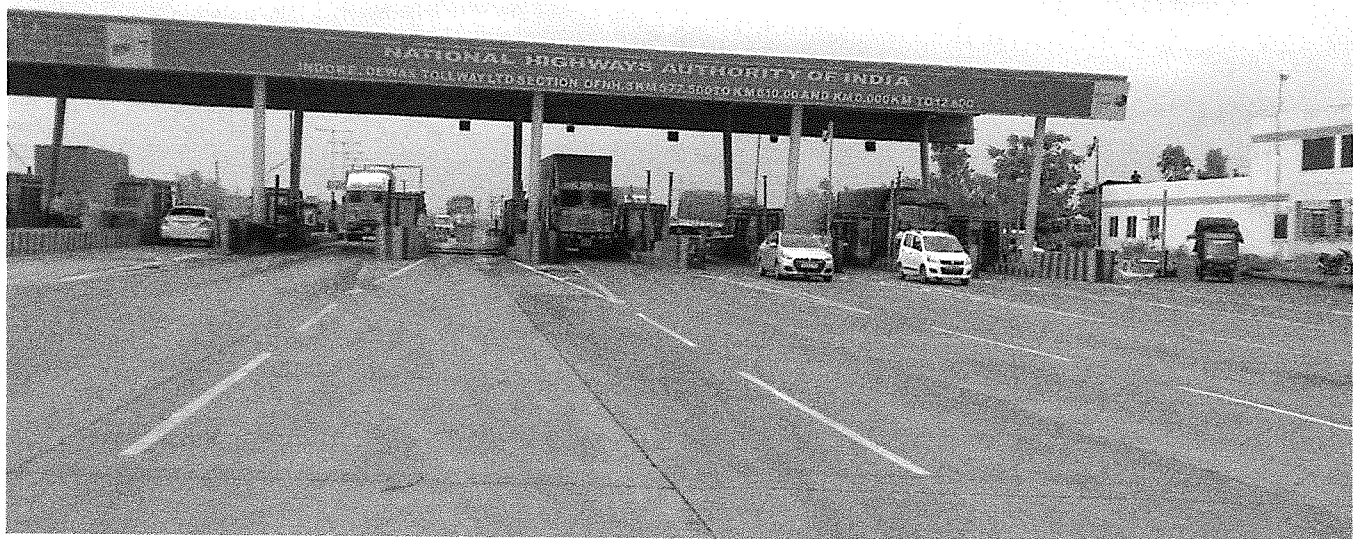
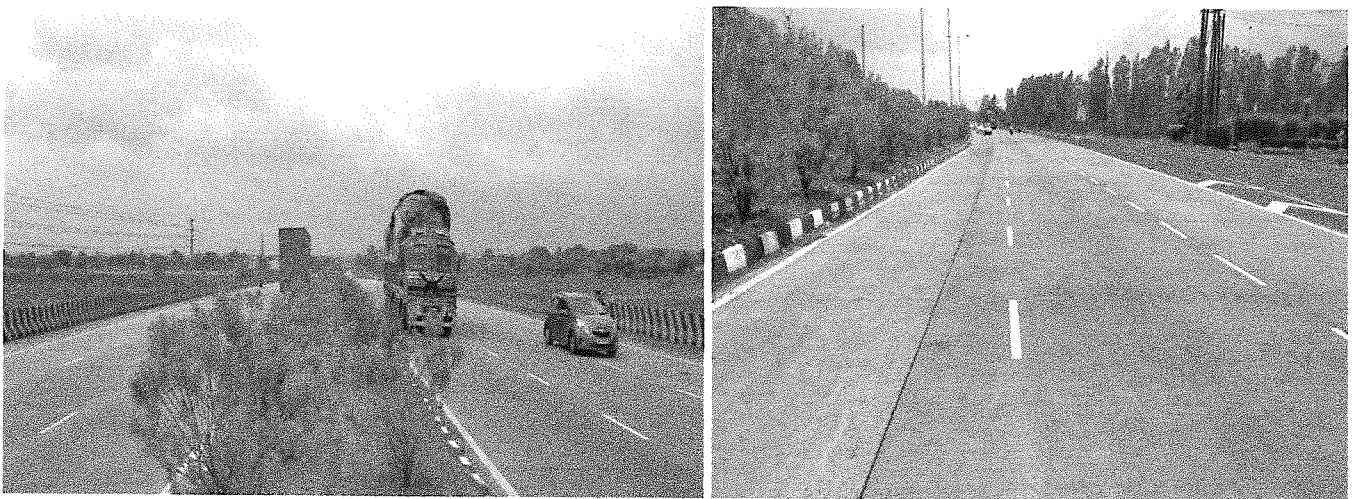




# Indore Dewas Tollways Limited

## 13<sup>th</sup> Annual Report 2022-23



**“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. Ramamohanraju Chinda	Independent Director
Mr. Krishnamurthy Chaturvedi	Independent Director

**AUDIT COMMITTEE**

Mr. Ramamohanraju Chinda	Chairman
Mr. J. Brij Mohan Reddy	Member
Mr. Krishnamurthy Chaturvedi	Member

**NOMINATION & REMUNERATION COMMITTEE**

Mr. Ramamohanraju Chinda	Chairman
Mr. Krishnamurthy Chaturvedi	Member
Mr. J. Brij Mohan Reddy	Member

**AUDITORS**

M/s. MKPS & Associates  
 (Formerly DASS MAULIK MAHENDRA K AGRAWAL & CO)  
 Chartered Accountants  
 F 110, Bhanu Enclave, 1<sup>st</sup> Floor,  
 Above Maruthi Showroom,  
 Erragadda, Hyderabad - 500038

**PROJECT LENDERS**

Union Bank of India, Hyderabad  
 Punjab National Bank, Hyderabad  
 State Bank of India, 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**

5<sup>th</sup> Floor, A Block, 6-3-1090,  
TSR Towers, Rajbhavan Road,  
Somajiguda,  
Hyderabad – 500 082, Telangana  
CIN: U45200TG2010PLC068238

**CONCESSIONING AUTHORITY**

**NATIONAL HIGHWAYS AUTHORITY OF INDIA**

G – 5 & 6, Sector – 10,  
Dwarka, New Delhi – 110 075

## BOARDS' REPORT

To  
The Members,

Your Directors have immense pleasure in presenting the 13<sup>th</sup> Annual Report of your Company and the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2023.

## 1. FINANCIAL SUMMARY:

The following table depicts the financial results of your Company for the year ending 31<sup>st</sup> March 2023:-

S. No.	Particulars	For the year ended 31.03.2023 (Rs.)	For the year ended 31.03.2022 (Rs.)
1)	<b>INCOME</b>		
	Income from Operations	-	86,42,89,706
	Other Operating Income	-	
	Other Income	-	1,11,148
	<b>TOTAL INCOME</b>	-	<b>86,44,00,854</b>
2)	<b>EXPENDITURE</b>		
	Operation & Maintenance Expenses	-	5,07,96,480
	Other Operating Expenses	-	11,36,566
	Employee Benefits Expenses	-	1,74,00,079
	Finance Costs	-	109,69,03,261
	Depreciation and Amortization Expenses	-	23,56,48,447
	Other Expenses	-	6,98,10,013
	<b>TOTAL EXPENSES</b>	-	<b>147,16,90,119</b>
	<b>PROFIT BEFORE TAX</b>		
	Less: Tax Expenses	-	-
			<b>(60,72,89,265)</b>
3)	<b>PROFIT/(LOSS) FROM DISCONTINUING OPERATIONS</b>		
	Profit /(Loss) from Discontinuing Operations	(6,91,63,1000)	
		-	
4)	<b>PROFIT / (LOSS) AFTER TAX</b>	<b>(6,91,63,1000)</b>	<b>(60,72,89,265)</b>
	Less: Prior Period adjustments	-	-
	<b>Other Comprehensive Income</b>	-	-
	Re-measurements of the defined benefit Plan		<b>(1,92,809)</b>
	Total Other Comprehensive income		<b>(1,92,809)</b>
	<b>Total comprehensive income for the period</b>	<b>(6,91,63,1000)</b>	<b>(60,74,82,074)</b>
5)	<b>PROFIT / (LOSS) AFTER PRIOR PERIOD ITEMS</b>		
	Add: Balance brought forward from previous year	<b>(423,21,65,688)</b>	<b>(362,46,83,614)</b>
6)	<b>BALANCE CARRIED TO BALANCE SHEET</b>	<b>(492,37,96,551)</b>	<b>(423,21,65,688)</b>
	<b>Earnings (Loss) per Share – Basic &amp; Diluted</b>	<b>(13,832.62)</b>	<b>(12,149.64)</b>

## 2. THE YEAR IN RETROSPECT

According to the Concession Agreement, the Company is collecting Toll/User fees from the Appointed Date i.e., 1<sup>st</sup> 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 (PCC) on 29<sup>th</sup> May, 2015. The Hybrid ETC lanes have been fully functional in all the lanes of both the Toll Plazas. Effective from February 2021, the Ministry of Road Transport & Highways (Govt of India) has made the usage of FASTag mandatory for all road users.

### ❖ **Suspension of the Project by NHAI & Issuance of Termination Notice by NHAI in the month of December 2022 :**

#### ➤ **Intention to Termination for "Authority Default":**

In view of failure of the amicable settlement proposal under Conciliation committee of Independent Experts (CCIE), the Company (Indore Dewas Tollways Limited) has issued Intention to Termination Notice for "Authority Default" as per Clause 37.2.2 of the Concession Agreement vide Letter No. IDTL/1633/30.25/1744/6583 dated 05.05.2022.

NHAI has issued a letter dated 25th April 2022 to the Lenders of its Intention to Terminate the Project and has given the option to the Lenders to exercise their rights for the Substitution as per the clause 3.3.2 of the Substitution Agreement dated 12th October 2011. The Lenders have called for the Consortium meetings on dates 4th May 2022 & 17th May 2022 for discussing the above. The lead bank has also taken legal opinion in this regards from their legal counsel and has proceeded further. The Lenders have given their consent for exercising their rights under Substitution vide their letter dated 17th May 2022.

The NHAI has issued a letter to the company i.e., IDTL dated 27th May 2022 for the Suspension of the Concession as per the Article 36 of the Concession Agreement. This was in response to the letter dated 5th May 2022 written from IDTL to NHAI for the Authority default. NHAI has also instructed to handover the toll plaza to the NHAI appointed agency M/s Prakash Asphaltings and Toll Highways (India) Ltd (Toll operating/collecting agency) from 28th May 2022. Accordingly IDTL has handed over the toll plaza to NHAI on 28th May 2022 at 8:00 hours AM. Both the Lead bank (on behalf of the consortium) and the company has protested strongly in writing the above action of the NHAI. Since then a fixed amount of money was being deposited by the toll collecting agency into the escrow account of Indore Dewas Tollways Limited until 10<sup>th</sup> November 2022.

NHAI has stopped depositing the toll collections into the escrow account from 11th November 2023. The 180 days period for the Substitution was completed by 17th November 2022. The Lead bank has failed to initiate the Substitution process.

The Lead bank was not able to complete the Substitution process within 180 days of time and has sought extension to NHAI for 90 more days as per the provisions of the Concession Agreement vide bank letter dated 11th November 2022. However NHAI has not consented to the above.

Subsequently, NHAI has issued a Termination notice dated December 16, 2022, terminating the project under clause 37.1.2 of the concession agreement w.e.f 17th November, 2022.

Further, on November 23, 2022, the Company has put in writing to NHAI, with regard to Termination of the concession agreement on account of "Authority Default" under clause 37.2.2 of the concession Agreement.

NHAI has issued a letter dated 26th December 2022 for submission of the debt dues details and the equity details certified from the Statutory Auditor.

The Company has submitted the Termination calculations for an amount of Rs 637 crs to NHAI vide Letter IDTL/1633/30.25/1769/6625 dated 10th January 2023

NHAI has issued a letter dated 6th February 2023 to the company for the submission of certain Information with respect to Termination nos, which the Legal team is working on .

NHAI has been issuing Intention to Terminate letters from the year 2020. NHAI has been issuing such letters citing the below defaults:

- **The payment of the Deferred Premium** – NHAI has raised demand notices for the payment of the premium deferred as it has misconstrued Funded Interest Term Loan as a fresh loan which was nothing but the interest on Term loan I. NHAI has also misconstrued the creation of the DSRA of Rs. 39.20 crs as surplus funds, which were lien marked funds by Lenders for the remittance of the interest dues to the Lenders. NHAI has cancelled the premium deferment sanction vide its letter dated 6th August 2020 and has raised a demand to remit the entire premium from November 2013 to the date of issuance of the above letter.
- **Penalty for non completion of the punch list items** - NHAI has issued negative Change of Scope (COS) order (2019) after 3 years of issuing the Provisional Completion Certificate (29th May 2015) and has raised penalties on the non completion of works.
- **Non-adherence to the Maintenance and safety norms** – NHAI has raised counter claims with respect to the road maintenance and safety issues. However, NHAI itself got the safety audit conducted by M/s Rites consultants, and the same was acknowledged by NHAI, IE and the RO, before issuing the Provisional Completion Certificate (PCC).

- **Non - payment of the Independent Engineer fees** – NHAI has raised counter claims on account of defaults in the payment of the Independent Engineer fees. However the SPV has reimbursed the IE fees which is 1% of the TPC of NHAI ie., Rs. 3.25 crs (1% of Rs. 325 crs) as per the Concession Agreement.

The value of the counter claims raised by NHAI are amounting to **Rs 556.05 Crs** (vide letter dated 14<sup>th</sup> August 2020) citing various defaults, few of them are listed above. The company is not acknowledging and accepting these claims and these claims are illegal, unlawful and not as per the agreements signed with NHAI. The grounds specified by NHAI are not a valid base for termination. All the above defaults cited by NHAI in its letter are vehemently denied by the SPV, and are merely repetitive and vindictive in nature and have been adequately replied by the company in the past. The action of NHAI is illegal and unlawful and not as per the terms of the Concession Agreement.

### ❖ **Proposal for Amicable Settlement of all Disputes between the Company & NHAI**

**The Correspondences between the NHAI and the SPV are as below :-**

**SPV reply dated 2<sup>nd</sup> December, 2020 for the Intention to terminate letter dated 20<sup>th</sup> November 2020**

- The SPV has replied to the NHAI vide its letter dated 2<sup>nd</sup> December, 2020 calling upon NHAI to restrain itself from taking any coercive steps under the Concession Agreement and that the SPV is looking forward to the ensuing discussions with the Authority for resolution of disputes amicably and in a cordial manner. The SPV also submitted that it is in the process of furnishing a detailed proposal for the settlement of disputes expeditiously.

**NHAI reply dated 08<sup>th</sup> December, 2020** - In reply to the SPV letter dated 02.12.2020, the NHAI has issued a letter dated 8<sup>th</sup> December 2020, and has agreed to amicably resolve by way of Conciliation all the disputes including those pending in the Arbitral Proceedings as per the below terminology:

*“Be that as it may, the Authority without prejudice to its right under the Concession Agreement is agreeable for consideration of your request to amicably resolve by way of conciliation, all disputes including those pending in the arbitral proceedings for which you are required to submit a concrete proposal as stated by the SPV in its letter dated 2nd December 2020.”*

NHAI has also advised the company to submit a concrete proposal as said by the Company in its letter dated 2<sup>nd</sup> December 2020 as per the below terminology:

*Depending on the outcome of the settlement of all disputes by way of amicable settlement, if the outcome is not acceptable to any one of the party, the NHAI may resort to termination of the contract. NHAI has given the Company, a period of 10 days time for the submission of a concrete proposal for the settlement of the disputes.*

**SPV reply dated 11<sup>th</sup> December 2020** - The SPV has submitted a letter to NHAI dated 11th December 2020, seeking time upto 12th January 2021 to submit a concrete proposal citing the below:-

*“In this connection, you will appreciate that the formulation of such a detailed proposal is very complex in nature involving technical, contractual, and financial issues which also require the participation of the lenders for the project, for which a consortium meeting is scheduled on 14.12.2020. Based on the outcome of the consortium meeting we will be in a position to arrive at a concrete proposal for your Consideration and amicably resolve by way of Conciliation of all disputes including those pending in Arbitration Proceedings”.*

SPV letter dated **7th January 2021** – The company has submitted the detailed proposal for the Amicable Settlement with the below options

- (a) First being the Resolution Plan submitted to the Lenders which is pending approval by lenders and
- (b) The amicable settlement of all disputes between the NHAI & the SPV and NHAI to make the settlement of the payments due to the Lenders for a reasonable amount.

NHAI has requested vide its ltr dated **12th Jan 2021** for debt details with the Statutory Auditors certificate & SPV submitted the information vide its letter dated 15th Jan 2021

NHAI has issued ltr dated **19th March 2021** for stalling of the Arbitration proceedings for amicable settlement of all disputes through conciliation meetings.

The Arbitrators have issued the Minutes of the Arbitration proceeding dated **7th April 2021** stating that the Arbitration proceedings are suspended upto **6<sup>th</sup> October, 2021** on account of request by both the parties for amicable settlement.

NHAI vide its letter No NHAI/NHDP-V/Ind-Dew Tollway/2013-14 dated 25th May 2021 has concurred for the amicable settlement of all disputes between both the parties. Accordingly NHAI has constituted the Conciliation committee of Independent Experts (CCIE) for the amicable settlement of all the disputes. The Conciliation Committee of Independent Experts (CCIE) meeting was held on 19.8.2021; both the parties presented before CCIE, CCIE directed parties to resolve issues in amicable manner.

The Settlement proposal submitted by the company has not been accepted by the Authority and accordingly the conciliation meetings failed vide Conciliation Committee of Independent Experts (CCIE) Minutes of the Meeting (MOM) dated 17.02.2022. Thereafter, the company has again submitted a revised proposal vide letter dated 24.02.2022 for the full and final settlement. The authority has conveyed that the revised proposal put forward by the company was also not agreeable to the Authority.



The Authority (NHAI) has rejected the concessionaire's revised proposal of Rs.270 Crores as Termination payment for full and final settlement, the Conciliation proceedings have ceased vide their letter No NHAI/HQ/MP/Indore-Dewas/Arbitration/2022/4165 dated 25.04.2022.

The company has again submitted to the Conciliation Committee a letter requesting to admit and consider the company's proposal to the authority for One Time Settlement vide letter No. IDTL/1633/30.25/1506/6337-A dated 30.04.2022 in the best interest of all the lenders.

The Authority (NHAI) has rejected the concessionaire's revised proposal of Rs.270 Crores as Termination payment for full and final settlement, the Conciliation proceedings have ceased vide their letter No NHAI/HQ/MP/Indore-Dewas/Arbitration/2022/4165 dated 25.04.2022. The arbitration proceedings have got invoked with the cessation of the conciliation proceedings.

### ❖ ARBITRATION PROCEEDINGS

The SPV has submitted claims to NHAI for an amount of Rs. 1,077 crs on account of Loss of Toll revenues, cost overruns, delays in the handing over of ROW, EPC claims and other issues. The Disputes were referred to NHAI as per the Concession Agreement. As per the CA the SPV has invoked the Dispute Resolution clause. The conciliation meetings at the Chief General Manager & General Manager of NHAI have failed with the officials of the SPV.

NHAI has called for conciliation meeting between Chairman of the Concessionaire with the chairman of NHAI on 9<sup>th</sup> January 2020 to reconcile the claims made by the SPV. However the discussion did not materialize. Therefore SPV invoked the Arbitration clause.

The Arbitration counsels on both the sides have been appointed. 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. The Minutes of the 2<sup>nd</sup> at meeting held on 19<sup>th</sup> October 2020 for the below items to be discussed:-

Settling the points for determination and issuing directions in the matter of mode and procedure of trial.

- i Appoint dates for recording of evidence, if the parties wish to adduce oral evidence. Ld. Counsel should be ready with instructions as to number and names of witnesses proposed to be examined so as to enable the requisite dates being appointed for recording evidence.
- ii Hear and decide any pending applications calling for directions of the Tribunal.
- iii Such other matters to which the parties may invite attention of the Tribunal.
- iv Appoint fee and expenses of the Members of the Tribunal by reference to Claims and Counter Claims.

The 3<sup>rd</sup> AT Meeting was held on 19<sup>th</sup> Jan 2021 and the contentions of both the parties ie., NHAI & the concessionaire have been heard by the counsel.

The 4<sup>th</sup> AT meeting was held on 11<sup>th</sup> February 2021 and NHAI has submitted counter claims to the counsel.

The 5<sup>th</sup> AT meeting to be held on 10<sup>th</sup> April 2021 was cancelled in accordance with the letter issued by NHAI and has initiated for the amicable settlement of the disputes between both the parties vide its ltr dated 19<sup>th</sup> March 2021.

The Arbitration council has issued letter dated 7th April 2021 stating that the Arbitration proceedings shall remain suspended for a period of 180 days ie., upto 6th Oct 2021 upon the request of the both the parties for mutual and amicable settlement of all disputes between them. The Company has paid Rs.45,00,000/- towards 1<sup>st</sup> installment of arbitration Fee of the Members on 03.03.2022.

The tribunal has given clear instructions to both the parties that they should state the status of the conciliation proceedings before the Tribunal. The Tribunal clarifies that the arbitration proceedings cannot be kept in abeyance for an unreasonable length of time in as much as Section 29 A of the Act provides a time limit within which the arbitral proceedings have to be concluded.

The Authority (NHAI) has rejected the concessionaire's revised proposal of Rs.270 Crores as Termination payment for full and final settlement, the Conciliation proceedings have ceased vide their letter No.NHAI/HQ/MP/Indore-Dewas/Arbitration/2022/4165 dated 25.04.2022. The arbitration proceedings have got invoked with the cessation of the conciliation proceedings.

The company has filed with NHAI the final statement of claim for an amount of Rs.1,07,096 lakhs in the month of August 2020 under various heads. The conciliation meetings with NHAI have failed and the Arbitration proceedings have started. As NHAI and SPV have concurred to go for amicable settlement of all disputes between both the parties, the Arbitration proceedings were stalled for 180 days ie., upto 6th October 2021.(vide arbitrators letters dated 7th April 2021).

As the Amicable settlement process through Conciliation Committee of Independent Experts (CCIE) Process has failed vide NHAI letter dated 25<sup>th</sup> April 2022. In lieu of the above, the company has issued Intention to Termination for "Authority Default" under Clause 37.2.2 of the Concession Agreement vide Letter No.IDTL/1633/30.25/1744/6583 dated 05.05.2022. The Arbitration proceedings have been invoked.

The Arbitration proceedings have started and the below are the details of the proceedings held upto this quarter

- 1) **30th May 2022** - Arbitration counsel order barring withdrawals by NHAI of the toll revenue from the Escrow account and Invocation of the Bank Guarantee of Rs 12.927 crs upon the Suspension of the Concessionaire by NHAI.
- 2) **5th August 2022** - Arbitration counsel order instructing NHAI that the Concessionaire is permitted to do withdrawals as per the waterfall mechanism prescribed in the clause 36.2 of the Concession agreement read with the clause 4.5 of the Escrow agreement.

The Tribunal has given the below order dated 5th August 2022 with respect to the operation of the escrow account

“(i) Without going into the question as to whether the suspension of the Agreement by the Respondent is legal, valid or not and the accepted position that till suspension is in operation in terms of Article 36 of the Concession Agreement, the Respondent is permitted to act in terms of Clause 36.2 of the Concession Agreement read with Clause 4.5 of the Escrow Agreement. As per the clause 4.5 the Authority may exercise its rights to operate the escrow account in accordance with the terms, however nowhere the concessionaire is barred to operate the same.

(ii) While withdrawing money from the Escrow Account in the aforesaid manner, the Respondent (NHAI) shall notify the Claimant (Concessionaire) as to for what purpose the withdrawal is being made.

(iii) In case the Claimant has any grievance about the manner of such withdrawal, it is open to the Claimant to move the Tribunal for such directions as deemed proper. Hence the claimant (Concessionaire) has every right to file a grievance against the Authority to the Tribunal if any of the expenses as per the waterfall mechanism are being barred to be released by the Authority.

(iv) Learned counsel for the parties agreed that if any grievance is there in terms of para (iii) above arises, the same shall be decided by this Tribunal without resort to the Dispute Resolution Mechanism provided in the Escrow Agreement”

If the escrow bank receives any instructions from NHAI for the release of any payments, the Escrow banker has to intimate the concessionaire about the payments requested by the Authority. This is as per the Arbitration award dated 5th August 2020.

- 3) **13th October 2022** - Both the parties have approached the counsel seeking time to file the list of witnesses and evidence affidavits & the counsel granted time until 16th December 2022.
- 4) **15th December 2022** - The counsel further granted further time to file affidavits upto 31st December 2022.
- 5) **31st December 2022** - The counsel further granted further time to file affidavits upto 10th January 2023. The Company has filed its affidavit of evidence on 07.01.2023

- 6) **10th January 2023** - The Counsel for the NHAI stated that the list of witnesses and affidavit of evidence of one witness has been filed on 09.01.2023 and the affidavits of two other witnesses shall be filed in due course. The Counsel as a last chance, has granted time till 25.01.2023 to the NHAI to file the affidavits, if any. It is made clear that no further affidavits shall be entertained if not filed by the stipulated date.

Learned counsel for the parties agreed that considering the stage of the present proceedings, they shall inform the Tribunal about their consent for extending the mandate for completion of proceedings by six months from 28.02.2023. The balance of fees of Rs 64 lacs is pending to be paid to the Arbitrators by 28.02.2023. The Company has till now paid Rs.45,00,000/- towards 1<sup>st</sup> installment of arbitration Fee of the Members on 03.03.2022. The request has been made to all the Lenders for the remittance of the Arbitrators fees vide meeting dated 13th March 2023. However the Lenders have refused to remit the same as on date. Hence the Arbitration proceedings are in Abeyance.

### ➤ **Brief Update on the Operations during the Year**

During the Year, NHAI has issued the Suspension of the Concession Notice to the Company vide letter No: NHAI/NHDP-V/Indore-Dewas Tollway /2013-14/4339 dated 27th May, 2022 for suspending the rights of Concessionaire i.e. IDTL (company) under the Concession agreement dated 17th May, 2010 executed with National Highways Authority of India (NHAI).

- a) As per the above said suspension Notice the tolling rights of the Concessionaire (IDTL) has been suspended, NHAI directed to handover the toll plazas to representatives of NHAI/Ms Prakash Asphaltings & Toll Highways (India) at 8.00 a.m. on 28th May, 2022. Accordingly, IDTL has handed over the Toll plazas to NHAI.
- b) Since then the toll was being collected by the agency. The toll collections were not deposited into the escrow account. The company has referred the matter to Arbitration and obtained a stay order for the action of NHAI and non deposition of the toll into the escrow account. The Company had moved an application under Section 17 of the Arbitration & Conciliation Act, 1996 before the concerned Arbitral Tribunal. The Tribunal had also passed an order dated 30.05.2022 restraining the Authority from en-cashing the Bank Guarantee of Rs 12.927 crs and also appropriating the toll revenues for any of its counter-claims lodged before the Tribunal, which includes the Premium payable by the Concessionaire to the Authority.
- c) The Lead bank has written to NHAI vide its letter dated 2nd June 2022 to protesting the NHAI's action of suspension of the Concession and the appointment of M/s Prakash Asphaltings to collect the toll. The lead bank has alleged that the Authority in contrary to the provisions of the Concession Agreement, is depositing the toll collections into the Agency's Canara Bank account

despite knowing that the toll revenue is intended to service the secured loans advanced by the Banks to the Concessionaire. The lead bank has intimated NHAI that if NHAI fails to take the curative steps then the lenders will take appropriate legal steps to protect their rights under the Escrow Agreement.

- d) In response to the above letter NHAI vide its letter dated 2nd June 2022 has instructed M/s Prakash Asphaltings to deposit the toll into the escrow account. Accordingly from 4th June 2022 an amount of Rs. 27,56,795/- is being deposited into the escrow account by M/s Prakash Asphaltings. However NHAI has till now not deposited the toll collections from 27th May 2022 to 3rd June 2022 into the escrow account for which the Lenders have made written communications and representations.
- e) The company has submitted a letter to NHAI vide dated 1st June 2022 expressing its anguish for the NHAI's action of Suspension of the Concession and also citing the Arbitration tribunals order under sec 17 of the Arbitration Act. The tribunal has issued orders dated 30th May 2022 & 5th August 2022 that the Concessionaire rights still vests and that he can operate the escrow account.
- f) In the event of the Suspension of the toll rights of the Concessionaire the waterfall mechanism as per clause 31.1.1 of the Concession Agreement will still hold good as specified in the clause 36.2 of Article 36 of the CA.

**36.2.1 :** The Authority shall be entitled to make withdrawals from the escrow account for meeting the costs incurred by it for remedying and rectifying the cause of suspension, and thereafter for defraying the expenses specified in Clause 31.3.

**36.2.2 :** During the period of Suspension hereunder, all the rights and liabilities vested in the Concessionaire in accordance with the provisions of this Agreement shall continue to vest therein and all things done or actions taken, including expenditure incurred by the Authority for discharging the obligations of the Concessionaire under and in accordance with this Agreement and the Project Agreements, shall be deemed to have been done or taken for and on behalf of the Concessionaire and the Concessionaire undertakes to indemnify the Authority for all the costs incurred during such period.

As per the **clauses 36.2.1 & 36.2.2** the concessionaire's rights and liabilities still vest with the Concessionaire and the Concessionaire is obligated to discharge the obligations of the project in accordance with this agreement and the project documents. The concessionaire is bound to indemnify the Authority for all costs incurred by the Authority for the maintenance of the project during such period. Hence the Concessionaire rights and duties have not been suspended and the concessionaire can operate the escrow as per the waterfall mechanism specified in clause 31.1.1 as specified above.

The toll collections collected during the period 1<sup>st</sup> April 2022 to 10<sup>th</sup> November 2022 are as below :-

Particulars	Date	Amount (Rs)
Toll Collections during the Period 1 <sup>st</sup> April 2022 to 27 <sup>th</sup> May 2022 (net of penalty amount remitted to NHAI on account of cash collections from NonFASTag users)		17,33,80,845.17
<b>Add:</b> Toll Collections during June 2022 to Nov 2022 (deposit of fixed amounts into the toll collection escrow account by NHAI appointed toll collection agency)		45,51,98,637.00
<b>Total Collections for the period 1<sup>st</sup> April 2022 to 10<sup>th</sup> November 2022</b>		<b>62,85,79,482.17</b>

The Company has remitted to NHAI an amount of **Rs. 46,95,175/- which is x amount of penalty paid to NHAI collected from Non FASTag users)** for the period 1<sup>st</sup> April, 2022 to 27<sup>th</sup> May, 2022.

NHAI has not deposited any amount for the period 28th May 2022 to 3rd June 2022. The Lenders have written letters to NHAI in this regards. Till now the toll amount for the above period is still now pending to be deposited by NHAI into the escrow account in IDTL.

#### ➤ **Withdrawal of Premium Deferment Sanction by NHAI**

As you are aware, Due to low toll collections and the stress in the account from the beginning, NHAI has granted the deferment of Premium payable to NHAI in the year 2014 as per the Rangarajan Committee report. The company has signed the supplementary agreement with NHAI for the deferment of premium payable to NHAI dated 22<sup>nd</sup> May, 2015 as per the sanction terms vide their letter NHAI/11033/CGM(FA)/6/2014 dated 11<sup>th</sup> June, 2014. As per the sanction terms deferment is granted from November 2013 to FY 2022 – 2023 with the full deferment being granted for a period of 6 years. 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.

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 26<sup>th</sup> May, 2017 as per the decision of the Lenders in the consortium meeting dated 19<sup>th</sup> 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 18<sup>th</sup> 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.

However during the current year, NHAI has cancelled the sanction of the premium deferment vide its letter dated 6th August 2020 and has issued notice to the SPV for the payment of the entire premium due along with Interest from 2014 to the date of issuance of this letter. However the SPV has protested the same and the matter is under dispute with NHAI. The company could not pay the premium amount deferred as per the sanction letter dated 11<sup>th</sup> June 2014.

During the period of Suspension and after the Termination of the Project, NHAI has issued letters to the Lead bank for the remittance of the Premium due for the period December 2020 to October 2022 for an amount of Rs 82,57,07,768/- vide its letter dated NHAI/PIU-Indore/I-D/Suspension/Escrow-Bank/1224 dated 18<sup>th</sup> August 2022 & NHAI/BOT toll projects/Defaults in escrow agreement/2023/MP/6284 dated 04<sup>th</sup> May 2023.

#### ➤ **Status of the account with the Lenders**

- a) The account with Punjab National bank has slipped into NPA as on 31<sup>st</sup> January 2021 and PNB has issued a recall notice dated 4<sup>th</sup> February 2020 and demand has been raised for the remittance of the entire term loan. IIFCL account is also NPA as on 31<sup>st</sup> December 2019 and the same was communicated by IIFCL vide consortium meeting dated 14<sup>th</sup> December 2020.
- b) The Loan Assets of Union Bank of India and State bank of India has also slipped into NPA in December 2021. UBI on behalf of all the lenders recalled the CREDIT FACILITIES (Term Loan and Funded Interest Term Loan) as on 05.01.2022 vide their letter No.IFB:HYD:737:2021-22 . As per the recall notice the Term Loan and FITL and interest thereon has become payable immediately. Accordingly the entire debt due to the Lenders which are under Non-Current Borrowings are transferred to Current Borrowings.
- c) The Lenders were remitted an amount of Rs 10 crs in the month of July 2022 which were adjusted against the TL & FITL dues. As on 31st December 2022, an amount of Rs 30 crs was transferred from the toll collections account by the Lead bank and has been distributed amongst the Lenders in the ratio of their disbursements. All the amounts were accounted by the Lenders towards the Term loan I interest payments as per their email communications.
- d) The Conciliation meetings with NHAI have failed and NHAI has communicated the same vide their letter dated 25th April 2022. The NHAI has also communicated vide its letter dated 25th April 2022 that the Project will be terminated and the Lenders are given the option to exercise their rights of Substitution as per the Concession Agreement.
- e) The Lenders have exercised their right to Substitution vide their letter to NHAI dated IFB:HYD:241/2022-23 dated 17th May 2022, "without prejudice to any of the other existing rights or remedies available to all the Lenders."



- f) NHAI has communicated to the Lead bank vide its letter dated 8th June 2022, that the rights to Substitution is covered Under article 37.1.3 of the Concession Agreement and has requested to proceed as per the Concession Agreement within the prescribed time.
- g) The Consortium meeting was held on 16th June 2022 to discuss the way forward in the Project. The Company represented to the Lenders for the release of the operating expenses of the Project for the month of June 2022 including the legal/Arbitration expenses payable to the legal counsel who have been appointed for the Arbitration proceedings. The Lead bank has taken the opinion from Ms Link Legal, Law Firm and based on the provisions of the Article 36 and the escrow agreement which stated the mechanism of operation of the escrow during the suspension period. The Lead bank has released the payments for the month of June 2022 & July 2022 based on the legal opinion received from Ms Link Legal , Legal counsel except for the Legal costs.
- h) Subsequently the Lead bank ie., Union Bank of India (IFB Branch) has transferred the account to the SAM (Stress Asset Management) branch as per their email communication dated 24th August 2022 and since then the SAM branch has freezed all the Bank accounts with a restriction on the payments. Since then no payments have been released by the SAM branch. The Operational expenses, Statutory dues payments for the month of August 2022 are still pending to be released by the Union Bank of India - SAM Branch.
- i) On the way forward, the company has suggested to the consortium that all the Lenders should directly represent to NHAI with the below points:-
- ✚ Substitution of NHAI into the project ie., let NHAI take over the project and run itself by paying to the Lenders the Termination payment.
  - ✚ There is a difficulty in getting a Substitute for the project as nobody will be willing to take up such kind of project with huge payment of premium to NHAI.
  - ✚ The company to withdraw all its claims against NHAI in lieu of the Termination payment made to the Lenders and will support the Lenders in all the ways.
  - ✚ Lenders can meet the NHAI officials, Member (Technical) and Member (Finance) to settle the matter amicably without company's intervention. The lead bank opined they will get back after discussions with their HO.
- j) The company has written letters to the lead bank for the Release of operating expenses vide letter no. IDTL/2022-2023/119 dated 08th July 2022 immediately as the statutory dues and O&M expenses are a priority to the debt dues as per waterfall mechanism specified in Article 31 of the Concession Agreement. However the Lead bank has not been releasing any payments since August 2022. The Lead bank and the Escrow banker ie., Union bank of India – Stressed Assets

Management branch has since then has not processed any of the O&M expenses ie., Statutory dues to the govt, employees salaries and gratuity settlements, Travel expenses & local conveyance incurred by the lenders for site visit which are the foremost priority as per the waterfall mechanism of the Escrow Agreement. The company has been also requesting for the release of the legal expenses which are very critical for the Arbitration process to go on and realization of the claims filed with NHAI.

- k) The Lead bank has subsequently conducted meetings on dates 27th July 2022, 19th August 2022 & 13th October 2022 but however has not released any funds for the purpose of O&M expenses and legal charges despite several requests made by the company. The bankers have not considered any submissions made by the company nor they have recorded the same in the Minutes of the Meetings. The Minutes of the Consortium Meeting dated 13th October 2022 have not been shared with the company till date.
- l) There was a debit of Rs 30 crs from the Toll collections account on 31st December 2022 to an unknown account bearing no 020511010168 without the knowledge of the Company. The company has reported the same to the Lead bank vide its letter dated 5th January 2023 with a copy to all the banks stating that there is an unauthorized debit in the toll collections account without following the waterfall mechanism prescribed in the escrow agreement. The lead bank has communicated the details of the payment of the Rs 30 crs vide their email dated 23rd March 2023 post discussions at the consortium meeting dated 13<sup>th</sup> March 2023.
- m) The Lead bank was not able to complete the Substitution process within 180 days of the time and has sought extension for 90 more days as per the provisions of the Concession Agreement vide bank letter dated 11th November 2022. However NHAI has not consented to the above.
- n) The Consortium meeting was held by Union bank of India at the Corporate office of the company on 13th March 2023. The company has requested the Lenders to immediately release the pending payments for the period August 2022 to March 2023. An amount of Rs 1,12,70,410 for the release of the pending payments for the period August 2022 to March 2023. The company has also requested for the budget of Rs. 1,04,01,300/- for the next one year for operational and legal expenses. The Lead bank has refused to release the above payments and has requested the SPV to manage the 50% from its own sources to which the company has responded saying that all the sources supporting the company are now exhausted and the SPV is not in a position to get any funds from its support sources.
- o) The company has requested the lead bank to clear the legal bills of the Arbitrators on priority basis amounting to Rs 64.20 lacs. Without the payments to the Arbitrators the claims with NHAI will not move forward. The Lead bank has refused to release the above payments and has

requested the SPV to manage the 50% funds from its own sources to which the company has responded saying that all the sources supporting the company are now exhausted and the SPV is not in a position to get any funds from its support sources. Hence the Arbitration proceedings are in Abeyance as on date.

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

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 NHAI has also issued the letter for the deletion of the pending works from the scope of works. The issue of the final completion certificate is now under Arbitration.

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

As the Project has been Suspended by NHAI and Termination Notice has been issued by NHAI vide its letter dated 16th December 2022. A fixed amount of toll was being deposited into the sub escrow toll collections account by NHAI for the period 3rd June 2022 to 10th November 2022. The company was not able to carry out any kind of Repairs and Maintenance works during the period as the project was taken over by NHAI and later terminated in the month of December 2022.

During the period of Suspension and after the Termination of the Project, NHAI has issued letters to the Lead bank for the remittance of the amounts on account of repairs and maintenance works at the project site for the period 2022 amounting to Rs. 104,30,04,979/-- vide its letter dated NHAI/PIU-Indore/I-D/Suspension/Escrow-Bank/1224 dated 18th August 2022 & NHAI/BOT toll projects/Defaults in escrow agreement/2023/MP/6284 dated 04th May 2023.

### 3. FUTURE OUTLOOK

As the Termination Notice is issued by NHAI vide its letter dated 16th December 2022, the assets stands transferred to NHAI and the operations of the company are shown under Discontinuing Operations. The toll plaza was already handed over to NHAI on 27th May 2022.

As at 31st March 2023 the accumulated losses amounted to Rs.49,238.00 lakhs. The entire networth of the company has eroded. NHAI has terminated the Concession Agreement and the company has transferred its entire Tangible and Intangible Assets to NHAI. The company has ceased to be a going concern entity and the financial statements of the company as on 31st March 2023 have been prepared under realizable basis. The Intangible assets and Intangible assets under development are transferred to Current Assets ie., Receivable from NHAI.

Realizable value of assets and settlement values of liabilities are based on management estimates. As on the date of balance sheet it is not determinable whether the expenditure associated with liquidation of the company or the amounts that the creditors agree to accept in settlement of the obligation due to them will be materially different from the amounts shown in these financial statements. Further these financial statements do not include any adjustments that might result from the outcome of this uncertainty.

#### 4. BOARD MEETINGS

During the year ended 31<sup>st</sup> March, 2023, Five Board Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

The dates on which the Board meetings were held are 20<sup>th</sup> May, 2022, 08<sup>th</sup> August, 2022, 26<sup>th</sup> October, 2022, 24<sup>th</sup> January, 2023 and 06<sup>th</sup> February, 2023.

##### Attendance of Directors at the meetings:

The details of the attendance of the Directors at the Board meetings held during the year ended 31<sup>st</sup> March, 2023.

Name of the Director	Number of Board Meetings	
	Held	Attended
J. Brij Mohan Reddy	5	5
T.V. Sandeep Kumar Reddy	5	5
Ch. Harivithal Rao	3	3
Krishnamurthy Chaturvedi	5	5
Ramamohanraju Chinda	1	1

##### Audit Committee Meetings

During the year ended 31<sup>st</sup> March, 2023, Four Audit Committee Meetings were convened and held. The dates on which the Audit Committee meetings were held are 20<sup>th</sup> May, 2022, 08<sup>th</sup> August, 2022, 26<sup>th</sup> October, 2022 and 06<sup>th</sup> February, 2022.

**Attendance of members at the meetings:**

The details of the attendance of the Directors at the Audit Committee meetings held during the year ended 31<sup>st</sup> March, 2023:

Name of the Director	Number of Audit Committee Meetings	
	Held	Attended
Krishnamurthy Chaturvedi	4	4
Ch. Harivithal Rao	3	3
J. Brij Mohan Reddy	4	4
Ramamohanraju Chinda	1	1

**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. The meeting of independent directors was held on 06<sup>th</sup> February, 2023.

**5. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS.**

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

**6. DIRECTORS' RESPONSIBILITY STATEMENT**

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

- a. That in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. 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 31<sup>st</sup> March, 2023 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 company has ceased to be a going concern entity and the financial statements of the company as on 31st March 2023 have been prepared under realizable 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. STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR.**

The Board of Directors have evaluated the Independent Directors appointed during the year 2022-23 and opined that the integrity, expertise and experience (including proficiency) of the Independent Directors is satisfactory.

**8. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The following are the changes in the Directors and Key Managerial Personnel during the period:

- a. Mr. Ch. Harivithal Rao has resigned from the directorship in the Company w.e.f 27<sup>th</sup> October, 2022.
- b. Mr. Ramamohanraju Chinda was appointed as an Additional Director (Independent category) with effect from 24<sup>th</sup> January, 2023.

**9. DECLARATION BY INDEPENDENT DIRECTORS**

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

**10. RE-APPOINTMENTS**

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

**11. POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION**

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

The Committee headed by Mr. Ramamohanraju Chinda as a Chairman and Mr. J. Brij Mohan Reddy and Mr. Krishnamurthy Chaturvedi, members of the Committee.

## 12. AUDITORS REPORT

### EXPLANATORY NOTES TO THE QUALIFICATIONS IN THE AUDITORS' REPORT

#### *Auditors Qualification*

- I. **Non-Accounting of interest on deferred additional concession fee (deferred premium) amounting to Rs. 15,527.25 lakhs resulted in understatement of cumulative loss by Rs. 15,527.25 lakhs (for the year up to December 2022 Rs. 3,266.63 lakhs) and understatement of liabilities by the same amount.**

#### **Explanation:**

The Statutory Auditor has qualified his Audit Report with regard to INDAS, and has mentioned that a provision amounting to *Rs. 15,52,72,500/- for the Current year upto December 2022 & Rs. 32,66,63,000/- (cumulative)* 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.

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 is not provided in the books of accounts from FYs 2014-2023 as National Highways Authority of India has deferred the premium payment for the years mentioned as per the sanction letter dated 11<sup>th</sup> June 2014. The Interest liability accrues and becomes due as and when there are cash flows sufficient for the payment. The SPV was under stress and there was deficit in cash flows since the inception of the project. That was the reason NHAI has issued sanction for the deferment of Premium.

However NHAI has issued a letter dated 6<sup>th</sup> August 2020 cancelling the deferment of premium sanction and has raised the demand to the company to pay the entire amount due from 2014 with interest. The SPV has protested the above matter vide its letter dated 14<sup>th</sup> August 2020.

The Authority (NHAI) has rejected the concessionaire's revised proposal for Rs.270 Crores as payment for full and final settlement towards amicable settlement of all disputes. The Conciliation proceedings have ceased vide their letter No.NHAI/HQ/MP/Indore-Dewas/Arbitration/2022/4165 dated 25.04.2022. The arbitration proceedings have got invoked

with the cessation of the conciliation proceedings. Hence the matter is now under Dispute and litigation.

We also wish to mention that the Project was suspended by NHAI in the month of May 2022 and the toll operations were taken over by them from 28<sup>th</sup> May 2022. Later NHAI has Terminated the Concession in the month of November 2023 as 180 days period has been completed from the date of Suspension. The Lenders were unable initiate the Substitution Process with the time period given. During the current year the Financials of the Company has been presented under Discontinuing operations as the company is no longer a going concern.

- (b)** *The company has provided for additional concession fee payable to NHAI of Rs.56,303.05 lakhs in accordance with IND AS accounting and not on realization basis. Further the company has not received any statement from NHAI demanding the additional concessional fee payable up to the date of termination of concession agreement. Pending the ultimate outcome of this dispute (settlement due to termination of concession agreement), which is presently unascertainable, the gain due to reversal of concessional fee payable if accounted on realization basis and its impact on the Profit for the year and reserves is not determinable at this stage.*

**Explanation:**

The total premium amount payable as per the Concession Agreement, has been capitalized as "Intangible Assets" and amortized over a period of the 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 as per the Concession Agreement (Additional Concession Fees) to National Highways Authority of India over the Concession period has been recognized upfront on Discounted basis (fair value) and is a part of the "Intangible Asset " and the 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.

However during the year 2020, the NHAI has cancelled the sanction of the premium deferment vide its letter dated 6th August 2020 and has issued notice to the SPV for the payment of the entire premium due along with Interest from 2014 to the date of issuance of the letter. The SPV has protested for the above and has replied suitably vide its letter dated 14th August 2020. Now the matter is under arbitration with NHAI. NHAI has constituted the



(CCIE) Conciliation Committee for Independent Experts for the amicable settlement of all the Disputes between the SPV and NHAI. Consequently as the Conciliation Meetings (CCIE) have failed as per the NHAI letter dated 25th April 2022, the Arbitration proceedings have been invoked and the payment of deferred premium being disputed is now under Arbitration.

Hence the amount of liability towards the payment of premium to NHAI is not ascertainable, however the amount provided in the books of accounts is as per the contractual obligation discounted as per the IndAS Accounting Standards prescribed as per the Companies Act 2013.

- II.** *We draw attention to Note 13 to the accompanying individual Ind AS financial statements where the company could not meet its borrowing obligations with the lenders, as a result of which the loan accounts with various banks had become Non Performing Asset (NPA) and most of the lenders have recalled the loan by issuing demand notices, as a result, the entire borrowings have been classified as Current. Further, Post NPA, in absence of charge of interest and other finance charges by some of the lenders and non-receipt of confirmations, the company had recognized interest expense and other finance charges as per existing loan agreements. We are unable to comment on impact, if any, on loss for the year and the Reserves had the confirmations been received from the lenders.*

**Explanation:**

Consequent to the defaults in repayment of Loan Amounts by the Company, the Lenders have classified the borrowings as Non-Performing Assets (NPA) in December 2019 in case of IIFCL ; January 2020 in case of Punjab National Bank and December 2021 in case of Union Bank of India and State Bank of India. In view of non-compliance to debt servicing obligations as per the contracted terms, the lenders have recalled the credit facilities vide their letter dated 05.01.2022. In view of this the lenders has stopped issuing the confirmation of balances and proper statements of account. In the absence of the same, the company has recognized the interest and other financial costs in accordance with the contracted terms as prudent accounting practice. Differences, if any, in the carrying value liabilities in books of account and claims of the lenders would be recognized in the year of settlement.

- III.** *Note 34 regarding termination payment claim receivable from National Highways Authority of India ('NHAI'). The Company, consequent to termination of the Concession Agreement, had assessed and raised a claim on NHAI for Rs 63,702 Lakhs against receivable in books of Rs 73,580 Lakhs.*

*Pending the ultimate outcome of this dispute, which is presently unascertainable, the shortfall in realization of the claim receivable of Rs. 73,580 lakhs and its impact on the loss for the year and reserves is not determinable at this stage.*

**Explanation:**

The Lead bank was not able to complete the Substitution process within 180 days of the time and has sought extension for 90 more days as per the provisions of the Concession Agreement vide bank letter dated 11th November 2022. However NHAI has not consented to the above. Further, on November 23, 2022, the Company has put in writing to NHAI, with regard to Termination of the concession agreement on account of "Authority Default" under clause 37.2.2 of the concession Agreement. Subsequently, NHAI has issued a Termination notice dated December 16, 2022, terminating the project under clause 37.1.2 of the concession agreement w.e.f 17th November, 2022. The Company has submitted the Termination calculations for an amount of Rs 637 crs to NHAI vide Letter IDTL/1633/30.25/1769/6625 dated 10th January 2023.

The claim for the release of the termination amount submitted to NHAI is under consideration of NHAI. Hence until the settlement of the claim amount, the termination payment is shown under contingent receivables in the notes to the financial statements.

- IV. Note 36 to the financial statements regarding non receipt of toll collection reports in respect of Revenue recognised for the reasons detailed in the said note. The company during the year had recognized toll revenue of Rs. 6,285.79 Lakhs as per toll money deposited in Escrow and arrived at amortisation of Rs 1,729.70 Lakhs on similar basis. We are unable to comment on impact, if any, on revenue loss, amortisation for the year and Intangible assets had the toll collection reports been received.**

**Explanation:**

Due to the suspension of the project by NHAI and takeover of the toll plaza by NHAI, out of the total toll collected per day as fixed amount was credited to the sub escrow toll collection account of the company. NHAI has issued the Suspension of the Concession Notice to the Concessionaire and the toll plaza operations have been handed over by NHAI to Ms Prakash Asphaltings Tollways limited (Toll collection agency appointed by NHAI). Due to the above there is no information to the Concessionaire about the per day toll collections. NHAI has given the contract to M/s Prakash Asphaltings to collect the toll from 28th May 2022 and remit to the escrow account a fixed amount of Rs 27.56 lacs which later on increased to Rs 28 lacs . Accordingly the same is being deposited from 4th June 2022. There is no information with regard to the toll collections for the period 28th May 2022 to 30th June 2022. NHAI has not deposited any amount for the period 28th May 2022 to 3rd June 2022. The Lenders have been writing letters to NHAI in this regards. However the money has not been received till date.

The Revenue from Toll collections have been recognised in the books of accounts upto the period 10th November 2022 until NHAI has stopped depositing the toll collections into the toll collection sub escrow account. NHAI has issued Termination Notice vide letter dated 16th December 2022. An amount of Rs 6285.79 lacs has been collected on account of toll revenue during the period 1st April 2022 to 10th November 2022. No Toll collections have been received or deposited into the toll collections sub escrow account after 10th November 2022.

The company also was not having complete information about the day to day total collections. Hence full revenue recognition is not done as the complete Information regarding the day to day toll collections is not been made available to the company.

### **13. 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.

### **14. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

The particulars of contracts or arrangements with the related parties entered during the current Financial Year referred to in Section 188 in the Form AOC – 2 are annexed herewith as **Annexure-1**.

### **14. TRANSFER OF AMOUNT TO RESERVES**

The Company does not propose to transfer any amount to any reserves for the Financial Year ended 31<sup>st</sup> March, 2023.

### **15. DIVIDEND**

The Board of Directors does not recommend any dividend on the Equity Shares for the financial year ended on 31<sup>st</sup> March, 2023.

### **16. MATERIAL CHANGES AND COMMITMENTS**

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

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

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

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

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

The company has ceased to be a going concern entity and the financial statements of the company as on 31st March 2023 have been prepared under realizable basis.

The company is not a going concern and the financial statement of the company as on 31st March 2023 have been prepared under realizable basis. The Intangible assets and Intangible assets under development are transferred to Current Assets i.e Receivable from NHAI.

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

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

**20. BOARD EVALUATION**

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

**21. SUBSIDIARY COMPANIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATE COMPANIES**

During the Financial Year ending on 31<sup>st</sup> March 2023, your Company had no subsidiaries and associate Companies.

No company is ceased as Company's Subsidiary, joint venture or associate company.

**22. CONSOLIDATED FINANCIAL STATEMENTS**

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

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

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

**24. DEPOSITS**

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

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

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations during the Financial Year 2021-22.

**26. STATUTORY AUDITORS**

M/s. MKPS & Associates, Chartered Accountants (Firm Registration No. 302014E), were appointed as statutory auditors of the Company to hold office from the conclusion of the 10th Annual General Meeting until the conclusion of the 15th Annual General Meeting to be held in the year 2025.

**27. 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.

**28. VIGIL MECHANISM**

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

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

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

**30. SECRETARIAL AUDITOR**

As per Regulation 24A of 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 31<sup>st</sup> March, 2023.

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 2022-23 to comply with the SEBI Regulations.

### **31. 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-2**.

### **32. MAINTENANCE OF COST RECORDS**

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

### **33. 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.

### **34. 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.

### **35. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016**

The financial creditor of the Company, i.e., Union Bank of India, SAM Branch, Hyderabad, Telangana, has filed an application under section 7 of the Insolvency and Bankruptcy Code, 2016 read with the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 against the Company before the Hon'ble National Company Law Tribunal, Hyderabad Bench, Hyderabad for the defaulting amount of Rs. 194,24,55,662/- (Rupees One Ninety Four Crores Twenty Four Lakhs Fifty Five Thousand Sixty Hundred and Sixty Two only).


**36. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF.**

As Company has not done any one time Settlement during the year under review hence no disclosure is required.

**37. 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.

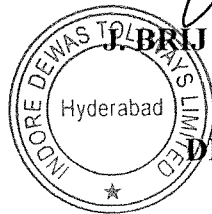
**For and on behalf of the Board**



**J. BRIJ MOHAN REDDY**

**Director**

**DIN:00012927**



**T.V. SANDEEP KUMAR REDDY**

**Director**

**DIN:00005573**

**Place: Hyderabad**

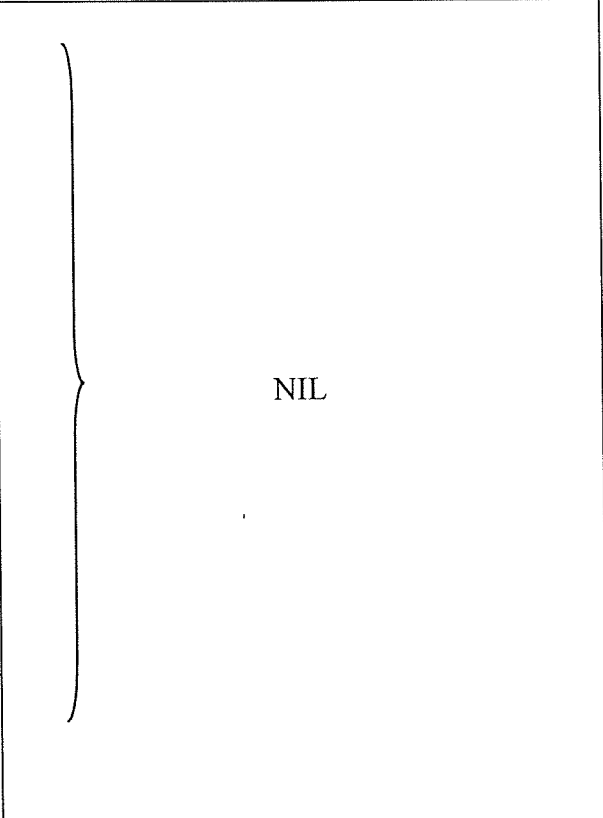
**Date: 17.05.2023**

**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	



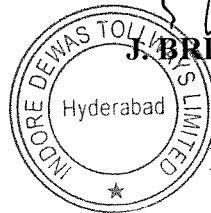
## 2. Details of material contracts or arrangement or transactions at arm's length basis

(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

Place: Hyderabad

Date: 17.05.2023



J. BRIJ MOHAN REDDY

Director

DIN:00012927

T.V. SANDEEP KUMAR REDDY

Director

DIN:00005573

# MKPS & ASSOCIATES

(Formerly DASS MAULIK MAHENDRA K. AGRAWAL & CO.)

**CHARTERED ACCOUNTANTS**

F110, Bhanu Enclave, 1st Floor,  
Above Maruti Showroom,  
Erragada, Hyderabad-500038.  
Tel : 040-42038614  
Mob: 9849158055, 9652457167  
E-mail : mkps@googlegroups.com,  
vikash1209@gmail.com

## 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, 2023 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, 2023, and its loss, changes in equity and its cash flows for the year ended on that date.

### Basis for Qualified Opinion

- 1) (a) Non-Accounting of interest on deferred additional concession fee (deferred premium) amounting to Rs. 15,527.25 lakhs resulted in understatement of cumulative loss by Rs. 15,527.25 lakhs (up to March 2022 Rs. 12,260.62 lakhs) and understatement of liabilities by the same amount.  
  
(b) The company has provided for additional concession fee payable to NHAI of Rs.56,303.05 lakhs in accordance with IND AS accounting and not on realization basis. Further the company has not received any statement from NHAI demanding the additional concessional fee payable up to the date of termination of concession agreement. Pending the ultimate outcome of this dispute (settlement due to termination of concession agreement), which is presently unascertainable, the gain due to reversal of concessional fee payable if accounted on realization basis and its impact on the Profit for the year and reserves is not determinable at this stage.
- 2) We draw attention to Note 13 and Note 50 to the accompanying individual Ind AS financial statements where the company could not meet its borrowing obligations with the lenders, as a result of which the loan accounts with various banks had become Non-Performing Asset (NPA) and most of the lenders have recalled the loan by issuing demand notices, as a result, the entire borrowings have been classified as Current. Further, Post NPA, in absence of charge of interest and other finance charges by some of the lenders and non-receipt of confirmations, the company had recognized interest expense and other finance charges as per existing loan agreements. We are unable to comment on impact, if any, on loss for the year and the Reserves had the confirmations been received from the lenders.
- 3) Note 34 regarding termination payment claim receivable from National Highways Authority of India ('NHAI'). The Company, consequent to termination of the Concession Agreement, had assessed and raised a claim on NHAI for Rs 63,702 Lakhs against receivable in books of Rs 73,580 Lakhs.



H.O. At Mumbai

Branches : • Bhubaneswar • New Delhi • Kolkata • Raipur • Cuttak • Sambalpur • Rourkela • Bengaluru

Pending the ultimate outcome of this dispute, which is presently unascertainable, the shortfall in realization of the claim receivable of Rs. 73,580 lakhs and its impact on the loss for the year and reserves is not determinable at this stage.

- 4) Note 36 to the financial statements regarding non receipt of toll collection reports in respect of Revenue recognised for the reasons detailed in the said note. The company during the year had recognized toll revenue of Rs. 6,285.79 Lakhs as per toll money deposited in Escrow and arrived at amortisation of Rs 1,729.70 Lakhs on similar basis. We are unable to comment on impact, if any, on revenue loss, amortisation for the year and Intangible assets had the toll collection reports been received

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 qualified opinion.

### **Emphasis of Matter**

We draw attention to Note 47 to the financial statements, which explains the reason for preparation of this financial statements on liquidation basis of accounting, assuming the Company is no longer a going concern. As at March 31, 2022 and March 31, 2023 the accumulated losses amounted to Rs. 42,321.66 Lakhs and Rs. 48,224.50 Lakhs respectively and entire Networth of the company has eroded.

The concession agreement has been terminated and toll plaza has been handed over to toll collection agency.

Realizable value of assets and settlement values of liabilities are based on management estimates. As on the date of balance sheet it is not determinable whether the expenditure associated with liquidation of the company or the amounts that the creditors agree to accept in settlement of the obligation due to them will be materially different from the amounts shown in these financial statements. Pending the ultimate outcome of these matters, which is presently unascertainable, no adjustments have been made in the accompanying 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.

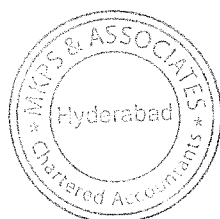
Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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



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

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

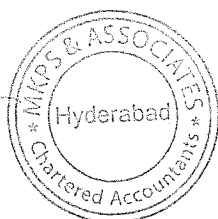
1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) Except for the matters stated in the 'Basis of Qualified opinion' paragraph above, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) Except for the matters stated in the 'basis of Qualified opinion' paragraph above, 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 and the Statement of cash Flow dealt with by this Report are in agreement with the books of the account.
  - d) Except for the matters stated in the 'Basis of Qualified opinion' paragraph stated here in above, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with rules made there under.
  - e) Our observations made on the matters stated in the 'Basis for Qualified Opinion' and Emphasis of matter 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 42 and note 53 to the standalone 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.
  - iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and  
  
(c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
  - v. The Company has not declared or paid any dividend during the year.
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.
  4. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

**For MKPS & Associates  
Chartered Accountants  
FRN 302014E**

*Vikash Modi*



**Vikash Modi  
Partner  
M No.216468  
UDIN:23216468BGWHMQ2023  
Place: Hyderabad  
Date:17<sup>th</sup> May 2023.**

## Annexure - A to the Independent Auditors Report

Referred to in our report of even date, to the members of Indore Dewas Tollways Limited for the year ended March 31, 2023

- i) (a) (A) The company is maintaining proper records showing full particulars of its property. The company does not have any plant and equipment.  
(B) The company does not have any intangible assets.
- (b) According to the information and explanations provided to us, the property has been physically verified by the management. However, no such report was available for our verification.
- (c) According to the information and explanations provided to us and on the basis of our examination of the records of the company we report that the title deeds of immovable properties are held in the name of the company.
- (d) The company has not revalued any of its Property, Plant & Equipment and Intangible assets during the year.
- (e) According to the information and explanations provided to us and on the basis of our examination of the records of the company, we report that no proceedings have been initiated during the year or are pending against the company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii) (a) 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.
- (b) The company has not been sanctioned any working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets and hence the reporting requirements under sub-clause (b) of clause (ii) of paragraph 3 of the order are not applicable.
- iii) According to the information and explanations provided to us and on the basis of our examination of the records of the company, we report that the company has not made any investments in, nor provided any guarantee or security nor granted any loans or advances in the nature of loans, to companies, firms, Limited Liability Partnerships or any other parties. Hence, the reporting requirements under clause (iii) of paragraph 3 of the order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, the company has not advanced any loans to directors / to a company in which the Director is interested to which the provisions of section 185 of the Act apply and has not made any investments to which the provision of section 186 of the Act apply. Further, based on the information and explanations given to us, being an infrastructure company, the provisions of section 186 of the Act to the extent of loans, guarantees and securities granted are not applicable to the company. Hence, the reporting requirements under clause (iv) of paragraph 3 of the order are not applicable.
- v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits during the period under audit. Consequently, the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 of the Act and the rules framed thereunder are not applicable.
- vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Act for the company. We have broadly reviewed such records and are of



the opinion that prima-facie, the prescribed records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- vii) (a) In our opinion and according to the information and explanations given to us and based on our examination of the books of the company, the company is generally regular in depositing undisputed applicable statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, and any other material statutory dues to the appropriate authorities.

There are no undisputed amounts payable in respect of Goods and Services Tax, provident fund, employees' state insurance, income-tax, and any other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are statutory dues referred to in clause (a) above which have not been deposited on account of any dispute.

Name of the Statute	Nature of dues	Amount in Rs(Lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Goods & Service tax and Central excise	Non payment and short payment of GST	37.11	2017-18	Office of the Assistant Commissioner (AUDIT) Central Goods & Service tax and Central excise
Employee Provident Fund Organisation, Ministry of Labour & Employment, Govt of India, /Regional office	Dues payable in respect of EPF	43.24	From year 2011 to year 2022	Regional P.F. Commissioner II Compliance Circle-I
Employees Compensation Act, 1923	Application for compensation under Employees Compensation Act.	8.32	2017-18	Commissioner for Employees Compensation Act and Judge, Labour court, Latur.

- viii) In our opinion and according to the information and explanations given to us, there are no transactions relating to previously unrecorded income that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.





- ix) (a) According to the information and explanations given to us and based on the examination of records of the Company, the Company has defaulted in repayment of dues to banks and financial institutions as detailed below:

Particulars	Amount Rs. In Lakhs	Period of default
To Banks and Financial institution		
1) Funded Interest Term Loan & Term loan (Principal & Interest)	58,551.87	March 2021 to March 2023

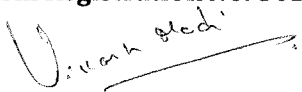
- (b) According to the information and explanations given to us and as represented to us by the management, the company has not been declared as a willful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, no fresh term loans have been taken during the year.
- (d) On an overall examination of the financial statements of the company, in our opinion, no funds raised on short term basis have been prima-facie being used for long term purposes during the year.
- (e) The company does not have any subsidiary, joint venture or associate and hence the reporting requirements under sub-clause (e) of clause (ix) of paragraph 3 of the order are not applicable.
- (f) The company does not have any subsidiary, joint venture or associate and hence the reporting requirements under sub-clause (f) of clause (ix) of paragraph 3 of the order are not applicable.
- x) (a) According to the information and explanations provided to us and based on our examination of the books of accounts and other records, we report that the company has not raised any moneys raised by way of initial public offer or further public offer (including debt instruments) during the year. Hence, the reporting requirements under sub-clause (a) of clause (x) of paragraph 3 of the order are not applicable.
- (b) According to the information and explanations provided to us and based on our examination of the books of accounts and other records, we report that the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- xi) (a) Based on the audit procedures performed by us for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us by the management, we report that we have neither come across any instance of fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and till the date of this report.
- (c) According to the information and explanations provided to us, no whistle blower complaints have been received during the year and upto the date of this report.
- xii) The company is not a Nidhi Company and hence the reporting requirements under clause (xii) of paragraph 3 of the order are not applicable.
- xiii) According to the information and explanations given to us, all transactions entered into by the company with related parties are in compliance with section 177 and 188 of the Act where applicable and the details thereof have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) a) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- b) We have considered the internal audit reports for the year under audit, issued to the

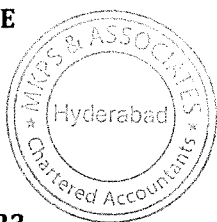


company, in determining the nature, timing and extent of audit procedures.

- xv) As per the information and explanations provided to us, the company has not entered into any non-cash transactions with directors or persons connected with them and hence the provisions of section 192 of the Act are not applicable to the company.
- xvi) a) In our opinion and according to the information and explanations given to us, the company is not required to be registered under Section 45 – IA of the Reserve Bank of India, 1934. Hence, the reporting requirements under sub-clause (a), (b) and (c) of clause (xvi) of paragraph 3 of the order are not applicable.  
b) According to the information and explanation given to us by the management, in our opinion, there is no Core Investment Company as part of the Group. Hence, the reporting requirements under sub-clause (d) of clause (xvi) of paragraph 3 of the order are not applicable.
- xvii) The company has incurred cash loss of Rs. 4,172.54 lakhs & Rs. 3,716.46 lakhs during the year ended March 31, 2023 & March 31, 2022 respectively.
- xviii) There has been no resignation of statutory auditors during the year.
- xix) On the basis of the financial ratios, ageing and expected dates of realisation of assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, We believe that material uncertainty exists as on the date of the audit report indicating that the company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx) The provisions of section 135 of the Act are not applicable to the company for the year under audit and hence the reporting requirements under sub-clause (a) & (b) of clause (xx) of paragraph 3 of the order are not applicable.

**For MKPS & Associates**  
**Chartered Accountants**  
**Firm Registration No. 302014E**

  
**Vikash Modi**  
**Partner**  
**M No.216468**  
**UDIN: 23216468BGWHMQ2023**  
**Place: Hyderabad**  
**Date:17<sup>th</sup> May 2023.**



**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, 2023 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 over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the 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.

### **Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2023, i.e The Company did not have appropriate internal financial controls over accounting for Toll revenue, interest on deferred additional concession fee (deferred premium) and additional concession fee, process for obtaining confirmation of balances from banks and financial institutions, process for estimation of realizability of the termination payment claim from NHAI

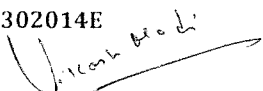
A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2023 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2023.

### **Explanatory paragraph**

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the standalone Ind AS financial statements of the Company, which comprise the Balance Sheet as at March 31, 2023, and the related Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. These material weaknesses were considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2023 standalone Ind AS financial statements of the Company and this report affects our report dated, on which we have expressed a qualified opinion on those standalone Ind AS financial statements.

For MKPS & Associates  
Chartered Accountants  
FRN 302014E

  
Vikash Modi  
Partner  
M No.216468  
UDIN: 23216468BGWHMQ2023  
Place: Hyderabad  
Date: 17<sup>TH</sup> May 2023.



# INDORE DEWAS TOLLWAYS LIMITED

Balance Sheet as at 31st March, 2023

(All amounts are ₹ in lakhs unless otherwise stated)

Particulars	Notes	As at 31st March, 2023	As at 31st March, 2022
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Property, Plant and Equipment and Intangible Assets:	3	-	6.83
Capital work-in-progress			
Investment Property	5	3.09	3.09
Intangible assets			
(i) Under SCA	4	-	75,305.10
(ii) others			
Other Non-Current Assets	6	-	7.78
<b>Total Non - Current Assets</b>		<b>3.09</b>	<b>75,322.80</b>
<b>Current Assets</b>			
<b>Financial assets</b>			
(i) Cash and Cash equivalents	7	483.18	113.66
(ii) Other Bank Balance	7		-
(iii) Other Financial Assets	8	73,591.16	10.88
<b>Tax assets</b>			
Current tax assets (Net)	9	17.89	33.80
Other Current Assets	10	168.55	225.15
<b>Total Current Assets</b>		<b>74,260.78</b>	<b>383.49</b>
<b>Total Assets</b>		<b>74,263.87</b>	<b>75,706.29</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	11	5.00	5.00
Instrument entirely Equity in Nature	12	7,025	7,025.00
Other Equity	12	(48,225)	(42,321.66)
<b>Total Equity</b>		<b>(41,194.51)</b>	<b>(35,291.66)</b>
<b>LIABILITIES</b>			
<b>Non - Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Long - Term Borrowings	13		-
(ii) Other Financial Liabilities	14	56,607.51	52,479.33
Provisions	15	26.07	24.86
Deferred tax liabilities (Net)			-
<b>Total Non-current Liabilities</b>		<b>56,633.58</b>	<b>52,504.19</b>
<b>Current liabilities</b>			
Other financial liabilities	16	58,745.51	58,460.21
Provisions	17	68.65	7.56
Other current liabilities	18	10.64	25.99
<b>Total Current Liabilities</b>		<b>58,824.80</b>	<b>58,493.76</b>
<b>Total Liabilities</b>		<b>1,15,458.38</b>	<b>1,10,997.95</b>
<b>Total Equity and Liabilities</b>		<b>74,263.87</b>	<b>75,706.29</b>

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 MKPS & Associates

Chartered Accountants

Firm's Registration No. 302014E

*V. Vikash Modi*

Vikash Modi

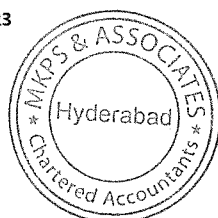
Partner

M No : 216468

UDIN: 23216468BGWHMQ2023

Place: Hyderabad

Date: 17th May 2023



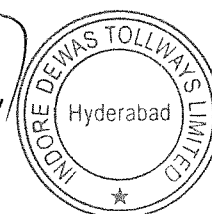
For and on behalf of the Board

*Brij Mohan Reddy*  
Brij Mohan Reddy  
Director  
DIN No 00012927

Place: Hyderabad

Date: 17th May 2023

*TV Sandeep Kumar Reddy*  
TV Sandeep Kumar Reddy  
Director  
DIN No 00005573



**INDORE DEWAS TOLLWAYS LIMITED**

Statement of Profit and Loss for the Period ended 31st March, 2023

(All amounts are ₹ in lakhs unless otherwise stated)

Particulars	Notes	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Revenue from Operations	19	-	-
Other Operating Income	20	-	-
Other Income	21	-	-
<b>Total Income</b>		-	-
<b>Expenses</b>			
Operation & Maintenance Expenses	22	-	-
Other Operating Expenses	22	-	-
Employee Benefits Expenses	23	-	-
Finance Costs	24	-	-
Depreciation and Amortisation Expenses	25	-	-
Other Expenses	26	-	-
<b>Total expenses</b>		-	-
<b>Profit before exceptional items and tax from Continuing Operations</b>		-	-
Add: Exceptional items		-	-
<b>Profit Before Tax</b>		-	-
<b>Less: Tax expense</b>			
(1) Current tax		-	-
(2) MAT credit entitlement		-	-
(3) Deferred tax		-	-
<b>Profit/ (loss) for the period from Continuing Operations (A)</b>		-	-
Profit/(Loss) before tax from discontinuing operations	27	(5,904.19)	(6,072.89)
Current tax		-	-
<b>Profit/ (loss) for the Period from discontinuing Operations (B)</b>		(5,904.19)	(6,072.89)
<b>Profit/ (loss) for the Period (A+B)</b>		(5,904.19)	(6,072.89)
<b>Other Comprehensive Income</b>			
Remeasurements of the defined benefit plans		1.34	(1.93)
<b>Total other comprehensive income</b>		1.34	(1.93)
<b>Total comprehensive income for the period</b>		<b>(5,902.85)</b>	<b>(6,074.82)</b>
<b>Earnings per share (Face Value ₹10/- per share)</b>			
(1) Basic (in ₹.)	41	(11,805.70)	(12,149.64)
(2) Diluted (in ₹.)	41	(11,805.70)	(12,149.64)

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

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

For MKPS &amp; Associates

Chartered Accountants

Firm's Registration No. 302014E

Vikash Modi

Partner

M No : 216468

UDIN: 23216468BGWHMQ2023

Place: Hyderabad

Date: 17th May 2023

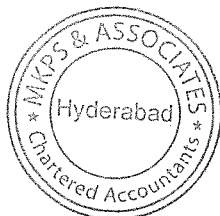
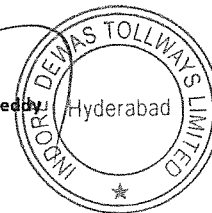
For and on behalf of the Board

*J Brij Mohan Reddy*  
**J Brij Mohan Reddy**  
 Director  
 DIN No 00012927

Place: Hyderabad

Date: 17th May 2023

*T V Sandeep Kumar Reddy*  
**T V Sandeep Kumar Reddy**  
 Director  
 DIN No 00005573



**INDORE DEWAS TOLLWAYS LIMITED**

**Statement of Changes in Equity**

(All amounts are ₹ In lakhs unless otherwise stated)

**A. Share Capital:**

**a. Equity share capital**

Movement during the period	For the Year ended 31st March, 2023		For the Year ended 31st March, 2022	
	Number of Shares	Share Capital (Amount)	Number of Shares	Share Capital (Amount)
Shares having face value of ₹ 10/-				
<b>Balance at the start of the period</b>	50,000	5.00	50,000	5.00
Issued during the period	-	-	-	-
<b>Balance at the end of the period</b>	<b>50,000</b>	<b>5.00</b>	<b>50,000</b>	<b>5.00</b>

**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	7,025.00	-	7,025.00
<b>Total</b>	<b>7,025.00</b>	<b>-</b>	<b>7,025.00</b>

**b. Other Equity (Current Year : FY 2022-2023)**

Particulars	Reserves and Surplus		Total
	Securities Premium	Retained Earnings	
Balance at the beginning of the reporting period i.e. 01.04.2022	-	(42,321.66)	(42,321.66)
Changes in accounting policy or prior period errors	-	-	-
Restated balance at the beginning of the reporting period	-	(42,321.66)	(42,321.66)
Total Comprehensive Income for the year	-	(5,902.85)	(5,902.85)
Dividends	-	-	-
Transfer to Retained Earnings	-	-	-
Any other change (to be specified)	-	-	-
<b>Balance at the end of the reporting period i.e. 31.03.2023</b>	<b>-</b>	<b>(48,224.50)</b>	<b>(48,224.50)</b>

**b. Other Equity (Previous Year : FY 2021-2022)**

Particulars	Reserves and Surplus		Total
	Securities Premium Reserve	Retained Earnings	
Balance at the beginning of the reporting period i.e. 01.04.2021	-	(36,246.84)	(36,246.84)
Changes in accounting policy or prior period errors	-	-	-
Restated balance at the beginning of the reporting period	-	(36,246.84)	(36,246.84)
Total Comprehensive Income for the year	-	(6,074.82)	(6,074.82)
Dividends	-	-	-
Transfer to Retained Earnings	-	-	-
Any other change (to be specified)	-	-	-
<b>Balance at the end of the reporting period i.e. 31.03.2022</b>	<b>-</b>	<b>(42,321.66)</b>	<b>(42,321.66)</b>

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 MKPS & Associates**

**Chartered Accountants**

Firm's Registration No. 302014E

**Vikash Modi**

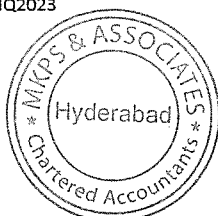
Partner

M No : 216468

UDIN: 23216468BGWHMQ2023

Place: Hyderabad

Date: 17th May 2023



**For and on behalf of the Board**

**Brij Mohan Reddy**

Director

DIN No 00012927

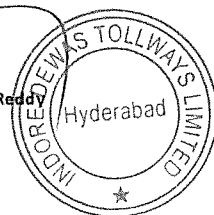
Place: Hyderabad

Date: 17th May 2023

**T V Sandeep Kumar Reddy**

Director

DIN No 00005573



# INDORE DEWAS TOLLWAYS LIMITED

Cash Flow Statement for the Year ended 31st March, 2023

(All amounts are ₹ in lakhs unless otherwise stated)

S. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
A	Net profit / (loss) before tax and extraordinary items	(5,902.85)	(6,074.82)
	Adjustment for		
	Depreciation and Amortisation Expense	1,731.65	2,356.44
	Interest expense	10,026.34	10,969.03
	<b>Operating profit before working capital changes</b>	<b>5,855.14</b>	<b>7,250.65</b>
	Adjustments for:		
	Increase / (Decrease) in Long Term Provisions	1.21	1.86
	Increase / (Decrease) in Other Current Financial liabilities	(330.99)	67.24
	Increase / (Decrease) in Other Current Liabilities	(15.35)	10.17
	Increase / (Decrease) in Short Term Provisions	61.09	4.55
	(Increase) / Decrease in Other Non-Current Assets	7.78	-
	(Increase) / Decrease in other financial asset	(73,580.28)	-
	(Increase) / Decrease in other current assets	56.60	(22.47)
	<b>Net cash generated from/(used in) operating activities</b>	<b>(67,944.80)</b>	<b>7,312.00</b>
	Direct taxes paid (net of refunds)	15.91	(15.97)
	<b>Net Cash(used in)/generated from Operating Activities</b>	<b>(67,928.89)</b>	<b>7,296.03</b>
B	<b>Cash flow from investing activities</b>		
	Purchase of fixed assets	-	-
	Sale/dispose off of fixed assets (Tfr of Intangible Assets)	73,580.28	-
	<b>Net cash (used in)/generated from investing activities</b>	<b>73,580.28</b>	<b>-</b>
C	<b>Cash flow from financing activities</b>		
	Repayment of long term borrowings	(593.28)	(2,410.70)
	Proceeds/repayment from/of Letter of Credit		
	Interest paid	(4,688.59)	(4,923.80)
	<b>Net cash (used in)/generated from financing activities</b>	<b>(5,281.87)</b>	<b>(7,334.50)</b>
	<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>369.52</b>	<b>(38.47)</b>
	<b>Cash and cash equivalents as at the beginning of the year</b>	<b>113.66</b>	<b>152.13</b>
	<b>Cash and cash equivalents as at the end of the year</b>	<b>483.18</b>	<b>113.66</b>
	<b>Cash and cash equivalents comprises of:</b>		
	Cash on Hand	0.19	2.27
	Balances with banks in Current Accounts	482.99	111.39
	<b>Total</b>	<b>483.18</b>	<b>113.66</b>
		-	-0.00

## 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 MKPS & Associates

For and on behalf of the Board

Chartered Accountants

Firm's Registration No. 302014E

*V. Vikash Modi*

Vikash Modi

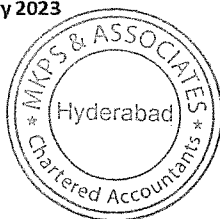
Partner

M No: 216468

UDIN: 23216468BGWHMQ2023

Place: Hyderabad

Date: 17th May 2023



*J Brij Mohan Reddy*

J Brij Mohan Reddy

Director

DIN No 00012927

*T V Sandeep Kumar Reddy*

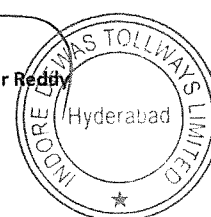
T V Sandeep Kumar Reddy

Director

DIN No 00005573

Place: Hyderabad

Date: 17th May 2023





**INDORE DEWAS TOLLWAYS LIMITED**  
Notes to Financial Statements for the Year ended 31st March, 2023  
(All amounts are ₹ in lakhs unless otherwise stated)

**Property, Plant and Equipment and Intangible Assets:**

**3 Property, Plant and Equipment as on 31st March 2023**

Particulars	Cost or Deemed cost			Accumulated Depreciation and Impairment			Carrying Amount			
	Balance as at 1st April 2022	Additions	Disposals	Balance as at 31st March 2023	Balance as at 1st April 2022	Depreciation expense	Disposals	Balance as at 31st March 2023	As at 31st March 2022	As at 31st March 2022
Property Plant and Equipment*										
Furniture & Fixtures	0.69	-	-	0.69	0.67	0.01	-	0.68	0.01	0.02
Office Equipment	3.09	-	-	3.09	3.09	-	-	3.09	-	-
Computers	0.18	-	-	0.18	0.18	-	-	0.18	-	-
Vehicle	20.59	-	-	20.59	13.78	1.94	-	15.72	4.87	6.81
Toll Plaza Building	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>24.55</b>	<b>-</b>	<b>-</b>	<b>24.55</b>	<b>17.72</b>	<b>1.95</b>	<b>-</b>	<b>19.67</b>	<b>4.88</b>	<b>6.83</b>

\*Refer Note 4

**Property, Plant and Equipment as on 31st March 2022**

Particulars	Cost or Deemed cost			Accumulated Depreciation and Impairment			Carrying Amount			
	Balance as at 1st April 2021	Additions	Disposals	Balance as at 31st March 2022	Balance as at 1st April 2021	Depreciation expense	Disposals	Balance as at 31st March 2022	As at 31st March 2022	As at 31st March 2021
Property Plant and Equipment*										
Furniture & Fixtures	0.69	-	-	0.69	0.64	0.03	-	0.67	0.02	0.05
Office Equipment	3.09	-	-	3.09	2.94	0.15	-	3.09	-	0.15
Computers	0.18	-	-	0.18	0.18	-	-	0.18	-	-
Vehicle	20.59	-	-	20.59	11.21	2.57	-	13.78	6.81	9.38
Toll Plaza Building	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>24.55</b>	<b>-</b>	<b>-</b>	<b>24.55</b>	<b>14.97</b>	<b>2.75</b>	<b>-</b>	<b>17.72</b>	<b>6.83</b>	<b>9.58</b>

**4 Intangible Assets as on 31st March 2023**

Particulars	Cost or Deemed cost			Accumulated Depreciation and Impairment			Carrying Amount			
	Balance as at 1st April 2022	Additions	Disposals	Balance as at 31st March 2023	Balance as at 1st April 2022	Amortisation Expense	Disposals	Balance as at 31st March 2023	As at 31st March 2022	As at 31st March 2022
Toll Plaza Management Systems \$	165.36	-	-	165.36	54.04	5.82	-	59.86	105.50	111.32
Carriageways capitalized	84,363.78	-	-	84,363.78	9,170.00	1,723.88	-	10,893.88	73,469.90	75,193.78
<b>Total</b>	<b>84,529.14</b>	<b>-</b>	<b>-</b>	<b>84,529.14</b>	<b>9,224.04</b>	<b>1,729.70</b>	<b>-</b>	<b>10,953.74</b>	<b>73,575.40</b>	<b>75,305.10</b>

**4 Intangible Assets as on 31st March 2022**

Particulars	Cost or Deemed cost			Accumulated Depreciation and Impairment			Carrying Amount			
	Balance as at 1st April 2021	Additions	Disposals	Balance as at 31st March 2022	Balance as at 1st April 2021	Amortisation Expense	Disposals	Balance as at 31st March 2022	As at 31st March 2022	As at 31st March 2021
Toll Plaza Management Systems \$	165.36	-	-	165.36	46.32	7.72	-	54.04	111.32	119.04
Carriageways capitalized	84,363.78	-	-	84,363.78	6,824.03	2,345.97	-	9,170.00	75,193.78	77,539.75
<b>Total</b>	<b>84,529.14</b>	<b>-</b>	<b>-</b>	<b>84,529.14</b>	<b>6,870.35</b>	<b>2,353.69</b>	<b>-</b>	<b>9,224.04</b>	<b>75,305.10</b>	<b>77,658.79</b>

\* The company has availed the extension under para 42(1)(b) of the Act in respect of intangible asset, as per the principles, the previous book carrying values for intangible asset has been substituted as the required cost in the financial statements (1.4.2015).

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

NHAI terminated the Concession Agreement vide their letter dated 16th December 2022

Assets transferred to NHAI (please see schedule 8 - Other Financial Asset)

Particulars	Gross Value	Cumulative Amortisation	Intangible Asset (Carriageway) transfer to NHAI	Net carrying amount as on 31.03.2023
Intangible assets (Carriageway)	84,529	10,954	73,575.40	73,575.40
Other Assets	25	20	4.88	4.88
<b>Grand total</b>	<b>84,554</b>	<b>10,973</b>	<b>73,580.28</b>	<b>73,580.28</b>



## INDORE DEWAS TOLLWAYS LIMITED

Notes to Financial Statements for the Year ended 31st March, 2023

(All amounts are ₹ in lakhs unless otherwise stated)

### 5 Investment Property

Particulars	As at 31st March, 2023	As at 31st March, 2022
Land	3.09	3.09
<b>Total</b>	<b>3.09</b>	<b>3.09</b>

The Management estimate fair Value of the Land as at the Balance Sheet date is ₹ 3.09 lakhs.

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.

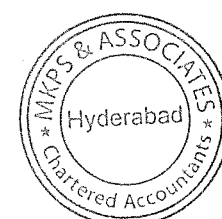
d) The said Investment property has been provided as security to the Lenders and the Lenders have registered the same in the register of **Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI)** under the **Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFESI Act)**. The Indenture of Mortgage has been made to the Lenders with the Sub Registrar of Mohadi, Bhandara, Maharashtra.

### 6 Other Non Current Assets

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Long term loans and advances(Unsecured, considered good)</b>		
Security Deposits	-	5.56
Other Loans and advances	-	-
Rent Advance	-	0.22
Advance for Toll Collection Management	-	2.00
<b>Total</b>	<b>-</b>	<b>7.78</b>

### 7 Cash and Cash Equivalents

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance with Banks		
In Current Accounts	482.99	111.39
Cash on Hand	0.19	2.27
<b>Total</b>	<b>483.18</b>	<b>113.66</b>



## INDORE DEWAS TOLLWAYS LIMITED

Notes to Financial Statements for the Year ended 31st March, 2023

(All amounts are ₹ in lakhs unless otherwise stated)

### 8 Other Financial Asset

Particulars	As at 31st March, 2023	As at 31st March, 2022
ETC O&M Receivable From NHAI	10.88	10.88
Receivable from NHAI towards Termination of contract (refer note 3 & 4 PPE )	73,580.28	
<b>Total</b>	<b>73,591.16</b>	<b>10.88</b>

### 9 Current Tax Asset (Net)

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Current tax Asset</b>		
Receivable from Statutory Authorities	17.89	33.80
<b>Total</b>	<b>17.89</b>	<b>33.80</b>

### 10 Other Current Assets

Particulars	As at 31st March, 2023	As at 31st March, 2022
Mobilization advance - COS & Utility shifting paid to GPL	9.94	9.94
Hybrid ETC - NHAI Receipts A/c	152.18	152.18
GST Input and Output Credit	1.94	1.94
Prepaid Expenses	-	56.80
Others	4.49	4.29
<b>Total</b>	<b>168.55</b>	<b>225.15</b>

**Hybrid ETC - NHAI Receipts - Change of scope works (Hybrid ETC) :** ₹ 152.18 lakhs receivable from NHAI. As per the accounting policy of the Company, the Hybrid Electronic Toll Collection system Installation works which come under Change of Scope (COS) with NHAI were accounted as and when the bills were certified by the technical team of NHAI. However the milestone 3 & 4 were accounted as on 31st March 2021 after the certification from the technical team. The Independent Engineer has certified the Milestone 3 payment, but NHAI has now disputed for the payment of Milestone 3 and Milestone 4.

However NHAI is not releasing the same and is not honoring its contractual obligation by disputing the same for the recovery of the amounts released for the ETC installed in 2015 for T+1 lanes. The company has protested the same and has communicated the same to NHAI. The matter is under dispute but however the above receivable is definitive as per the contractual terms.



**INDORE DEWAS TOLLWAYS LIMITED**

Notes to Financial Statements for the Year ended 31st March, 2023

(All amounts are ₹ in lakhs unless otherwise stated)

**11 Equity Share Capital**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Note: 1 SHARE CAPITAL</b>		
<b>AUTHORISED:</b>		
Equity Shares of ₹ 10/- each	100.00	100.00
	<b>100.00</b>	<b>100.00</b>
<b>ISSUED, SUBSCRIBED &amp; PAID UP:</b>		
Equity Shares of Rs. 10 each	5.00	5.00
<b>Total</b>	<b>5.00</b>	<b>5.00</b>

**Foot Notes:****i) Reconciliation of the number of shares outstanding at the beginning and for the period ended 31st March 2023****Equity Share**

Particulars	As at 31st March, 2023		As at 31st March 2022	
	Number	Amount	Number	Amount
Number of equity shares at the beginning of the Year	50000	5.00	50000	5,00,000
Equity shares issued during the year	-	-	-	-
Less : Shares bought back during the year	-	-	-	-
<b>Number of equity shares at the end of the Year</b>	<b>50000</b>	<b>5.00</b>	<b>50000</b>	<b>5,00,000</b>

**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 2023, 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.

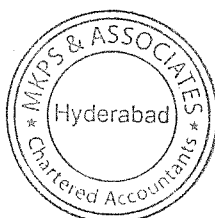
**iii) Equity shares held by holding company and the Ultimate holding company and or their subsidiaries/ associates - Nil**

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, 2023		As at 31st March 2022	
	% 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, 2023		As at 31st March 2022	
	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%



**INDORE DEWAS TOLLWAYS LIMITED**

Notes to Financial Statements for the Year ended 31st March, 2023

(All amounts are ₹ in lakhs unless otherwise stated)

**11 Equity Share Capital (Contd..)**

As per the Composite Scheme of Merger & Demerger the beneficial ownership of shares has been transferred to Gayatri Highways Limited as per the National Company Law Tribunal (NCLT) order dated 3rd November, 2017, however as on 31st March 2023, 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 has to be done through the Security Trustee ie SBI CAP Trustee company Ltd appointed by the consortium of Lenders. The transfer will be completed after receiving the No Objection Certificate (NOC) addressed to the security trustee from all the Lenders for the Release & Repledge of shares. All the lenders have issued NOC but the trustee has requested for the email confirmation from all the consortium of banks that the NOCs issued in 2018, 2019 are still valid. However the Security Trustee has requested fresh NOCs from all the Lenders and as on 31st March 2023, all the Lenders except Punjab National Bank have given the NOCs vide letters in the month of June 2022. Despite several requests from the Lead bank and the company the Punjab National Bank is not willing to issue the NOC.

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

Name of the Shareholder	As at 31st March, 2023		As at 31st March 2022	
	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%

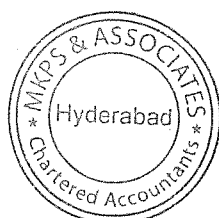
**12 a) Instrument entirely Equity in Nature**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Loans from Promoters	7,025.00	7,025.00
<b>Total</b>	<b>7,025.00</b>	<b>7,025.00</b>

**12 b) Other Equity**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Surplus in profit and loss account	(48,224.51)	(42,321.66)
<b>Total</b>	<b>(48,224.51)</b>	<b>(42,321.66)</b>

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Statement of Profit and Loss</b>		
Balance at Beginning of the period	(42,321.66)	(36,246.84)
Net profit for the period / year	(5,902.85)	(6,074.82)
Other Comprehensive Income / (Expense)		
Transfer from / (to) Debenture Redemption Reserves		
Transfer to Capital Redemption Reserves		
<b>Balance at end of the period</b>	<b>(48,224.51)</b>	<b>(42,321.66)</b>



**INDORE DEWAS TOLLWAYS LIMITED**

Notes to Financial Statements for the Year ended 31st March, 2023

(All amounts are ₹ in lakhs unless otherwise stated)

**13 Long - Term Borrowings**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Term Loans</b>		
<b>a. Secured</b>		
<b>Indian Rupee Term Loans</b>		
from Banks - TL - I		-
from Financial Institutions		-
<b>Indian Rupee - Funded Interest on Term Loans</b>		
from Banks - FITL		-
from Financial Institutions - FITL		-
<b>Total of Secured Term Loans</b>	-	-
<b>Total of Long term borrowings</b>	-	-

**(i) Extension of Moratorium for Term loans - COVID19 Pandemic & RBI Circular dated 27th March 2020.**

Due to the COVID-19 pandemic and the declining economic scenario, the Reserve Bank of India along with the Ministry of Finance have issued circular and guidelines to all the Banks for allowing moratorium in payment of EMIs, and to defer recovery of installments in all loan accounts from March 2020 to August 2020. Accordingly the company has submitted a request letter dated 18th May 2020 to all the Lenders seeking for the moratorium for the payment of Debt dues from March 2020 to August 2020 in accordance with the RBI Covid19 Regulatory package dated 27th March 2020. However Punjab National Bank (PNB) & India Infrastructure Finance Company Ltd (IIFCL) have communicated vide 14th December 2020 consortium meeting that the moratorium as per the circular cannot be availed with respect to the loans disbursed by them as the account has become NPA as on 31st January 2020 (Punjab National Bank) & IIFCL (31st December 2019).

Accordingly the current maturities with respect to the Principal repayment of the Term loan I and Funded Interest Term loan have been updated as per the COVID moratorium granted by RBI vide its circular dated 27th March 2020. Accordingly the Moratorium has been effected for the Union bank of India & State Bank of India as per the communications received from them. The Interest dues for the period March 2020 to August 2020 for Union Bank of India & State bank of India have been transferred to the Outstanding Principal dues as the same is payable at the end of the Repayment schedule and loan tenure in accordance with the RBI Circular.

The accounts with Union bank of India and State Bank of India have also slipped into NPA in December 2021.

**(ii) Terms of Repayment - Restructuring Package Approved by the Lenders dated 1st July 2014****Secured Loans:****a) 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 ₹ 45,000 lakhs, Funded Interest Term Loan ₹13,618 lakhs & Term Loan -II ₹ 4,000 lakhs ) 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 ie., July 1, 2014 to March 31, 2017 is to be funded through Funded Interest Term Loan (₹13,618 lakhs ).
- 4) Moratorium of 2 years 9 months for the repayment of Term Loan - I & Funded Interest Term Loan from 1st July 2014 to 31st March 2017.

**b) 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.

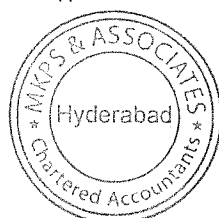
(v) A first charge by way of assignment or creation on Security Interest on :-

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

2) 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.

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

c) The draft Restructuring documents were submitted to National Highways Authority of India on 5th May, 2015 for review, and also submitted the executed documents on 26th July, 2015 for approval to National Highways Authority of India.



## INDORE DEWAS TOLLWAYS LIMITED

Notes to Financial Statements for the Year ended 31st March, 2023

(All amounts are ₹ in lakhs unless otherwise stated)

### 13 Long - Term Borrowings (Contd..)

d) As per the terms of the sanction, the Term Loan II of ₹4,000 lakhs is repayable within 20 equal instalments immediately from the next month of the disbursement. The total amount of term loan II disbursed was ₹3,112 lakhs and the same has been fully repaid during the FY 2017 - 18.

e) As per the terms of the Restructuring package, an amount of ₹ 3,920 lakhs were kept as Debt Service Reserve Account with the Lead bank for the FY: 2014 - 15 to FY : 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 ₹ 3,920 lakhs were 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.

#### f) Terms of Repayment of Term Loans

1) The tenor of the repayment of the Term Loan - I for ₹45,000 lakhs 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 lakhs to ₹ 7,866 lakhs per annum as per the approved restructuring package.

2) The tenor of the repayment of Funded Interest Term Loan for ₹13,618 lakhs 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 lakhs to ₹3,880 lakhs per annum as per the approved restructuring package.

g) The rate of Interest to all the Lenders is 10.10% per annum

h) The above are original terms of repayment whereas UBI on behalf of all the lenders recalled the CREDIT FACILITIES (Term Loan and Funded Interest Term Loan) as on 05.01.2022 vide their letter No.IFB:HYD:737:2021-22 . As per the recall notice the Term Loan and FITL and interest thereon has become payable immediately. Accordingly the Non-Current Borrowings are transferred to Current Borrowings.

#### (III) 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 always been in SMA2 with all the Lenders.

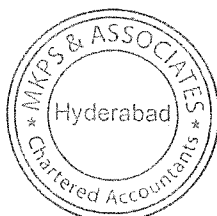
(ii) The Techno Economic Viability Study (TEV) has been conducted by M/s Mott Macdonald & Forensic Audit has been conducted by M/s Sagar & Associates, Chartered Accountants. Both the reports were submitted to all the Lenders, discussed in the consortium meetings and the final reports have been approved by all the Lenders vide consortium meeting dated 4th October 2019.

(iii) All the Lenders vide consortium meeting held dated 7th Feb 2020 have decided to appoint credit rating agencies ie CRISIL & CARE to assess the sustainable and unsustainable debt. Accordingly CRISIL & CARE have issued the RP4 Rating with Part A debt as ₹. 23,600 lacs (sustainable debt) & Part B Debt as ₹ 31,600 lakhs (Unsustainable debt) (out of ₹.59,700 lakhs total debt as on 1st October 2020) and the same has been submitted to all the Lenders.

(iv) After receiving the RP4 ratings from the two credit rating agencies, the company has requested the Lenders vide consortium meetings dated 7th Oct 2020, 14th December 2020 to take up the proposal of the Resolution Plan with their Competent Authorities as per the RBI circular dated 7th June 2019. The Resolution Plan has been prepared based on the two RP4 Ratings issued by CRISIL & CARE.

(v) Punjab National Bank has categorised the account as Non Performing Asset (NPA) as on 31st January 2020. The recall letter has been received from PNB vide their letter dated 4th February 2020. Borrowings from PNB have been continued to be reported as Non current as all the Lenders in the consortium meeting dated 14th December 2020 agreed to take up the resolution proposal with their respective competent authorities. During the consortium meeting held dated 6th May 2021, the lead bank ie., Union bank of India has communicated that the Resolution Plan is not accepted by their competent Authority.

(vi) UBI on behalf of all the lenders recalled the CREDIT FACILITIES (Term Loan and Funded Interest Term Loan) as on 05.01.2022 vide their letter No.IFB:HYD:737:2021-22 . As per the recall notice the Term Loan and FITL and interest thereon has become payable immediately. Accordingly the Non-Current Borrowings are transferred to Current Borrowings.



## INDORE DEWAS TOLLWAYS LIMITED

Notes to Financial Statements for the Year ended 31st March, 2023

(All amounts are ₹ in lakhs unless otherwise stated)

### 13 Long - Term Borrowings (Contd..)

(vi) The moratorium for the payment of Interest and Principal dues for the period March 2020 to August 2020 has been implemented by SBI & UBI as on 31st March 2021.

a) Accordingly the Interest for the period March 2020 to August 2020 has been shifted to the end of the Repayment Schedule and is payable towards the end of the loan tenure.

b) The Principal repayment for the quarters March 2020 & June 2020 have been shifted to the end of the repayment schedule by UBI and has been moved to the next quarters by SBI.

c) PNB & IIFCL has not implemented the moratorium as the account was Non Performing Asset (NPA) as on 31st January 2020 & 31st December 2019 respectively.

(vii) All the accounts have slipped into NPA with all the banks as on 31st December 2021. The Lenders were remitted an amount of Rs 10 crs in the month of July 2022 which were adjusted against the TL & FITL dues. As on 31st December 2022, an amount of Rs 30 crs was transferred from the toll collections account by the Lead bank and has been distributed amongst the Lenders in the ratio of their disbursements. All the amounts were accounted by the Lenders towards the Term loan I interest payments as per their email communications.

(viii) As the accounts have become NPA with all the Lenders, the Lenders are not updating the term loan statements and are not communicating the same to the company. There are few months for which the interest charges have not been accounted by the Lenders. Hence the Term loan reconciliations were not done and there are differences in the balances of the loans as per the books and the loan statements.

#### IV) One Time Settlement (OTS) Proposal of ₹ 25,000 lacs submitted to the Lenders vide letter dated 30th June 2021

The Company has proposed/submitted to the Lenders the One Time Settlement (OTS) proposal for the settlement of debt dues to all the Lenders vide letter dated 30th June 2021. The Company has once again submitted to the Lenders the One Time Settlement (OTS) proposal for the settlement of debt dues to all the Lenders vide letter dated 13th December 2021 to Punjab National Bank, on 14th December 2021 to State Bank of India, on 17th December 2021 to Union Bank of India and on 21st December 2021 to IIFCL keeping in view the developments in the Project as stated below :

- a) Formation of the Conciliation Committee of Independent Experts (CCIE) by NHAI for the amicable settlement of all disputes with NHAI.
- b) Non Approval of the Resolution Plan proposal by the competent Authority of the Lead bank ie., Union Bank of India.

The SPV has submitted to the Lenders that the Sponsors/ Promoters will settle the debt dues to the Lenders through a One Time Settlement (OTS) proposal towards the full, final and complete settlement of all the dues to the lenders, without any further recourse to the project company, promoters and sponsors. The amount will be bought in by the Promoters directly or through an investor or through their associates/affiliates or private arrangement or by way of collecting advance money from NHAI. Upon payment of the said amount to the Lenders, all the liabilities towards the existing Lenders, contingent or crystallized, stand irrevocably extinguished including outstanding principal, interest due and payable, accrued and unpaid interest, penal interest and other charges and the Lenders have no further claim of any nature against the Company, Promoters and Sponsors.

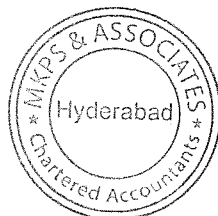
The SPV further submitted that this proposal is towards full and final settlement of all existing, past and future dues, including penalties if any, processing charges, late payment charges of all the consortium loan accounts etc without any further recourse to the company, promoters and sponsors. Further, there should be a freeze on the levy of interest on the outstanding dues w.e.f. 01-07-2021, such that there would be no future issues, pending the completion of the settlement.

None of the Lenders have taken up the proposal of the company for One Time Settlement (OTS) with their competent Authorities.

The Conciliation meetings with NHAI have failed and NHAI has communicated the same vide their letter dated 25th April 2022. The NHAI has also communicated vide its letter dated 25th April 2022 that the Project will be terminated and the Lenders are given the option to exercise their rights of Substitution as per the Concession Agreement. The Lenders have communicated their consent to NHAI for exercising the Substitution rights vide their letter to NHAI dated 17th May 2022.

#### V) Repayment of Zero Interest Subordinate loan (Unsecured loans from promoters) :

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





## INDORE DEWAS TOLLWAYS LIMITED

Notes to Financial Statements for the Year ended 31st March, 2023

(All amounts are ₹ in lakhs unless otherwise stated)

### 13 Long - Term Borrowings (Contd..)

#### (VI) Suspension of Concession by the Authority

1) NHAI has issued a letter dated 25th April 2022 to the Lenders of its Intention to Terminate the Project and has given the option to the Lenders to exercise their rights for the Substitution as per the clause 3.3.2 of the Substitution Agreement dated 12th October 2011. The Lenders have called for the Consortium meetings dated 4th May 2022, 17th May 2022 for discussing the above. The lead bank has also taken legal opinion in this regards from their legal counsel and proceeded further. The Lenders have given their consent for exercising their rights under Substitution vide their letter dated 17th May 2022.

2) The NHAI has issued the letter to the company ie IDTL dated 27th May 2022 for the Suspension of the Concession as per the Article 36 of the Concession Agreement. This was in response to the letter dated 5th May 2022 written from IDTL to NHAI for the Authority default. NHAI has also instructed to handover the toll plaza to the NHAI/Ms Prakash Asphaltings and Toll Highways (India) Ltd (Toll operating/collecting agency) from 28th May 2022. Accordingly IDTL has handed over the toll plaza to NHAI on 28th May 2022 at 8:00 hours AM. Both the Lead bank (on behalf of the consortium) and the company has protested strongly in writing by the above action of the NHAI.

3) NHAI has communicated to the Lead bank vide its letter dated 8th June 2022, that the rights to Substitution is covered Under article 37.1.3 of the Concession Agreement and has requested to proceed as per the Concession Agreement within the prescribed time.

4) The Consortium meeting was held on 16th June 2022 to discuss the wayforward in the Project. The Company represented to the Lenders for the release of the operating expenses of the Project for the month of June 2022 including the legal/Arbitration expenses payable to the legal counsel who have been appointed for the Arbitration proceedings. The Lead bank has taken the opinion from Ms Link Legal, Law Firm and based on the provisions of the Article 36 and the escrow agreement which stated the mechanism of operation of the escrow during the suspension period. The Lead bank has released the payments for the month of June 2022 & July 2022 based on the legal opinion received from Ms Link Legal, Legal counsel except for the Legal costs.

Subsequently the Lead bank ie., Union Bank of India (IFB Branch) has transferred the account to the SAM (Stress Asset Management) branch as per their email communication dated 24th August 2022 and since then the SAM branch has freezed all the Bank accounts with a restriction on the payments. Since then no payments have been released by the SAM branch. The Operational expenses, Statutory dues and other payments from the month of August 2022 to March 2023 are still pending to be released by the Union Bank of India - SAM Branch.

5) On the way forward, the company has suggested to the consortium that all the Lenders should directly represent to NHAI with the below points:-

(i) Substitution of NHAI into the project ie., let NHAI take over the project and run itself by paying to the Lenders the Termination payment.

(ii) There is a difficulty in getting a Substitute for the project as nobody will be willing to take up such kind of project with huge payment of premium to NHAI.

(iii) The company to withdraw all its claims against NHAI in lieu of the Termination payment made to the Lenders and will support the Lenders in all the ways.

Lenders can meet the NHAI officials, Member (Technical) and Member (Finance) to settle the matter amicably without company's intervention. The lead bank opined they will get back after discussions with their HO.

6) A fixed amount of the Rs 27.56 lacs per day is being deposited into the escrow account every day by the agency appointed by NHAI and till now an amount of Rs 45.51 crs has been deposited for the period 4th June 2022 to 10th November 2022 (Pls see table below).

7) The company has referred the matter to Arbitration and obtained a stay order for the action of NHAI and non deposition of the toll into the escrow account. The Company had moved an application under Section 17 of the Arbitration and Conciliation Act, 1996 before the concerned Arbitral Tribunal. The Tribunal had also passed an order dated 30.05.2022 restraining the Authority from appropriating the toll revenues for any of its counter-claims lodged before the Tribunal, which includes the Premium payable by the Concessionaire to the Authority. The order also states that the Bank Guarantee for an amount of Rs. 12.927 crs cannot be encashed by the NHAI.

8) In the event of the Suspension of the toll rights of the Concessionaire the waterfall mechanism as per clause 31.1.1 of the Concession Agreement will still hold good as specified in the clause 36.2 of Article 36 of the CA.

36.2.1 : The Authority shall be entitled to make withdrawals from the escrow account for meeting the costs incurred by it for remedying and rectifying the cause of suspension, and thereafter for defraying the expenses specified in Clause 31.3.

in the event of the Suspension of the toll rights of the Concessionaire the waterfall mechanism as per clause 31.1.1 of the Concession Agreement will still hold good as specified in the clause 36.2 of Article 36 of the CA.



## INDORE DEWAS TOLLWAYS LIMITED

Notes to Financial Statements for the Year ended 31st March, 2023

(All amounts are ₹ in lakhs unless otherwise stated)

### 13 Long - Term Borrowings (Contd..)

#### Clause 31.3 - Withdrawals during the Concession Period

31.3.1 The Concessionaire shall, at the time of opening of the Escrow account, give irrevocable instructions, by way of an Escrow Agreement, to the Escrow bank instructing, inter alia, that deposits in the escrow account shall be appropriated in the following order every month, or at shorter intervals as necessary, and if not due in a month then appropriated proportionately in such month and retained in the Escrow account and paid out there from in the month when due :

- a) All taxes due and payable by the Concessionaire ;
- b) All payments related to Construction of the Project Highways, subject to and in accordance with the conditions, if any set forth in the financing Agreements,
- c) O&M Expenses, subject to the ceiling, if any, set forth in the Financing Agreements,
- d) O&M Expenses and other costs and expenses incurred by the Authority in accordance with the provisions of this Agreement, and certified by the Authority as due and payable to it ;
- e) Concession Fee due and payable to the Authority;
- f) Monthly, proportionate provision of Debt service due in an Accounting year;
- g) All payments and damages certified by the Authority as due and payable to it by the Concessionaire, including repayment of Revenue shortfall loan;
- h) Monthly proportionate provision of debt service payments due in an Accounting year in respect of Subordinate debt ;
- i) Any reserve requirements set forth in the Financing Agreement; and
- j) Balance, if any in accordance with the instructions of the Concessionaire

Provided, however, that no withdrawals or appropriation shall be permitted prior to Financial close, save and except for payment of taxes, Concession Fee and O&M expenses.

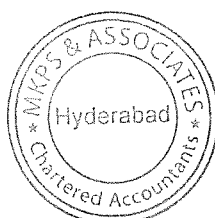
9) 36.2.2 : During the period of Suspension hereunder, all the rights and liabilities vested in the Concessionaire in accordance with the provisions of this Agreement shall continue to vest therein and all things done or actions taken, including expenditure incurred by the Authority for discharging the obligations of the Concessionaire under and in accordance with this Agreement and the Project Agreements, shall be deemed to have been done or taken for and on behalf of the Concessionaire and the Concessionaire undertakes to indemnify the Authority for all the costs incurred during such period.

10) As per the clauses 36.2.1 & 36.2.2 the concessionaire's rights and liabilities still vest with the Concessionaire and the Concessionaire is obligated to discharge the obligations of the project in accordance with this agreement and the project documents. The concessionaire is bound to indemnify the Authority for all costs incurred by the Authority for the maintenance of the project during such period. Hence the Concessionaire rights and duties have not been suspended and the concessionaire is can operate the escrow as per the waterfall mechanism specified in clause 31.1.1 as specified above.

11) The Lenders have been remitted interest and Principal dues for an amount of Rs 41.46 crs after the suspension of Concession in in the months of July 2022 to December 2022.

12) The company has written letters to the lead bank for the Release of operating expenses vide letter no. IDTL/2022-2023/119 dated 08th July 2022 immediately as the statutory dues and O&M expenses are a priority to the debt dues as per waterfall mechanism specified in Article 31 of the Concession Agreement. However the Lead bank has not been releasing any payments since August 2022. The Lead bank and the Escrow banker ie., Union bank of India – Stressed Assets Management branch has since then has not processed any of the O&M expenses ie., Statutory dues to the govt, employees salaries and gratuity settlements, Travel expenses & local conveyance incurred by the lenders for site visit which are the foremost priority as per the waterfall mechanism of the Escrow Agreement. The company has been also requesting for the release of the legal expenses which are very critical for the Arbitration process to go on and realization of the claims filed with NHAI.

13) NHAI has written a letter dated 13th August 2022 to the Lead bank citing breach of the concession agreement and unauthorised withdrawals from the escrow account during the Suspension period by the Escrow banker without the consent of the Authority. The Lead bank vide its letter dated 19th August 2022 has replied to NHAI that they have not breached any provisions of the CA & the escrow agreement and have processed the payments as per the clause 4.4.1 of the escrow agreement & 37.1 of the Concession Agreement.



## INDORE DEWAS TOLLWAYS LIMITED

Notes to Financial Statements for the Year ended 31st March, 2023

(All amounts are ₹ in lakhs unless otherwise stated)

### 13 Long - Term Borrowings (Contd..)

14) The Tribunal has given the below order dated 5th August 2022 with respect to the operation of the escrow account

“(i) Without going into the question as to whether the suspension of the Agreement by the Respondent is legal, valid or not and the accepted position that till suspension is in operation in terms of Article 36 of the Concession Agreement, the Respondent is permitted to act in terms of Clause 36.2 of the Concession Agreement read with Clause 4.5 of the Escrow Agreement. As per the clause 4.5 the Authority may exercise its rights to operate the escrow account in accordance with the terms, however nowhere the concessionaire is barred to operate the same.

(ii) While withdrawing money from the Escrow Account in the aforesaid manner, the Respondent (NHAI) shall notify the Claimant (Concessionaire) as to for what purpose the withdrawal is being made.

(iii) In case the Claimant has any grievance about the manner of such withdrawal, it is open to the Claimant to move the Tribunal for such directions as deemed proper. Hence the claimant (Concessionaire) has every right to file a grievance against the Authority to the Tribunal if any of the expenses as per the waterfall mechanism are being barred to be released by the Authority.

(iv) Learned counsel for the parties agreed that if any grievance is there in terms of para (iii) above arises, the same shall be decided by this Tribunal without resort to the Dispute Resolution Mechanism provided in the Escrow Agreement”

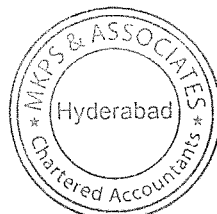
If the escrow bank receives any instructions from NHAI for the release of any payments, the Escrow banker has to intimate the concessionaire about the payments requested by the Authority. This is as per the Arbitration award dated 5th August 2020.

15) The Lead bank is not inviting the Company in any of its meetings and also not sharing the minutes of the Consortium Meetings. The submissions of the company are also not being recorded in the Minutes of the Consortium Meetings.

16) The Lead bank has subsequently conducted meetings on dates 27th July 2022, 19th August 2022 & 13th October 2022 but however has not released any funds for the purpose of O&M expenses and legal charges despite several requests made by the company. The bankers have not considered any submissions made by the company nor they have recorded the same in the Minutes of the Meetings. The Minutes of the Consortium Meeting dated 13th October 2022 have not been shared with the company till date.

17) As on 31st March 2023 an amount of Rs 4.37 crs were lying in the escrow account. The SAM branch of the UBI was not processing any payments and has freeze all the operative bank accounts.

18) There was a debit of Rs 30 crs from the Toll collections account on 31st December 2022 to an unknown account bearing no 020511010168 without the knowledge of the Company. The company has reported the same to the Lead bank vide its letter dated 5th January 2023 with a copy to all the banks stating that there is an unauthorized debit in the toll collections account without following the waterfall mechanism prescribed in the escrow agreement. The lead bank has communicated the details of the payment of the Rs 30 crs vide their email dated 23rd March 2023.



**INDORE DEWAS TOLLWAYS LIMITED**

Notes to Financial Statements for the Year ended 31st March, 2023

(All amounts are ₹ in lakhs unless otherwise stated)

**13 Long - Term Borrowings (Contd..)**

19) NHAI has not deposited any amount for the period 28th May 2022 to 3rd June 2022. The Lenders have written letters to NHAI in this regards. Till now the toll amount for the above period is still now pending to be deposited by NHAI into the escrow account in IDTL.

The below amounts were deposited into the Escrow account for the period June 2022 to 10th November 2022 by the Agency - Ms Prakash Asphaltings/Inderjeet Constructions (appointed by NHAI) . A detailed statement of toll collections and the payments made are here under

Particulars	Date	Amount
Balance as per escrow as on 1.6.2022	27.5.22	3,00,67,303
Add : Other Cash Inflows		18,35,298
Add Toll Collections during June 2022 to Nov 2022		45,51,98,637
<b>Total Cash Inflows during the Suspension Period</b>	<b>1</b>	<b>48,71,01,238</b>
Less: Payments made by the Lenders upto December 2022		
<b>December 2022</b>		
1) Interest dues to the Lenders		38,55,23,786
2) Principal dues to the Lenders		2,90,85,809
<b>Total payments appropriated by lenders</b>	<b>2</b>	<b>41,46,09,595</b>
Less: Other expenses		
1) Operating Expenses		38,53,982
2) Taxes (Statutory dues)		7,45,905
3) Staff Salaries		16,87,748
4) Legal expenses		16,20,000
5) Site Expenses (O&M)		76,19,073
6) Repairs & Maintenance Expenses		86,47,466
<b>Total Payments towards O&amp;M expenses</b>	<b>3</b>	<b>2,41,74,174</b>
<b>Total Outflows</b>	<b>4=2+3</b>	<b>43,87,83,769</b>
<b>Balance available as on 31st March 2023</b>	<b>5=1-4</b>	<b>4,83,17,469</b>
<b>Outstanding amounts pending to be remitted by the Lead bank from August 2022 to March 2023 - List submitted to the Lenders vide consortium meeting dated 13th March 2023</b>		
Statutory dues, Salaries, O&M, Legal expenses etc		1,12,70,410
<b>Total</b>		<b>1,12,70,410</b>

**Toll Collections deposited into the Escrow account by the Agency for the period June 2022 to 31st December 2022**

Particulars	Amount per day (₹)	Amount (₹)
For the Month of June 2022	28,44,074	7,67,89,985
For the Month of July 2022	28,30,176	8,77,35,466
For the Month of August 2022	29,51,845	9,15,07,188
For the Month of September 2022	28,86,836	8,66,05,090
For the Month of October 2022	27,69,424	8,58,52,148
For the Month of November 2022 *	26,70,876	2,67,08,760
For the Month of December 2022		
<b>Total</b>		<b>45,51,98,637</b>

\* Toll collections credits are only there upto 10th November 2022, after that there has been no credits of toll collections from the agency.

20) The Consortium meeting was held by Union bank of India at the Corporate office of the company on 13th March 2023. The company has requested the Lenders to immediately release the pending payments for the period August 2022 to February 2023. An amount of Rs 1,12,70,410 for the release of the pending payments for the period August 2022 to February 2023. The company has also requested for the budget of Rs. 1,04,01,300/- for the next one year for operational and legal expenses. Till now no update from the lead bank has been received in this regards and Minutes of the meeting have also not been shared by the lead bank till now



## INDORE DEWAS TOLLWAYS LIMITED

Notes to Financial Statements for the Year ended 31st March, 2023

(All amounts are ₹ in lakhs unless otherwise stated)

### 13 Long - Term Borrowings (Contd..)

21) The company has requested the lead bank to clear the legal bills of the Arbitrators on priority basis amounting to Rs 64.20 lacs. Without the payments to the Arbitrators the claims with NHAI will not move forward. The lead bank has communicated that they will get back on this. However till now no communication has been received from them. Further The lead bank has proposed that the can be remitted 50% 50% by the Lenders and the companys sponsor. However the company has communicated that there is no support system available to the company now as the sponsors are not in a position to give any financial support. It is well aware to the Lenders that the promoter company ie Ms Gayatri Projects Limited is under NCLT and the same is taken over by the Resolution Professional.

#### (VII) Termination of Concession by the Authority

1) NHAI has stopped depositing the toll collections into the escrow account from 11th November 2023. The 180 days period for the Substitution was completed by 17th November 2022. The Lead bank has failed to initiate the Substitution process.

2) The company vide its letter dated 23rd November 2022 to NHAI has issued Termination Notice on account of Authority Default. Subsequently NHAI has issued letter dated 16th December 2022 the Termination Notice on account of Concessionaire default.

3) NHAI has issued a letter dated 26th December 2022 for submission of the debt dues details and the equity details certified from the Statutory Auditor.

4) The Company has submitted the Termination calculations for an amount of Rs 637 crs to NHAI vide Letter IDTL/1633/30.25/1769/6625 dated 10th January 2023

5) The company has also submitted the Statutory Auditor Certificate to NHAI for the Debt disbursed, Debt Due, Interest due and other Information vide letter dated 2nd February 2023 ,IDTL/1633/30.25/1771/6627.

6) NHAI has issued a letter dated 6th February 2023 for submission certain Information with respect to Termination nos, which the Legal team in working on

#### (VIII) RECALL CUM INVOCATION NOTICES FROM LAWYERS ON BEHALF OF THE LENDERS.

1) A Recall cum Invocation notice received from V. Raghu (Advocate) on behalf of M/s State Bank of India (SBI), calling upon to pay the dues in total dated November 04, 2022

2) Subsequently, on November 22, 2022 another Recall cum Invocation notice received from TP Associates on behalf of M/s India Infrastructure Finance Company Limited (IIFCL), calling upon to pay the dues in total.

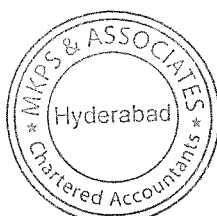
#### (IX) APPLICATION FILED BEFORE DEBT RECOVERY TRIBUNAL (DRT) AND NATIONAL COMPANY LAW TRIBUNAL (NCLT) BY UBI, SBI & IIFCL

1) An Application (OA No 370 of 2022) was filed by the State bank of India against the Company before the Debt Recovery Tribunal, Hyderabad. Hearing in this regard was posted on January 12, 2023. Further, the next date for the hearing was posted on February 5, 2023

2) Further, an insolvency petition, C.P (IB) No. 398/7/HDB/2022 under section 7 of the I.B. Code R/W of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 was filed by Financial Creditor (Union Bank of India) before Hon'ble National Company Law Tribunal against the Company. Hearing in this regard was posted on January 03, 2023. Further, the next date for the hearing was posted on February 1, 2023. Further the case has been posted to 10th June 2023

3) The Lead bank has also issued a Notice under Section 13(2) of the ACT 54 of 2002 for reinforcement of Security Interest vide its letter dated 10th January 2023.

4) The Debt recovery tribunal case has been posted on date 6th July 2023 and the NCLT case has been posted by the court on 7th June 2023.



**INDORE DEWAS TOLLWAYS LIMITED**

Notes to Financial Statements for the Year ended 31st March, 2023

(All amounts are ₹ in lakhs unless otherwise stated)

**14 Other Non-Current financial Liabilities**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Additional Concession Fees Payable to NHAI	56,303.05	52,174.87
Interest on Additional Concession Fees **	304.46	304.46
<b>Total</b>	<b>56,607.51</b>	<b>52,479.33</b>

**Additional Concession Fees Payable to NHAI & Premium Deferment**

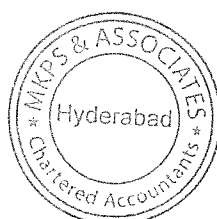
The total premium amount payable as per the Concession Agreement, has been capitalized as "Intangible Assets" and amortized over a period of the service concession Agreement as per the method prescribed in Part A to the Schedule II to the Companies Act, 2013 and corresponding Obligation for committed 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 (fair value) 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.

Due to the low toll collections and deficit in the cash flows, there has been a stress in the account. The National Highways Authority of India has approved the proposal for the deferment of premium payable to them vide their sanction letter dated 11th June, 2014. The premium deferment sanction was given for a specific period as per the NHAI letter. As per the sanction terms, NHAI reviews the Annual accounts of the company every year. NHAI has contended that there were surplus cash flows in the certain years and the same were to be remitted to NHAI, which the company has communicated that it is an erroneous contention. The same was not accepted by NHAI and the issue has gone into dispute. However during the year 2020, the NHAI has cancelled the sanction of the premium deferment vide its letter dated 6th August 2020 and has issued notice to the SPV for the payment of the entire premium due along with Interest from 2014 to the date of issuance of the letter. The SPV has protested for the above and has replied suitably vide its letter dated 14th August 2020. Now the matter is under arbitration with NHAI. NHAI has constituted the (CCIE) Conciliation Committee for Independent Experts for the amicable settlement of all the Disputes between the SPV and NHAI. Consequently as the Conciliation Meetings (CCIE) have failed as per the NHAI letter dated 25th April 2022, the Arbitration proceedings have been invoked and the payment of deferred premium being disputed is now under Arbitration.

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 2023 has not been provided in the books of accounts as the payment has been deferred by NHAI due to the deficit in the cash flows of the project and also the matter is under Arbitration proceedings now.

**15 Long Term Provisions**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provison for Employee benefits		
Provison for Gratuity	26.07	24.86
<b>Total</b>	<b>26.07</b>	<b>24.86</b>



**INDORE DEWAS TOLLWAYS LIMITED**

Notes to Financial Statements for the Year ended 31st March, 2023

(All amounts are ₹ in lakhs unless otherwise stated)

**16 Other Financial Current liabilities**

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Current Maturities of Long Term Loans	53,520.00	-
Principal Repayment due as on 31st March		54,113.28
Interest accrued and due on borrowings	5,031.87	3,816.40
<b>Payable to Related Party</b>		
Retention Money	12.37	12.37
Operation & Maintenance expenses	23.99	273.39
COS & Utility expenses	15.14	22.88
<b>Other Payables</b>		
Review & Inspection charges payable to Lenders	46.79	52.69
Toll Operation and Management Services	-	37.77
Creditors for Expenses at site	60.73	123.23
Creditors for Expenses at HO	34.62	8.20
<b>Total</b>	<b>58,745.51</b>	<b>58,460.21</b>

Related party confirmations from Gayatri Projects Limited are not been obtained/available as the company has been under NCLT and the Resolution Professional has taken over the company as per the order of the Honourable Court.

**16(a) Trade Payables Ageing Schedule as at 31st March, 2023:**

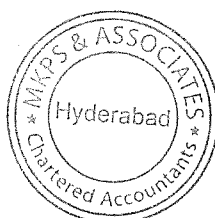
Particulars	Outstanding for				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	TOTAL
(i) M S M E	-	-	-	-	-
(ii) Others	40.65	42.84	-	11.86	95.35
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-

**17 Short Term Provisions**

Particulars	As at	As at
	31st March, 2023	31st March, 2022
<b>Provison for Employee benefits</b>		
Provision for Gratuity - ST	1.19	1.13
<b>Other Provisions</b>		
Provision for Site Expenses	67.46	6.43
<b>Total</b>	<b>68.65</b>	<b>7.56</b>

**18 Other Current liabilities**

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Statutory liabilities	0.70	16.05
Mobilization Advance for COS & Utility shifting from NHAI	9.94	9.94
<b>Total</b>	<b>10.64</b>	<b>25.99</b>



**INDORE DEWAS TOLLWAYS LIMITED****Notes to Financial Statements for the Year ended 31st March, 2023**

(All amounts are ₹ in lakhs unless otherwise stated)

**19 Revenue From Operations**

Particulars	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
<b>Revenue from Operations</b>		
Revenue From Toll Collections	6,285.79	8,642.90
<b>Total</b>	<b>6,285.79</b>	<b>8,642.90</b>

**FY 2022- 2023 :**

NHAI has issued the Suspension of the Concession Notice to the Concessionaire and the toll plaza operations have been handed over by NHAI to Ms Prakash Asphaltings Tollways limited (Toll collection agency appointed by NHAI). Due to the above there is no information to the Concessionaire about the per day toll collections. NHAI has given the contract to M/s Prakash Asphaltings to collect the toll from 28th May 2022 and remit to the escrow account a fixed amount of Rs 27.56 lacs which later on increased to Rs 28 lacs . Accordingly the same is being deposited from 4th June 2022. There is no information with regard to the toll collections for the period 28th May 2022 to 30th June 2022. NHAI has not deposited any amount for the period 28th May 2022 to 3rd June 2022. The Lenders have been writing letters to NHAI in this regards. However the money has not been received till date. Hence full revenue recognition is not done as the complete Information regarding the day to day toll collections is not been made available to the company.

The Lead bank has subsequently conducted meetings on dates 27th July 2022, 19th August 2022 & 13th October 2022 but however has not released any funds for the purpose of O&M expenses and legal charges despite several requests made by the company. The bankers have not considered any submissions made by the company nor they have recorded the same in the Minutes of the Meetings. The Minutes of the Consortium Meeting dated 13th October 2022 have still not been shared by the Lead bank to the company. However the Lenders Consortium meeting held on 13th March 2023 has been conducted at the registered office of the company. However the Lenders have not considered the payment requests made by the Company on account of Operational expenses, Legal expenses and Statutory Dues.

Due to the Suspension of the toll by NHAI and fixed amount being deposited by the Agency into the escrow account, the SPV is not having complete information regarding the toll collected during the period 28th May 2022 to 10th November 2022. Hence penalty for the months of June 2022 to November 2022 has not been remitted to NHAI. An amount of ₹ 469.517 lakhs being the penalty amount on Nonfastag toll collections collected in cash paid for the period April 2022 to 28th May 2022 has been remitted to the PIU, NHAI .





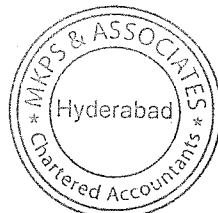
**INDORE DEWAS TOLLWAYS LIMITED****Notes to Financial Statements for the Year ended 31st March, 2023**

(All amounts are ₹ in lakhs unless otherwise stated)

**19 Revenue from Operations (Contd..)**

The below amounts were deposited into the Escrow account for the period June 2022 to 10th November 2022 by the Agency - Ms Prakash Asphaltings/Inderjeet Constructions (appointed by NHAI) . A detailed statement of toll collections and the payments made are here under

Particulars	Date	Amount
Balance as per escrow as on 1.6.2022	received upto 27.5.22	3,00,67,303
Add : Other Cash Inflows		18,35,298
Add Toll Collections during June 2022 to Nov 2022		45,51,98,637
<b>Total Cash Inflows during the Suspension Period</b>	<b>1</b>	<b>48,71,01,238</b>
<b>Less: Payments made by the Lenders upto December 2022</b>		
1) Interest dues to the Lenders		38,55,23,786
2) Principal dues to the Lenders		2,90,85,809
<b>Total payments appropriated by lenders</b>	<b>2</b>	<b>41,46,09,595</b>
<b>Less: Other expenses</b>		
1) Operating Expenses		38,53,982
2) Taxes (Statutory dues)		7,45,905
3) Staff Salaries		16,87,748
4) Legal expenses		16,20,000
5) Site Expenses (O&M)		76,19,073
6) Repairs & Maintenance Expenses		86,47,466
<b>Total Payments towards O&amp;M expenses</b>	<b>3</b>	<b>2,41,74,174</b>
<b>Total Outflows</b>	<b>4=2+3</b>	<b>43,87,83,769</b>
<b>Balance available as on 31st March 2023</b>	<b>5=1-4</b>	<b>4,83,17,469</b>
<b>Outstanding amounts pending to be remitted by the Lead bank from August 2022 to March 2023 - List submitted to the Lenders vide consortium meeting dated 13th March 2023</b>		
Statutory dues, Salaries, O&M, Legal expenses etc		1,12,70,410
<b>Total</b>		<b>1,12,70,410</b>



**INDORE DEWAS TOLLWAYS LIMITED****Notes to Financial Statements for the Year ended 31st March, 2023**

(All amounts are ₹ in lakhs unless otherwise stated)

**19 Revenue from Operations (Contd..)**

The Consortium meeting was held by Union bank of India at the Corporate office of the company on 13th March 2023. The company has requested the Lenders to immediately release the pending payments for the period August 2022 to February 2023. An amount of Rs 1,12,70,410 for the release of the pending payments for the period August 2022 to February 2023. The company has also requested for the budget of Rs. 1,04,01,300/- for the next one year for operational and legal expenses. The Lead Bank in the Minutes of the meeting have communicated that they will be sharing the expenses in the ratio of 50:50 between the company and the bank only upto the month of November 2022. The company has communicated to the Lead bank that the SPV/Sponsors are not in a position to remit any kind of amounts as there are no funds available with them.

The company has requested the lead bank to clear the legal bills of the Arbitrators on priority basis amounting to Rs 64.20 lacs. Without the payments to the Arbitrators the claims with NHAI will not move forward. However till now no communication has been received from them.

**Toll Collections deposited into the Escrow account by the Agency for the period June 2022 to December 2022**

Particulars	Amount per day (₹)	Amount (₹)
For the Month of June 2022	28,44,074	7,67,89,985
For the Month of July 2022	28,30,176	8,77,35,466
For the Month of August 2022	29,51,845	9,15,07,188
For the Month of September 2022	28,86,836	8,66,05,090
For the Month of October 2022	27,69,424	8,58,52,148
For the Month of November 2022	26,70,876	2,67,08,760
For the Month of December 2022	-	-
<b>Total</b>		<b>45,51,98,637</b>

**FY 2021 - 2022 : 2nd wave of COVID19 - Decline in Toll collections due to Lockdown :**

Despite the breakthroughs in the formulation of medicines, development of vaccines and the several initiatives taken by the Government of India, the second wave hit the world in early 2021 and has been very severe in India in the month of March & April 2021. There have been full and partial lockdowns imposed in most of the different states of India from the month of March 2021.

The toll collections in the month of April 2021 for the first 9 days were around ₹ 25 lakhs to ₹ 28 lakhs per day. However with the rise in number of cases in the state of Madhya Pradesh and Indore being a hot spot complete lockdown was imposed from 10th April 2021. Hence the toll collections have declined to ₹ 23 lakhs from 10th April 2021 and by mid May 2021 the toll collections declined to ₹ 13 lakhs. The toll collections started increasing from mid May with ₹ 15 lakhs per day and have been around ₹. 28.15 lakhs per day approx in the month of March 2022.



**INDORE DEWAS TOLLWAYS LIMITED****Notes to Financial Statements for the Year ended 31st March, 2023**

(All amounts are ₹ in lakhs unless otherwise stated)

**19 Revenue from Operations (Contd..)**

**Implementation of Mandatory FASTag for all the Vehicles and collection of Penalty from Cash paying vehicles - Remittance of the excess/Penalty collected from the Users of the NonFASTag effective 16th February 2021 onwards to NHAI as per the circulars issued :**

(i) A circular was issued by NHAI which states that in accordance with the second proviso of Sub rule (3) of Rule 6 of the National Highways Fee (Determination of Rates and collection) Rules 2008 all the Non FASTag users entering the FASTag lane have to pay the toll fees at 2x times the normal rate (x amount). This is in accordance with the decision of the Ministry that all the lanes be made FASTag lanes effective from 16th February 2021. Letters issued : (1) MORTH Letter No H-250610/02/2020 - Toll dated 16.02.2021; (2) NHAI/13013/547/CO/20-21/FASTag/65290 dated 03.03.2021; (3) NHAI/13013/547/CO/20-21/FASTag/65290 dated 08.03.2021.)

(ii) The excess fees so collected i.e., x amount (out of the 2x fees collected - over and above the normal fees) be remitted to the central government in accordance with the sub rule (1) and sub rule (2) of the rule 7 of the National highways fee (Determination of rates and collection) rules, 2008 and terms of the respective concession agreement (Schedule R of the Concession Agreement).

(iii) Accordingly an amount of ₹ 294.45 lakhs being the penalty amount paid for the period April 2021 to 31st March 2022 has been remitted to the PIU, NHAI at the beginning of following month as per the circulars and letters issued. The toll collections as cited in the above schedule i.e., ₹. 8,642.89 lakhs are net of the payment of the x amount of penalty to NHAI.

**20 Other Operating Income**

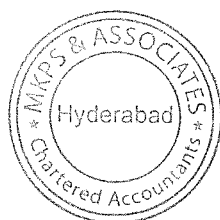
Particulars	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Change of Scope Receipt -NHAI	-	-
Utilities Shifting Receipts	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**21 Other Income**

Particulars	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Miscellaneous Income	0.49	-
Other Income	0.92	1.11
<b>Total</b>	<b>1.41</b>	<b>1.11</b>

**22 Operating and Maintenance Expenses**

Particulars	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Repairs & Maintenance	88.05	507.96
Change of scope works	4.09	11.37
<b>Total</b>	<b>92.14</b>	<b>519.33</b>



**INDORE DEWAS TOLLWAYS LIMITED****Notes to Financial Statements for the Year ended 31st March, 2023**

(All amounts are ₹ in lakhs unless otherwise stated)

**23 Employee Benefits Expense**

Particulars	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Salaries & Wages	60.39	170.25
Staff welfare Expenses	0.83	3.75
<b>Total</b>	<b>61.22</b>	<b>174.00</b>

**24 Finance costs**

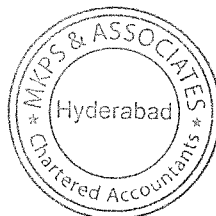
Particulars	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Interest on Term Loans	5,873.38	5,905.18
Financial charges	24.80	55.84
Unwinding of Interest on Deferred Premium	4,128.16	5,008.01
<b>Total</b>	<b>10,026.34</b>	<b>10,969.03</b>

**25 Depreciation and Amortisation expense**

Particulars	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Depreciation on Tangible Assets	1.95	2.75
Amortization on Intangible Asset	1,729.70	2,353.69
<b>Total</b>	<b>1,731.65</b>	<b>2,356.44</b>

**26 Other Expenses**

Particulars	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Administrative Expenses	4.28	37.80
Electricity Charges	7.15	24.94
Audit expenses	4.09	4.69
Insurances	56.80	42.89
Legal & Professional Charges	65.76	146.25
Other R&M Works	-	-
Period Rates & Taxes	0.08	0.19
Telephone & Internet	0.45	2.90
Toll Operation & Management Service	68.79	411.88
Travelling & Conveyance	5.25	26.56
OP Operating Expenses Provision	67.39	
<b>Total</b>	<b>280.04</b>	<b>698.10</b>

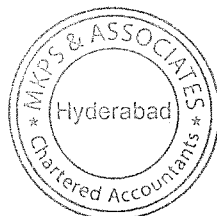


**INDORE DEWAS TOLLWAYS LIMITED****Notes to Financial Statements for the Year ended 31st March, 2023**

(All amounts are ₹ in lakhs unless otherwise stated)

**27 Statement of Profit and Loss from discontinuing operations for the Year ending 31st March 2023**

Particulars	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
<b>Income</b>		
Revenue from Operations	6,285.79	8,642.90
Other Operating Income	-	-
Other Income	1.41	1.11
<b>Total income</b>	<b>6,287.20</b>	<b>8,644.01</b>
<b>Expenses</b>		
Operation & Maintenance Expenses	88.05	507.96
Other Operating Expenses	4.09	11.37
Employee Benefits Expenses	61.22	174.00
Finance Costs	10,026.34	10,969.03
Depreciation and Amortisation Expenses	1,731.65	2,356.44
Other Expenses	280.04	698.10
<b>Total expense</b>	<b>12,191.39</b>	<b>14,716.90</b>
<b>Loss before tax from Discontinuing operations</b>	<b>(5,904.19)</b>	<b>(6,072.89)</b>



**INDORE DEWAS TOLLWAYS LIMITED**  
**Notes to Financial Statements for the Year ended 31st March, 2023**  
(All amounts are ₹ in lakhs unless otherwise stated)

**28 Financial Instruments**

**Disclosure of Financial Instruments by Category**

Financial Instruments by categories	Note no.	As at 31st March, 2023			As at 31st March 2022		
		FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
<b>Financial asset</b>							
Investments							
Trade receivable							
<b>Cash and Cash equivalents</b>				483.18			113.66
Other Bank Balance							-
Other Financial Assets				73,591.16			10.88
<b>Total Financial Asset</b>		-	-	<b>74,074.34</b>	-	-	<b>124.54</b>

Please refer note no 7 & 8

<b>Financial liability</b>							
Term Loan from Banks and Financial Institution				53,520.00			54,113.28
Deferred Payment Liability				56,303.05			52,174.87
Other Current Financial Liabilities				5,225.51			4,346.93
Other Non Current Financial Liabilities				304.46			304.46
<b>Total Financial Liabilities</b>		-	-	<b>1,15,353</b>	-	-	<b>1,10,939.54</b>

Please refer note no 14 & 16

**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 delay	Interest Outstanding	Principal O/s	No of days delay
		Banks			Financial Institutions		
Interest dues upto January 2022				110			110
Interest dues upto February 2022			-	122			122
Interest dues upto March 2022			131.25	365		87.50	365
Interest dues upto April 2022		-		335	-	-	335
Interest dues upto May 2022		-		304	8.13	-	304
Interest dues upto June 2022		122.57	612.50	274	86.31	175.00	274
Interest dues upto July 2022		133.68		243	89.34		243
Interest dues upto August 2022		132.15		212	88.36		212
Interest dues upto September 2022		128.98	612.50	182	86.24	175.00	182
Interest dues for October 2022		134.39		151	89.86		151
Interest dues for November 2022		131.17		121	87.71		121
Interest dues for December 2022		317.22	612.51	149	91.38	175.00	149
Interest dues upto January 2023		319.94		118	92.17		118
Interest dues upto February 2023		291.46		90	83.96		90
Interest dues upto March 2023		305.95	31,824.58	-	87.72	8,824.50	-
<b>Total</b>		<b>2,017.52</b>	<b>33,793.34</b>		<b>891.19</b>	<b>9,437.00</b>	



**INDORE DEWAS TOLLWAYS LIMITED**

**Notes to Financial Statements for the Year ended 31st March, 2023**

(All amounts are ₹ in lakhs unless otherwise stated)

**28 Financial Instruments (Contd..)**

**Funded Interest Term Loan**

Particulars	Interest Outstanding	Principal O/s	No of days delay	Interest Outstanding	Principal O/s	No of days delay
Interest dues upto February 2021		-	71	9.40	-	761
Interest dues upto March 2021	0.96	-	730	22.85	-	730
Interest dues upto April 2021	33.86	-	699	21.97	-	699
Interest dues upto May 2021	35.03	-	669	22.74	-	669
Interest dues upto June 2021	34.04	294.97	639	24.06	158.81	639
Interest dues upto July 2021	34.51	-	608	22.31	-	608
Interest dues upto August 2021	33.74	-	577	21.86	-	577
Interest dues upto September 2021	32.77	389.88	547	19.97	158.81	547
Interest dues upto October 2021	65.95	-	516	22.01	-	516
Interest dues upto November 2021	74.61	-	486	21.31	-	486
Interest dues upto December 2021	75.67	556.00	455	21.10	158.75	455
Interest dues upto January 2022	75.60	-	424	20.72	-	424
Interest dues upto February 2022	68.13	-	396	18.83	-	396
Interest dues upto March 2022	74.54	556.00	363	21.00	158.75	363
Interest dues upto April 2022	72.73	-	335	20.46	-	335
Interest dues upto May 2022	75.78	-	304	21.32	-	304
Interest dues upto June 2022	73.96	661.75	274	20.81	189.06	274
Interest dues upto July 2022	77.06	-	243	21.68	-	243
Interest dues upto August 2022	83.80	-	212	21.87	-	212
Interest dues upto September 2022	75.86	661.75	182	21.34	189.06	182
Interest dues for October 2022	79.04	-	151	22.24	-	151
Interest dues for November 2022	77.15	-	121	21.71	-	121
Interest dues for December 2022	80.38	661.75	90	22.61	189.06	90
Interest dues upto January 2023	81.07	-	59	22.81	-	59
Interest dues upto February 2023	73.58	-	31	20.78	-	31
Interest dues upto March 2023	82.40	4,332.74	-	23.18	972.50	-
<b>Total</b>	<b>1,572.22</b>	<b>8,114.84</b>		<b>550.94</b>	<b>2,174.81</b>	



**INDORE DEWAS TOLLWAYS LIMITED****Notes to Financial Statements for the Year ended 31st March, 2023**

(All amounts are ₹ in lakhs unless otherwise stated)

**29 Fair value of Financial asset and liabilities at amortized cost**

Particulars	Note No.	31st March, 2023		As at 31st March 2022	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>					
Trade receivable					
Cash and cash equivalents		483.18	483.18	113.66	113.66
Other bank balance					
Other financial assets		73,591.16	73,591.16	10.88	10.88
<b>Total Financial Assets</b>		<b>74,074.34</b>	<b>74,074.34</b>	<b>124.54</b>	<b>124.54</b>

Please refer note no 7 &amp; 8

<b>Financial liability</b>					
Term Loan from Banks and Financial Institution		53,520.00	53,520.00	54,113.28	54,113.28
Trade Payables					
Deferred Payment Liability		56,303.05	56,303.05	52,174.87	52,174.87
Other Current Financial Liabilities		5,225.51	5,225.51	4,346.93	4,346.93
Other Non Current Financial Liabilities		304.46	304.46	304.46	304.46
<b>Total Financial Liabilities</b>		<b>1,15,353.02</b>	<b>1,15,353.02</b>	<b>1,10,939.54</b>	<b>1,10,939.54</b>

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.

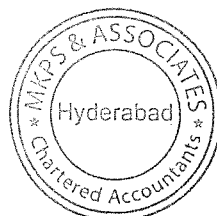
The carrying value of Rupee Term Loan is approximate fair value as the instruments are at prevailing market rate.

**30 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, 2023**  
 (All amounts are ₹ in lakhs unless otherwise stated)

**31 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.

**32 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. As the project is not a going concern now, the risk management systems are not relevant as on the date of the Balance Sheet.

**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	31.03.2023	31.03.2022	31.03.2021
Senior Debt from Banks - Variable rate borrowings	53,520.00	54,113.28	56,523.98

**Sensitivity analysis based on average outstanding Senior Debt**

Interest Rate Risk Analysis	Impact on profit/ loss after tax	
	FY 2022-2023	FY 2021-2022
Increase or decrease in interest rate by 0.25 basis point	134.54	138.30

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

**iii Price risk**

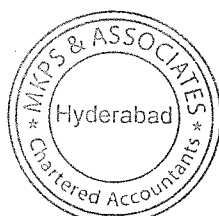
Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

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 2023. The same is not relevant as on the Balance sheet date as the Company is not a going concern now.



**INDORE DEWAS TOLLWAYS LIMITED****Notes to Financial Statements for the Year ended 31st March, 2023**

(All amounts are ₹ in lakhs unless otherwise stated)

**32 Financial Risk Management (Contd..)****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**

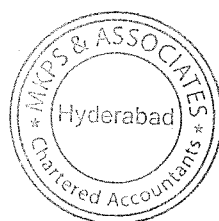
For the Year ended 31st March, 2023	Carrying Amount	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
<b>Non Derivative Financial Liability</b>					
Term Loan from Banks and Financial Institution	53,520.00	53,520.00	NIL	NIL	NIL
Deferred Payment Liability	56,303.05	56,303.05	NIL	NIL	NIL
Other Current Financial Liabilities	5,225.51	5,225.51	NIL	NIL	NIL
Other Non Current Financial Liabilities	304.46	304.46	NIL	NIL	NIL
<b>Derivative Financial Liability</b>	NIL	NIL	NIL	NIL	NIL

As at 31st March 2022	Carrying Amount	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
<b>Non Derivative Financial Liability</b>					
Term Loan from Banks and Financial Institution	54,113.28	54,113.28	NIL	NIL	NIL
Deferred Payment Liability	52,174.87	52,174.87	NIL	NIL	NIL
Other Current Financial Liabilities	4,346.93	4,346.93	NIL	NIL	NIL
Other Non Current Financial Liabilities	304.46	304.46	NIL	NIL	NIL
<b>Derivative Financial Liability</b>	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, 2023

(All amounts are ₹ in lakhs unless otherwise stated)

**33 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 31st March 2023	As at 31st March 2022
Debts	58,551.87	57,929.68
Less: Cash and Bank Balances	(483.18)	(113.66)
<b>Net Debt (A)</b>	<b>58,068.69</b>	<b>57,816.02</b>
Equity & Other equity (B)	(41,194.51)	(35,291.66)
<b>Net Debt / Total Capital (A/B)</b>	<b>(1.41)</b>	<b>(1.64)</b>

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

**34 Disclosure pursuant to Ind AS 115 - " Service Concession Arrangements"**

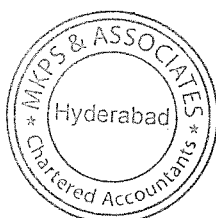
- i) Indore Dewas Tollways Limited is a Special Purpose Vehicle (SPV) incorporated on 4-05-2010 for execution of the project " Six Laning of Indore-Dewas section of NH 3 from KM 577.550 to KM 610.00 and KM 0.000 to KM 12.600 (Approx. length 45.05 KM) in the state of Madhya Pradesh under NHDP Phase-V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

Fees shall be revised annually on every April of the year as per Schedule R of the Concession Agreement dated 17th May, 2010.
  - b) **Concession Fee & Additional Concession Fees:**

As per Article 26 of the Concession Agreement, the company is liable to pay Concession Fee ₹1 every year. The company is also liable of payment of Premium ₹ 2,410 lakhs on the appointed date and 5% increase in each year.
- iii) **Rights of the Company for use Project Highway**
  - a) To demand, collect and appropriate, Fee from vehicles and person liable for payment of Fee for using the Project Highway or any part thereof and refuse entry of any vehicle if the Fee due is not paid.
  - b) Right of Way, access and licence to the Site.
- iv) **Obligation of the Company**

The company shall not assign, transfer or sublet or create any lien or Encumbrance on the CA or the Concession granted or on

  - a) 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 the Project Highway as per Schedule K of the CA.



**INDORE DEWAS TOLLWAYS LIMITED**

**Notes to Financial Statements for the Year ended 31st March, 2023**

(All amounts are ₹ in lakhs unless otherwise stated)

**34 Disclosure pursuant to Ind AS 115 - " Service Concession Arrangements" (Contd..)**

**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 INTENTION TO TERMINATE by NHAI; COMMITTEE FOR CONCILATION OF INDEPENDENT EXPERTS (CCIE) for amicable Settlement of all disputes ; ARBITRATION PROCEEDINGS BY NHAI**

The Concession Agreement can be terminated on account of default of the company or NHAI in the circumstances as specified under article 37 of the Concession Agreement. NHAI has issued a letter dated 20th Nov 2020 for "INTENTION TO TERMINATE" citing various defaults such as delays in the completion of the punch list items, recovery of amounts under negative Change of Scope, Safety Issues related to Operations & Maintenance of the carriageway, Non payment of Independent Engineer fees during construction period; Payment of the deferred premium as per the review done by NHAI and other project related issues. NHAI has also made counter claims on the company amounting to ₹ 55,600 lakhs

The SPV has protested the above and has submitted a letter dated 2nd December 2020 stating that it will submit a concrete proposal for the amicable settlement of all the disputes with NHAI. The SPV has submitted to NHAI a concrete proposal on 7th January 2021 with two options :

(a) First being the Resolution Plan submitted to the Lenders which is pending approval by lenders and

(b) The amicable settlement of all disputes between the NHAI & the SPV and Lenders to make the settlement of the payments due to the Lenders for a reasonable amount.

Subsequently NHAI has sought information of the debt due to the Lenders and other financial information which were submitted vide letter dated 15th January 2021 and emails. NHAI has issued letter No NHAI/NHDP-V/Ind-Dew Tollway/2013-14 dated 19th March 2021 keeping on hold the Arbitration proceedings and the initiation of the CCIE committee for the amicable settlement of all disputes.

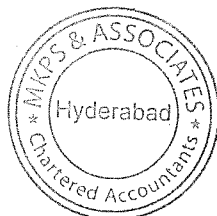
NHAI vide its letter No NHAI/NHDP-V/Ind-Dew Tollway/2013-14 dated 25th May 2021 has concurred for the amicable settlement of all disputes between both the parties. Accordingly NHAI has constituted the Conciliation committee of Independent Experts (CCIE) for the amicable settlement of all the disputes. The Conciliation Committee of Independent Experts (CCIE) meeting was held on 19.8.2021; both the parties presented before CCIE, CCIE directed parties to resolve issues in amicable manner. NHAI must come forward with concrete proposal for amicable settlement.

The Settlement proposal submitted by the company has not been accepted by the Authority and accordingly the conciliation meetings failed vide Conciliation Committee of Independent Experts (CCIE) Minutes of the Meeting (MOM) dated 17.02.2022. Thereafter, the company has again submitted a revised proposal vide letter dated 24.02.2022 for the full and final settlement. The authority has conveyed that the revised proposal put forward by the company was also not agreeable to the Authority.

The Authority (NHAI) has rejected the concessionaire's revised proposal of ₹ 27,000 lakhs as Termination payment for full and final settlement, the Conciliation proceedings have ceased vide their letter No.NHAI/HQ/MP/Indore-Dewas/Arbitration/2022/4165 dated 25.04.2022. The arbitration proceedings will get instigated with this letter.

The company has again submitted to the Conciliation Committee a letter requesting to admit and consider the company's proposal to the authority for One Time Settlement vide letter No.IDTL/1633/30.25/1506/6337-A dated 30.04.2022 in the best interest of all the lenders.

As the Amicable settlement process through Conciliation Committee of Independent Experts (CCIE) Process has failed, the company has issued Intention to Termination for "Authority Default" under Clause 37.2.2 of the Concession Agreement vide Letter No.IDTL/1633/30.25/1744/6583 dated 05.05.2022. The Arbitration proceedings have been invoked after the CCIE meetings failed. The details of the Arbitration proceedings have been given under note no 42 below.



**INDORE DEWAS TOLLWAYS LIMITED**

**Notes to Financial Statements for the Year ended 31st March, 2023**

**(All amounts are ₹ in lakhs unless otherwise stated)**

**34 Disclosure pursuant to Ind AS 115 - " Service Concession Arrangements" (Contd..)**

**vii) Significant Changes in the terms of the Original Concession Agreement till 31st March 2023.**

1) 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 as per the schedule given in the sanction letter.

2) NHAI has issued letter dated 8th Aug 2020 withdrawing the premium deferment sanction of 11th June 2014 and has demanded for the payment of the full premium due for the period Nov 2013 to upto the date of issuance of the letter with Interest. The SPV has protested for the above and has replied suitably vide its letter dated 14th August 2020 and the matter is under dispute.

3) The above matter is under the Conciliation committee of Independent Experts (CCIE) committee vide NHAI letter No NHAI/NHDP-V/Ind-Dew Tollway/2013-14 dated 25th May 2021 for the amicable settlement of all the issues between both the parties.

4) The Conciliation Meetings (CCIE) have failed as per the NHAI letter dated 25th April 2022, the Arbitration proceedings have been invoked and the matter is now under dispute with NHAI.

5) As the Amicable settlement process through Conciliation Committee of Independent Experts (CCIE) Process has failed, the company has issued Intention to Termination for "Authority Default" under Clause 37.2.2 of the Concession Agreement vide Letter No.IDTL/1633/30.25/1744/6583 dated 05.05.2022.

6) The Lenders have exercised their right to Substitution vide their letter to NHAI dated IFB:HYD:241/2022-23 dated 17th May 2022, "without prejudice to any of the other existing rights or remedies available to all the Lenders."

7) NHAI has appointed a Special Auditor to conduct the Audit of the books of accounts of the SPV from the beginning to till date. All the requisite Information has been provided to the Auditor in this regards and the Auditors has submitted the report to NHAI.

**Suspension of Concession by Authority under Article 36 of the CA**

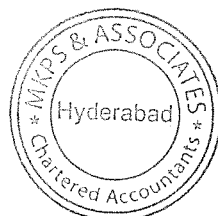
1) The Company has received Suspension notice from NHAI vide its Notice No: NHAI/NHDP-V/Indore-Dewas Tollway /2013-14/4339 dated 27th May, 2022 for suspending the rights of Concessionaire i.e. IDTL under the Concession agreement dated 17th May, 2010 executed with National Highways Authority of India (NHAI).

2) As per the above said suspension Notice the tolling rights of the Concessionaire (IDTL) has been suspended, NHAI directed to handover the toll plazas to representatives of NHAI/Ms Prakash Asphaltings & Toll Highways (India) at 8.00 a.m. on 28th May, 2022. Accordingly, IDTL has handed over the Toll plazas to NHAI.

3) Since then the toll was being collected by the agency. The toll collections were not deposited into the escrow account. The company has referred the matter to Arbitration and obtained a stay order for the action of NHAI and non deposition of the toll into the escrow account. The Company had moved an application under Section 17 of the Arbitration & Conciliation Act, 1996 before the concerned Arbitral Tribunal. The Tribunal had also passed an order dated 30.05.2022 restraining the Authority from encashing the Bank Guarantee of Rs 12.927 crs and also appropriating the toll revenues for any of its counter-claims lodged before the Tribunal, which includes the Premium payable by the Concessionaire to the Authority.

4) The Lead bank has written to NHAI vide its letter dated 2nd June 2022 to protesting the NHAI's action of suspension of the Concession and the appointment of M/s Prakash Asphaltings to collect the toll. The lead bank has alleged that the Authority in contrary to the provisions of the Concession Agreement, is depositing the toll collections into the Agency's Canara Bank account despite knowing that the toll revenue is intended to service the secured loans advanced by the Banks to the Concessionaire. The lead bank has intimated NHAI that if NHAI fails to take the curative steps then the lenders will take appropriate legal steps to protect their rights under the Escrow Agreement.

5) In response to the above letter NHAI vide its letter dated 2nd June 2022 has instructed M/s Prakash Asphaltings to deposit the toll into the escrow account. Accordingly from 4th June 2022 an amount of Rs. 27,56,795/-is being deposited into the escrow account by M/s Prakash Asphaltings. However NHAI has till not deposited the toll collections from 27th May 2022 to 3rd June 2022 into the escrow account for which the Lenders have made written communications and representations.



**INDORE DEWAS TOLLWAYS LIMITED**

**Notes to Financial Statements for the Year ended 31st March, 2023**

**(All amounts are ₹ in lakhs unless otherwise stated)**

**34 Disclosure pursuant to Ind AS 115 - " Service Concession Arrangements" (Contd..)**

6) The company has submitted a letter to NHAI vide dated 1st June 2022 expressing its anguish for the NHAI's action of Suspension of the Concession and also citing the Arbitration tribunals order under sec 17 of the Arbitration Act. The tribunal has issued orders dated 30th May 2022 & 5th August 2022 that the Concessionaire rights still vests and that he can operate the escrow account.

7) In the event of the Suspension of the toll rights of the Concessionaire the waterfall mechanism as per clause 31.1.1 of the Concession Agreement will still hold good as specified in the clause 36.2 of Article 36 of the CA.

**36.2.1 :** The Authority shall be entitled to make withdrawals from the escrow account for meeting the costs incurred by it for remedying and rectifying the cause of suspension, and thereafter for defraying the expenses specified in Clause 31.3.

**36.2.2 :** During the period of Suspension hereunder, all the rights and liabilities vested in the Concessionaire in accordance with the provisions of this Agreement shall continue to vest therein and all things done or actions taken, including expenditure incurred by the Authority for discharging the obligations of the Concessionaire under and in accordance with this Agreement and the Project Agreements, shall be deemed to have been done or taken for and on behalf of the Concessionaire and the Concessionaire undertakes to indemnify the Authority for all the costs incurred during such period.

As per the clauses 36.2.1 & 36.2.2 the concessionaire's rights and liabilities still vest with the Concessionaire and the Concessionaire is obligated to discharge the obligations of the project in accordance with this agreement and the project documents. The concessionaire is bound to indemnify the Authority for all costs incurred by the Authority for the maintenance of the project during such period. Hence the Concessionaire rights and duties have not been suspended and the concessionaire is can operate the escrow as per the waterfall mechanism specified in clause 31.1.1 as specified above.

**Termination of Concession by the Authority**

1) The Lead bank was not able to complete the Substitution process within 180 days of the time and has sought extension for 90 more days as per the provisions of the Concession Agreement vide bank letter dated 11<sup>th</sup> November 2022. However NHAI has not consented to the above.

2) Further, on November 23, 2022, the Company has put in writing to NHAI, with regard to Termination of the concession agreement on account of "Authority Default" under clause 37.2.2 of the concession Agreement.

3) Subsequently, NHAI has issued a Termination notice dated December 16, 2022, terminating the project under clause 37.1.2 of the concession agreement w.e.f 17<sup>th</sup> November, 2022.

4) NHAI has issued a letter dated 26th December 2022 for submission of the debt dues details and the equity details certified from the Statutory Auditor.

4) The Company has submitted the Termination calculations for an amount of Rs 637 crs to NHAI vide Letter IDTL/1633/30.25/1769/6625 dated 10th January 2023

5) The company has also submitted the Statutory Auditor Certificate to NHAI for the Debt disbursed, Debt Due, Interest due and other Information vide letter dated 2nd February 2023 ,IDTL/1633/30.25/1771/6627.

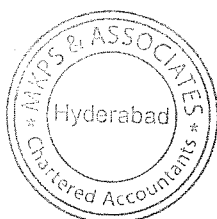
6) NHAI has issued a letter dated 6th February 2023 for submission certain Information with respect to Termination nos, which the Legal team is working on.

7) NHAI has issued a letter dated 4th May 2023 to the Lead bank ie Union Bank of India for the remittance of an amount of Rs. 186,87,12,747/- on account of maintenance works, payment of deferred premium etc.

**Recognition of claims and derecognition of Intangible asset and Intangible asset under development**

In view of the termination of the project as stated above the company during the year had Derecognised carrying value of the Tangible and intangible asset amounting to Rs.73,580.28 Lakhs .

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



**INDORE DEWAS TOLLWAYS LIMITED**

Notes to Financial Statements for the Year ended 31st March, 2023

(All amounts are ₹ in lakhs unless otherwise stated)

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

The Revenue from Toll collections have been recognised in the books of accounts upto the period 10th November 2022 until NHAI has stopped depositing the toll collections into the toll collection sub escrow account. NHAI has issued Termination Notice vide letter dated 16th December 2022. An amount of Rs 6285.79 lacs has been collected on account of toll revenue during the period 1st April 2022 to 10th November 2022. No Toll collections have been received or deposited into the toll collections sub escrow account after 10th November 2022.

Amount of contract revenue recognised in the year (COS & Utility Shifting) : ₹ 0/- (PY: ₹ 0 lakhs)

Method used to recognise the constructions revenue - Work executed during the year and remaining to be executed.

Change of scope works (Hybrid ETC) : Refer note 22 for details on change of scope works.

**37 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.

**38 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.

Profit and Loss account for current period	For the year ended	
	31st Mar 2023	31st Mar 2022
Service Cost:		
Current Service Cost	2.88	2.99
Past service cost and loss/(gain) on curtailments and settlement	-	-
Net interest cost	1.75	1.49
<b>Total included in 'Employee Benefit Expense'</b>	<b>4.63</b>	<b>4.48</b>
Expenses deducted from the fund		
<b>Total Charge to Profit &amp; Loss account</b>	<b>4.63</b>	<b>4.48</b>

**Other Comprehensive Income for the current period**

Components of actuarial gain/losses on obligations:		
Due to change in financial assumptions	(0.77)	(0.99)
Due to change in Demographic assumption	-	-
Due to experience adjustments	(0.57)	2.92
<b>Amount recognized in Other Comprehensive Income</b>	<b>(1.34)</b>	<b>1.93</b>

Reconciliation of defined obligation	For the year ended	
	31st Mar 2023	31st Mar 2022
<b>Defined Benefit Obligation</b>		
Opening defined benefit obligation	25.99	24.00
Service Cost	2.88	2.99
Net interest expense	1.75	1.49
Components of actuarial gain/losses on obligations	-	-
Due to change in financial assumptions	(0.77)	(0.99)
Due to change in Demographic assumption	-	-
Due to experience adjustments	(0.57)	2.92
Benefits paid	(2.02)	(4.42)
<b>Closing Defined Benefit obligation</b>	<b>27.26</b>	<b>25.99</b>



INDORE DEWAS TOLLWAYS LIMITED

Notes to Financial Statements for the Year ended 31st March, 2023

(All amounts are ₹ in lakhs unless otherwise stated)

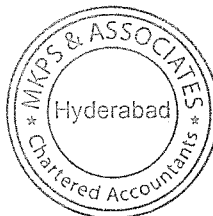
38 Disclosure pursuant to Ind AS 19 "Employee benefits": (Contd..)

Principal Actuarial Assumptions	As at	
	31st Mar 2023	31st Mar 2022
<b>Bifurcation of liability as per schedule III</b>		
Current Liability	1.19	1.13
Non-current liability	26.07	24.86
Discounting Rate	7.40%	6.90%
Average Salary Growth Rate	4%	4%
Attrition Rate	3 % at all ages	3 % at all ages
<b>Sensitivity to key assumptions</b>		
<b><u>Discount Rate Sensitivity</u></b>		
Increase by 1%	26.55	25.16
(% change)	-2.64%	-3.19%
Decrease by 1%	28.04	26.89
(% change)	2.84%	3.44%
<b><u>Salary Growth Rate Sensitivity</u></b>		
Increase by 1%	28.06	26.88
(% change)	2.92%	3.41%
Decrease by 1%	26.52	25.13
(% change)	-2.73%	-3.29%
<b><u>Withdrawal Rate (W.R.) Sensitivity</u></b>		
W.R. up by 1%	27.41	26.13
(% change)	0.53%	0.54%
W.R. down by 1%	27.12	25.84
(% change)	-55%	-56%

39 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





INDORE DEWAS TOLLWAYS LIMITED

Notes to Financial Statements for the Year ended 31st March, 2023

(All amounts are ₹ in lakhs unless otherwise stated)

39 Related Party Transactions (Contd..)

B. Transactions with related parties:

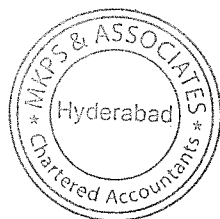
Particulars	As at 31st March 2023	As at 31st March 2022
<b>Reimbursement of expenses:</b>		
M/s Gayatri Infra Ventures Limited		
M/s Gayatri Projects Limited		
<b>Transactions for EPC, utility works, O&amp;M and other</b>		
<b>Miscellaneous Works:</b>		
M/s Gayatri Projects Limited	88.05	544.17
M/s Gayatri Highways Limited	29.69	-
<b>Payment of Retention Money:</b>		
M/s Gayatri Projects Limited		
<b>Balances as at year end:</b>		
<b>M/s Gayatri Infra Ventures Limited</b>		
Share Capital		
Equity Component Interest free Subordinate loan		
<b>Payables</b>		
<b>M/s Gayatri Highways Limited</b>		
Share Capital	3.33	3.33
Equity Component Interest free Subordinate loan	7,025.00	7,025.00
Payables	29.69	-
<b>M/s Gayatri Projects Limited</b>		
Share Capital (Pledged with Lenders ref Notes 5.e.g)		
Equity Component Interest free Subordinate loan		
Receivables	72.37	64.64
Payables	111.50	360.90
Retention Money	11.08	11.08
Mobilization advance Debit balance towards ETC, COS &		
Utility shifting	9.94	9.94
M/s Balaji Highways Holding Pvt Limited	-	-
Share Capital	1.67	1.67

Related party confirmations from Gayatri Projects Limited are not been obtained/available as the company has been under NCLT and the Resolution Professional has taken over the company as per the order of the Honourable Court.

\* Transactions with Gayatri Projects Ltd includes the bank guarantee charges reimbursed to GPL on account of the Bank Guarantee issued to IDTL. The Bank guarantee of Rs 12.927 crs has not been renewed on the expiry date of 29th October 2022 and NHAI has issued a letter dated 9th November 2022 for the invocation of the same. Letter has been written to the Issuing bank ie Bank of Baroda, Corporate Finances Branch, Hyderabad to encash the BG immediately and remit the funds to NHAI account as the same was not renewed.

Sitting Fees to Directors

Particulars	For FY 2022-2023	For FY 2021-2022
Shri Hari Vittal Rao Independent Director	0.47	0.53
Shri M V Narsimha Rao Independent Director		-
Shri Ramamohan Rao Independent Director	0.18	
Shri Krishnamurthy Independent Director	0.71	0.53



**INDORE DEWAS TOLLWAYS LIMITED**

Notes to Financial Statements for the Year ended 31st March, 2023

(All amounts are ₹ in lakhs unless otherwise stated)

**40 Disclosure pursuant to Ind AS 23 "Borrowing Costs"**

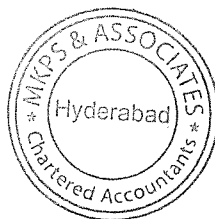
Particulars	As at	
	31st March 2023	31st March 2022
Finance Cost	10,026.34	10,969.03
Less : Capitalized during the year		-
Finance Cost charged to Statement of Profit & Loss	10,026.34	10,969.03

**41 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	
		31st March 2023	31st March 2022
<b>Earnings Per Equity Share:</b>			
Loss attributable to equity holders of the Company	₹ in Lakhs	(5,902.85)	(6,074.82)
Weighted average number of equity shares in calculating basic EPES	Nos.	50,000	50,000
Nominal Value of Equity Share ( in ₹)	₹	10	10
<b>Effect of Dilution:</b>			
Weighted average number of equity shares used in computation of diluted EPES		50,000	50,000
Basic and Diluted Earnings (Loss) Per Share	₹	(11,805.70)	(12,149.64)



INDORE DEWAS TOLLWAYS LIMITED

Notes to Financial Statements for the Year ended 31st March, 2023

(All amounts are ₹ in lakhs unless otherwise stated)

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

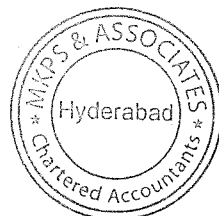
a) Contingent Liabilities

Particulars	As at 31st March 2023	As at 31st March 2022
Claims against the company not acknowledged as debt		-
a) The IE & NHAI have issued cure period notice to the SPV citing various defaults under various clauses and has issued demand notice for Rs. 556 crs	55,605.25	55,605.25
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.	19,655.41	19,655.41
Guarantees	-	-
Other money for which the company is contingently liable	-	-

The company has protested against the claims made by the NHAI. These have been made by NHAI as counter claims in lieu of the claims filed by SPV to NHAI amounting to ₹ 107,096 lakhs for which Arbitration proceedings are going on. All the claims made by NHAI are disputed and are under arbitration.

Legal Notices received by the Company

Particulars	Amount Rs		Remarks
	Demand	Order	
GST - Demand Notice for FY 2017 - 2018 (Q1) (2023)	37,10,742		Department has wrongly raised a demand for the payment of tax under GST regime to the COS revenue pertaining to the Q1 of FY 2017 - 2018 (before GST regime) - Rs 37,10,742 with penalty & Interest applicable.
Provident Fund - Demand cum Notice (Employees) (2023)	43,23,998	-	
Swaraj Rameshwar Kokate - Employee death case (2017)		8,31,920	Order has been given by the Commissioner for EC Act, Judge - Labour Cour Lathur, - Payment to be remitted along with 12% simple Interest from the date of death to the date of payment of the Compensation.
Employee retrenchment case (2023)	50,00,000		Cases filed by the employees of IDTL at project office for the payment of gratuity and retrenchment compensation - employees were asked to leave without any notice. The dues of the salaries along with the gratuity and compensations would be approx - Rs 50 lacs.
<b>TOTAL</b>	<b>1,30,34,740</b>	<b>8,31,920</b>	



**INDORE DEWAS TOLLWAYS LIMITED**

Notes to Financial Statements for the Year ended 31st March, 2023

(All amounts are ₹ in lakhs unless otherwise stated)

**42 Disclosures as per Ind AS 37 - "Provisions, Contingent Liabilities and Contingent assets " (Contd)****b) Contingent Asset**

The company has filed with NHAi the final statement of claim for an amount of Rs.1,07,096 lakhs in the month of August 2020 under various heads .The conciliation meetings with NHAi have failed and the Arbitration proceedings have started. As NHAi and SPV have concurred to go for amicable settlement of all disputes between both the parties, the Arbitration proceedings were stalled for 180 days ie., upto 6th October 2021.(vide arbitrators letters dated 7th April 2021).

As the Amicable settlement process through Conciliation Committee of Independent Experts (CCIE) Process has failed, the company has issued Intention to Termination for "Authority Default" under Clause 37.2.2 of the Concession Agreement vide Letter No.IDTL/1633/30.25/1744/6583 dated 05.05.2022. The Arbitration proceedings have been invoked.

**The Arbitration proceedings have started and the below are the details of the proceedings held upto this quarter**

1) **30th May 2022** - Arbitration counsel order barring withdrawals by NHAi of the toll revenue from the Escrow account and Invocation of the Bank Guarantee of Rs 12.927 crs upon the Suspension of the Concessionaire by NHAi.

2) **5th August 2022** - Arbitration counsel order instructing NHAi that the Concessionaire is permitted to do withdrawals as per the waterfall mechanism prescribed in the clause 36.2 of the Concession agreement read with the clause 4.5 of the Escrow agreement.

3) **13th October 2022** - Both the parties have approached the counsel seeking time to file the list of witnesses and evidence affidavits & the counsel granted time until 16th December 2022.

4) **15th December 2022** - The counsel further granted further time to file affidavits upto 31st December 2022.

5) **31st December 2022** - The counsel further granted further time to file affidavits upto 10th January 2023. The Company has filed its affidavit of evidence on 07.01.2023

6) **10th January 2023** - The Counsel for the NHAi stated that the list of witnesses and affidavit of evidence of one witness has been filed on 09.01.2023 and the affidavits of two other witnesses shall be filed in due course. The Counsel as a last chance, has granted time till 25.01.2023 to the NHAi to file the affidavits, if any. It is made clear that no further affidavits shall be entertained if not filed by the stipulated date.

Learned counsel for the parties agreed that considering the stage of the present proceedings, they shall inform the Tribunal about their consent for extending the mandate for completion of proceedings by six months from 28.02.2023. The balance of fees payable to the Arbitrators shall be paid by 28.02.2023. The request has been made to all the Lenders for the remittance of the Arbitrators fees vide meeting dated 13th March 2023. However the Lenders have refused to remit the same as on date.

The Company has submitted the Termination calculations for an amount of Rs 637 crs to NHAi vide Letter IDTL/1633/30.25/1769/6625 dated 10th January 2023

**43 Capital Commitment**

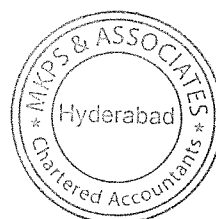
Particulars	As at 31st March 2023	As at 31st March 2022
Estimated amount of contracts remaining to be executed on Capital Account not provided for.	-	-
Uncalled liability on shares and other investments partly paid.	-	-
Other commitments	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

\* 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 entered with National Highways Authority of India, the Company has to pay Additional Concession fee of ₹ 2410 lakhs 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. As per the sanction dt 11.6.2014, NHAi has reviewed the annual financials from 2014 and has concluded that the surplus funds are available with the SPV and the same needs to be remitted to NHAi. This is now disputed between the SPV & NHAi, NHAi vide its letter dated 6.8.2020 has cancelled the premium deferment facility and has demanded to pay the full premium from Nov 2013 to the date of issuance of the letter. The SPV has protested for the same and hence the matter is under dispute and Arbitration.

During the period of Suspension and after the Termination of the Project, NHAi has issued letters to the Lead bank for the remittance of the Premium due for the period December 2020 to October 2022 for an amount of Rs 82,57,07,768/- vide its letter dated NHAi/PIU-Indore/I-D/Suspension/Escrow-Bank/1224 dated 18th August 2022 & NHAi/BOT toll projects/Defaults in escrow agreement/2023/MP/6284 dated 04th May 2023.



**INDORE DEWAS TOLLWAYS LIMITED**

Notes to Financial Statements for the Year ended 31st March, 2023

(All amounts are ₹ in lakhs unless otherwise stated)

**44 Payments to Auditor**

₹ in lakhs

Particulars	As at 31st March 2023	As at 31st March 2022
(a) Statutory Audit Fee	2.00	2.00
(c) ICFR fees	0.50	0.50
(b) Tax Audit Fee	0.50	0.50
(c) Other Services (Opinion / Certification Fees)	0.51	0.98
(d) Goods & Service Tax / Service Tax	0.58	0.72
<b>Total</b>	<b>4.09</b>	<b>4.70</b>

45 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.

**46 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)

**47 Disclosure pursuant "Going Concern"**

As at 31st March 2023 the accumulated losses amounted to Rs.48,224.50 Lakhs. Entire networth of the company was eroded. NHAI has terminated the Concession Agreement and the company has transferred its entire Tangible and Intangible assets to NHAI.

The company has ceased to be a going concern entity and the financial statements of the company as on 31st March 2023 have been prepared under realizable basis.

The company is not a going concern and the financial statement of the company as on 31st March 2023 have been prepared under realizable basis. The Intangible assets and Intangible assets under development are transferred to Current Assets i.e Receivable from NHAI.

Realizable value of asstes and settlement values of liabilities are based on management estimates. As on the date of balance sheet it is not determinable whether the expenditure associated with liquidation of the company or the amounts that the creditors agree to accept in settlement of the obligation due to them will be materially different from the amounts shown in these financial statements . Further these financial statements do not include any adjustments that might result from the outcome of this uncertainty.

**48 Disclosure pursuant to Ind AS 36 "Impairment of Assets"**

As the Termination Notice is issued by NHAI vide its letter dated 16th December 2022, the assets stands transferred to NHAI and the operations of the company shown under Discontinuing operations. The toll plaza was already handed over to NHAI on 27th May 2022.

**49 Non-Current assets held for sale**

In view of the termination of the concession agreement as stated in note No 34 remaining assets of the company having a carrying amount of Rs. 3.09 Lakhs was treated as non current assets held for sale

**50 Confirmation of Balances - Secured Term Loan Lenders - Banks & Financial Institutions**

The Lenders of the Company have classified the borrowings to the Company as non performing assets in the year 2020 & 2021. In view of the company's non compliance to debt servicing obligations as per the contracted terms. However, the lender's called back the loans and the Company is negotiating with the banks for smooth settlement. Consequently, these lenders have stopped issuing confirmation balances. Most of the lenders have also stopped furnishing the statement of accounts. In view of the same, the Company has recognised the interest and other financial costs in accordance with the contract terms. Differences, if any, between the carrying value of liabilities in the books of account and the claims by the respective lenders, would be recognised in the year of final settlement.

**51 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.

**52 Events after the reporting period**

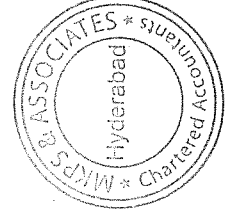
There are no events after the reporting period

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

**INDORE DEWAS TOLLWAYS LIMITED**  
**Notes to Financial Statements for the Year ended 31st March, 2023**  
 (All amounts are ₹ in lakhs unless otherwise stated)

**52 Financial Ratios**

S.No.	Ratio	Numerator	Denominator	31st March 2023	31st March 2022	% Change	Reason for Variance
1	Current ratio	Current Assets	Current Liabilities	1.26	0.01	99%	PPE and intangible asset have been transferred to current assets
2	Debt-Equity ratio	Total Debt	Shareholder's Equity	-1.42	-1.64	5%	
3	Debt service Coverage ratio	Earnings for debt service = Net profit after taxes + Depreciation and amortisation + Interest + Loss on sale of Fixed Asset	Debt service = Interest payments + Principal Repayments	1.11	0.99	11%	
4	Return on Equity ratio	Net profits after taxes - preference dividend	Average Shareholder's Equity	0.15	0.19	22%	Due to increase in negative equity during the period
5	Inventory turnover ratio	Cost of goods sold	Average Inventory	NA	NA	NA	
6	Trade receivables turnover ratio	Net Credit Sales	Average Trade Receivable	NA	NA	NA	
7	Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	3.82	8.80	18%	
8	Net Capital turnover ratio	Net sales	Working capital = current assets - current liabilities	0.41	-0.15	83%	
9	Net Profit ratio	Net Profit after tax	Net sales	-0.94	-0.70	16%	PPE and intangible asset have been transferred to current assets
10	Return on Capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.24	0.22	-10%	
11	Return on Investment	Interest (Finance Income)	Investment	0.00	NA	NA	



**INDORE DEWAS TOLLWAYS LIMITED**

**Notes to Financial Statements for the Year ended 31st March, 2023**

**(All amounts are ₹ in lakhs unless otherwise stated)**

- 53 There are litigations pendings against the company which could be materially impact its financial position as at the end of the year such as Counter claims filed by NHAI (note no 42) & NCLT /DRT Cases with Lenders (note no 13); Cases filed by employees for termination benefits.
- 54 Previous year comparatives have been reclassified and regrouped wherever necessary, to confirm to current years' presentation.

**For MKPS & Associates**

Chartered Accountants

Firm's Registration No. 302014E

*Vikash Modi*

**Vikash Modi**

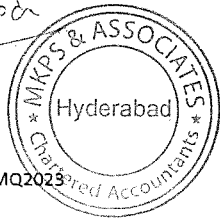
Partner

M No : 216468

UDIN: 23216468BGWHMQ2023

Place: Hyderabad

Date: 17th May 2023



**For and on behalf of the Board**

*J Brij Mohan Reddy*

**J Brij Mohan Reddy**

Director

DIN No 00012927

Place: Hyderabad

Date: 17th May 2023

**T V Sandeep Kumar Reddy**

Director

DIN No 00005573

