



Indore Dewas Tollways Ltd

10th Annual Report 2019-20



“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,
T S R Towers, Rajbhavan Road,
Somajiguda, Hyderabad-500 082
Telangana
Email: ghl@gayatrihighways.com
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 Board of Directors have immense pleasure in presenting the 10th Annual Report of your Company and is prepared based on the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2020.

STATE OF COMPANY AFFAIRS

1. FINANCIAL SUMMARY:

The following table depicts the financial results of your Company for the year ending 31st March 2020:

| S. No. | Particulars | For the year ended 31.03.2020 (in Rs.) | For the year ended 31.03.2019 (in Rs.) |
|--------|--|---|---|
| 1) | INCOME | | |
| | Income from Operations | 64,14,92,966 | 58,63,99,092 |
| | Other Operating Income | 72,43,313 | 1,02,58,657 |
| | Other Income | 10,85,783 | 5,82,850 |
| | TOTAL | 64,98,22,061 | 59,72,40,599 |
| 2) | EXPENDITURE | | |
| | Employee Benefits Expense | 7,27,29,821 | 1,87,79,774 |
| | Finance Costs | 71,47,391 | 94,60,35,566 |
| | Depreciation & Amortization expense | 1,98,25,321 | 9,58,27,144 |
| | Operations & Maintenance Expenses | 99,46,31,449 | 4,27,14,560 |
| | Periodic Maintenance Expenses | 17,55,72,736 | - |
| | Other Operating Expense | 7,90,90,601 | 1,00,95,125 |
| | Other Expenses | | 6,62,08,029 |
| | TOTAL | 134,89,97,319 | 1,17,96,60,198 |
| 3) | PROFIT / (LOSS) BEFORE TAX | (69,91,75,258) | (58,24,19,599) |
| | Provision for Taxation: | | |
| | - Current Tax | | |
| 4) | PROFIT / (LOSS) AFTER TAX | (69,91,75,258) | (58,24,19,599) |
| | Less: Prior Period adjustments | | |
| | Other Comprehensive Income | | |
| | Re-measurements of the defined benefit Plan | | |
| | Total Other Comprehensive income | 1,77,644 | (1,40,216) |
| | Total comprehensive income for the period | (69,89,97,614) | (58,25,59,815) |
| 5) | PROFIT / (LOSS) AFTER PRIOR PERIOD ITEMS | | |
| | Add: Balance brought forward from previous year | (229,71,69,551) | (58,25,59,815) |
| 6) | BALANCE CARRIED TO BALANCE SHEET | (229,68,97,969) | (229,81,71,937) |
| | Earnings (Loss) per Share – Basic & Diluted | (13,979.95) | (11,651.20) |

2. THE YEAR IN RETROSPECT

According to the Concession Agreement, the Company is collecting Toll/User fees from the Appointed Date i.e., 1st September, 2011 from the existing 4-lane road. The Toll Collections during the construction period, have been Utilized 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. A change of scope order has been issued by NHAI for the implementation of the Hybrid ETC lanes for all the lanes in Toll A & Toll B amounting to Rs. 1,84,24,150/- (excluding GST). The back to back work order for the same has been issued to Greentech Intelligent Systems and the same has been completed in the month of December 2019. The Hybrid ETC lanes were functional from the month of January 2020 in both the toll plazas for all the lanes.

➤ 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. 64,14,92,966/-** for the period 1st April, 2019 to March 31st, 2020 (excludes revenue for the period 26th March 2020 to 31st March 2020 due to suspension of toll as per NHAI guidelines due to COVID19 and LOCKDOWN in the entire Nation).

Complete stoppage of Toll Collection – Suspension of Toll due to Covid-19 & Lockdown in the entire Nation – Force Majeure event :-

- a. There has been a considerable reduction of traffic on the Project Highway from 21st March 2020 as both Central and State Governments have advised people to observe social distancing, ensure personal protection and avoid travelling unless inevitable in order to reduce the spread of infection of the deadly pandemic COVID19. The collections declined from 22nd March 2020 to almost Rs. 10 lacs and have drastically fallen to Rs. 1.67 lacs on 26th March 2020 (one shift) from which day NHAI has issued circular to suspend the toll collections and the collections were suspended effective 26th March 2020 from 12 noon. On 23rd March 2020 people observed Janata Curfew in obedience to the call given by the Hon'ble Prime Minister of India.
- b. The Govt. of India, on 24th March 2020 declared a nation-wide lockdown for a period of 21 (twenty-one) days w.e.f. 25th March 2020, and the lockdown was further extended to 14th April 2020 to 03rd May 2020 and further extended up to 29th May 2020 with certain relaxations from 4th May 2020. The effect of this declaration of lockdown is, *inter alia*, an order for closure of all commercial and private establishments and suspension of all transportation services (save and except transportation involving movement of essential goods and services).

- c. **No Toll Collections:** The complete stoppage of collection of toll is the resultant of the various notifications issued by the Central and/or State government under the *National Disaster Management Act, 2005* and the *Epidemics Diseases Act, 1897*. In this regard we would like to clarify that it is the various lockdown orders issued have directly impacted the collection of the toll. Therefore, the direct impact of the various advises /lockdown orders/notifications is in the initial reduction for the days 22-03-2020 to 26-03-2020 and then complete stoppage of toll collection at both the Toll Plazas from 26.03.2020 to 19.04.2020 24: 00 hrs.
- d. Hence the toll collections for the month of March 2020 were Rs. 4.41 crs as against the estimate of Rs. 6 crs based on the previous months. The total annual collections for the FY 2019-2020 are Rs. 64.15 crs as against the Techno Economic Viability estimates of Rs. 66.20 crs. The deficit is due to the suspension of the toll by NHAI and the LOCKDOWN imposed by Govt of India due to COVID19. The above act is taken as a force majeure and the compensation for the loss of toll revenue has been intimated to NHAI and the guidelines for the same are being awaited.

Commencement of Toll collections from 20-04-2020 & Future outlook :

Though the toll collections resumed from 20.04.2020 00:00 hrs following the Government & NHAI instructions, there was a very little traffic crossing our toll booths since complete lockdown was continuing in the country up to 03.05.2020. Due to the strict lockdown and strict restriction on movement of goods and passenger vehicles, the toll collection from 20-04-2020 was very meagre. The toll collections are almost less than 50% of what were expected.

However, post partial removal of the Lockdown and relaxations from 4th May 2020, the toll collections are in the range of Rs. 17 lacs to 18 lacs per days after almost 50 days. Unless some untoward incidences happen we expect that the toll collections would return to normalcy soon. During the month of June 2020, Upto 17th June the average toll collections per day were Rs. 18.72 lacs.

The actual average daily revenue for the project in FY 2019-2020 is INR 17.53 Lakhs/day as against the estimated INR 46.97 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.

➤ **Developments to the Adjoining stretches during the Current Financial Year :**

- (i) The **Stretch of Ghar – Dewas** was 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 of the 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** was 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. NHAI has later 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:-

| Sl. No. | Road section | Agency | Length | Date of issue of LOA | Date of issue of PCC | Date of issue of CC |
|---------|--|--------------|-----------|----------------------|----------------------|---------------------|
| 1 | Shivpuri Guna (Km 236 to km 332.10) | M/s IRCON | 96 kms | 31.03.2015 | 2018 for 83.6 kms * | 2018 |
| 2 | Guna-Biaora (Km 332.100 to Km 426.100) | M/s DBL | 93.05 kms | 29.06.2015 | 2018 | 2018 |
| 3 | Biaora-Dewas (Km 426.100 to Km 566.450) | M/s Oriental | 141 kms | 29.06.2015 | 2019 | Not issued as yet |

*Balance 12.4 kms (96 kms – 83.6 kms) is basically the stretch of 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 work to complete the carriage-way to 4 lane.

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 you 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 & FY 2016-17 NHAI has served a demand on the SPV for the payment of deferred premium amounting to Rs. 47.48 crs (excluding interest) for the 3 financial years. NHAI has also completed the review of the Annual accounts for the FY 2017-18.

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

- a) 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.
- b) The company has created the above reserve with the Lead Bank ie., Union Bank of India, for which NHAI had 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 asset 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.

- c) 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 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 various letters to NHAI the latest being vide its letter No IFB:HYD:216:2019-20 dated 18th September, 2019, 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 Lead bank has also taken a legal opinion on the contention of the NHAI stating –“Breach of the terms of the escrow Agreement dated 29.10.2010”. NHAI has in its raised concerns on the conflict in the withdrawal between the clause 31.1 of the Concession Agreement and clause 4.1 of the escrow agreement where in the former agreement the Concession Fee includes the Additional concession fee and the later agreement provides that additional concession fee has to be paid only after the debt service obligations. It is to be noted that the escrow agreement is a tripartite agreement between the NHAI – Concessionaire and the Escrow banker. The legal opinion states that NHAI contention is erroneous and the demand is not tenable.

➤ Status of the account with the Lenders

The SPV has remitted dues to UBI & SBI upto December 2019 as on 31st March 2020. PNB & IIFCL has been paid dues upto October 2019 & September 2019 respectively as on 31st March 2020.

The account with Punjab National bank has slipped into NPA and PNB has issued a recall notice dated 4th February 2020 and demanded for the remittance of the entire term loan. However PNB has attended the consortium meeting on 7th February 2020 and has concurred with the respective bank sanctioning authorities. The Lenders have appointed the rating agencies CRISIL & CARE for undertaking the RP4 Rating. CRISIL has issued RP4 rating for the Sustainable Debt of Rs. 236 crs and CARE is in the process of doing the same.

However in view of the prevailing COVID-19 situation, and as per the RBI instructions on allowing moratorium in the payment of EMIs, the SPV has requested all the Lenders to defer recovery of installment in our Term Loan accounts. With respect to IDTL the company has submitted letter to all the lenders vide dated 18th May 2020 for the moratorium as per RBI Guidelines.

Further the announcement has also been made by the Honorable Finance Minister of India on 17th May 2020 on "Further enhancement of Ease of doing business through IBC related measures."

➤ **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 SPV has applied for the Issuance of the final completion letter to the PD, PIU, Indore dated 28.5.2018. All the balance punch list items are long completed and further the safety Audit Committee site visit has also been completed successfully and all other technical tests have been completed successfully. The NHA1 has also issued the letter for the deletion of the pending works from the scope of works.

The final completion is deemed to be achieved.

➤ **Commencement of Major Maintenance Activities due to unprecedented Rains at the project Site during the year.**

During the current year a huge damage was caused to the road due the incessant rains during the months of June 19 to Sep 19. The damage caused to the highway had to be rectified by commencing the major maintenance activity immediately. The cost estimate of Rs. 7.11 crs has been worked out (as per LIE certification) in-order to commence the repair works immediately. The SPV has called for a consortium

meeting and submitted request to the Lead bank for the release of the above amount. However as the account is already in stress due to continuing deficit in cash flows even to service the debt obligations, the lenders have not approved this request. The Insurance claim has been raised and all the documents have been submitted to the Insurance company. However due to COVID19 & Lockdown, the site visit could not be conducted. The company expects the claim to get processed in the current year. However the O&M Contractor has commenced the repair works and has submitted the bill of Rs. 2.57 crs to the SPV as on 31st March 2020.

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. 15.77 lacs per day in the previous year to Rs. 17.53 lacs per day during the FY 2019-2020. The Toll Collections have to further improve to support the debt obligations to the lenders.

Covid-19 has come at a time when Indian economy was already facing slowdown due to after effects of demonetization, GST rollout, NBFC crisis and RERA. All eyes were set on rural economy and uptick in demand thereon. Coupled with Covid 19 impact, the current economic situation has the potential to materially impair the purchasing power in the economy and thereby may affect the Toll collection.

Commencement of Toll collections from 20-04-2020 Post relaxation of the Lockdown :

Though the toll collections commenced from 20.04.2020 00:00 hrs following the NHAI & Government instructions, there was a very little traffic crossing our toll booths as the lockdown was continuing in the country up to 03.05.2020. Due to the strict lockdown and strict restriction on movement of goods and passenger vehicles, the toll collection from 20-04-2020 was very meager until 2nd week of May 2020.

This is an extraordinary situation and In view of the prevailing COVID-19 situation, and as per RBI and Ministry of Finance has given instructions to banks on allowing moratorium in payment of EMIs, and to defer recovery of installment in our Term Loan accounts.

Further the announcement has been made by the Honorable Finance Minister of India on 17th May 2020 on **“Further enhancement of Ease of doing business through IBC related measures.”**

However we observe that the toll collections have almost reached normalcy after 50 days of Lockdown. Please find below the table of revenues for the months of April 2020 to June 2020.

| Particulars | April 2020 | May 2020 | June 2020 |
|----------------------|-------------|-------------|-------------|
| Toll collections | 1,15,61,915 | 5,07,07,934 | 2,80,79,078 |
| No of days | 11 | 31 | 17 |
| Average per day (Rs) | 10,51,083 | 16,35,740 | 17,54,942 |

The company has already submitted the Resolution plan to restructure the asset as per the RBI Circular dated 7th June 2019. According the Techno Economic Viability study (TEV) and Forensic Audit/Transaction Audit/Toll Audit has been completed and final reports submitted to the Lenders and the same have been closed by the Lenders. At the consortium meeting held dated 7th Feb 2020, the Lenders have appointed two rating agencies ie CRISIL & CARE to assess the sustainability of the project and % of sustainable debt and issue RP4 rating as per the RBI guidelines. Accordingly CRISIL has issued the RP4 rating for 40% sustainable debt ie Rs. 236 crs (40% of Rs. 589 crs). CARE is in the process of issuing the rating.

Once the RP4 rating has been obtained the proposal will be submitted to the Lenders for getting sanctions from their sanctioning authorities, which might take 6 to 8 months of time.

4. EXTRACT OF ANNUAL RETURN

The Extracts of Annual Return is prepared in Form No.MGT.9 as per the provisions of Section 92(3) of the Companies Act, 2013 ["Act"] read with Rule 12 of Companies (Management and Administration) Rules, 2014, and the same is annexed as **Annexure-1**.

5. BOARD MEETINGS

During the year ended 31st March, 2020, the minimum number of Four Board Meetings were convened and held. The intervening gap between the two consecutive Meetings was within the period prescribed under the Companies Act, 2013.

The dates on which the Board meetings were held are 26th April, 2019, 02nd August, 2019, 23rd October, 2019 and 28th January, 2020.

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, 2020.

| 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 | 4 |

Audit Committee Meetings

During the year ended 31st March, 2020, Four Audit Committee Meetings were convened and held. The dates on which the Audit Committee meetings were held are 26th April 2019, 02nd August, 2019, 23rd October, 2019 and 28th January, 2020.

Attendance of members at the meetings:

The details of the attendance of the Directors at the Audit Committee meetings held during the year ended 31st March, 2020:

| Name of the Director | Number of Audit Committee Meetings | |
|----------------------|------------------------------------|----------|
| | Held | Attended |
| M.V. Narasimha Rao | 4 | 4 |
| Ch. Harivithal Rao | 4 | 4 |
| J. Brij Mohan Reddy | 4 | 4 |

Nomination and Remuneration Committee Meetings

There were no meetings held during the year ended 31st March, 2020.

Separate meeting of Independent Directors

One separate meeting of independent directors was held during the year without the presence of non-independent directors and members of the management to assess the quality, quantity and timelines of flow of information between the Company Management and the Board.

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:

- That in the preparation of the annual accounts for the year ended 31st March, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- That such accounting policies were selected 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, 2020 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 accounts 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 directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such system 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, 2020.

No Independent Director was appointed during the period, so a statement regarding opinion of the Board with regard to integrity, expertise and experience including the proficiency is not applicable.

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. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS

All the Independent Directors have submitted their declaration of independence as required under 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. J. Brij Mohan 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 including the criteria for determining qualifications, positive

attributes, independence of a director and other matters, as required under sub-section (3) of Section 178 of the Act.

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. 22,17,12,588/- has resulted in understatement of loss for the year by Rs. 22,17,12,588/- 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. 22,17,12,588/-** 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 2019-2020 is not provided in the books of accounts as National Highways Authority of India has deferred the premium payment for few years as per the sanction letter dated 11th June 2014. The Interest liability on Additional Concession fees is neither accrued nor due until the completion of the deferment period, up to which NHAI has deferred the premium. After the completion of the deferment period, NHAI will again 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 deferment period 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.

Due to the current situation of COVID19 and slump in the economy 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.

No fraud has been reported by the Auditors

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 referred to in Section 188 of the Act are given in the Form AOC – 2, and is annexed as Annexure-2.

14. TRANSFER OF AMOUNT TO RESERVES

The Company does not propose to transfer any amount to any reserves for the Financial Year ended 31st March, 2020.

15. DIVIDEND

The Board of Directors does not recommend any dividend on the Equity Shares for the financial year ended 31st March, 2020.

16. MATERIAL CHANGES AND COMMITMENTS

There are no material changes 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 and details relating to conservation of energy and technology absorption do not apply to the Company and there are no foreign exchange earnings and outgo during the period.

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 been completed almost 80% and there seems to be a steep growth in the traffic averaging to 17.54 lacs per day. However, the SPV expects that the traffic will stabilize from years 2020-21 to 2022-23. NHAI has approved the deferment for payment of Additional concession fees as per the sanction letter dated 11th June 2014 as per the schedule given in the sanction letter with an annual review of the Annual accounts.

The company has already proposed to the Lenders for the Resolution plan as per the RBI circular dated 7th June 2019 as already discussed in point no 3.

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, independent directors by the entire Board of Directors and working of its Audit Committee and Nomination and Remuneration Committee.

21. 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.

22. SUBSIDIARY COMPANIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATE COMPANIES

During the Financial Year ending on 31st March 2020, 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.

23. CONSOLIDATED FINANCIAL STATEMENTS

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

24. 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 so the statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures is not applicable.

25. 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.

26. 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 2019-20.

27. 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.

28. PARTICULARS OF EMPLOYEES

There are no employees in the Company who are drawing prescribed salary pursuant to Section 197 of the Companies Act, 2013 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

29. 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.

30. 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.

31. SECRETARIAL AUDITOR

As per Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI Regulations"] 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 Form No. MR - 3 as specified under Section 204 of the Act and the rules made thereunder with effect from the year ended 31st March, 2020.

Your Company being material unlisted subsidiary of the Listed Company i.e., Gayatri Highways Limited, has appointed Mr. C.N. Kranthi Kumar, Company Secretary in Practice, a Peer Reviewed Unit [No. 612 / 2019] as a Secretarial Auditor for the financial year 2019-20 to comply with the SEBI Regulations.

32. SECRETARIAL AUDIT REPORT

The Secretarial Audit Report issued by the Secretarial Auditor, does not have any observations / qualification / reservation / adverse remarks / matters of non-compliances. The report is annexed as **Annexure-3**.

33. MAINTENANCE OF COST RECORDS

The Company is maintaining the Cost Records as specified by the Central Government under Section 148 of the Act.

34. INTERNAL COMPLAINTS COMMITTEE

The Company is not required to comply with the provisions of constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

35. 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 Regulatory, Professional & Local Bodies, Bankers, Financial Institutions, Auditors, Customers, Consultants, Service Providers for their continuous co-operation and support, and the Members for their confidence in the management of the Company.

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: **18th June, 2020**

Annexure-1

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended 31.03.2020
[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) FIs | - | - | - | - | - | - | - | - | - |
| 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 | 554.79 | 70.25 | | 625.04 |
| ii) Interest due but not paid | 11.08 | | | 11.08 |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | 565.87 | 70.25 | | 636.12 |
| Change in Indebtedness during the financial year | | | | |
| Addition | | | | |
| Reduction | 25.97 | | | 25.97 |
| Net Change | (25.97) | | | (25.97) |
| Indebtedness at the end of the financial year | 539.91 | | | 539.91 |
| i) Principal Amount | 539.91 | 70.25 | | 610.16 |
| ii) Interest due but not paid | 19.08 | | | 19.08 |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | 558.99 | 70.25 | | 629.24 |

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. 45,000/- | Rs. 45,000/- | Rs. 90,000/- |
| | -Commission | - | - | - |
| | - Others, please specify | - | - | - |
| | Total (B)(1) | Rs. 45,000/- | Rs. 45,000/- | Rs. 90,000/- |

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.45,000/- | Rs.45,000/- | Rs.90,000/- |

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

Place: Hyderabad
Date: 18th June, 2020


J. BRIJ MOHAN REDDY
Director
DIN:00012927


T.V. SANDEEP KUMAR REDDY
Director
DIN:00005573

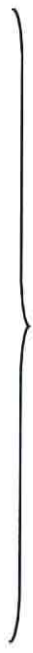
ANNEXURE-2

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: 18th June, 2020



FORM NO. MR - 3
Secretarial Audit Report
for the financial year ended 31st March, 2020

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 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 31-03-2020 (hereinafter called the "**Audit Period**" starting from 01-04-2019 to 31-03-2020) 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:

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;

HP
C.N.



- 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;

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;
- The Regulations and Guidelines prescribed under the SEBI Act specified in Point V (a) to (h) above; and
- The Securities Contracts (Regulation) Act, 1956.

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

- Complied with the provisions of The Companies Act, 2013 and the rules made thereunder;
- 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;
- 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; and
- 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.

LF
C.N.



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.

Note: This report is to be read with my letter of even date which is annexed as Annexure – 'A' and Notes forming an integral part of this report.

UDIN: F009255B000355139

Date: 18-06-2020

Place: Hyderabad



C.N. Kranthi Kumar
Company Secretary in Practice
FCS No. 9255 CP No. 13889
Peer Reviewed Unit
Certificate No. 612 / 2019



ANNEXURE - 'A'

To

The Members
Indore Dewas Tollways Limited

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 / test / 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.

LP
C.N.



NOTES

My report of even date is to be read along with the following notes:

1) Format:

The report is presented and submitted pursuant to Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in Form No. MR-3, the format prescribed under Section 204 of the Companies Act, 2013 and the rules made thereunder.

2) Requirement:

The Company being a material unlisted subsidiary [incorporated in India] of the listed entity - Gayatri Highways Limited, CIN: L45100TG2006PLC052146, the requirement to undertake secretarial audit and annex to its annual report a secretarial audit report is mandated as a matter of compliance.

3) Management responsibility:

The management of the Company is responsible for compliances with all applicable laws, bye-laws, rules, regulations, standards, circulars, guidelines, provisions of the Memorandum and Articles of Association of the Company, Board operations, adequate systems, processes, structures and maintaining it.

4) Reporting responsibility:

The responsibility of the Company Secretary in Practice is restricted only for verification of procedures of the Company on sample / test / random basis to ensure that correct facts are reflected in records.

5) Interpretation:

The words or expressions stated in bold, if any, shall bear the same meaning and context at the relevant paragraphs above, unless otherwise stated.


C.N.





INDEPENDENT AUDITOR'S REPORT

**To the Members of
INDORE DEWAS TOLLWAYS LIMITED**

Report on the audit of the Individual Ind AS Financial Statements

Qualified Opinion

We have audited the Individual Ind AS financial statements of **INDORE DEWAS TOLLWAYS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020 and the Statement of Profit and Loss (Including other Comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Individual 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. 65,01,99,743/- resulted in understatement of cumulative loss by Rs. 65,01,99,743 (for the year Rs. 22,17,12,588/-) and understatement of liabilities by the same amount.

We conducted our audit of Individual Ind AS financial statements 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 Individual 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 Individual 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 opinion.

Emphasis of Matter

We draw attention to note 13(h) to accompanying individual Ind AS financial statements that the account has become NPA with Punjab National bank and has issued a recall notice dated 4th Feb 2020 recalling the entire outstanding loan. As represented by the management all the Lenders in the consortium meeting dated 7th Feb 2020 agreed to take up the resolution proposal with their respective





competent authorities and have decided to appoint rating agencies to assess the sustainable and unsustainable debt. In view of the above, borrowings from PNB continues to be accounted as non-current borrowings.

Our audit opinion is not modified in respect of the above matters.

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. 299,71,69,551 upto March 31st, 2020 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

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 other information. The other information comprises the information included in the Annual Report (but does not include the Individual 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 Individual 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 Individual 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 Individual 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 Individual 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 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.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including other Comprehensive income, the statement of 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 Individual 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) Our observations made on the matters stated in the 'Basis for Qualified Opinion' and 'Material Uncertainty Relating to Going Concern' paragraphs above may have a significant effect so as to adversely affect the functioning of the company.
 - f) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.






- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- 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.
3. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year.

Place : New Delhi
Date: 18TH June, 2020

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




Shashank Agrawal
(Partner)
(M No. 536670)

UDIN : 20536670AAAAAJ7697



Annexure 'A' to the Independent Auditor's Report of INDORE DEWAS TOLLWAYS LIMITED for the Year ended as on 31st March 2020

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, Goods service tax, cess and other statutory dues during the year with the appropriate authorities. As on 31st March 2020, 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 Goods service tax, duty of customs, duty of excise, 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.

Term Loan I

| Due Date | Interest Outstanding | Principal O/s | Delays | Interest Outstanding | Principal O/s | Delays |
|--------------|----------------------|------------------|--------|-------------------------------|------------------|--------|
| | Banks | | | Financial Institutions | | |
| 31-Oct-2019 | | | | 66,49,585 | | 152 |
| 30-Nov-2019 | 8,60,905 | | 122 | 84,72,652 | | 122 |
| 31-Dec-2019 | 1,31,06,896 | 56,25,000 | 91 | 87,64,195 | 37,50,000 | 91 |
| 31-Jan-2020 | 2,72,10,990 | | 60 | 87,79,775 | | 60 |
| 29-Feb-2020 | 2,82,78,451 | | 31 | 82,19,136 | | 31 |
| 31-Mar-2020 | 3,01,40,039 | - | 1 | 88,45,799 | - | 1 |
| Total | 9,95,97,281 | 56,25,000 | | 4,97,31,142 | 37,50,000 | |

Funded Interest Term Loan

| Due Date | Interest Outstanding | Principal O/s | Delays | Interest Outstanding | Principal O/s | Delays |
|--------------|----------------------|------------------|--------|-------------------------------|------------------|--------|
| | Banks | | | Financial Institutions | | |
| 30-Nov-2019 | | | 122 | 33,02,196 | | 122 |
| 31-Dec-2019 | 38,07,557 | 90,76,000 | 91 | 15,11,456 | 60,50,000 | 91 |
| 31-Jan-2020 | 88,10,738 | | 60 | 23,78,049 | | 60 |
| 29-Feb-2020 | 81,53,106 | | 31 | 22,37,579 | | 31 |
| 31-Mar-2020 | 86,71,933 | - | 1 | 24,11,037 | - | 1 |
| Total | 2,94,43,334 | 90,76,000 | | 1,18,40,317 | 60,50,000 | |

- 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.



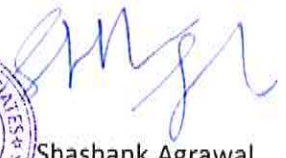


- x. According to the information and explanation given to us by the management which have been relied by us, there were no frauds on or by the company noticed or reported during the period under audit.
- xi. The company has not paid managerial remuneration, hence paragraph 3(xi) of the order is not applicable to the company.
- xii. The Company is not a Nidhi Company and hence clause 3 (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.

Place : New Delhi
Date: 18TH June, 2020

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




Shashank Agrawal
(Partner)
(M No. 536670)
UDIN : 20536670AAAAAJ7697

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 with reference to financial statements of **INDORE DEWAS TOLLWAYS LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the Individual 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 financial controls with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 Individual 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Individual 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 Individual 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 Individual Ind AS financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

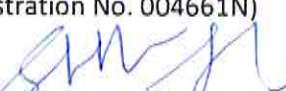
Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal financial controls with reference to financial statements 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)




Shashank Agrawal
(Partner)
(M No. 536670)
UDIN : 20535670AAAAA7697

Place : New Delhi
Date: 18TH June, 2020

INDORE DEWAS TOLLWAYS LIMITED

Notes to financial statements for the Year ended 31st March 2020.

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

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:

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

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)

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 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 carriageways 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.

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 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 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 recognised 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 inflow 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 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.

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 increased 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.

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.

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.

As per our report attached
For Gianender & Associates
Chartered Accountants

Firm's Registration No: 004661N



Shashank Agrawal
Partner
Membership No. 536670
Place: New Delhi
Date: 18th June 2020

For and on behalf of the Board



J Brij Mohan Reddy
Director
DIN No 00012027



T V Sandeep Kumar Reddy
Director
DIN No 00005573

INDORE DEWAS TOLLWAYS LIMITED

Balance Sheet as at 31st March, 2020

(All amounts in ₹ unless otherwise stated)

| Particulars | Notes | As at March 31st, 2020 | As at March 31st, 2019 |
|--------------------------------------|-------|---------------------------|---------------------------|
| ASSETS | | | |
| Non-current Assets | | | |
| Property, plant and equipment | 3 | 12,33,889 | 15,12,648 |
| Capital work-in-progress | | | |
| Investment Property | 5 | 3,08,910 | 3,08,910 |
| Intangible assets | | | |
| (i) under SCA | 4 | 7,97,16,15,496 | 8,14,69,09,473 |
| (ii) others | | | |
| Other Non-Current Assets | 6 | 7,78,197 | 7,78,197 |
| Total Non-current Assets | | 7,97,39,36,492 | 8,14,95,09,228 |
| Current Assets | | | |
| Financial assets | | | |
| (i) Cash and Cash equivalents | 7 | 84,26,228 | 1,67,16,495 |
| (ii) Other Bank Balance | 7 | - | - |
| (iii) Other Financial Assets | 8 | 10,90,591 | 3,62,313 |
| Tax assets | | | |
| Current tax assets (Net) | 9 | 77,48,820 | 1,39,40,843 |
| Other Current Assets | 10 | 27,20,828 | 70,11,889 |
| Total Current Assets | | 1,99,86,467 | 3,80,31,540 |
| Total Assets | | 7,99,39,22,959 | 8,18,75,40,768 |
| 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 | (2,99,71,69,551) | (2,29,81,71,937) |
| Total Equity | | (2,29,41,69,551) | (1,59,51,71,937) |
| LIABILITIES | | | |
| Non-current Liabilities | | | |
| Financial Liabilities | | | |
| (i) Long-term borrowings | 13 | 9,67,72,46,392 | 9,42,73,78,907 |
| (ii) Other financial liabilities | 14 | 3,04,45,850 | 3,04,45,850 |
| Provisions | 15 | 19,76,706 | 17,10,200 |
| Total Non-current Liabilities | | 9,70,96,68,948 | 9,45,95,34,957 |
| Current liabilities | | | |
| Financial liabilities | | | |
| Other financial liabilities | 16 | 57,48,44,220 | 32,01,47,331 |
| Provisions | 17 | 9,98,053 | 10,02,355 |
| Other current liabilities | 18 | 25,81,289 | 20,28,062 |
| Total Current Liabilities | | 57,84,23,563 | 32,31,77,748 |
| Total Liabilities | | 10,28,80,92,510 | 9,78,27,12,705 |
| Total Equity and Liabilities | | 7,99,39,22,959 | 8,18,75,40,768 |

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

For and on behalf of the Board



Shashank Agrawal

Partner

Membership No : 536670

Place: New Delhi

Date: 18th June 2020

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 2020

(All amounts in ₹ unless otherwise stated)

| Particulars | Notes | For the Year ended March 31, 2020 | For the Year ended March 31, 2019 |
|--|-------|--------------------------------------|--------------------------------------|
| Revenue from Operations | 19 | 64,14,92,966 | 58,63,99,092 |
| Other Operating Income | 20 | 72,43,312 | 1,02,58,657 |
| Other Income | 21 | 10,85,783 | 5,82,850 |
| Total Income | | 64,98,22,061 | 59,72,40,599 |
| Expenses | | | |
| Operation & Maintenance Expenses | 22 | 7,27,29,821 | 4,27,14,560 |
| Other Operating Expenses | 22 | 71,47,391 | 1,00,95,125 |
| Employee Benefits Expenses | 23 | 1,98,25,321 | 1,87,79,774 |
| Finance Costs | 24 | 99,46,31,449 | 94,60,35,566 |
| Depreciation and Amortisation Expenses | 25 | 17,55,72,736 | 9,58,27,144 |
| Other Expenses | 26 | 7,90,90,601 | 6,62,08,029 |
| Total expenses | | 1,34,89,97,319 | 1,17,96,60,198 |
| Profit before exceptional items and tax | | (69,91,75,258) | (58,24,19,599) |
| Add: Exceptional items | | | |
| Profit before tax | | (69,91,75,258) | (58,24,19,599) |
| Less: Tax expense | | | |
| (1) Current tax | | | |
| (2) MAT credit entitlement | | | |
| (2) Deferred tax | | | |
| Profit for the period | | (69,91,75,258) | (58,24,19,599) |
| Other Comprehensive Income | | | |
| Remeasurements of the defined benefit plans | | 1,77,644 | (1,40,216) |
| Total other comprehensive income | | 1,77,644 | (1,40,216) |
| Total comprehensive income for the period | | (69,89,97,614) | (58,25,59,815) |
| Earnings per share (Face Value ₹10/- per share) | | | |
| (1) Basic (in ₹.) | 40 | (13,979.95) | (11,651.20) |
| (2) Diluted (in ₹.) | 40 | (13,979.95) | (11,651.20) |

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



Shashank Agrawal

Partner

Membership No : 536670

Place: New Delhi

Date: 18th June 2020



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, 2020 | | For the Year ended March 31, 2019 | |
|------------------------------------|--------------------------------------|---------------------------|--------------------------------------|---------------------------|
| | 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 (Previous Year : FY 2018-2019)

| 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) |

| Particulars | Reserves and Surplus | | Total |
|--|-------------------------------|-------------------------|-------------------------|
| | Securities Premium Reserve | Retained Earnings | |
| Balance at the beginning of the reporting period i.e. 01.04.2019 | - | (2,29,81,71,937) | (2,29,81,71,937) |
| Changes in accounting policy or prior period errors | - | - | - |
| Restated balance at the beginning of the reporting period | - | (2,29,81,71,937) | (2,29,81,71,937) |
| Total Comprehensive Income for the year | | (69,89,97,614) | (69,89,97,614) |
| Dividends | | - | - |
| Transfer to Retained Earnings | | - | - |
| Any other change (to be specified) | | - | - |
| Balance at the end of the reporting period i.e. 31.03.2020. | - | (2,99,71,69,551) | (2,99,71,69,551) |

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

 Shashank Agrawal
Partner

Membership No : 536670

Place: New Delhi

Date: 18th June 2020


For and on behalf of the Board

 J Bri 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 2020

(All amounts in ₹ unless otherwise stated)

| S. No. | Particulars | As at March 31st, 2020 | As at March 31, 2019 |
|--------|--|---------------------------|-------------------------|
| A | Net profit / (loss) before tax and extraordinary items | (69,89,97,614) | (58,25,59,815) |
| | Adjustment for | | |
| | Depreciation and Amortisation Expense | 17,55,72,736 | 9,58,27,144 |
| | Interest expense | 99,46,31,449 | 94,60,35,566 |
| | Interest income | - | - |
| | Proceeds from redemption of FDRs | - | - |
| | Operating profit before working capital changes | 47,12,06,571 | 45,93,62,895 |
| | Adjustments for: | | |
| | Increase / (Decrease) in Long Term Provisions | 2,66,506 | 4,56,322 |
| | Increase / (Decrease) in Other Current Financial liabilities | 5,19,54,856 | (67,21,117) |
| | Increase / (Decrease) in Other Current Liabilities | 5,53,227 | (15,84,038) |
| | Increase / (Decrease) in Short Term Provisions | (4,302) | 5,85,169 |
| | (Increase) / Decrease in Other Non-Current Assets | - | - |
| | (Increase) / Decrease in other financial asset | (7,28,278) | 1,16,300 |
| | (Increase) / Decrease in other current assets | 42,91,061 | (15,00,720) |
| | Net cash generated from/(used in) operating activities | 52,75,39,641 | 45,06,54,811 |
| | Direct taxes paid (net of refunds) | 61,92,023 | 2,52,355 |
| | Net Cash(used in)/generated from Operating Activities | 53,37,31,664 | 45,09,07,166 |
| B | Cash flow from investing activities | | |
| | Purchase of fixed assets | - | - |
| | Net cash (used in)/generated from investing activities | - | - |
| C | Cash flow from financing activities | | |
| | Repayment of long term borrowings | (2,58,10,669) | |
| | Proceeds/repayment from/of Letter of Credit | | 12,22,62,719 |
| | Interest paid | (51,62,11,261) | (56,31,58,885) |
| | Net cash (used in)/generated from financing activities | (54,20,21,931) | (44,08,96,166) |
| | Net increase / (decrease) in cash and cash equivalents (A+B+C) | (82,90,267) | 1,00,11,000 |
| | Cash and cash equivalents as at the beginning of the year | 1,67,16,495 | 67,05,495 |
| | Cash and cash equivalents as at the end of the year | 84,26,228 | 1,67,16,495 |
| | | 84,26,228 | 1,67,16,495 |

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.

For Charanender & Associates
Chartered Accountants
FRN 004661N

Shashank Agrawal
Membership: 536670

Partner

Place: New Delhi

Date: 18th June 2020



J Brij Mohan Reddy
Director

DIN No 00012927

For and on behalf of the Board

T V Sandeep Kumar Reddy
Director

DIN No 00005573

INDORE DEWAS TOLLWAYS LIMITED

Notes to Financial Statements for the Year ended 31st March 2020

(All amounts in ₹ unless otherwise stated)

3 Property, Plant and Equipment as on 31st March 2020

| Particulars | Cost or Deemed cost | | | | Accumulated Depreciation and Impairment | | | Carrying Amount | |
|-------------------------------|-----------------------------|-----------|-----------|---------------------------|---|----------------------|-----------|----------------------|---------------------------|
| | Balance as at April 1, 2019 | Additions | Disposals | Balance at March 31, 2020 | Balance as at April 1, 2019 | Depreciation expense | Disposals | As at March 31, 2020 | Balance at March 31, 2019 |
| Property Plant and Equipment* | | | | | | | | | |
| Furniture & Fixtures | 68,602 | - | - | 68,602 | 42,706 | 10,669 | - | 15,226 | 25,895 |
| Office Equipment | 308,778 | - | - | 308,778 | 274,579 | 10,834 | - | 23,366 | 34,199 |
| Computers | 18,341 | - | - | 18,341 | 18,341 | - | - | (0) | (0) |
| Vehicle | 2,058,755 | - | - | 2,058,755 | 606,201 | 257,256 | - | 1,195,298 | 1,452,554 |
| Toll Plaza Building | - | - | - | - | - | - | - | - | - |
| Total | 2,454,475 | - | - | 2,454,475 | 941,827 | 278,759 | - | 1,233,889 | 1,512,648 |

Property, Plant and Equipment as on 31st March 2019

| 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 | As at March 31, 2019 | As at March 31, 2018 |
| Property Plant and Equipment* | | | | | | | | | |
| Furniture & Fixtures | 68,602 | - | - | 68,602 | 32,037 | 10,669 | - | 25,895 | 36,565 |
| Office Equipment | 308,778 | - | - | 308,778 | 251,008 | 23,571 | - | 34,199 | 57,770 |
| Computers | 18,341 | - | - | 18,341 | 18,341 | - | - | (0) | (0) |
| Vehicle | 2,058,755 | - | - | 2,058,755 | 370,780 | 235,420 | - | 1,452,554 | 1,687,975 |
| Toll Plaza Building | - | - | - | - | - | - | - | - | - |
| Total | 2,454,475 | - | - | 2,454,475 | 672,167 | 269,660 | - | 1,512,648 | 1,782,369 |

4 Intangible Assets as on 31st March 2020

| Particulars | Cost or Deemed cost | | | | Accumulated Depreciation and Impairment | | | Carrying Amount | |
|----------------------------------|-----------------------------|-----------|-----------|---------------------------|---|----------------------|-----------|----------------------|---------------------------|
| | Balance as at April 1, 2019 | Additions | Disposals | Balance at March 31, 2020 | Balance as at April 1, 2019 | Amortisation Expense | Disposals | As at March 31, 2020 | Balance at March 31, 2019 |
| Toll Plaza Management Systems \$ | 16,535,845 | - | - | 16,535,845 | 3,088,212 | 772,053 | - | 12,675,580 | 13,447,633 |
| Carraigeways capitalized | 8,436,377,963 | - | - | 8,436,377,963 | 302,916,123 | 174,521,924 | - | 7,958,939,916 | 8,133,461,840 |
| Total | 8,452,913,808 | - | - | 8,452,913,808 | 306,004,335 | 175,293,977 | - | 7,971,615,496 | 8,146,909,473 |

Intangible Assets as on 31st March 2019

| 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 | As at March 31, 2019 | As at March 31, 2018 |
| Toll Plaza Management Systems \$ | 16,535,845 | - | - | 16,535,845 | 2,316,159 | 772,053 | - | 13,447,633 | 14,219,686 |
| Carraigeways capitalized | 8,436,377,963 | - | - | 8,436,377,963 | 208,130,692 | 94,785,431 | - | 8,133,461,840 | 8,228,247,271 |
| Total | 8,452,913,808 | - | - | 8,452,913,808 | 210,446,851 | 95,557,484 | - | 8,146,909,473 | 8,242,466,957 |

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 value of 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

INDORE DEWAS TOLLWAYS LIMITED

Notes to Financial Statements for the Year ended 31st March 2020

(All amounts in ₹ unless otherwise stated)

5 Investment Property

| Particulars | As at March 31st, 2020 | As at March 31, 2019 |
|--------------|---------------------------|-------------------------|
| 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:

- 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.
- Discounted cash flow projections based on reliable estimates of future cash flows.
- 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 31st, 2020 | As at March 31, 2019 |
|--|---------------------------|-------------------------|
| 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 31st, 2020 | As at March 31, 2019 |
|---------------------|---------------------------|-------------------------|
| Balance with Banks | | |
| In Current Accounts | 83,62,484 | 1,38,66,401 |
| Cash on Hand | 63,744 | 28,50,094 |
| Total | 84,26,228 | 1,67,16,495 |

8 Other Financial Asset

| Particulars | As at March 31st, 2020 | As at March 31, 2019 |
|------------------------------|---------------------------|-------------------------|
| ETC O&M Receivable From NHAI | 10,90,591 | 3,62,313 |
| Total | 10,90,591 | 3,62,313 |



9 Current Tax Asset (Net)

| Particulars | As at March 31st, 2020 | As at March 31, 2019 |
|---------------------------------------|---------------------------|-------------------------|
| Current tax Asset | | |
| Receivable from Statutory Authorities | 77,48,820 | 1,39,40,843 |
| Total | 77,48,820 | 1,39,40,843 |

10 Other Current Assets

| Particulars | As at March 31st, 2020 | As at March 31, 2019 |
|---|---------------------------|-------------------------|
| Mobilization advance - COS & Utility shifting paid to GPL | 9,93,584 | 9,93,584 |
| Advances towards New Toll Plaza contract works | - | 31,50,680 |
| Prepaid Expenses | 16,93,244 | 20,93,293 |
| Others | 34,000 | 7,74,332 |
| Total | 27,20,828 | 70,11,889 |



INDORE DEWAS TOLLWAYS LIMITED

Notes to Financial Statements for the Year ended 31st March 2020

(All amounts in ₹ unless otherwise stated)

11 Equity Share Capital

| Particulars | As at March 31st, 2020 | As at March 31, 2019 |
|--|---------------------------|-------------------------|
| 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, SUBSCRIBED & 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 2020

Equity Share

| Particulars | As at March 31st, 2020 | | As at March 31, 2019 | |
|---|------------------------|-----------------|----------------------|-----------------|
| | 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 2020, 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 31st March 2020 | | As at March 31, 2019 | |
|---|-----------------------|--------------------|----------------------|--------------------|
| | % 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 |



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

| Name of the Shareholder | As at 31st March 2020 | | As at March 31, 2019 | |
|---|-----------------------|--------------|----------------------|--------------|
| | 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 beneficial ownership of shares has been transferred to Gayatri Highways Limited as per the NCLT order dated 3rd November, 2017, however as on 31st March 2020, 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). The transfer will be completed after receiving the NOC addressed to the security trustee from all the Lenders for the release & repledge of shares which is still pending to be received from State bank of India.

12 a) Instrument entirely Equity in nature

| Particulars | As at March 31st, 2020 | As at March 31, 2019 |
|----------------------|------------------------|----------------------|
| 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 31st, 2020 | As at March 31, 2019 |
|------------------------------------|-------------------------|-------------------------|
| Surplus in profit and loss account | (2,99,71,69,551) | (2,29,81,71,937) |
| Total | (2,99,71,69,551) | (2,29,81,71,937) |

| Particulars | As at March 31st, 2020 | As at March 31, 2019 |
|---|-------------------------|-------------------------|
| Statement of Profit and Loss | | |
| Balance at Beginning of the period | (2,29,81,71,937) | (1,71,56,12,122) |
| Net profit for the period / year | (69,89,97,614) | (58,25,59,815) |
| Other Comprehensive Income / (Expense) | - | - |
| Reserves | - | - |
| Transfer to Capital Redemption Reserves | - | - |
| Balance at end of the period | (2,99,71,69,551) | (2,29,81,71,937) |

13 Long - Term Borrowings

| Particulars | As at March 31st, 2020 | As at March 31, 2019 |
|---|------------------------|-----------------------|
| Term Loans | | |
| a. Secured | | |
| Indian Rupee Term Loans | | |
| from Banks - TL - I | 3,37,59,01,029 | 3,42,55,63,529 |
| from Financial Institutions | 96,97,75,000 | 98,48,00,000 |
| Indian Rupee - Funded Interest on Term Loans | | |
| from Banks - FITL | 82,60,84,626 | 90,47,81,049 |
| from Financial Institutions - FITL | 22,73,12,393 | 23,27,93,140 |
| Total of Secured Term Loans(A) | 5,39,90,73,048 | 5,54,79,37,717 |



| | | |
|--|-----------------------|-----------------------|
| Additional Concession Fees Payable to NHAI | 4,27,81,73,344 | 3,87,94,41,190 |
| Total of Deferred Payment Liability | 4,27,81,73,344 | 3,87,94,41,190 |
| | | |
| Total of Long term borrowings (A+B) | 9,67,72,46,392 | 9,42,73,78,907 |

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. NHAI reviews the Annual accounts every year.

Extension of Moratorium for Term loans : In view of the prevailing COVID-19 situation, and as per guidelines issued by the Reserve Bank of India and Ministry of Finance the Lenders have been given instructions to banks on allowing moratorium in payment of EMIs, and to defer recovery of installment in our Term Loan accounts until June 2020 as on the date of this Balance sheet.

Further the announcement has also been made by the Honorable Finance Minister of India on 17th May 2020 on "Further enhancement of Ease of doing business through IBC related measures."

Accordingly the current maturities with respect to the Term loan I - Principal repayment for the FY 2020-21 will be Rs 9,37,50,000/- and towards Funded Interest Term loan principal repayment is Rs.20,57,08,000/- for the FY 2020-21. 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 utilised 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 reduce the interest burden on the SPV.** Hence the Interest and Principal payments for the FY 2017-18 & FY 2018-19 & Partially for FY 2019-20 have been serviced in advance by way of pre payment of FITL loan as per the repayment schedule . The repayment on account of Interest and Principal obligations to FITL account has started in the FY 2019-2020 after the adjustment of the amounts prepaid.

(c) The Project completion was delayed due to the following 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 facilities (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.

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 as per the RBI circular dated 7th June 2019.

- (i) 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 has slipped into NPA with Punjab National bank and the bank has issued a recall notice dated 4th Feb 2020 recalling the entire loan outstanding. The account is in SMA2 with Union Bank of India and State bank of India. However all the Lenders have agreed to take up the Resolution proposal with their competent authorities at the consortium meeting held dated 7th Feb 2020 and have also decided to appoint credit rating agencies ie CRISIL & CARE to assess the sustainable and unsustainable debt. Hence the entire O/s loan of PNB is not disclosed under current liabilities.
- (ii) In lieu of the continuing stress in the account the SPV has already approached the Lenders to formulate a Resolution Plan as per the RBI circular dated 7th June, 2019.
- (iii) The Techno Economic Viability Study has been done by M/s Mott Macdonald & Forensic Audit has been done by M/s Sagar & Associates, Chartered Accountants and the same has been closed by the Consortium. Both have submitted the final reports to the Senior Lenders.
- (iv) The Lenders Consortium Meeting was held on 7th Feb 2020 and the Lenders have requested the SPV to get the rating done by rating agency to assess the sustainable and Unsustainable debt.
- (v) RP4 rating is required from 2 rating agencies for debt restructuring. Accordingly the Lenders have issued mandates to CRISIL & CARE for assessing the sustainability.



CRISIL has issued the RP4 Rating with sustainable debt of Rs. 236 crs (40% of Rs. 589 crs) and the same has been submitted to all the Lenders.

CARE rating is in the process of evaluating the RP4 rating post which the proposal will be taken up by the banks to their competent authorities which might take 6 months time.

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 31st, 2020 | As at March 31, 2019 |
|---|---------------------------|-------------------------|
| 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 2020 has not provided in the books of accounts as National Highways Authority of India has deferred the premium payment as per the sanction letter issued dt 11.6.2020 which starts from 2014. The Interest liability on Additional Concession fees has neither accrued nor due until the completion of the deferment period upto which NHAI has deferred the premium. After the completion of the deferment period, 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.

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 during the current year the adjoining stretches have almost been completed and the projects have started commercial operations. Although the toll collections have increased considerably, the revenues are not sufficient to meet the debt obligations fully to the lenders. The 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 31st, 2020 | As at March 31, 2019 |
|---------------------------------------|---------------------------|-------------------------|
| Provison for Employee benefits | | |
| Provison for Gratuity | 19,76,706 | 17,10,200 |
| Total | 19,76,706 | 17,10,200 |



16 Other Financial Current liabilities

| Particulars | As at March 31st, 2020 | As at March 31, 2019 |
|--|---------------------------|-------------------------|
| Current Maturities of Long Term Loans | 29,94,58,000 | 17,64,04,000 |
| Interest accrued and due on borrowings | 19,08,48,074 | 11,08,06,041 |
| Payable to Related Party | | |
| Retention Money | 12,36,880 | 12,36,880 |
| Operation & Maintenance expenses | 6,14,54,469 | 2,09,75,900 |
| COS & Utility expenses | 5,40,526 | 5,40,526 |
| Other payables | | |
| Review & Inspection charges payable to Lenders | 10,77,596 | 14,31,596 |
| Toll operation and management services | 1,08,67,198 | 33,00,999 |
| Creditors for Expenses at site | 70,65,808 | 42,73,524 |
| Creditors for Expenses at HO | 22,95,669 | 11,77,865 |
| Total | 57,48,44,220 | 32,01,47,331 |

17 Short Term Provisions

| Particulars | As at March 31st, 2020 | As at March 31, 2019 |
|---------------------------------------|---------------------------|-------------------------|
| Provison for Employee benefits | | |
| Provision for Gratuity - ST | 91,076 | 2,00,860 |
| Other Provisions | | |
| Provision for Site Expenses | 9,06,977 | 8,01,495 |
| Total | 9,98,053 | 10,02,355 |

18 Other Current liabilities

| Particulars | As at March 31st, 2020 | As at March 31, 2019 |
|---|---------------------------|-------------------------|
| Statutory liabilities | 15,87,703 | 9,16,576 |
| Mobilization Advance for COS & Utility shifting from NHAI | 9,93,586 | 11,11,486 |
| Total | 25,81,289 | 20,28,062 |



INDORE DEWAS TOLLWAYS LIMITED**Notes to Financial Statements for the Year ended 31st March 2020**

(All amounts in ₹ unless otherwise stated)

19 Revenue From Operations

| Particulars | As at March 31st, 2020 | For the year ended March 31, 2019 |
|--------------------------------|---------------------------|--------------------------------------|
| Revenue from Operations | | |
| Revenue From Toll Collections | 64,14,92,966 | 58,63,99,092 |
| Total | 64,14,92,966 | 58,63,99,092 |

1) Complete stoppage of Toll Collection March 2020 - Covid-19 & Lockdown in the entire Nation - Consequential impact on the Revenue and the Operations of the Company :

a.) There has been a considerable reduction of traffic on the Project Highway from 21st March 2020 as both Central and State Governments have advised people to observe social distancing, ensure personal protection and avoid travelling unless inevitable. There toll collections declined from 22nd March 2020 to almost Rs. 10 lacs & and drastically fallen to Rs. 1.67 lacs on 26th March 2020 (one shift) from which day NHAI has issued circular to suspend the toll collections and the collections were suspended effective 26th March 2020 from 12 noon. On 23rd March 2020 people observed Janata Curfew in obedience to the call given by the Hon'ble Prime Minister of India.

b.) The Govt. of India, on 24th March 2020 declared a nation-wide lockdown for a period of 21 (twenty-one) days w.e.f. 25th March 2020, and the lockdown has further been extended on 14th April 2020 till 03rd May 2020 and further extended up to 29th May 2020 with certain relaxations. The effect of this declaration of lockdown is, inter alia, an order for closure of all commercial and private establishments and suspension of all transportation services (save and except transportation involving movement of essential goods and services).

c.) **No Toll Collections :** The complete stoppage of collection of toll is resultant of the various notifications issued by the Central and/or State government under the National Disaster Management Act, 2005 and the Epidemics Diseases Act, 1897. In this regard we would like to clarify that it is the various lockdown orders issued have directly impacted the collection of the toll. Therefore, the direct impact of the various advises /lockdown orders/notifications is the initial reduction (22-03-2020 to 26-03-2020) and then complete stoppage of toll collection at both the Toll Plazas from 26.03.2020 to 19.04.2020 24: 00 hrs.

d.) Hence the toll collections for the month of March 2020 were Rs. 4.41 crs as against the estimate of Rs. 6 crs based on the previous months. The total annual collections for the FY 2019-2020 were Rs. 64.15 crs as against the TEV estimates of Rs. 66.20 crs. The deficit is due to the suspension of toll and the LOCKDOWN imposed by Govt of India due to COVID19. The above act is taken as a force majeure and the compensation for the loss of toll revenue is being submitted to NHAI and guidelines for the same are being awaited.



2) For the year ended 31st March 2019 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 i.e., 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 (i.e. Rs. 4.50 Less Rs. 2.46 crs received till now vide its letter dated 1.5.20.19)

20 Other Operating Income

| Particulars | As at March 31st, 2020 | For the year ended March 31, 2019 |
|-------------------------------|---------------------------|--------------------------------------|
| Change of Scope Receipt -NHAI | 72,43,312 | 1,02,58,657 |
| Utilities Shifting Receipts | - | - |
| Total | 72,43,312 | 1,02,58,657 |

21 Other Income

| Particulars | As at March 31st, 2020 | For the year ended March 31, 2019 |
|-----------------------------|---------------------------|--------------------------------------|
| Income From Mutual Funds | - | - |
| Interest on FD -Banks & FIs | - | - |
| Miscellaneous Income | 1,72,625 | 34,100 |
| Other Income | 9,13,158 | 5,48,750 |
| Total | 10,85,783 | 5,82,850 |

22 Operating and Maintenance Expenses

| Particulars | As at March 31st, 2020 | For the year ended March 31, 2019 |
|-----------------------|---------------------------|--------------------------------------|
| Repairs & Maintenance | 7,27,29,821 | 4,27,14,560 |
| Change of scope works | 71,47,391 | 1,00,95,125 |
| Total | 7,98,77,212 | 5,28,09,685 |



Note of MMR : Damage caused to the road due the incessant rains during the months of June 19 to Sep 19.

The damage caused to the highway is to be rectified by commencing the major maintenance activity immediately. The cost estimate of Rs. 7.11Cr has been worked out for in-order to commence the repair works immediately and the same was certified by the LIE. The MMR works have been commenced. The bill for Rs. 2.57 crs has been raised by the Contractor for the year ended 31st March 2020 and the same is accounted. However the claim with the Insurance company for the damage caused to the road due to flood and Inundation has been lodged and all the documents have been submitted to them and the same is in process.

Change of scope works : As per the accounting policy of the Company, the Hybrid ETC works which comes under Change of Scope (COS) will be accounted as and when it is certified by the technical team of NHAI. The milestone has not been accounted as it is pending certification from the technical team of NHAI.

23 Employee Benefits Expense

| Particulars | As at March 31st, 2020 | For the year ended March 31, 2019 |
|------------------------|---------------------------|--------------------------------------|
| Salaries & Wages | 1,94,79,097 | 1,84,14,579 |
| Staff welfare Expenses | 3,46,224 | 3,65,195 |
| Total | 1,98,25,321 | 1,87,79,774 |

24 Finance costs

| Particulars | As at March 31st, 2020 | For the year ended March 31, 2019 |
|---|---------------------------|--------------------------------------|
| Interest on Term Loans | 59,20,94,736 | 58,18,52,810 |
| Financial charges | 38,04,559 | 35,09,085 |
| Unwinding of Interest on Deferred Premium | 39,87,32,154 | 36,06,73,671 |
| Total | 99,46,31,449 | 94,60,35,566 |

25 Depreciation and Amortisation expense

| Particulars | As at March 31st, 2020 | For the year ended March 31, 2019 |
|----------------------------------|---------------------------|--------------------------------------|
| Depreciation on Tangible Assets | 2,78,759 | 2,69,660 |
| Amortization on Intangible Asset | 17,52,93,977 | 9,55,57,484 |
| Total | 17,55,72,736 | 9,58,27,144 |



26 Other Expenses

| Particulars | As at March 31st, 2020 | For the year ended March 31, 2019 |
|-------------------------------------|---------------------------|--------------------------------------|
| Administrative Expenses | 59,18,134 | 56,71,170 |
| Electricity Charges | 20,35,405 | 18,14,621 |
| Audit expenses | 4,77,900 | 4,22,440 |
| Insurances | 23,25,929 | 21,61,466 |
| Legal & Professional Charges | 1,68,58,763 | 1,35,04,169 |
| Other R&M Works | - | - |
| Period Rates & Taxes | 2,02,204 | 2,33,397 |
| Telephone & Internet | 2,30,507 | 2,46,032 |
| Toll Operation & Management Service | 4,83,36,204 | 3,91,42,705 |
| Travelling & Conveyance | 27,05,555 | 30,12,029 |
| Total | 7,90,90,601 | 6,62,08,029 |



INDORE DEWAS TOLLWAYS LIMITED
Notes to Financial Statements for the Year ended 31st March 2020
(All amounts in ₹ unless otherwise stated)

27 Financial Instruments

Disclosure of Financial Instruments by Category

| Financial Instruments by categories | Note no. | As at 31st March 2020 | | | As at March 31, 2019 | | |
|--|----------|-----------------------|--------|------------------------|----------------------|--------|-----------------------|
| | | FVTPL | FVTOCI | Amortized cost | FVTPL | FVTOCI | Amortized cost |
| Financial asset | | | | | | | |
| Investments | | | | | - | | |
| Trade receivable | | | | | - | | |
| Cash and Cash equivalents | | | | 84,26,228 | | | 1,67,16,495 |
| Other Bank Balance | | | | - | | | - |
| Other Financial Assets | | | | 10,90,591 | | | 3,62,313 |
| Total Financial Asset | | - | - | 95,16,819 | - | - | 1,70,78,808 |
| Financial liability | | | | | | | |
| Term Loan from Banks and Financial Institution | | | | 5,69,85,31,048 | - | | 5,72,43,41,717 |
| Deferred Payment Liability | | | | 4,27,81,73,344 | | | 3,87,94,41,190 |
| Other Current Financial Liabilities | | | | 27,53,86,220 | | | 14,37,43,331 |
| Other Non Current Financial Liabilities | | | | 3,04,45,850 | - | | 3,04,45,850 |
| Total Financial Liabilities | | - | - | 10,28,25,36,462 | - | - | 9,77,79,72,088 |

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 | Interest Outstanding | Principal O/s | No of days today | Interest Outstanding | Principal O/s | No of days today |
|----------------------------------|----------------------|------------------|------------------|------------------------|------------------|------------------|
| | Banks | | | Financial Institutions | | |
| Interest dues upto October 2019 | | | | 66,49,585 | | 152 |
| Interest dues upto November 19 | 8,60,905 | | 122 | 84,72,652 | | 122 |
| Interest dues upto December 19 | 1,31,06,896 | 56,25,000 | 91 | 87,64,195 | 37,50,000 | 91 |
| Interest dues upto January 2020 | 2,72,10,990 | | 60 | 87,79,775 | | 60 |
| Interest dues upto February 2020 | 2,82,78,451 | | 31 | 82,19,136 | | 31 |
| Interest dues upto March 2020 | 3,01,40,039 | | 1 | 88,45,799 | - | 1 |
| Total | 9,95,97,281 | 56,25,000 | | 4,97,31,142 | 37,50,000 | |

Funded Interest Term Loan

| Particulars | Interest Outstanding | Principal O/s | No of days today | Interest Outstanding | Principal O/s | No of days today |
|----------------------------------|----------------------|------------------|------------------|------------------------|------------------|------------------|
| | Banks | | | Financial Institutions | | |
| Interest dues upto November 2019 | | | 122 | 33,02,196 | | 122 |
| Interest dues upto December 2019 | 38,07,557 | 90,76,000 | 91 | 15,11,456 | 60,50,000 | 91 |
| Interest dues upto January 2020 | 88,10,738 | | 60 | 23,78,049 | | 60 |
| Interest dues upto February 2020 | 81,53,106 | | 31 | 22,37,579 | | 31 |
| Interest dues upto March 2020 | 86,71,933 | - | 1 | 24,11,037 | - | 1 |
| Total | 2,94,43,334 | 90,76,000 | | 1,18,40,317 | 60,50,000 | |

Note on Prepayment of Funded Interest Term Loan :
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 utilised 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 reduce the interest burden on the SPV.

Hence the Interest and Principal payments for the FY 2017-18; FY 2018-19 partially for FY 19-20 have been serviced in advance by way of pre payment of FITL loan as per the repayment schedule. However the payment of Interest and Principal dues in FITL have commenced in the FY 2019-2020 post the completion of the adjustment of the above advance.

28 Fair value of Financial asset and liabilities at amortized cost

| Particulars | Note no. | As at 31st March 2020 | | As at March 31, 2019 | |
|---------------------------|----------|-----------------------|------------|----------------------|-------------|
| | | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial Assets | | | | | |
| Trade receivable | | | | - | - |
| Cash and cash equivalents | | 84,26,228 | 84,26,228 | 1,67,16,495 | 1,67,16,495 |



| | | | | | |
|-------------------------------|--|------------------|------------------|--------------------|--------------------|
| Other bank balance | | - | - | - | - |
| Other financial assets | | 10,90,591 | 10,90,591 | 3,62,313 | 3,62,313 |
| Total Financial Assets | | 95,16,819 | 95,16,819 | 1,70,78,808 | 1,70,78,808 |

| | | | | | |
|--|--|------------------------|------------------------|-----------------------|-----------------------|
| Financial liability | | | | | |
| Term Loan from Banks and Financial Institution | | 5,69,85,31,048 | 5,69,85,31,048 | 5,72,43,41,717 | 5,72,43,41,717 |
| Trade Payables | | - | - | - | - |
| Deferred Payment Liability | | 4,27,81,73,344 | 4,27,81,73,344 | 3,87,94,41,190 | 3,87,94,41,190 |
| Other Current Financial Liabilities | | 27,53,86,220 | 27,53,86,220 | 14,37,43,331 | 14,37,43,331 |
| Other Non Current Financial Liabilities | | 3,04,45,850 | 3,04,45,850 | 3,04,45,850 | 3,04,45,850 |
| Total Financial Liabilities | | 10,28,25,36,462 | 10,28,25,36,462 | 9,77,79,72,088 | 9,77,79,72,088 |

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.



INDORE DEWAS TOLLWAYS LIMITED**Notes to Financial Statements for the Year ended 31st March 2020**

(All amounts in ₹ unless otherwise stated)

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 | 31.03.2020 | 31.03.2019 |
|---|----------------|----------------|
| Senior Debt from Banks - Variable rate borrowings | 5,69,85,31,048 | 5,72,43,41,717 |

Sensitivity analysis based on average outstanding Senior Debt

| Interest Rate Risk Analysis | Impact on profit/ loss after tax | |
|---|----------------------------------|-------------|
| | FY 2019-20 | FY 2018-19 |
| Increase or decrease in interest rate by 0.25 basis point | 1,42,78,591 | 1,45,48,594 |

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

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 2020



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 31st March 2020 | Carrying Amount | upto 1 year | 1 - 2 years | 2 - 5 years | > 5 years |
|--|-----------------|--------------|----------------|----------------|----------------|
| Non Derivative Financial Liability | | | | | |
| Term Loan from Banks and Financial Institution | 5,69,85,31,048 | 92,62,66,124 | 2,00,87,75,267 | 4,84,35,07,226 | 1,04,23,46,163 |
| Deferred Payment Liability | 4,27,81,73,344 | | 12,20,00,000 | 1,23,01,78,803 | 9,91,01,82,541 |
| Other Current Financial Liabilities | 27,53,86,220 | 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, 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 | | | 12,20,00,000 | 11,14,03,61,344 |
| 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 |

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 occurrence is as and when the traffic passes through toll - plazas. Hence, the management believes that the company is not exposed to any credit risk.



INDORE DEWAS TOLLWAYS LIMITED**Notes to Financial Statements for the Year ended 31st March 2020**

(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 March 31st, 2020 | As at 31st March 2019 |
|---------------------------------------|---------------------------|--------------------------|
| Debts | 5,88,93,79,122 | 5,83,51,47,758 |
| Less: Cash and Bank Balances | (84,26,228) | (1,67,16,495) |
| Net Debt (A) | 5,88,09,52,894 | 5,81,84,31,264 |
| Equity & Other equity (B) | (2,29,41,69,551) | (1,59,51,71,937) |
| Net Debt / Total Capital (A/B) | (2.56) | (3.65) |

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

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

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

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.

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

iv Obligation of the Company

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



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 2020**

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) : ₹ 72,43,312/- (PY: ₹ 1,02,58,657/-)

Method used to recognise the constructions revenue - Work executed 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 | As at |
|--|-----------------|-----------------|
| Profit and Loss account for current period | 31st Mar 2020 | 31st Mar 2019 |
| Service Cost: | - | |
| Current Service Cost | 2,85,826 | 2,64,078 |
| settlement | | |
| Net interest cost | 1,39,405 | 1,08,582 |
| Total included in 'Employee Benefit Expense' | 4,25,231 | 3,72,660 |
| Expenses deducted from the fund | | |
| Total Charge to P&L | 4,25,231 | 3,72,660 |

Other Comprehensive Income for the current period

| | | |
|--|-------------------|-----------------|
| Components of actuarial gain/losses on obligations: | | |
| Due to change in financial assumptions | 1,08,214 | 82,077 |
| Due to change in Demographic assumption | (1,394) | |
| Due to experience adjustments | (2,84,464) | 58,139 |
| Amount recognized in Other Comprehensive Income | (1,77,644) | 5,12,876 |

Reconciliation of defined obligation

| | For the year ended | |
|------------------------------------|--------------------|---------------|
| | 31st Mar 2020 | 31st Mar 2019 |
| Defined Benefit Obligation | | |
| Opening defined benefit obligation | 19,11,060 | 14,41,453 |
| Service Cost | 2,85,826 | 2,64,078 |
| Net interest expense | 1,39,405 | 1,08,582 |



| | | |
|---|------------------|------------------|
| Components of actuarial gain/loss on obligations | | |
| Due to change in financial assumptions | 1,08,214 | 82,077 |
| Due to change in Demographic assumption | (1,394) | |
| Due to experience adjustments | (2,84,464) | 58,139 |
| Benefits paid | (90,865) | (43,269) |
| Closing defined benefit obligation | 20,67,782 | 19,11,060 |
| Bifurcation of liability as per schedule III | | |
| Current Liability | 91,076 | 2,00,860 |
| Non-current liability | 19,76,706 | 17,10,200 |

| Principal Actuarial Assumptions | As at | |
|---|-----------------|-----------------|
| | 31st Mar 2020 | 31st Mar 2019 |
| Discounting Rate | 6.80% | 7.45% |
| Average Salary Growth Rate | 4% | 4% |
| Attrition Rate | 3 % at all ages | 3 % at all ages |
| Sensitivity to key assumptions | | |
| <u>Discount Rate Sensitivity</u> | | |
| Increase by 1% | 19,05,587 | 17,66,573 |
| (% change) | -7.84% | -7.56% |
| Decrease by 1% | 22,57,577 | 20,79,019 |
| (% change) | 9.18% | 8.79% |
| <u>Salary Growth Rate Sensitivity</u> | | |
| Increase by 1% | 22,41,441 | 20,72,460 |
| (% change) | 8.40% | 8.45% |
| Decrease by 1% | 19,05,331 | 17,62,853 |
| (% change) | -7.86% | -7.76% |
| <u>Withdrawal Rate (W.R.) Sensitivity</u> | | |
| W.R. up by 1% | 20,82,773 | 19,12,629 |
| (% change) | 0.72% | 0.08% |
| W.R. down by 1% | 20,52,121 | 19,09,489 |
| (% change) | -0.76% | -0.08% |

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:

| Particulars | As at March 31st, 2020 | As at 31st March 2019 |
|--|---------------------------|--------------------------|
| 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 | 7,44,48,240 | 5,20,99,604 |
| 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 | | |
| M/s Gayatri Highways Limited | | |
| Share Capital | 3,33,200 | 3,33,200 |
| Equity Component Interest free Subordinate loan | 70,25,00,000 | 70,25,00,000 |
| Payables | | |
| M/s Gayatri Projects Limited | | |
| Share Capital (Pledged with Lenders ref Notes 5.e.g) | - | - |
| Equity Component Interest free Subordinate loan | - | - |
| Receivables | 79,20,000 | 79,20,000 |
| Payables | 7,02,05,217 | 2,97,26,648 |
| 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 |

* Transactions with Gayatri Projects Ltd includes the bank guarantee charges reimbursed to GPL on account of the Bank Guarantee issued to IDTL.

Pursuant to the order of the National Company Law Tribunal dated 3th Nov, 2017, the composite scheme of Merger and demerger has been approved and is in the process of implementation. In lieu of the above the Gayatri Infra Ventures has been merged 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. The transfer will be completed after receiving the NOC addressed to the security trustee from all the Lenders for the release & repledge of shares which is still pending to be received from State bank of India.

Sitting Fees to Directors

| | | Amt in Rs | |
|-----------------------|----------------------|------------------|------------------|
| Particulars | | For FY 2019-2020 | For FY 2018-2019 |
| Shri Hari Vittal Rao | Independent Director | 53,100 | 35,400 |
| Shri M V Narsimha Rao | Independent Director | 53,100 | 29,500 |

39 Disclosure pursuant to Ind AS 23 "Borrowing Costs"

| Particulars | As at March 31st, 2020 | As at 31st March 2019 |
|--|---------------------------|--------------------------|
| Finance Cost | 99,46,31,449 | 94,60,35,566 |
| Less : Capitalized during the year | | |
| Finance Cost charged to Statement of P/L | 99,46,31,449 | 94,60,35,566 |

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 | As at March 31st, 2020 | As at 31st March 2019 |
|--|--------|---------------------------|--------------------------|
| Earnings Per Equity Share: | | | |
| Loss attributable to equity holders of the Company | Rupees | (69,89,97,614) | (58,25,59,815) |
| 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 | | (13,979.95) | (11,651.20) |

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

a) Contingent Liabilities

| Particulars | As at March 31st, 2020 | As at 31st March 2019 |
|---|---------------------------|--------------------------|
| Claims against the company not acknowledged as debt | | |
| a) Claims made by NHAI towards reimbursement 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 |
| b) The EPC contractor has filed claims with the SPV under various heads amounting to Rs. 196.55 crs and the same has to be paid to them out of the claims received from NHAI as stated below. | 1,96,55,41,206 | |
| Guarantees | - | - |
| Other money for which the company is contingently liable | - | - |

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 i.e., Rs. 3.25 crs (1% of the Total cost as per the Concession Agreement)

b) Contingent Asset

The company has filed with NHAI claims for an amount of Rs. 915.81 crs vide letter dated 30th May 2019 under various heads. The conciliation meetings with NHAI have failed and the Arbitration proceedings have started. The first hearing was held on 30th May 2020. This was a preliminary meeting and brief discussion about the project was done. The tribunal has decided the future dates and next course of agenda for future hearings.

42 Capital Commitment

| Particulars | As at March 31st, 2020 | As at 31st March 2019 |
|--|---------------------------|--------------------------|
| Estimated amount of contracts remaining to be executed on Capital Account not provided for | - | 12,00,48,063 |
| Uncalled liability on shares and other investments partly paid | - | - |
| Other commitments | | |
| Total | - | 12,00,48,063 |

* The above EPC works need not be carried out by the SPV as NHAI has deleted the same from the scope of works

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. However the National Highways Authority of India has granted deferment for the premium payable to them.

43 Payments to Auditor

| Particulars | As at March 31st, 2020 | As at 31st March 2019 |
|-------------------------|---------------------------|--------------------------|
| | 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) | 1,55,000 | 1,08,000 |
| (d) Goods & Service Tax / Service Tax | 72,900 | 64,440 |
| Total | 4,77,900 | 4,22,440 |

- 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 Transactions

| | |
|-------------------------------------|---------------------|
| (i) Expenditure in Foreign Currency | (Previous Year Nil) |
| (ii) CIF value of Import | (Previous Year Nil) |
| (iii) FOB value of Export | (Previous Year Nil) |
| (iv) Earnings in Foreign Exchange | (Previous Year Nil) |
| (v) Remittance in Foreign Exchange | (Previous 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 16.5 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.

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 envisaged due to the below mentioned reasons :

Developments in the adjoining stretches :

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

| Stretch | Developer | Length | CC |
|--|---------------------------------------|-----------|-----------------------------|
| Shivpuri – Guna (EPC) (Km 236 to km 332.10). | IRCON International Pvt Limited | 96 Kms | Attained in 2018 (86.6 kms) |
| Guna - Biaora (BOT) (Km 332.100 to Km 426.100). | Dilip Buildcon Limited | 93.05 Kms | Attained in 2018 |
| Biaora - Dewas (BOT) (Km 426.100 to Km 566.450). | Oriental Structural Engineers Pvt Ltd | 141 Kms | PCC attained in 2019 |

The works in the above stretches have been 80% completed and it can be observed that the average toll collections per day has increased from Rs. 15.77 lacs per day in FY 2018-19 to Rs. 17.54 lacs per day in FY 2019-2020 (April 19 to March 2020).

Hence due to the positive developments in the adjoining stretches as stated above, the toll is expected to increase for the coming years. Despite the COVID19 & Lockdown , the toll collections have returned to normalcy in the months of May 2020 to June 2020 as seen in the above table.

| Particulars | Apr-20 | May-20 | Jun-20 |
|-------------------------|--------------------|--------------------|--------------------|
| Toll collections | 1,15,61,915 | 5,07,07,934 | 3,18,40,808 |
| No of days | 11 | 31 | 17 |
| Average per day (Rs) | 10,51,083 | 16,35,740 | 18,72,989 |

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 The duration and impact of the COVID-19 pandemic remains unclear at present as on book closure date. Hence, it is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods. However, the company is protected by the clauses 34 of the Concession Agreement to claim such loss under force majeure event in the form of revenue loss compensation by way of claiming the loss of toll revenue from the NHAI or by way of extension of the concession period. The Management of the Company will study the impact & the appropriate claim will be lodged after this lock down period. Accordingly, the financial position and results of operations as of and for the year ended 31st March 2020 have not been adjusted to reflect their impact.

- 51 **Ind AS 116** : The company has no transactions which attracts disclosure of IndAS 116

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

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

For Gianender & Associates

Chartered Accountants

Firm's registration no. 004661N



Shashank Agrawal

Partner

Membership No :

Place: New Delhi

Date: 18th June 2020

For and on behalf of the Board



J Brij Mohan Reddy
Director
DIN No 00012927



T V Sandeep Kumar Reddy
Director
DIN No 00005573