal quarterly Instalments ranging from ₹ 5,00,000 to ₹ 78,66,00,000 per annum as per the approved restructuring package.

b) The tenor of the repayment of Funded Interest Term Loan for ₹136,18,58,057 shall be for a period of 8 years years excluding 2.9 years of moratorium with 28 structured unequal quarterly instalments ranging from ₹1,00,00,000 to ₹38,80,00,000 per annum as per the approved restructuring package.

h) Restructuring of Term Loan under S4A & RBI Circular dated 12th Feb, 2018 & Supreme Court Judgement dated 2nd April, 2019.

Due to Low Toll Collections and the deficit in the cash flows, the SPV is unable to service even the interest obligations towards the Lenders in full. The account is in SMA2 always. As per the Consortium meeting held dated 2.1.2018 all the Lenders , based on their In principle approvals (Lead Bank sanction letter dated 27.11.2017, PNB email dated 27.12.17) taken from their competent Authorities have decided to declare the reference date in the 1st week of February 2018 and restructure the account under the scheme of Scheme for sustainable Restructuring of stressed Assets (S4A) as per the RBI circular. The lenders have also decided to appoint various resolution professionals to conduct the TEV Study and other scheme related works.

But, as per the RBI Circular dated 12.2.2018 all the existing schemes of restructuring of stressed Assets are cancelled/ repealed. As per the new circular, the banks have to formulate a Resolution plan to revive the stressed Assets and take approval from their respective sanctioning authorities.

In lieu of the above a consortium meeting was held on 24th December, 2018 and based on the cash flows submitted to the bank, it was submitted that the asset will continue to be stressful and will be servicing interest dues with a consistent delay of 2 months until March 19 and will not be in a position to service the Installment dues for the quarter ended June 30, 2019 amounting to Rs. 4.41 crs. Hence, Restructuring of debt as per the new circular has been proposed in the meeting dated Dec 24th , 2018. The consortium of lenders, have decided to appoint consultants for the TEV study and for conducting the Transaction/Forensic Audit.

The Lenders have discussed and have appointed the following consultants inorder to formulate the Resolution Plan.

1) M/s Mott Macdonald : Techno Economic Viability study (TEV).
2) M/s Sagar & Associates, Chartered Accountants: Forensic Audit

Both the consultants have started their work and are expected to give their report to the lenders by end of April 2019. However the Supreme court has struck off the 12th Feb 2018 circular vide judgment dated April 4th 2019. However RBI is yet to issue circulars regarding the above judgement. A consortium meeting is expected to be called for in the month of May 2019 to discuss the above.

i) Repayment of Zero percent loan (Unsecured loans from promoters) :

Subordinate debt will be repaid only after the payment of debt Obligations towards the Lenders

The total premium amount payable as per the Concession Agreement, has been capitalized as "Intangible Assets" and amortized over a period of service concession Agreement as per the method prescribed in Part A to the Schedule II to the Companies Act, 2013 and corresponding Obligation for committed premium has been recognised as liabilities at discounted value .The Contractual Obligation to pay premium (Additional Concession Fees) to National Highways Authority of India over the Concession period has been recognized upfront on Discounted basis as per the Concession Agreement and is a part of the "Intangible Asset " and corresponding Obligation for committed premium payable to NHAI is recognized as liabilities.The related finance costs arising on discounting has been taken to the Profit and loss account.

14 Other Non-Current financial Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Interest on Additional Concession Fees **	3,04,45,850	3,04,45,850
Total	**3,04,45,850**	**3,04,45,850**

** Additional Concession fee has to be paid to National Highways Authority of India as per clause 26.2.1 of the Concession Agreement dated 17th May, 2010. National Highways Authority of India has granted deferment of Additional concession fees payable to them vide their sanction letter dated 11th June, 2014 . Interest on the Additional concession fees payable to National Highways Authority of India for the period 1st April 2015 to 31st March, 2019 has not provided in the books of accounts as National Highways Authority of India has deferred the premium payment upto 6 years. The Interest liability on Additional Concession fees has neither accured nor due until the completion of the 6 years upto which NHAI has deferred the premium. After the completion of the 6th year, NHAI will review the deferment of premium payment based on the cash flows available then. The liability accrues and becomes due as and when there are cash flows sufficient for the payment of premium. At the end of the 6th year based on the the cash flow position, National Highways Authority of India will review the deferment proposal and may extend the deferment, if the cash flows are not sufficient to meet the debt and O&M obligations.

There is a decline in the Toll collections due to the non maintenance of the adjoining stretches of the project highway ie., Shivpuri to Dewas & Ghar to Dewas. The development in those stretches was stalled due to issues between the National Highways Authority of India and the developer to whom the projects were awarded. However the developments in the adjoining stretches is in progress. Hence payment on account of the Additional Concession fees to National Highways Authority of India and Interest thereon is not possible under the current circumstances. In view of the above, the company expects that NHAI would consider to extend the deferment for some more years.

In view of the total stress in the Funds flow, the management has considered that the liability accrues and becomes due as and when the cash flows are sufficient for the payment as explained above.

15 Long Term Provisions

Particulars	As at March 31, 2019	As at March 31, 2018
Provison for Employee benefits		
Provison for Gratuity	17,10,200	12,53,878
Total	**17,10,200**	**12,53,878**

16 Other Financial Current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Current Maturities of Long Term Loans	17,64,04,000	1,06,59,750
Interest accured and due on borrowings	11,08,06,041	8,99,16,627

Payable to Related Party		
Retention Money	12,36,880	14,69,853
Operation & Maintenance expenses	2,09,75,900	2,12,69,760
COS & Utility expenses	5,40,526	3,73,488
Other payables		
Review & Inspection charges payable to Lenders	14,31,596	1,18,000
Toll operation and management services	33,00,999	64,54,735
Creditors for Expenses at site	42,73,524	71,89,416
Creditors for Expenses at HO	11,77,865	14,69,559
Total	**32,01,47,331**	**13,89,21,188**

17 Short Term Provisions

Particulars	As at March 31, 2019	As at March 31, 2018
Provison for Employee benefits		
Provision for Gratuity - ST	2,00,860	1,87,575
Other Provisions		
Provision for Site Expenses	8,01,495	2,29,611
Total	**10,02,355**	**4,17,186**

18 Other Current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory liabilities	9,16,576	14,56,441
Mobilization Advance for COS & Utility shifting from NHAI	11,11,486	21,55,659
Total	**20,28,062**	**36,12,100**

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Notes to Financial Statements for the Year ended 31st March 2019

(All amounts in ₹ unless otherwise stated)

19 Revenue From Operations

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from Operations		
Revenue From Toll Collections	58,63,99,092	51,49,66,329
Total	**58,63,99,092**	**51,49,66,329**

Revenue from Toll Collections includes an amount of **Rs. 1,09,37,768/-**which has been released by NHAI on date 30th Oct, 2018 on account of the claim submitted to NHAI for Rs. 4,50,48,398/-(Interest due and O&M expenses for 24 days) for the Loss of Toll Revenue during the demonetization Period ie., from 2nd Nov 2016 to 9th Dec, 2016 as per the circular issued by NHAI dated NHAI/CGM/BOT(FIN02016-17) dated 29.11.2016). NHAI has given a letter stating that the SPV is eligible as claim for Rs. 2,73,44,419/-which is the average toll collections during the previous 3 months multiplied by the 24 days of the demonetisation period. As per the above the SPV has till now received an amount of Rs. 2,46,09,978/- and the balance to be received is Rs. 27,34,441/-. However the SPV has written a letter to NHAI claiming the payment of the balance amount of Rs. 3.91 crs (ie Rs. 4.50 Less Rs. 2.46 crs received till now vide its letter dated 1.5.20.19)

20 Other Operating Income

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Change of Scope Receipt -NHAI	1,02,58,657	7,59,45,216
Utilities Shifting Receipts	-	48,85,820
Total	**1,02,58,657**	**8,08,31,036**

21 Other Income

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on FD -Banks & FIs	-	46,71,206
Miscellaneous Income	34,100	8,39,844
Other Income	5,48,750	-
Total	**5,82,850**	**55,11,050**

22 Operating and Maintenance Expenses

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Repairs & Maintenance	4,27,14,560	3,99,72,480
Change of scope works	1,00,95,125	7,58,30,737
Utility shifting expenses	-	48,85,820
Total	**5,28,09,685**	**12,06,89,037**

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23 Employee Benefits Expense

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries & Wages	1,84,14,579	1,71,96,123
Staff welfare Expenses	3,65,195	3,30,664
Total	**1,87,79,774**	**1,75,26,787**

24 Finance costs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on Term Loans	58,18,52,810	56,89,88,439
Financial charges	35,09,085	28,94,695
Unwinding of Interest on Deferred Premium	36,06,73,671	32,71,41,651
Total	**94,60,35,566**	**89,90,24,786**

25 Depreciation and Amortisation expense

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation on Tangible Assets	2,69,660	3,12,195
Amortization on Intangible Asset	9,55,57,484	8,39,91,828
Total	**9,58,27,144**	**8,43,04,022**

26 Other Expenses

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Administrative Expenses	56,71,170	35,74,084
Electricity Charges	18,14,621	18,56,955
Audit expenses	4,22,440	5,23,160
Insurances	21,61,466	21,04,782
Legal & Professional Charges	1,35,04,169	71,68,346
Other R&M Works	-	-
Period Rates & Taxes	2,33,397	4,41,941
Telephone & Internet	2,46,032	2,64,921
Toll Operation & Management Service	3,91,42,705	3,35,18,629
Travelling & Conveyance	30,12,029	27,53,632
Total	**6,62,08,029**	**5,22,06,450**

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27 **Financial Instruments**

Disclosure of Financial Instruments by Category

Financial Instruments by categories	Note no.	As at March 31, 2019 FVTPL	As at March 31, 2019 FVTOCI	As at March 31, 2019 Amortized cost	As at March 31, 2018 FVTPL	As at March 31, 2018 FVTOCI	As at March 31, 2018 Amortized cost
Financial asset							
Investments					-		
Trade receivable					-	-	-
Cash and Cash equivalents				1,67,16,495			67,05,495
Other Bank Balance				-			-
Other Financial Assets				3,62,313			4,78,613
Total Financial Asset		-	-	**1,70,78,808**	-	-	**71,84,108**
Financial liability							
Term Loan from Banks and Financial Institution				5,72,43,41,717	-	-	5,60,20,78,998
Deferred Payment Liability				3,87,94,41,190			3,51,87,67,519
Other Current Financial Liabilities				14,37,43,331			12,82,61,438
Other Non Current Financial Liabilities				3,04,45,850	-	-	3,04,45,850
Total Financial Liabilities		-	-	**9,77,79,72,088**	-	-	**9,27,95,53,806**

Default and breaches

There are defaults with respect to payment of Interest and Principal repayment obligations towards the Lenders as per the table below.

Term Loan I

Particulars		Banks	Financial Institutions
Interest for the month of January 19		2,73,38,586	87,70,923
Interest for the month of February 19		2,74,85,104	79,19,205
Interest for the month of March 19		3,05,32,365	87,59,858
Total		**8,53,56,055**	**2,54,49,986**

There are no breaches during the year which permitted lenders to demand accelerated payment.

<u>Note on Prepayment of Funded Interest Term Loan</u> :

As per the terms of the Restructuring package, an amount of ₹39.20 Crs were kept as Debt Service Reserve Account with the Lead bank for the FY: 2014-15 to 2016-17. As per the decision of the consortium of Lenders and the Minutes of the Meeting dated 19th May, 2017, the DSRA lying in the form of FDRs amounting to Rs. 39.20 crs was redeemed and the proceeds were utlitised for the prepayment of 25% of the Funded Interest Term proportionately to the Lenders along with the repayment of Term Loan II in full, so as to to reduce the interest burden on the SPV.

Hence the Interest and Principal payments for the FY 2017-18 & FY 2018-19 have been serviced in advance by way of pre payment of FITL loan as per the repayment schedule . With the above the company has serviced the monthly interest and Principal payments in advance to FITL account and there will be no dues until May 2019 in FITL account. As such there is a regular service of Interest and Principal Installment by way of advance payment in FITL, hence the account is standard.

28 **Fair value of Financial asset and liabilties at amortized cost**

Particulars	Note no.	As at March 31, 2019 Carrying amount	As at March 31, 2019 Fair value	As at March 31, 2018 Carrying amount	As at March 31, 2018 Fair value
Financial Assets					
Trade receivable				-	-
Cash and cash equivalents		1,67,16,495	1,67,16,495	67,05,495	67,05,495
Other bank balance		-	-	-	-
Other financial assets		3,62,313	3,62,313	4,78,613	4,78,613
Total Financial Assets		**1,70,78,808**	**1,70,78,808**	**71,84,108**	**71,84,108**
Financial liability					
Term Loan from Banks and Financial Institution		5,72,43,41,717	5,72,43,41,717	5,60,20,78,998	5,60,20,78,998
Trade Payables		-	-		-

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Deferred Payment Liability		3,87,94,41,190	3,87,94,41,190	3,51,87,67,519	3,51,87,67,519
Other Current Financial Liabilities		14,37,43,331	14,37,43,331	12,82,61,438	12,82,61,438
Other Non Current Financial Liabilities		3,04,45,850	3,04,45,850	3,04,45,850	3,04,45,850
Total Financial Liabilities		**9,77,79,72,088**	**9,77,79,72,088**	**9,27,95,53,806**	**9,27,95,53,806**

The carrying amount of current financial assets and current trade and other payables measured at amortised cost are considered to be the same as their fair values, due to their short term nature.

The carrying value of Rupee Term Loan is approximate fair value as the instruments are at prevailing market rate.

29 Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

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30 Fair Values

The management assessed that cash and cash equivalents, trade receivables, current loans, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments or as they carry market rate of interest.

31 Financial Risk Management

The company's activities expose it to variety of financial risks : market risk, credit risk and liquidity risk. The company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established a risk management policy to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Board of Directors oversee compliance with the Company's risk management policies and procedures, and reviews the risk management framework.

A) Market risk

The market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Company's activities expose it primarily to the financial risks of changes in interest rates.

i Foreign Currency Risk

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate.
The company is not exposed to foreign currency risk as it has no borrowing in foreign currency.

ii Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
The Interest risk arises to the company mainly from Long term borrowings with variable rates. The company measures risk through sensitivity analysis.
Currently, Lending by Commercial Banks is at variable rate only, which is the inherent business risk.

The company is exposed to interest rate risk because it borrows funds primarily at floating interest rates. However, the interest rates are dependant on base rates/prime lending rates of the lead bank which are not expected to change very frequently and the estimate of the management is that these will not have significant upward trend.

The company's exposure to interest rate risk due to variable interest rate borrowings is as follows:

Particulars	31.03.2019	31.03.2018
Senior Debt from Banks - Variable rate borrowings	5,72,43,41,717	5,60,20,78,998

Sensitivity analysis based on average outstanding Senior Debt

Interest Rate Risk Analysis	Impact on profit/ loss after tax	
	FY 2018-19	FY 2017-18
Increase or decrease in interest rate by 0.25 basis point	1,41,58,026	1,43,95,765

Note: Profit will increase in case of decrease in interest rate and vice versa

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iii Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).
The company is exposed to price risk due to investments in mutual funds and classified as fair value through profit and loss.
The company measures risk through sensitivity analysis.
The company's risk management policy is to mitigate the risk by investments in diversified mutual funds.

The company does not expose to price risks as on 31st March 2019

B) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets.

The company is exposed to liquidity risk due to bank borrowings and trade and other payables.

The company measures risk by forecasting cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient fund to meet expected operational expenses, servicing of financial obligations.

The following tables detail the company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the company may be required to pay.

The following are the contractual maturities of financial liabilities

As at March 31, 2019	Carrying Amount	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
Non Derivative Financial Liability					
Term Loan from Banks and Financial Institution	5,72,43,41,717	73,51,22,929	1,76,50,99,784	4,60,18,49,058	1,70,96,48,786
Deferred Payment Liability	3,87,94,41,190				3,87,94,41,190
Other Current Financial Liabilities	14,37,43,331	14,37,43,331			
Other Non Current Financial Liabilities	3,04,45,850				3,04,45,850
Derivative Financial Liability	NIL	NIL	NIL	NIL	NIL

As at March 31, 2018	Carrying Amount	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
Non Derivative Financial Liability					
Term Loan from Banks and Financial Institution	5,50,06,51,606	59,36,59,260	73,51,22,929	2,85,16,54,864	5,22,49,42,764
Deferred Payment Liability	3,51,87,67,519				
Other Current Financial Liabilities	22,96,88,831	22,96,88,831			
Other Non Current Financial Liabilities	3,04,45,850				3,04,45,850
Derivative Financial Liability	NIL	NIL	NIL	NIL	NIL

C) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The company generally does not have trade receivables as toll collections are in cash/bank and the occurance is as and when the traffic passes through toll - plazas. Hence, the management believes that the company is not exposed to any credit risk.

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(All amounts in ₹unless otherwise stated)

32 Disclosures pursuant to Ind AS 1 - "Presentation of Financial Statements"

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital.

Particulars	As at	
	31 March 2019	31 March 2018
Debts	5,83,51,47,758	5,69,19,95,625
Less: Cash and Bank Balances	(1,67,16,495)	(67,05,495)
Net Debt (A)	5,81,84,31,264	5,68,52,90,131
Equity & Other equity (B)	(1,59,51,71,937)	(1,01,26,12,122)
Net Debt / Total Capital (A/B)	(3.65)	(5.61)

Debt includes Long term borrowings (including current maturities) and Interest accrued thereon and exlcuding deferred payment liability

33 Disclosure pursuant to Ind AS 115 - " Service Concession Arrangements"

i Indore Dewas Tollways Limited is a Special Purpose Vehicle (SPV) incorporated on 4- 05-2010 for execution of the project " Six Laning of Indore-Dewas section of NH 3 from KM 577.550 to KM 610.00 and KM 0.000 to KM 12.600 (Approx. length 45.05 KM) in the state of Madhya Pradesh under NHDP Phase-V to be executed as BOT (Toll) project on Design, Build, Finance, Operate and Transfer "DBFOT" pattern. The company has entered into a Concession Agreement with National Highways Authority of India, which specifies a two and half year of construction period and twenty two and half years of operation & maintenance period. The Company achieved the Provisional Completion Certificate w.e.f. 29th May, 2015.

ii Significant Term of the arrangements

a) **Revision of Fees:**
Fees shall be revised annually on every April of the year as per Schedule R of the Concession Agreement dated 17th May, 2010.

b) **Concession Fee & Additional Concession Fees:**
As per Article 26 of the Concession Agreement, the company is liable to pay Concession Fee ₹1 every year. The company is also liable of payment of Premium ₹24.10 Crs on the appointed date and 5% increase in each year.

iii Rights of the Company for use Project Highway

a) To demand, collect and appropriate, Fee from vehicles and person liable for payment of Fee for using the Project Highway or any part thereof and refuse entry of any vehicle if the Fee due is not paid.

b) Right of Way, access and licence to the Site.

iv Obligation of the Company

a) The company shall not assign, transfer or sublet or create any lien or Encumbrance on the CA or the Concession granted or on the whole or any part of the Project Highway nor transfer, lease or part possession thereof, save and except as expressly permitted by CA or the Substitution Agreement.

b) The company is under obligation to carry out the routine and periodic maintenance of Project Highway as per Schedule K of the CA.

v Details of any assets to be given or taken at the end of concession period

At the end of the Concession period the company shall deliver the actual or constructive possession of the Project Highway, free and clear of all encumbrances

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vi **Details of Termination**

CA can be terminated on account of default of the company or NHAI in the circumstances as specified under article 37 of the CA.

vii **Significant Changes in the terms of the Original Concession Agreement till 31st March 2018.**

In view of the deficit in the cash flows due to low toll collections and the non completion of the adjoining stretches of the project highway, NHAI vide its letter dated 11th June 2014 has given in principle approval for the deferment of the premium payment from Nov 2013 to the future years till 2019-20.

34 The Company does not have any transaction to which the provision of IndAS-2 relating to Valuation of Inventories applies.

35 **Disclosure pursuant to Ind AS 115 - " Revenue Recognition"**

Amount of contract revenue recognised in the year (COS & Utility Shifting) :₹ 1,16,57,795/- (PY:₹ 8,08,31,036/-)
Method used to recognise the constructions revenue - Work excuted during the year and remaining to be executed.

36 **Disclosure pursuant to Ind AS 12 - "Income taxes"**

The Company does not have taxable income and hence provision for current tax has not been made. The company is eligible for deduction under section 80IA of Income Tax Act and the tax holiday period of the company's project falls within the concession period of the company as defined in Section 80IA. Since tax on Timing difference between Accounting Income and Taxable Income that arise during the year is reversing during such tax holiday period. No deferred tax asset/ liability arises and accordingly no provision is made in the accounts.

37 **Disclosure pursuant to Ind AS 19 "Employee benefits":**

Provision for Gratuity is made on actuarial basis at the end of the Financial year. The Company does not have any policy for compensated Absences.

	As at	
Profit and Loss account for current period	**31 March 2019**	**31 March 2018**
Service Cost:		
Current Service Cost	2,64,078	2,44,517
settlement		
Net interest cost	1,08,582	
Total included in 'Employee Benefit Expense'	3,72,660	2,44,517
Expenses deducted from the fund		1,41,315
Total Charge to P&L	**3,72,660**	**3,85,832**

Other Comprehensive Income for the current period

Components of actuarial gain/losses on obligations:		
Due to change in financial assumptions	82,077	
Due to experience adjustments	58,139	(7,10,821)
Income	**5,12,876**	**(3,24,989)**

Reconciliation of defined obligation

	For the year ended	
	31 March 2019	**31 March 2018**
Defined Benefit Obligation		
Opening defined benefit obligation	14,41,453	17,66,442
Service Cost	2,64,078	2,44,517
Net interest expense	1,08,582	1,41,315
Components of actuarial gain/lossess on obligations		
Due to change in financial assumptions	82,077	
Due to experience adjustments	58,139	(7,10,821)
Benefits paid	(43,269)	
Closing defined benefit obligation	**19,11,060**	**14,41,453**

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Birfucation of liability as per schedule III		
Current Liability	2,00,860	1,87,575
Non-current liability	17,10,200	12,53,878

Principal Actuarial Assumptions

	As at 31 March 2019	As at 31 March 2018
Discounting Rate	7.45%	8%
Average Salary Growth Rate	4%	4%
Attrition Rate	3 % at all ages	3 % at all ages
Sensitivity to key assumptions		
Discount Rate Sensitivity		
Increase by 1%	17,66,573	13,34,107
(% change)	-7.56%	-7.40%
Decrease by 1%	20,79,019	15,66,142
(% change)	8.79%	8.70%
Salary Growth Rate Sensitivity		
Increase by 1%	20,72,460	15,77,457
(% change)	8.45%	9.40%
Decrease by 1%	17,62,853	13,22,866
(% change)	-7.76%	-8.20%
Withdrawal Rate (W.R.) Sensitivity		
W.R. up by 1%	19,12,629	14,82,552
(% change)	0.08%	2.90%
W.R. down by 1%	19,09,489	13,94,273
(% change)	-0.08%	-3.30%

38 **Related Party Transactions**

A. List of Related Parties

Company Name	Relation
M/s Gayatri Highways Limited	Company having significant influence & Enterprises owned or significantly influenced by key management personnel or their relatives
M/s Gayatri Projects Limited	Company having significant influence & Enterprises owned or significantly influenced by key management personnel or their relatives
M/s Balaji Highways Holding Pvt Limited	Company having significant influence

B. Transactions with related parties:

Amount in Rs

Particulars	31 March 2019	31 March 2018
Reimbursement of expenses:		
M/s Gayatri Infra Ventures Limited	-	-
M/s Gayatri Projects Limited	-	-
Transactions for EPC, utility works, O&M and other Miscellaneous Works:		
M/s Gayatri Projects Limited	5,10,66,427	12,00,77,097
Payment of Retention Money:		
M/s Gayatri Projects Limited	-	-
Balances as at year end:		
M/s Gayatri Infra Ventures Limited		
Share Capital		
Equity Component Interest free Subordinate loan	-	
Payables		

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M/s Gayatri Highways Limited		
Share Capital	3,33,200	3,33,200
Equity Component Interest free Subordinate loan	70,25,00,000	36,30,00,000
Payables		
M/s Gayatri Projects Limited		
Share Capital (Pledged with Lenders ref Notes 5.e.g)	-	
Equity Component Interest free Subordinate loan	-	33,95,00,000
Receivables	79,20,000	
Payables	2,97,26,648	2,22,91,141
Retention Money	11,07,804	11,07,804
Mobilization advance Debit balance towards ETC, COS & Utility shifting	9,93,584	9,93,584
M/s Balaji Highways Holding Pvt Limited		
Share Capital	1,66,600	1,66,600

Pursuant to the order of the National Company Law Tribuanl dated 3th Nov, 2017, the composite scheme of Merger and demerger has been approved and is in the process of implementation. In liue of the above the Gayatri Infra Ventures has been merger with Gayatri Projects Limited and then demerged into a new company called Gayatri Highways Ltd. All the shares held by GIVL & GPL in IDTL are in the process of getting transferred to GHL as per the scheme.

39 Disclosure pursuant to Ind AS 23 "Borrowing Costs"

	As at	
	31 March 2019	**31 March 2018**
Finance Cost	94,60,35,566	90,01,95,782
Less : Capitalized during the year		11,70,997
Finance Cost charged to Statement of P/L	94,60,35,566	89,90,24,786

40 Disclosure pursuant to Ind AS 33 "Earnings per share"

Basic EPS amount are calculated by dividing the profit for the year attributable to Equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Basic and Diluted Earnings per share (EPS) computed in accordance with Ind AS 33 "Earnings per share".

Particulars	Unit	31 March 2019	31 March 2018
Earnings Per Equity Share:			
Loss attributable to equity holders of the Company	Rupees	(58,25,59,815)	(57,17,31,846)
Weighted average number of equity shares in calculating basic EPES	Rupees	50,000	50,000
Nominal Value of Equity Share	Rupees	10	10
Effect of dilution:			
Weighted average number of equity shares used in computation of diluted EPES	Rupees	50,000.00	50,000.00
Basic and Diluted Earnings (Loss) per share		(11,651.20)	(11,434.64)

41 Disclosures as per Ind AS 37 - "Provisions, Contingent Liabilities and Contingent assets "

a) Contingent Liabilities

	As at	
Particulars	**31 March 2019**	**31 March 2018**
Claims against the company not acknowledged as debt		
Claims made by NHAI towards remibursement of IC fees during the Construction period over and above the limit specified under schedule P of the CA (June 15 to April 17)	2,36,65,196	2,36,65,196
Guarantees	-	-
Other money for which the company is contingently liable	-	-

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The company has protested against the above as the SPV has reimbursed the IE fees during the concession fees amounting to Rs. 3.70 crs which is more than the limit prescribe under schedule P of the Concession Agreement ie., Rs. 3.25 crs (1% of the Total cost as per the Concession Agreement)

42 Capital Commitment

Particulars	31 March 2019	31 March 2018
Estimated amount of contracts remaining to be executed on Capital Account not provided for	12,00,48,063	12,00,48,063
Uncalled liability on shares and other investments partly paid	-	-
Other commitments	The Company has commitment of Repairs & Maintenance (O&M) Fee payable halfyearly in terms of the O&M Agreement dated 1st March, 2014 entered into with Gayatri Project Limited.	
Total	**12,00,48,063**	**12,00,48,063**

Other Commitments:

As per Clause 26.2.1 of the Concession Agreement with National Highways Authority of India, the Company has to pay Additional Concession fee of ₹24,10,00,000 every year with escalation of 5% fixed pa from the FY 2011-12. Also, the Company has firm commitments for payment towards Lenders Independent Engineer expenses. However the National Highways Authority of India has granted deferment for the premium payable to them.

43 Payments to Auditor

Particulars	31 March 2019	31 March 2018
	Rupees	**Rupees**
(a) Statutory Audit Fee	2,00,000	2,00,000
(b) Tax Audit Fee	50,000	50,000
(c) Other Services (Opinion / Certification Fees)	1,08,000	1,94,500
(d) Goods & Service Tax / Service Tax	64,440	78,660
	-	-
Total	**4,22,440**	**5,23,160**

44 There have been no claimed transactions during the year with Micro, Small and Medium Enterprises covered under the Micro, Small and Medium Enterprises Development (MSMED) Act 2006.

45 Foreign Currency Tranactions

(i) Expenditure in Foreign Currency	Nil	(Prevous Year Nil)
(ii) CIF value of Import	Nil	(Prevous Year Nil)
(iii) FOB value of Export	Nil	(Prevous Year Nil)
(iv) Earnngs in Foreign Exchange	Nil	(Prevous Year Nil)
(v) Remittance in Foreign Exchange	Nil	(Prevous Year Nil)

46 Disclosure pursuant "Going Concern"

The Company operates in the infrastructure business sector which involves huge capital investments. The high gestation period required for break even for such infra structure investments is sufficiently addressed due to the long concession life of this project. The balance concession period is 17.5 years. The company's net worth has eroded primarily due to high Amortisation, high interest on term loans and high deferred premium liability. The Management expects that the Company's revenue for the subsequent financial years will be sufficient to meet the expenditure and recoup the losses incurred thereby strengthening the financial position of the Company. Accordingly, the financial statements have been prepared on going concern basis.

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47 Disclosure pursuant to Ind AS 36 "Impairment of Assets"

Since the company expects sufficient cash inflows from the toll collections in future, impairment in the value of the toll collections rights is not envisgaged due to the below mentioned reasons :

Developments in the adjoining streches :

The Stretch of Gwalior – Shivpuri – Dewas Highway is not being developed by 3 developers as below :

1. IRCON International Pvt Limited	– Shivpuri – Guna (EPC) (Km 236 to km 332.10).
2. Dilip Buildcon Limited	- Guna - Biaora (BOT) (Km 332.100 to Km 426.100).
3. Oriental Structural Engineers Pvt Ltd	- Biaora - Dewas (BOT) (Km 426.100 to Km 566.450).

The works in the above streches are in progress and it can be observed that the average toll collections per day has increased from Rs. 13.73 lacs per day in FY 2017-18 to Rs. 15.76 lacs per day in FY 2018-19. The average toll collections for the month of April 2019 recorded at Rs. 18.56 lacs per day.

Hence due to the positive developments in the adjoining stretches as stated above, the toll is expected to increase for the coming years.

48 Disclosure of segment information pursuant to Ind AS 108 "Operating Segments"

The Company is engaged in the business of construction, operation and maintenance of Toll road projects on a Build Operate Transfer basis in a single business segment. Hence reporting of operating segments does not arise. The Company does not have operations outside India. Hence, disclosure of geographical segment information does not arise.

49 Events after the reporting period

There are no significant events after the reporting period that substantially affect the financial position of the company stated in the Balance Sheet.

50 There were no litigation pending against the company which could be materially impact its financial position as at the end of the year.

51 Previous year comparatives have been reclassified and regrouped wherever necessary, to confirm to current years' presentation.

As per our report attached
For Gianender & Associates
Chartered Accountants
Firm's Registration No: 004661N

GIANENDER & ASSOCIATES NEW DELHI Chartered Accountants

Jeetender Kumar Gupta
Partner
Membership No : 092547
Place: New Delhi
Date: 26th April, 2019

For and on behalf of the Board

J Brij Mohan Reddy
Director
DIN No 00012927

T V Sandeep Kumar Reddy
Director
DIN No 00005573