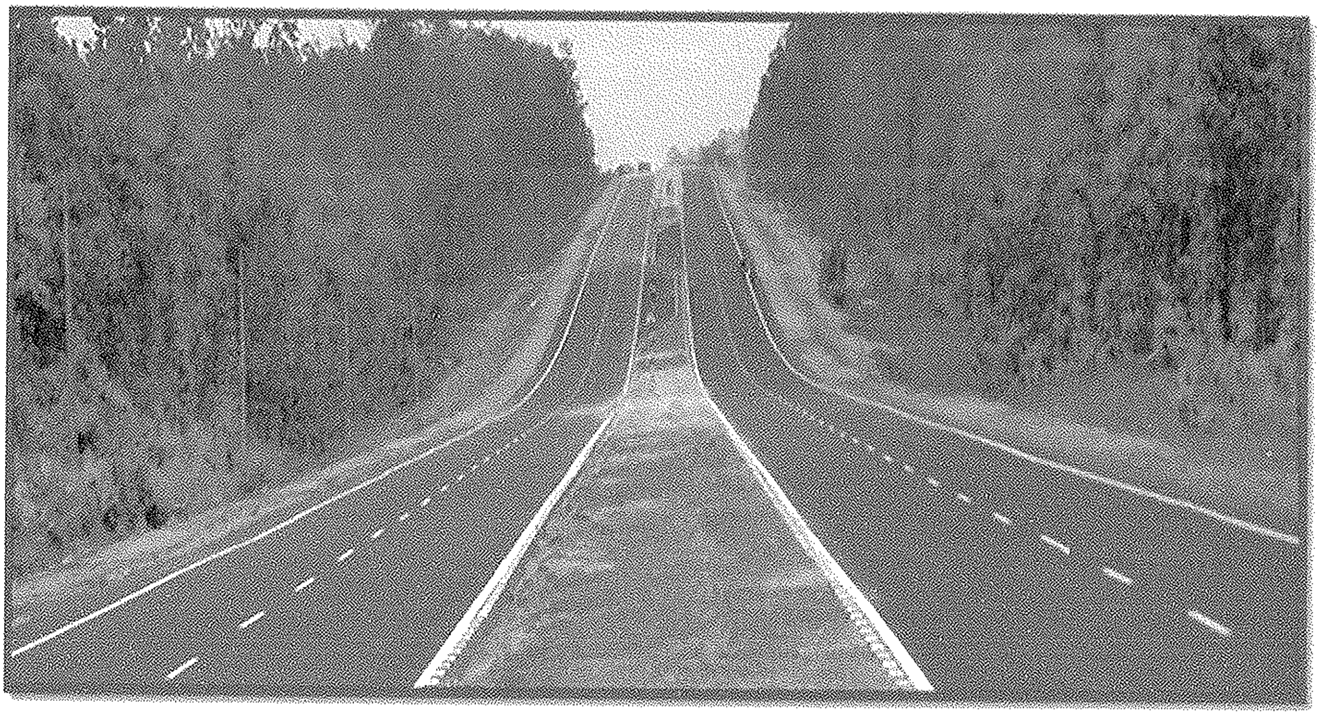
GAYATRI

SAI MAATARINI TOLLWAYS LIMITED

7TH ANNUAL REPORT 2017-18



Four-Laning of Panikoili-Rimuli Section of NH-215 from Km. 0.00 to Km. 163.00 (Design Length 166.173) in the State of Odisha under NHDP Phase – III as BOT (Toll) basis on DBFOT Pattern.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. T. RAJIV REDDY	Managing Director
Mr. T.V. SANDEEP KUMAR REDDY	Director
Ms. T. INDIRA SUBBARAMI REDDY	Director
Ms. T. SARITA REDDY	Director
Mr. CH. HARIVITHAL RAO	Independent Director
Mr. M. V. NARASIMHA RAO	Independent Director

AUDIT COMMITTEE

Mr. CH. HARIVITHAL RAO	Chairman
Mr. T.V SANDEEP KUMARREDDY	Member
Mr. M.V. NARASIMHA RAO	Member

NOMINATION AND REMUNERATION COMMITTEE

Mr. CH. HARIVITHAL RAO	Chairman
Mr. T.V SANDEEP KUMARREDDY	Member
Mr. M.V. NARASIMHA RAO	Member

AUDITORS

M/s. M. BHASKARA RAO & CO.
Chartered Accountants
5-D, Fifth Floor, 'Kautilya',
6-3-652, Somajiguda
Hyderabad – 500 082, Telangana.

REGISTERED & CORPORATE OFFICE

6-3-1090, B-1,
TSR Towers, Rajbhavan Road,
Somajiguda,
Hyderabad – 500 082, Telangana.
Corporate Identification No. U45400TG2011PLC076396

REGISTRAR AND TRANSFER AGENT

M/s. BIGSHARE SERVICES PVT. LTD.
Branch Office: 306, Right Wing, Amrutha Ville,
Opp, Yashoda Hospital, Rajbhavan Road,
Somajiguda, Hyderabad - 500082,
Telangana.
E Mail: bsshyd@bigshareonline.com
Tel: 040- 23374967

PROJECT LENDERS

IDBI Bank Limited, Mumbai
Oriental Bank of Commerce, Hyderabad
Bank of India, Mumbai
Indian Overseas Bank, Hyderabad
Andhra Bank, Hyderabad
Canara Bank, Secunderabad
India Infrastructure Finance Co. Ltd., New Delhi
Life Insurance Corporation of India, Mumbai
Central Bank of India, Hyderabad

CONCESSIONING AUTHORITY

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

BOARD'S REPORT

To
The Members,

Your Directors have immense pleasure in presenting the 7th Annual Report of your Company and the Audited Financial Statements for the year ended 31st March, 2018.

1. FINANCIAL SUMMARY:

The following table depicts the financial results of your Company for the year ending 31st March 2018:

S. No.	Particulars	31st March 2018 (Rs. in lac)	31st March 2017 (Rs. in lac)
1	Revenue from Operations	2,692.03	2,692.03
2	Construction Revenue	18,491.99	18,500.31
3	**TOTAL INCOME :: A**	**21,184.02**	**21,192.34**
4	Construction Expenses	18,491.99	67,623.49
5	Employee benefits expense	37.84	-
6	Depreciation and amortization expense	391.71	-
7	Finance costs	10,651.60	-
8	Other expenses	621.51	3.65
9	**TOTAL EXPENDITURE :: B**	**30,194.65**	**67,627.14**
10	**LOSS BEFORE TAX**	(9,010.63)	(3.65)
11	Less: Current Tax	-	-
12	**LOSS FOR THE YEAR**	(9,010.63)	(3.65)

SPECIAL PURPOSE VEHICLE:

Your Company is a Special Purpose Vehicle (SPV) formed for the purpose of execution of the project "Four Laning of Panikoili-Rimuli section of NH-215 from KM 0.00 to KM 163.00 (Design Length 166.173 KM) in the State of Odisha under NHDP Phase-III as BOT (Toll) basis on DBFOT pattern." The Company has entered into a Concession Agreement on 28th September 2011 with National Highways Authority of India (NHAI), which specifies a Concession period of 24 years, out of which 2.50 years is the construction period and 21.50 years is the Operations & Maintenance period.

1. PROVISIONAL COMPLETION CERTIFICATE AND TOLL COLLECTION:

The members are already aware that your Company has achieved the Provisional Completion Certificate on 8th August 2017 and has commenced toll collection from the public, effective from 17th August 2017. Out of the total project stretch of around 166.173 kms your Company has achieved COD for 145.123 kms and the pending works are carried out on the balance stretch of the Road.

The Toll Collections for the Financial Year 2017-18 is tabulated below:

S. No.	Particulars	Toll Collections (17.08.2017 to 31.03.2018) (Rs. in Cr)
1	Toll Plaza-1	9.24
2	Toll Plaza-2	5.17
3	Toll Plaza-3	12.51
	Total	**26.92**

2. REVIEW OF PROGRESS OF EPC WORKS

The following table shows the Total Project Cost and the Means of Finance, as finalized between the Company and the Lenders:

₹ in Crores

S. No.	Total Project Cost	Amount	Means of Finance	Amount
1	EPC Cost	2,020.00	Equity/Quasi-Equity	360.32
2	Interest During Construction	197.65	Grant from NHAI	548.49
3	Preliminary & Pre-operative Expenses	82.90	Term Loan	1,397.35
4	Contingency	5.61		
	Total	**2,306.16**	**Total**	**2,306.16**

During the year, your Company has executed Rs. 106.18 Crore of EPC Work (Net of Mobilisation Fee). Hence the total EPC works done till 31st March 2018 is Rs. 1925.08 Crore out of Total EPC Cost of Rs. 2020 Crore.

3. TERM LOANS:

The following table shows the amount of disbursement made by the lenders upto 31st March, 2018:

₹ in Crores

S. No.	Name of the Lender	Term Loan sanctioned	Term Loan disbursed	Term Loan Repayment	Term Loan Outstanding	Interest Outstanding	Total Outstanding
		A	B	C	D=B-C	E	F=D+E
1	IDBI Bank	350.00	346.83	-	346.83	27.73	374.56
2	Andhra Bank	97.35	97.35	0.10	97.25	7.73	104.98
3	Bank of India	200.00	200.00	0.20	199.80	15.97	215.77
4	Canara Bank	150.00	148.66	0.15	148.51	13.32	161.83
5	Central Bank of India	100.00	99.94	0.10	99.84	7.97	107.81
6	IOB	100.00	100.00	-	100.00	7.97	107.97
7	OBC	100.00	100.00	0.10	99.90	7.90	107.80
8	LIC of India	100.00	99.10	-	99.10	8.88	107.98
9	IIFCL	200.00	199.31	-	199.31	16.70	216.01
	TOTAL	1397.35	1279.14	0.65	1390.54	114.17	1504.71

4. GRANT

During the year, your Company has received 9th, 10th and 11th Tranche of Grants of Rs. 70.00 Crore from NHAI. The details of Grant received by your Company upto 31st March 2018 are tabulated below:

S. No.	Particulars	Amount (Rs. in Cr.)
1	Total Grant to be Received	548.49
2	Total Grant Received till 31.03.2018	540.29
3	**Balance Grant To be Received**	**8.20**

2. FUTURE OUTLOOK

During the year, your company has achieved Provisional COD on 8th August 2017 and started toll collections from 17th August 2017. The total toll collections from 17th August 2017 to 31st March 2018 was Rs. 26.92 Crore on average per day Rs. 11.85 lac which is very low against the estimates made by your company. Hence, your company could not pay the interest to the lenders. The total interest outstanding as on 31st March 2018 is Rs. 114.17 crore.

To overcome this situation, your company had convened a consortium meeting of all lenders on 28th November 2017. In the meeting, the lenders have decided to invoke SDR/outside SDR with reference date 28th November 2017. Before the implementation of SDR/outside SDR, RBI has repelled all the schemes including SDR scheme vide circular dated 12th February 2018. Hence, your company could not implement the scheme and again convened a meeting of lenders on 14th March 2018. In the meeting, the lenders have discussed the traffic study report submitted by TEV consultant M/s. Feedback Infra Private Limited and advised M/s. IDBI Capital Markets & Securities Limited to submit the resolution plan for restructure of loan. Your company is awaiting their report for further course of action.

3. EXTRACT OF ANNUAL RETURN

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

4. BOARD MEETINGS

During the year ended 31st March, 2018, Four Board Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

The dates on which the Board meetings were held are 23rd May 2017, 19th September, 2017, 28th November 2017 and 20th March 2018.

Attendance of Directors at the meetings:

The details of the attendance of the Directors at the Board meetings held during the year ended 31st March, 2018.

Name of the Director	Number of Board Meetings	
	Held	Attended
T. Rajiv Reddy	4	4
T.V. Sandeep Kumar Reddy	4	4
T. Indira Reddy	4	4
T. Sarita Reddy	4	3
Ch. Harivithal Rao	4	4
M.V. Narasimha Rao	4	3

Audit Committee Meetings

During the year ended 31st March, 2018, one Audit Committee Meeting was convened and held. The date on which the Audit Committee meeting was held is 23rd May, 2017.

Attendance of Directors at the meetings:

The details of the attendance of the Directors at the Audit Committee meetings held during the year ended 31st March, 2018.

Name of the Director	Number of Audit Committee Meetings	
	Held	Attended
M.V. Narasimha Rao	1	0
Ch. Harivithal Rao	1	1
T.V. Sandeep Kumar Reddy	1	1

5. DIRECTORS' RESPONSIBILITY STATEMENT

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

a. that in the preparation of the annual financial statements for the year ended 31st March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
b. that such accounting policies and applied them consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the profit of the Company for the year ended on that date;
c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
d. that the annual financial statements have been prepared on a going concern basis;
e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.

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

6. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. P.K. Sahoo has resigned as Chief Financial officer (CFO) of the Company with effect from 31st January, 2018.

During the year there are no changes in the Board of Directors.

7. 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).

8. RE-APPOINTMENTS

Ms. T. Indira Reddy Director of the Company who retires by rotation and being eligible, offers herself for re-appointment.

9. 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. Ch. Harivithal Rao as a Chairman and Mr. T.V. Sandeep Kumar Reddy and Mr. M.V. Narasimha Rao, members of the Committee.

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

10. AUDITORS REPORT

There are no qualifications in the Auditors Report.

11. 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 Nil.

12. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

13. TRANSFER OF AMOUNT TO RESERVES

The Company does not propose to transfer any amount to the general reserve for the Financial Year ended 31st March, 2018.

14. DIVIDEND

The Board of Directors does not recommend any dividend on the Equity Shares for the financial year ended 31st March, 2018.

15. 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.

16. 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.

17. STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY

At this juncture, the only target of your Company is to complete the execution of Project Highway in accordance with the Concession Agreement. In this direction, your Company has, at the project site, implemented a policy to identify and if necessary, to correct major risks pertaining to execution/implementation of the project, as the expenditure being incurred by the Company majorly consists of EPC Work. The Company has appointed a Project Monitoring team to oversee the project and also to co-ordinate with various Government/Non-Government authorities. Apart from this, an independent agency has been appointed to certify the monthly EPC Bills of the project before release of the same to the EPC Contractor, thereby significantly reducing the risk involved in release of funds, which are obtained by the Company by way of Term Loan installments and Grant from NHAI.

18. 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.

19. 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.

20. SUBSIDIARY COMPANIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATE COMPANIES

During the Financial Year ending on 31st March 2018, your Company had no subsidiaries and associate companies.

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

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

21. CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

23. 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.

24. 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.

25. STATUTORY AUDITORS

At the Annual General Meeting held on 29th September, 2016, M/s M. Bhaskara Rao & Co., Chartered Accountants, Hyderabad bearing ICAI Regn. No. 000459S, were appointed as statutory auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2021. In terms of the first proviso to

Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting.

Accordingly, the appointment of M/s. M. Bhaskara Rao & Co., Chartered Accountants, Hyderabad bearing ICAI Regd.No. 000459S as statutory auditors of the Company is placed for ratification by the shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

26. PARTICULARS OF EMPLOYEES

There are no employees who come under the purview of Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

27. 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.

28. 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.

29. 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.

30. ACKNOWLEDGEMENTS

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

For and on behalf of the Board
Sai Maatarini Tollways Limited

Place: **Hyderabad**	**T. Rajiv Reddy**	**T.V. Sandeep Kumar Reddy**
Date: **21st May, 2018**	**Managing Director**	**Director**
	DIN:06859435	**DIN:00005573**

Annexure-1

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended 31.03.2018
[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:	
CIN	U45400TG2011PLC076396
Registration Date	08/09/2011
Name of the Company	SAI MAATARINI TOLLWAYS LIMITED
Category / Sub-Category of the Company	Company Limited by Shares/ Indian Non Government Company
Address of the Registered Office and contact details	6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad - 500082, Telangana. E Mail: rajkumar@givl.co.in, Tel: 040-23310330
Whether listed company	Unlisted
Name, address and contact details of Registrar and Transfer Agent, if any	M/s. BIGSHARE SERVICES PVT. LTD. Branch Office: 306, Right Wing, Amrutha Ville, Opp, Yasodha Hospital, Rajbhavan Road, Somajiguda, Hyderabad - 500082, Telangana. E Mail: bsshyd@bigshareonline.com, Tel: 040- 23374967

II. Principal Business Activities of the Company

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:

Sl. No.	**Name and Description of main products / services**	**NIC Code of the Product/ service**	**% to total turnover of the company**
1	Construction of Roads	42101	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	**Name and address of the Company**	**CIN/GLN**	**Holding/ Subsidiary/ Associate**	**% of shares held**	**Applicable Section**
1	Gayatri Highways Limited 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad- 500082.	U45100TG2006PLC052146	Holding	100	2(46)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)									
i) Category-wise Share Holding									
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	1,00,00,837	6	1,00,00,843	100	1,00,00,837	6	1,00,00,843	100	0
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1):	**1,00,00,837**	**6**	**1,00,00,843**	**100**	**1,00,00,837**	**6**	**1,00,00,843**	**100**	**0**
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2):	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	**1,00,00,837**	**6**	**1,00,00,843**	**100**	**1,00,00,837**	**6**	**1,00,00,843**	**100**	**0**
B. Public Shareholding									
(1) Institutions									
-a) Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-

g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1):	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2):	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**1,00,00,837**	**6**	**1,00,00,843**	**100**	**1,00,00,837**	**6**	**1,00,00,843**	**100**	**0**

ii) Shareholding of Promoters

S. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Gayatri Highways	1,00,00,837	99.99994	51.00	1,00,00,837	99.99994	-	-

	Limited							
2	Mr. T. V. Sandeep Kumar Reddy (Nominee of M/s. Gayatri Highways Limited)	1	0.002	-	1	0.002	-	-
3	Mr. K. G. Naidu (Nominee of Gayatri Highways Limited)	1	0.002	-	1	0.002	-	-
4	Ramamohanraju Chinda (Nominee of Gayatri Highways Limited)	1	0.002	-	1	0.002	-	-
5	K Venkata Mohan (Nominee of Gayatri Highways Limited)	1	0.002	-	1	0.002	-	-
6	U. Prashant Shenoy (Nominee of Gayatri Highways Limited)	1	0.002	-	1	0.002	-	-
7	K. Mani Raju (Nominee of Gayatri Highways Limited)	1	0.002		1	0.002		
Total		**1,00,00,843**	**100**	51.00	**1,00,00,843**	**100**	-	-

❖ As per the NCLT order dated 3rd November, 2017 of Composite Scheme of Arrangement between Gayatri Projects Ltd, Gayatri Infra Ventures Ltd and Gayatri Highways Ltd (Formerly Gayatri Domicile Pvt. Ltd), all the investments held by Gayatri Infra Ventures Ltd and Gayatri Projects Limited has been transferred to Gayatri Highways Ltd (the appointed date is 31st March, 2017).

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

S. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the	No. of shares	% of total shares of the

			company		company
	At the beginning of the year	**1,00,00,843**	**100**		
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
	At the end of the year	**1,00,00,843**	**100**	-	-

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

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

(v) Shareholding of Directors and Key Managerial Personnel:

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

V. INDEBTEDNESS

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

(Rs. in lac)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,35,849.27			1,35,849.27
ii) Interest due but not paid	-			-
iii) Interest accrued but not due	3,326.31	-		3,326.31
Total (i+ii+iii)	**1,39,175.57**	-		**1,39,175.57**
Change in Indebtedness during the financial year				
Addition	24,254.35			24,254.35
Reduction				-
Net Change	24,254.35	-		24,254.35
Indebtedness at the end of the financial year				
i) Principal Amount	1,47,054.54			1,47,054.54
ii) Interest due but not paid	11,421.78			11,421.78
iii) Interest accrued but not due	4,953.60			4,953.60
Total (i+ii+iii)	**1,63,429.92**	-		**1,63,429.92**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. T. Rajiv Reddy		
1.	Gross Salary	-	-	-
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-	-
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-	-

	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	as % of profit	-	-	-
	others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	-	-	-
	Ceiling as per the Act	-	-	-

B. Remuneration to other directors:

1. Independent Directors

Sl. no.	Particulars of Remuneration	Name of Directors		Total Amount
		Mr. Ch. Harivithal Rao	Mr. M.V.N. Rao	
	-Fee for attending Board/Committee Meetings	Rs. 25,000/-	Rs. 15,000/-	Rs. 40,000/-
	-Commission	-	-	-
	- Others, please specify	-	-	-
	Total (B)(1)	**Rs. 25,000/-**	**Rs. 15,000/-**	**Rs. 40,000/-**

2. Other Non Executive Directors

Sl. no.	Particulars of Remuneration	Name of Directors		Total Amount
	-Fee for attending Board/Committee Meetings	-	-	-
	-Commission	-	-	-
	- Others, please specify	-	-	-
	Total (B)(2)	-	-	-
	Total (B)= (B)(1)+ (B)(2)	**Rs. 25,000/-**	**Rs. 15,000/-**	**Rs. 40,000/-**

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

(Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	**Company Secretary**	**CFO**	**Total**
1.	**Gross salary**	-	-		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	**Rs.9,00,000/-**	**Rs.9,00,000/-**
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-		-
	(c) Profits in lieu of salary	-	-		-

	under section 17(3) Income-tax Act, 1961				
2.	Stock Option	-	-		-
3.	Sweat Equity	-	-		-
4.	Commission	-	-		-
	as % of profit	-	-		-
	others, specify...	-	-		-
5.	Others, please specify	-	-		-
	Total			**Rs.9,00,000/-**	**Rs.9,00,000/-**

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

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

For and on behalf of the Board

Sai Maatarini Tollways Limited

Place: **Hyderabad**

Date: **21st May, 2018**

T. Rajiv Reddy
Managing Director
DIN:06859435

T.V. Sandeep Kumar Reddy
Director
DIN:00005573

ANNEXURE-2

Form No. AOC-2

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

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

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

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

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

(a) Name(s) of the related party and nature of relationship	During the year, no material contracts or arrangements have been entered into by the Company.
(b) Nature of contracts/arrangements/transactions	Not Applicable
(c) Duration of the contracts / arrangements/transactions	Not Applicable
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	Not Applicable
(e) Date(s) of approval by the Board, if any:	Not Applicable
(f) Amount paid as advances, if any:	Not Applicable

For and on behalf of the Board
Sai Maatarini Tollways Limited

Place: **Hyderabad**
Date: **21st May, 2018**

T. Rajiv Reddy
Managing Director
DIN:06859435

T.V. Sandeep Kumar Reddy
Director
DIN:00005573

M. BHASKARA RAO & CO.
CHARTERED ACCOUNTANTS
PHONES : 23311245, 23393900
FAX : 040-23399248

5-D, FIFTH FLOOR, "KAUTILYA",
6-3-652, SOMAJIGUDA,
HYDERABAD-500 082. INDIA.
e-mail : mbr_co@mbrc.co.in

Independent Auditor's Report

To
The Members of
Sai Maatarini Tollways Limited

Report on the Financial Statements

We have audited the accompanying Financial Statements of **Sai Maatarini Tollways Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's responsibility for the 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 Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and Statement of Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as applicable. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting

M. BHASKARA RAO & CO. Chartered Accountants HYD.

policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Act 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 (financial position) of the Company as at 31 March 2018, and its loss (financial performance including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

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

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

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

   (d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as applicable.

   (e) On the basis of the written representations received from the directors as on 31 March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

   (g) 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 no pending litigation as on March 31, 2018 requiring disclosures in the Financial Statements.

      ii. The Company is not required to make provisions, as required under any law or

M. BHASKARA RAO & Co. Chartered Accountants HYD.

accounting standards, for material foreseeable losses, if any, on long term contracts. Further, according to the information and explanations given to us and in our opinion, there were no derivative contracts entered into by the company as at 31 March 2018.

iii. There are no amounts to be transferred to Investor Education and Protection Fund.

2. As required by the Companies (Auditors Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the "Annexure B", a statement on the matters specified in paragraphs 3 and 4 of the Order.

for M. Bhaskara Rao & Co.,
Chartered Accountants
Firm Registration No. 000459S

M. BHASKARA RAO & Co., Chartered Accountants, HYD.

Anilkumar Mehta
Partner
Membership No.: 014284

Hyderabad, May 21, 2018

Re: Sai Maatarini Tollways Limited

Annexure A to the Independent Auditor's report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Sai Maatarini Tollways Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting" issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting" (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk whether 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 auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial

M. BHASKARA RAO & CO. Chartered Accountants HYD.

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 unauthorised 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for M. Bhaskara Rao & Co.,
Chartered Accountants
Firm Registration No. 000459S

M. BHASKARA RAO & Co. Chartered Accountants HYD.

Anilkumar Mehta
Partner
Membership No.: 014284

Hyderabad, May 21, 2018

Re: Sai Maatarini Tollways Limited

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) According to the information and explanation given to us, the said fixed assets have been physically verified by its management during the year in accordance with a programme of verification, which, in our opinion, is reasonable having regard to the size of the Company and the nature of the assets. According to the information and explanations given to us, the discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.

(c) According to the information and explanations furnished to us, and based on our review, the Company does not own any immovable properties and hence, reporting under the clause does not arise.

(ii) According to the information and explanations furnished to us, in respect of the company's inventories :

The Company did not deal in any inventories during the year and accordingly requirements of paragraph 3(ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Accordingly, reporting under clauses (a) and (b) of paragraph 3(iii) of the Order does not arise.

(iv) According to the information and explanations furnished to us, the Company has not granted any loans, nor made any investments or given any guarantees or securities during the year to any of the parties specified in the Sections 185 and 186 of the Companies Act, 2013.

(v) According to the information and explanations furnished to us, the Company has not accepted any deposits from the public. Hence, reporting under the provisions of paragraph 3(v) of the Order does not arise.

(vi) The Central Government has not prescribed maintenance of cost records under Companies Act, 2013 for the type of operations carried by the Company.

(vii) In respect of statutory dues:

(a) According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Duty of Customs, Duty of

M. BHASKARA RAO & Co. Chartered Accountants HYD.

Excise, Value Added Tax, GST, Cess and other material statutory dues applicable to it with the appropriate authorities during the year.

(b) There were no disputed amounts payable in respect of provident fund, income tax, sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, GST and cess which were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

(viii) According to the information and explanations furnished to us, Rs.75 lacs towards principal and Rs.11,422 lacs towards interest is overdue as on 31.03.2018 to the banks and financial institutions.

(ix) According to the information and explanations furnished to us, the Company has, during the year under report, applied the monies raised by it through term loans for the purposes for which they were raised. The Company did not make any initial public offer or further public offer (including debt instruments) of any of its securities during the year under report.

(x) During the course of our examination of the books and other records of the company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year, nor have we been informed of such case by the management.

(xi) According to the information and explanations furnished to us by the company, the Company has, during the year under report, paid / provided for managerial remuneration in accordance with Section 197 read with Schedule V of the Companies Act 2013.

(xii) In our opinion, reporting requirement under Paragraph 3(xii) of the order does not arise since, according to the information and explanations furnished to us, the Company is not a Nidhi Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations furnished to us, the Company has not made any preferential allotment or private placement of its shares or fully or partly convertible debentures during the year under report.

(xv) According to the information and explanations given to us and based on our examination of the records of the company, during the year the Company has not entered into non-cash transactions with directors or directors of its holding or persons connected with them and hence provisions of Section 192 of the Act, are not applicable.

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

for M. Bhaskara Rao & Co.,
Chartered Accountants
Firm Registration No. 000459S

M. BHASKARA RAO & CO. Chartered Accountants HYD.

Anilkumar Mehta

Anilkumar Mehta
Partner
Membership No.: 014284

Hyderabad, May 21, 2018

Sai Maatarini Tollways Limited

Balance sheet as at 31 March 2018

(All amounts in ₹ in lacs unless otherwise stated)

	Notes	As at 31 March 2018	As at 31 March 2017
Assets			
Non-current assets			
Property, plant and equipment	3	8.64	8.53
Intangible assets	3	1,75,742.03	-
Intangible assets under development	3	5,180.94	1,70,925.78
Other non-current assets	4	1,561.19	2,484.41
		1,82,492.80	**1,73,418.72**
Current assets			
Financial Assets			
- Cash and cash equivalents	5	2,018.30	152.37
- Other Bank Balances (FDR)	6	-	297.00
Other current assets	7	54.77	60.96
		2,073.07	**510.33**
Total assets		**1,84,565.87**	**1,73,929.05**
Equity and liabilities			
Equity			
Equity share capital	8	1,000.08	1,000.08
Instrument entirely equity in nature	9	10,016.00	10,016.00
Other equity	9	7,926.11	16,936.74
Total Equity		**18,942.19**	**27,952.82**
Non-current Liabilities			
Financial liabilities			
Long Term Borrowings	10	1,49,712.04	1,39,117.18
Long Term Provisions	11	3.12	-
		1,49,715.16	**1,39,117.18**
Current liabilities			
Financial liabilities			
-Trade payables	12	382.63	155.15
-Other Financial Liabilities	13	12,683.39	79.00
Other current liabilities	14	2,842.40	6,624.90
Short Term Provisions	15	0.10	-
		15,908.52	**6,859.05**
Total equity and liabilities		**1,84,565.87**	**1,73,929.05**

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

As per our report of even date attached
For M. BHASKARA RAO & CO.
Chartered Accountants
Firm Registration No. 000459S

For and on behalf of the Board

ANIL KUMAR MEHTA
Partner
Membership No. 014284

T. RAJIV REDDY
Managing Director
DIN: 06859435

T.V SANDEEP KUMAR REDDY
Director
DIN: 00005573

Place: Hyderabad
Date: 21.05.2018

Sai Maatarini Tollways Limited
Statement of Profit and Loss for the year ended 31 March 2018
(All amounts in ₹ in lacs unless otherwise stated)

	Notes	For the year ended	
		31 March 2018	31 March 2017
Income			
Revenue from Operations	16	2,692.03	-
Construction Revenue	17	18,491.99	67,623.49
Total income		**21,184.02**	**67,623.49**
Expenses			
Construction Expenses	18	18,491.99	67,623.49
Employee benefits expense	19	37.84	-
Depreciation and amortization expense	3	391.71	-
Finance costs	20	10,651.60	-
Other expenses	21	621.51	3.65
Total expense		**30,194.65**	**67,627.14**
Loss before tax from continuing operations		(9,010.63)	(3.65)
Current tax		-	
Income tax expense		-	
Loss for the year		**(9,010.63)**	**(3.65)**
Total other comprehensive income, net of tax		-	
Total comprehensive income for the period		**(9,010.63)**	**(3.65)**
Earnings per equity share (EPES)			
Basic		(0.00)	(0.00)
Diluted		(0.00)	(0.00)

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

As per our report of even date attached
For M. BHASKARA RAO & CO.
Chartered Accountants
Firm Registration No. 000459S

For and on behalf of the Board

ANIL KUMAR MEHTA
Partner
Membership No. 014284

T. RAJIV REDDY
Managing Director
DIN: 06859435

T.V SANDEEP KUMAR REDDY
Director
DIN: 00005573

Place: Hyderabad
Date: 21.05.2018

Sai Maatarini Tollways Limited

Statement of Cash flows for the year ended as on 31st March 2018

(All amounts in ₹ in lacs unless otherwise stated)

		31 March 2018	31 March 2017
Operating activities			
Profit/(Loss) before tax		(9,010.63)	(3.65)
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of property, plant and equipment		2.49	-
Adjustment in amortised finance cost		390.03	55.91
Working capital adjustments:			
(Increase)/Decrease in trade receivables		-	-
(Increase)/Decrease in other non current assets		923.21	3,818.43
(Increase)/Decrease in other current assets		6.19	(28.71)
Increase /(Decrease) in trade Payables		227.48	42.48
Increase /(Decrease) in other long term liabilities		-	75.00
Increase /(Decrease) in other current liabilities		8,821.88	(2,291.82)
Increase /(Decrease) in long term Provisions		3.12	-
Increase /(Decrease) in current term Provisions		0.10	-
		1,363.88	1,667.64
Income tax paid, net of refund		-	(524.95)
Net cash flow from operating activities	**(A)**	**1,363.88**	**1,142.69**
Investing activities			
Intangible assets under development		1,65,744.84	(42,081.39)
Intangible assets (carriageway)		(1,76,132.06)	-
Purchase of Capital Assets		(2.60)	2.06
Net cash flow from investing activities	**(B)**	**(10,389.82)**	**(42,079.33)**
Financing activities			
Proceeds from Issue of Share Capital		-	-
Increase in Long Term borrowings		10,594.86	39,912.00
Repayment of long-term borrowings		-	(75.00)
Increase in Sub Debt		-	1,437.19
Net cash used in financing activities	**(C)**	**10,594.86**	**41,274.19**
Net increase/(decrease) in cash and cash equivalents	**(A+B+C)**	1,568.93	337.55
Cash and cash equivalents at the beginning of the year		449.37	111.82
Cash and cash equivalents at the end of the year		**2,018.30**	**449.37**
Cash and cash equivalents includes			
Cash on hand		13.37	0.53
Balances with banks in current accounts		2,004.93	151.84
Total cash and cash equivalents		**2,018.30**	**152.37**
Balances with banks in fixed deposit accounts		-	297.00
Total		**2,018.30**	**449.37**

This is the Cash Flow Statement referred to in our report of even date.

For M. BHASKARA RAO & CO.
Chartered Accountants
Firm Registration No. 000459S

For and on behalf of the Board

ANIL KUMAR MEHTA
Partner
Membership No. 014284

T. RAJIV REDDY
Managing Director
DIN: 06859435

T.V SANDEEP KUMAR REDDY
Director
DIN: 00005573

Place: Hyderabad
Date: 21.05.2018

Sai Maatarini Tollways Limited
Statement of Changes in Equity for the year as on 31 march 2018
(All amounts in ₹ in lacs unless otherwise stated)

(a) Equity share capital

	Number	Amount
Equity shares of ₹10 each issued, subscribed and fully paid		
At 31 March 2018	1,00,00,843	1,000.08
At 31 March 2017	1,00,00,843	1,000.08

(b) Other equity

For the period ended 31 March 2018

	Security Premium Reserve	Retained earnings	Total equity
As at 01 April 2017	17,015.94	(79.20)	16,936.74
Profit for the period	-	(9,010.63)	(9,010.63)
At 31 March 2018	17,015.94	(9,089.83)	7,926.11

For the year ended 31 March 2017

	Security Premium Reserve	Retained earnings	Total equity
At 1 April 2016	17,015.94	(75.55)	16,940.39
Profit for the period	-	(3.65)	(3.65)
At 31 March 2017	17,015.94	(79.20)	16,936.74

This is the Statement of Changes in Equity referred to in our report of even date.
As per our report of even date attached
For M. BHASKARA RAO & CO.
Chartered Accountants
Firm Registration No. 000459S

ANIL KUMAR MEHTA
Partner
Membership No. 014284

For and on behalf of the Board

T. RAJIV REDDY
Managing Director
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(All amounts in ₹ in lacs unless otherwise stated)

1 Corporate Information

Sai Maatarini Tollways Limited ("the Company") is a limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956.

The Company is a Special Purpose Vehicle (SPV) incorporated for the purpose of execution of the project "Four Laning of Panikoili-Rimuli section of NH-215 from KM 0.00 to KM 163.00 (Design Length 166.173 KM) in the State of Odisha under NHDP Phase-III as BOT (Toll) basis on DBFOT pattern." As per the Concession Agreement dated September 28, 2011 signed with National Highways Authority of India ("NHAI"), the Concession Period is for 24 years. The Company has achieved Provisional Completion Certificate on 08.08.2017 and Toll Collections are started from 17.08.2017.

2 Significant Accounting Policies

2.01 Basis of preparation

(a) Compliance with IndAS

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

The financial statements upto to the year ended 31 March 2016 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standard) Rules, 2006 as amended and other relevant provisions of the Act.

(b) Basis of measurement

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

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/liability	Fair value of plan assets (if any) less present value of defined benefit obligations
Assets held for sale	fair value less costs to sell

(c) Use of estimates and judgments

The preparation of these financial statements in conformity with IndAS requires the management to make estimates and assumptions considered in the reported amounts of assets, liabilities (including contingent liabilities), income and expenses. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialize. Estimates include the useful lives of property plant and equipment and intangible fixed assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, provisions for resurfacing obligations, fair value measurement etc.

(d) Measurement of fair values

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

• Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that entity can access at measurement date

• Level 2 inputs other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

• Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.02 Presentation of financial statements

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

Amounts in the financial statements are presented in Indian Rupees rounded off to two decimal places in line with the requirements of Schedule III of the Companies Act, 2013.

2.03 Revenue recognition

a) Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of duties and taxes and net of discounts, rebates and other similar allowances.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that the future economic benefits would flow to the entity and specific criteria have been met for each of the activities described below. The Company bases its estimates on historical results, taking into consideration the type of customer, type of transaction and specifics of the arrangement.

b) Toll collections from the users of the infrastructure facility constructed by the Company under the Service Concession Arrangement is accounted for based on actual collection. Revenue from sale of smart cards is accounted on cash basis.

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

d) Contract revenue for fixed price contracts is recognised only to the extent of cost incurred that it is probable will be recoverable till such time the outcome of the job cannot be ascertained reliably. When the outcome of the contract is ascertained reliably, contract revenue is recognised at cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs.
Percentage of completion is determined based on the proportion of actual cost incurred to the total estimated cost of the project. The percentage of completion method is applied on a cumulative basis in each accounting period to the current estimates of contract revenue and contract costs. The effect of a change in the estimate of contract revenue or contract costs, or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate and the effect of which are recognised in the Statement of Profit and Loss in the period in which the change is made and in subsequent periods.
For the purposes of recognising revenue, contract revenue comprises the initial amount of revenue agreed in the contract, the variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

For this purpose, actual cost includes cost of land and developmental rights but excludes borrowing cost. Expected loss, if any, on the construction activity is recognised as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense in the Statement of Profit and Loss in the period in which such probability occurs.

e) Fair value gains on current investments carried at fair value are included in other income.
f) Dividend income is recognised when the right to receive the same is established by the reporting date.
g) Other items of income are recognised as and when the right to receive arises.

2.04 Cash and bank balances

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term highly liquid investments being not free from more than insignificant risk of change are not included as part of cash and cash equivalents. Bank overdrafts which are part of the cash management process is included as part of cash and cash equivalents.

2.05 Cash flow statement

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit/(loss) is adjusted for the effects of:
(a) transactions of a non-cash nature;
(b) any deferrals or accruals of past or future operating cash receipts or payments and,
(c) all other items of income or expense associated with investing or financing cash flows.

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

2.06 Current & Non Current classification :

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

Current Liabilities:

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

(a) it is expected to be settled in the company's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is due to be settled within twelve months after the reporting date : or

(d) the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could at the option of the counterparty, result in its settlement by the issue of equity instruments do not effect its classification. All other liabilities shall be classified as non-current.

2.07 Property, plant and equipment (PPE)

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

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

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

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

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

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

2.08 Intangible assets

a) Rights under Service Concession Arrangements

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

b) Toll Projects (Right to charge users)

Toll collection rights obtained in consideration for rendering construction services, represent the right to collect toll revenue from the users of the public service (road) during the concession period in respect of Build-Operate-Transfer ("BOT") project undertaken by the Company. Toll collection rights are capitalized as intangible assets upon completion of the project at the cumulative construction costs plus the present value of obligation towards negative grants and additional concession fee payable to National Highways Authority of India ("NHAI")/State authorities, if any. Till the completion of the project, the same is recognised under intangible assets under development.

The cost incurred for work beyond the original scope per Concession agreement (normally referred as "Change of Scope") is capitalized as intangible asset under development as and when incurred. Reimbursement in respect of such amounts from NHAI/State authorities are reduced from the carrying amount intangible assets to the extent of actual receipts.

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

Any Viability Gap Funding (VGF) in the form of equity support in connection with project construction is accounted as a receivable and is adjusted to the extent of actual receipts.

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

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

Amortisation of intangible assets

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

2.09 Investments

Trade investments comprise investments in entities in which the Group has strategic business interest.

Investments, which are readily realizable and are intended to be held for not more than one year, are classified as current investments. All other investments are classified as long term investments.

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties. The determination of carrying amount of such investments is done on the basis of weighted average cost of each individual investment.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with the requirements of cost model.

2.10 Borrowing costs

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

2.11 Earnings per share

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

2.12 Income taxes

The income tax expense or credit for the year is the tax payable on current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates, positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

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

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

Deferred tax assets and deferred tax liabilities are offset, when the entity has a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same authority.

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

2.13 Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:
(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortized over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

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

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

2.14 Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

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

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

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

2.15 Financial Instruments

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

a) Financial Assets

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

Investments in debt instruments that meet the following conditions are subsequently measured at amortised cost (unless the same are designated as fair value through profit or loss (FVTPL)):
• The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
• The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (unless the same are designated as fair value through profit or loss)
• The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
• The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

b) Financial Liabilities

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

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

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

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

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

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

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

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

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

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

2.16 Insurance claims

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

2.17 Claims

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

2.18 Commitments

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

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for
(ii) Uncalled liability on shares and other investments partly paid
(iii) Funding related commitment to subsidiary, associate and joint venture companies and
(iv) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

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

2.19 Employee Benefit

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

i. Short term Employee Benefit

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences etc. and the expected cost of bonus, ex-gratia are recognised in the period in which the employee renders the related service.

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

ii. Post employment benefits

(a) Defined contribution plans:

The Company's superannuation scheme and State governed provident fund linked with employee pension scheme are defined contribution plans. The contribution paid/ payable under the scheme is recognised during the period in which the employee renders the related service.

(b) Defined benefit plans:

The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yield on government securities.

(c) Other long term Employee Benefit

The obligation for other long term employee benefits such as long term compensated absences, liability on account of Retention Pay Scheme are recognised in the same manner as in the case of defined benefit plans as mentioned in (ii)(b) above.

Sai Maatarini Tollways Limited

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ in lacs unless otherwise stated)

3 (a) Property plant and equipment

Particulars	Gross Block			Depreciation			Net Block	
	As at 31.03.2017	Additions during the year	As at 31.03.2018	Up to 31.03.2017	For the year	Up to 31.03.2018	As at 31.03.2018	As at 31.03.2017
Computers	0.45	1.47	1.93	0.31	0.48	0.79	1.14	0.14
Office Equipments	0.35	-	0.35	0.24	0.07	0.31	0.04	0.11
Vehicle	14.50	-	14.50	6.22	1.84	8.06	6.44	8.28
Plant & Machinery	-	1.13	1.13	-	0.10	0.10	1.02	-
Total	**15.30**	**2.60**	**17.90**	**6.77**	**2.49**	**9.26**	**8.64**	**8.53**
Previous Year figures	15.30	-	15.30	4.71	2.06	6.77	8.53	10.59

Note: Out of the total depreciation of Rs. 2.06 lacs, an amount of Rs. 0.81 lac upto 16.08.2017 is capitalised and balance of Rs. 1.68 lacs is charged to P&L A/c

(b) Intangible Asset Under Development

Particulars	Opening balance as at 01.04.2017	Addition during the year	Closing balance as at 31.03.2018
Construction Cost			
EPC Cost (including Mobilisation Amount)	1,81,890.23	10,617.84	1,92,508.07
Other Construction Cost	430.64	-	430.64
Total	**1,82,320.87**	**10,617.84**	**1,92,938.71**
Pre operative Expenses			
Financial Charges	32,878.28	7,540.69	40,418.97
Salaries and wages	146.05	49.63	195.68
Legal and Professional Charges	1,980.32	197.87	2,178.19
Travelling & Conveyance	44.13	3.94	48.07
Site Administration Expenses	436.04	5.63	441.67
Rent-Site Office	14.29	2.11	16.40
Rates and Taxes, Filing Fees	15.87	0.54	16.42
Insurance Expenses	329.34	66.06	395.40
Miscellaneous	8.83	7.67	16.50
Utility Shifting Work Expenses	2,186.76	748.67	2,935.43
Sub Total	**38,039.91**	**8,622.82**	**46,662.73**
Total Cost	2,20,360.78	19,240.66	2,39,601.44
Less:			
Reimbursement of utility shifting	2,186.76	748.67	2,935.43
Grant Received from NHAI	47,029.18	7,000.00	54,029.18
Interest and Dividend Income	235.66	1.88	237.54
Unamortised Finance Cost	(16.60)	1,055.09	1,038.49
Total	49,435.00	8,805.64	58,240.63
Grand total	1,70,925.78	10,435.02	1,81,360.80
Less: Transferred to Carriageway			(1,76,132.06)
Less: Unamortised Finance Cost transferred to P&L A/c			(47.80)
Balance Intangible Assets under Development			5,180.94

(c) Intangible Assets (Carriageway)

Gross Value of Intangible Assets	1,76,132.06
Less : Amortisation during the year	(390.03)
Net Value of Intangible Assets	1,75,742.03

(All amounts in ₹ in lacs unless otherwise stated)

4 Other Non Current Assets

	As at 31 March 2018	As at 31 March 2017
Capital Advance-Long term loan and advances	465.60	1,484.22
Retention money-NHAI	27.51	27.51
TDS Receivable	1,068.08	972.67
	1,561.19	**2,484.40**

5 Cash and cash equivalents

	As at 31 March 2018	As at 31 March 2017
Balances with banks		
- on current accounts	2,004.93	151.84
Cash on hand	13.37	0.53
	2,018.30	**152.37**

6 Other Bank Balances

	As at 31 March 2018	As at 31 March 2017
Balances with banks		
Fixed deposit with IDBI Bank	-	297.00
	-	**297.00**

7 Other current assets

	As at 31 March 2018	As at 31 March 2017
Prepaid expenses	48.19	58.13
Interest Accrued on Fixed Deposit	-	2.33
Other advances	6.58	0.50
	54.77	60.96

(All amounts in ₹ in lacs unless otherwise stated)

8 Share capital

	31 March 2018		31 March 2017	
	Number	Amount	Number	Amount
Authorized				
Equity shares of ₹10 each	1,50,00,000	1,500.00	1,50,00,000	1,500.00
	1,50,00,000	**1,500.00**	**1,50,00,000**	**1,500.00**
Issued, subscribed and fully paid-up				
Equity shares of ₹10 each	1,00,00,843	1,000.08	1,00,00,843	1,000.08
	1,00,00,843	**1,000.08**	**1,00,00,843**	**1,000.08**

(a) Reconciliation of equity shares outstanding at the beginning and end of the reporting period

	31 March 2018		31 March 2017	
	Number	Amount	Number	Amount
At the beginning of the year	1,00,00,843	1,000.08	1,00,00,843	1,000.08
Issued during the year	-	-	-	-
Balance at the end of the year	**1,00,00,843**	**1,000.08**	**1,00,00,843**	**1,000.08**

(b) Terms/rights attached to equity shares

The Company has only one class of 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 Shareholder's Agreement dated 14th May 2007.

The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing annual general meeting. During the year, no dividend was declared by the Company (31st March 2017 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 proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding Company, ultimate holding Company, subsidiaries / associates of holding Company or ultimate holding Company

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:

	31 March 2018		31 March 2017	
	Number	Amount	Number	Amount
Gayatri Highways Limited - Holding Company	-	-	1,00,00,843	1,000.08

(d) Details of shareholders holding more than 5% shares in the Company

	31 March 2018		31 March 2017	
	Number of shares	% of holding	Number of shares	% of holding
Gayatri Highways Limited - Holding Company (refer note 8(c) below)	1,00,00,843	100.00%	1,00,00,843	100.00%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(c) 1. As per the NCLT order dated 3rd November, 2017 and Composite Scheme of Arrangement between Gayatri Projects Ltd, Gayatri Infra Ventures Ltd and Gayatri Highways Ltd (Formerly Gayatri Domicile Pvt Ltd), All the Infrastructure Road BOT Assets are merged with Gayatri Projects Ltd (GPL), there-after, all the Infrastructure Road BOT Assets are demerged from GPL and transferred to Gayatri Highways Ltd erstwhile Gayatri Domicile Private Ltd with effect from 24th November, 2017

2. Gayatri Domicile Private Limited changed its Name to Gayatri Highways Limited (GHL) to better reflect the nature of Business being carried out.

3. As per the Central Government notification, all the cases relating Company Law were shifted to NCLT (National Company Law Tribunal) from the respective High Courts. The case for the Scheme of Arrangement was also shifted to NCLT Hyderabad from the Honorable Hyderabad High Court. NCLT has ordered for the implementation of the Composite Scheme of Arrangement vide their order dated on 3rd November 2017. The followings are the consequence of the NCLT order:

a) GIVL was merged with GPL and GIVL has been dissolved. GPL was the holding company of all the BOT Road assets which were under GIVL and GPL together till 31 March 2016.

b) All the BOT Road Assets under GPL were demerged and transferred to GHL and GHL became the holding company for all the BOT Road Assets from 31 March 2017 onwards

c) The listing of GHL on National Stock Exchange/Bombay Stock Exchanges is in progress. The process of listing will be completed shortly.

d) The existing shareholders of GPL were issued Equity Shares of GHL in 1:1 ratio, i.e. for every 1 share held in GPL, 1 share of GHL was allotted.

e) In SMTL, the existing shares held by GPL have been transferred to GHL pursuant to NCLT order. Shareholding as at 31st March 2017 has been regrouped in terms of order of NCLT dated 3rd November 2017

9 a) Instrument entirely equity in nature

	As at	
	31 March 2018	**31 March 2017**
Loans from Sponsors:		
Gayatri Projects Ltd.	10,016.00	10,016.00
	10,016.00	**10,016.00**

Subordinate debt will be paid at the option of the company only after payment of entire senior debt from lenders.

b) Other equity

	As at	
	31 March 2018	**31 March 2017**
Retained earnings		
Balance as per last audited financial statements	(79.20)	(75.55)
Add: Net profit for the year	(9,010.63)	(3.65)
Balance at the end of the year	**(9,089.83)**	**(79.20)**
Securities Premium		
Balance as per last audited financial statements	17,015.94	17,015.94
Add: Received on allotment during the year	-	-
Balance at the end of the year	**17,015.94**	**17,015.94**
Total other equity	7,926.11	16,936.74

(All amounts in ₹ in lacs unless otherwise stated)

10 Long term Borrowings

	As at	
	31 March 2018	31 March 2017
Non-current borrowings		
Term loans		
Secured		
From Banks	1,09,213.54	1,00,386.27
From Financial Institutions	29,841.00	27,463.00
Sub Debt from IIFCL	12,953.60	11,326.31
Less: Current maturities of long-term borrowings	(1,257.61)	(75.00)
Less : Unamortised Finance Cost	(1,038.49)	16.60
	1,49,712.04	**1,39,117.18**
Current borrowings		
Current maturities of long term loans		
Term loans		
Secured		
From others	1,257.61	75.00
	1,257.61	**75.00**

Nature of Security for Secured Loans:

A. Term Loans from banks and financial institutions are secured by:

a) First mortgage and charge on all the borrower's immovable properties, present and future, if any, save and except the Project Assets.

b) a first charge by way of hypothecation on all the Borrower's tangible moveable assets, including but not limited to all current/ non-current assets, moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, all other movable assets, both present and future, save and except the Project Assets.

c) a first charge on all the Borrower's bank accounts including but not limited to the Escrow Account/its Sub-Accounts that may be opened in accordance with the Common Loan Agreement, the Supplementary Escrow Agreement, or any of the other Project Documents where all revenues, disbursements, receivables shall be deposited and on all funds from time to time deposited therein and on all permitted investments or other securities representing all amounts credited to the Escrow Account.

d) a first charge on all intangibles of the Borrower including but not limited to goodwill, rights, undertakings, uncalled capital and intellectual property rights, both present and future, save and except the Project Assets (provided that all amounts received on account of any of these shall be deposited in the Escrow Account and that the charges on the same shall be subject to the extent permissible as per the priority specified in the Clause 31 of the Concession Agreement and Clause 4 of the Escrow Agreement). Further, a charge on uncalled capital, as set in above, shall be subject however to the provisions of Clauses 5.3 and 7.1 (k) and Clause 31 of the Concession Agreement.

e) an assignment by way of security

(i) of the right, title, interests, benefits, claims and demands of the Borrower in, to and under the Project Documents, duly acknowledged and consented to by the relevant counter-parties to such Project Documents to the extent not expressly provided in each such Project Document, all as amended, varied or supplemented from time to time;

(ii) of the right, title, interests, benefits, claims and demands of the Borrower in, to and under all the Approvals and Insurance Contracts; and

10 Long term Borrowings (Continued..)

(iii) of the right, title, interests, benefits, claims and demands of the Borrower in, to and under any letter of credit, guarantees including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents.

f) pledge of equity shares (in dematerialised form) held by the Sponsor constituting 51% (fifty one percent) of the total paid up and voting equity share capital of the Borrower until the Final Settlement Date.

g) an irrevocable and unconditional guarantee from the Sponsor for meeting the shortfall between Secured Obligations then outstanding and the amounts receivable by the Lenders in accordance with Clause 4.2 of the Escrow Agreement in case of Termination of Concession Agreement for any reason.

B. Subordinate Debt from India Infrastructure Finance Co. Ltd. is secured by:

a) Mortgage and second charge on all the borrower's immovable properties, present and future, if any, save and except the Project Assets.

b) A second charge by way of hypothecation on all the Borrower's tangible moveable assets, including but not limited to all current/ non-current assets, moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, all other movable assets, both present and future, save and except the Project Assets.

c) A second charge on all the borrower's bank accounts including but not limited to the Escrow Account/its sub-accounts that may be opened in accordance with any of the Project Agreement.

d) A second charge on all intangibles of the Borrower including but not limited to goodwill, rights, undertakings, uncalled capital and intellectual property rights, both present and future, save and except the Project Assets (provided that all amounts received on account of any of these shall be deposited in the Escrow Account and that the charges on the same shall be subject to the extent permissible as per the priority specified in the Clause 31 of the Concession Agreement and Clause 4 of the Escrow Agreement). Further, a charge on uncalled capital, as set in above, shall be subject however to the provisions of Clauses 5.3 and 7.1 (k) and Clause 31 of the Concession Agreement.

e) an assignment by way of security

(i) of the right, title, interests, benefits, claims and demands of the Borrower in, to and under the Project Documents, duly acknowledged and consented to by the relevant counter-parties to such Project Documents to the extent not expressly provided in each such Project Document, all as amended, varied or supplemented from time to time;

(ii) of the right, title, interests, benefits, claims and demands of the Borrower in, to and under all the Approvals and Insurance Contracts; and

(iii) of the right, title, interests, benefits, claims and demands of the Borrower in, to and under any letter of credit, guarantees including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents.

f) An irrevocable and unconditional corporate guarantee from the Sponsor.

C. Subordinate Debt Support by Sponsors

As per clause no. 2.10 of Amended and Restated Sponsor Support Agreement dated 20th September 2014, the Sponsor (Gayatri Projects Limited) irrevocably agrees and undertakes-

(a) to promptly bring in from its own source requisite funds in addition to the sponsor's contribution without in recourse to the lenders and/or the secured property to the satisfaction of the lenders by subscribing to the equity share capital of the borrower to enable the borrower to implement the project as per the project completion schedule in the event of delay in receipt of the proceeds of the subordinate facility by the borrower from the subordinate lender; and

(All amounts in ₹ in lacs unless otherwise stated)

10 Long term Borrowings (Continued..)

(b) that it shall in addition to the sponsors contribution without any recourse to the lenders and/or the secured property to the satisfaction of the lenders infuse an amount equivalent to the debt service obligations of the borrower under the subordinate facility, in advance, on year-on-year basis (i.e. on 1st of April every year, during which, interest on subordinate facility/principal installments of the subordinate facility are scheduled for payment/repayment), as per the repayment schedule stipulated by the subordinate lender.

Provided, however, that the funds brought in by the sponsor (as per Article 2.10 (a) above by subscribing to the equity share capital of the borrower) in the event there is delay in receipt of the proceeds of the subordinate facility from the subordinate lender shall be repaid to the sponsor (by redeeming the subscribed equity share capital of the borrower) on receipt of disbursements under the subordinate facility subject to their being no occurrence and continuance of event of default.

Terms of repayment of Secured Loans

A. The Company shall repay the Term Loans to the Lenders in 48 (forty eight) unequal quarterly installments commencing after the Moratorium Period, as specified in the Amortization Schedule to the Common Loan Agreement dated June 26, 2013. The first repayment installment shall be due on January 1, 2016. The last repayment installment shall be paid on October 1, 2027.

The lenders have extended the SCOD from July 1, 2016 to July 1, 2017 and accordingly the Term Loan Repayment Schedule is shifted from January 1, 2016 to January 1, 2018.

B. The Company shall repay the Subordinate Loan to the Subordinate Lender in 18 quarterly installments commencing after the Moratorium Period, as specified in the Amortization Schedule to the Subordinate Loan Agreement. The first repayment installment shall be due on January 1, 2023. The last repayment installment shall be paid on April 1, 2028. However, the Sponsor, in addition to the Sponsor's Contribution without any recourse to the lenders and/or the secured property to the satisfaction of the lenders infuse an amount equivalent to the debt service obligations of the borrower under the subordinate facility, in advance on year-on-year basis, as per the repayment schedule stipulated by the subordinate lender.

Rate of Interest on Secured Loans

A. Applicable Interest Rate on Term Loans shall be floating at - (a) Spread @ 2% p.a. above the Base Rate of the Lead Bank viz. IDBI Bank Ltd.; or (b) Spread @ 2% p.a. above the IIFCL benchmark rate, whichever is higher.

B. Applicable Interest Rate on Subordinate Loan shall be floating at Spread, i.e. 2% p.a. above the Interest rate applicable to IDBI Bank Ltd. as per the Common Loan Agreement.

Period and Amounts of continuing defaults as on Balance Sheet Date

The Company has defaulted in payment of interest to the Banks and Financial Institutions amounting to Rs. 114.22 lac and principal installment of Rs. 75 lac.

Terms relating to Interest and Repayment of Unsecured Loans:

The amount advanced by holding Company is in the nature of promoters' contribution which carries nil rate of Interest. The loan is sub-ordinate to the Term Loan to be availed from the lenders and the same will be paid at the option of the company after repayment of Term Loans in full.

11 Long term provisions

	As at	
	31 March 2018	31 March 2017
Provision for Employee benefits		
Provision for Gratuity	3.12	-
Total	3.12	-

(All amounts in ₹ in lacs unless otherwise stated)

12 Trade payables

	As at	
	31 March 2018	31 March 2017
Salaries Payable	7.09	3.69
Audit fees payable	2.48	2.42
NHAI-IC Fee payable	38.00	75.95
PMC Fee payable	2.93	16.49
Feedback Infra Pvt Ltd	16.52	1.70
IDBI Bank Limited	140.56	14.30
Egis Road Operation India Pvt Ltd	84.96	-
Skylark Infra Engineering Pvt Ltd	41.91	-
Others Payable	48.18	40.60
	382.63	**155.15**

The identification of micro, small and medium enterprise suppliers as defined under the provisions of "Micro, small and medium enterprises Act, 2006" is based on Management's knowledge of their status. There are no dues to micro, small and medium enterprises as on 31 March 2018 or 31 March 2017.

13 Other financial liabilities

	As at	
	31 March 2018	31 March 2017
Current maturities of long-term borrowings	1,257.61	75.00
Payable to related parties	4.00	4.00
Interest payable	11,421.78	-
	12,683.39	**79.00**

14 Other current liabilities

	As at	
	31 March 2018	31 March 2017
Creditors for capital expenditure	1,362.71	4,542.06
Retention Money Payable	1,433.16	674.34
Labour welfare cess payables	-	677.35
TDS payable	46.50	97.89
Professional tax payable	0.02	0.01
Service tax	-	0.02
GST Payables	0.01	-
WCT payables	-	633.23
	2,842.40	**6,624.90**

15 Short Tem Provisions

	As at	
	31 March 2018	31 March 2017
Provision for Employee benefits		
Provision for Gratuity	0.10	-
	0.10	-

16 Revenue from Operations

	As at	
	31 March 2018	31 March 2017
Revenue from Toll Operations	2,692.03	-
	2,692.03	-

(All amounts in ₹ in lacs unless otherwise stated)

17 Construction Income

	For the year ended 31 March 2018	For the year ended 31 March 2017
Construction Income	18,491.99	67,623.49
	18,491.99	**67,623.49**

18 Construction Expenses

	For the year ended 31 March 2018	For the year ended 31 March 2017
Construction Expenses		
EPC Cost	10,617.84	52,552.80
Financial Charges	7,540.69	14,351.15
Salaries and wages	49.63	46.80
Legal and Professional Charges	197.87	535.40
Travelling & Conveyance	3.94	9.95
Site Administration Expenses	5.63	85.72
Rent-Site Office	2.11	3.45
Rates and Taxes, Filing Fees	0.54	0.11
Insurance Expenses	66.06	35.38
Miscellaneous	7.67	2.73
	18,491.99	**67,623.49**

19 Employee benefits expense

	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries and wages	84.25	46.80
Gratuity	3.22	-
	87.47	**46.80**
Less: Transferred to Intangible Assets under Development (refer note no.3)	(49.63)	(46.80)
Balance transferred to Statement of Profit and Loss	**37.84**	-

Provision for Gratuity is made on actuarial basis as summarized below. The Company does not have any policy for

Profit and Loss account for current period		
Service Cost:		
Current Service Cost	3.21	-
Past service cost and loss/(gain) on curtailments and settlement	-	-
Net interest cost		-
Total included in 'Employee Benefit Expense'	3.21	-
Expenses deducted from the fund	-	-
Total Charge to P&L	3.21	-
Other Comprehensive Income for the current period		
Components of actuarial gain/losses on obligations:		
Due to change in financial assumptions	-	-
Due to experience adjustments	-	-
Amount recognized in Other Comprehensive Income	-	-

(All amounts in ₹ in lacs unless otherwise stated)

19 Employee benefits expense (continued...)

Reconciliation of defined obligation

	For the year ended	
	31 March 2018	31 March 2017
Defined Benefit Obligation		
Opening defined benefit obligation		
Service cost	3.22	-
Net interest expenses	-	-
Net actuarial gain/(loss) recognized during the year	-	-
Benefits paid	-	-
Closing defined benefited obligation	3.22	-
Bifurcation of liability as per schedule III		
Current Liability	0.10	-
Non-current liability	3.12	-

Principal Actuarial Assumptions

	For the year ended	
	31 March 2018	31 March 2017
Average Salary Growth Rate	4.00%	-
Discount Rate	7.55%	-
Withdrawal Rates	3% at all ages	
Sensitivity to key assumptions		
Discount Rate Sensitivity		
Increase by 0.5%	3,07,824	-
(% change)	-4.32%	-
Decrease by 0.5%	3,37,013	-
(% change)	4.75%	-
Salary Growth Rate Sensitivity		
Increase by 0.5%	3,33,480	-
(% change)	3.65%	-
Decrease by 0.5%	3,10,532	-
(% change)	-3.48%	-
Withdrawal Rate (W.R.) Sensitivity		
W.R. x 110%	3,25,089	-
(% change)	1.04%	-
W.R. x 90%	3,18,182	-
(% change)	-1.10%	-

20 **Finance costs**

	For the year ended	
	31 March 2018	31 March 2017
Interest on borrowings		
Interest on senior debts	16,242.99	12,671.20
Interest on sub debts	1,627.29	1,437.19
Other finance costs	322.00	242.76
	18,192.29	14,351.15
Less: Transferred to Intangible Assets under Development (refer note no.3)	(7,540.69)	(14,351.15)
Balance transferred to Statement of Profit and Loss	10,651.60	-

(All amounts in ₹ in lacs unless otherwise stated)

21 Other expenses

	For the year ended	
	31 March 2018	31 March 2017
Travelling & Conveyance	4.44	0.07
Legal & Professional Expenses	19.66	0.86
Office Maintenance	0.09	0.12
Statutory Audit Fee	2.36	2.30
Tax Audit Fee	0.25	0.25
Printing & Stationery	-	0.05
Bank Charges	0.01	-
Interest on TDS	1.19	-
Other Expenses	9.35	-
Business Promotion Expenses	0.25	-
Toll Plaza Administrative Expenses	583.90	-
	621.51	3.65

Toll Plaza Administrative Expenses	31 March 2018	31 March 2017
Diesel Expenses	53.09	-
Electricity Expenses	14.08	-
Insurance charges	2.10	-
Repairs & Maintenance	5.44	-
Toll Plaza Operation &Maintenance	509.19	-
	583.90	-

Payment to auditors	**31 March 2018**	**31 March 2017**
As auditor:		
Audit fee	**2.36**	**2.00**
Tax audit fee	**0.25**	**0.25**
For other services	**0.35**	**0.25**
GST/Service Tax	**0.05**	**0.34**
	3.01	**2.84**

22 Earnings per equity 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.

The following reflects the income and shares data used in the basic EPS computations:

	For the year ended	
	31 March 2018	31 March 2017
Profit attributable to equity holders of the Company	(9,010.63)	(3.65)
Weighted average number of equity shares in calculating basic EPES	1,00,00,843	1,00,00,843
Nominal value per equity share (Rs.)	10.00	10.00
Effect of dilution:		
Weighted average number of equity shares used in computation of diluted EPES*	1,00,00,843	1,00,00,843

*The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions during the year. There have been no other transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of theses financial statements.

23 Financial Risk Management

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

A) Market risk

The market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

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

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.

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 measures risk through sensitivity analysis.
The company's risk management policy is to mitigate the risk by investments in diversified mutual funds.

The company is not exposed to price risk as it has no investment.

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.

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

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

For the purpose of the company's capital management, capital includes issued equity capital, Interest free loan from promoters, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the company's capital management is to maximise shareholder value.

(All amounts in ₹ in lacs unless otherwise stated)

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

26 Disclosure pursuant to Ind AS 11 - "Construction Contracts"

Amount of contract revenue recognised in the year : Rs. 18,491.99 (Previous Year : Rs. 67,623.49)

27 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.

28 Commitments

	As at	
	31 March 2018	**31 March 2017**
Estimated amount of contracts remaining to be executed on Capital Account not provided for	9,026.33	18,625.56
Uncalled liability on shares and other investments partly paid	-	-
Other commitments	-	-

29 Contingent liabilities

	As at	
	31 March 2018	**31 March 2017**
Claims against the company not acknowledged as debt	-	-
Guarantees	-	-
Other money for which the company is contingently liable	-	-

30 Related party disclosures

Name of related parties and nature of relationship

Names of the related parties	**Nature of relationship**
Gayatri Highways Ltd	Holding company
Gayatri Projects Ltd	Enterprises in which Key Management personnel and/or their relatives have significant influence
T. Rajiv Reddy - Managing Director	Key Management personnel
T.V Sandeep Kumar Reddy - Director	Director and Relative of Key Management personnel
P.K. Sahoo - Chief Financial Officer (Resigned w.e.f. 31.01.2018)	Key Management personnel
T. Subbarami Reddy	Relatives of Key Management personnel
T. Indira Subbarami Reddy	Relatives of Key Management personnel
Gayatri Jhansi Roadways Limited	Enterprises in which Key Management personnel and/or their relatives have significant influence
Gayatri Lalitpur Roadways Limited	Enterprises in which Key Management personnel and/or their relatives have significant influence
Hyderabad Expressways Limited	Enterprises in which Key Management personnel and/or their relatives have significant influence
Cyberabad Expressways Limited	Enterprises in which Key Management personnel and/or their relatives have significant influence
Indore Dewas Tollways Limited	Enterprises in which Key Management personnel and/or their relatives have significant influence
HKR Roadways Limited	Enterprises in which Key Management personnel and/or their relatives have significant influence

(All amounts in ₹ in lacs unless otherwise stated)

30 **Related party disclosures (Continued..)**

Transactions with related parties

	For the year ended	
	31 March 2018	**31 March 2017**
Gayatri Projects Ltd		
EPC works	13,272.30	67,735.43
Utility shifting works	748.67	747.56
Remuneration to Chief Financial Officer	10.80	9.95

Balances receivable/(payable)

	As at	
	31 March 2018	**31 March 2017**
Gayatri Projects Ltd		
Instrument entirely equity in nature	(10,016.00)	(10,016.00)
Other Current Liabilities	(4.00)	(4.00)
Trade payables	1,362.71	(4,542.07)
Retention Money payable-EPC work	(1,405.65)	(646.83)
Retention Money payable-utility shifting work	(27.51)	(27.51)
Material Advance	465.60	1,484.22

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

Borrowing cost capitalised during the year : Rs 7,540.69 (previous year : Rs.143,51.15).

32 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.

33 **Foreign Currency Transactions**

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

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

Based on a review of the future discounted cash flows of the project facility, the recoverable amount is higher than the carrying amount and hence no provision for impairment is made for the year.

35 **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.

36 In the opinion of the Board, the current assets, loans & advances, have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

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

38 Previous year figures have been re-grouped, re-worked and re-classified wherever necessary, to make them comparable with current year figures

For M. BHASKARA RAO & CO.
Chartered Accountants
Firm Registration No. 000459S

ANIL KUMAR MEHTA
Partner
Membership No. 014284

For and on behalf of the Board

T. RAJIV REDDY
Managing Director
DIN: 06859435

T.V SANDEEP KUMAR REDDY
Director
DIN: 00005573

Place: Hyderabad
Date: 21.05.2018

SAI MAATARINI TOLLWAYS LIMITED

Regd. office: 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad - 500 082, Telangana, India
CIN: U45400TG2011PLC076396

ATTENDANCE SLIP

7th Annual General Meeting held on 28th August, 2018 at Hyderabad

Regd. Folio No.		*** DP ID:**	
No. of Equity Shares held		*** Client ID:**	

Name of the Shareholder	
Name of Proxy	

I/We hereby record my / our presence at the 7th Annual General Meeting of the members of the Company held on **Tuesday, the 28th Day of August, 2018 at 10.00 A.M.** at the Registered Office of the Company situated at 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad - 500 082, Telangana, India

SIGNATURE OF THE MEMBER OR THE PROXY ATTENDING THE MEETING

______________________	______________________
If Member, please sign here	**if proxy, please sign here**

Note: This form should be signed and handed over at the Meeting Venue.
* Applicable for investors holding shares in electronic form.

Form No MGT.11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: U45400TG2011PLC076396

Name of the company: **Sai Maatarini Tollways Limited**

Registered office: 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad - 500 082, Telangana, India

Name of the Member(s):
Registered Address:
E-mail Id:
Folio No/Client Id:
DP Id:

I/We being a member (s) of ……………Shares of the above named Company, hereby appoint

1. Name:

Address:

E-mail Id:

Signature:……………., or failing him

2. Name:

Address:

E-mail Id:

Signature:……………., or failing him

3. Name:

Address:

E-mail Id:

Signature:……………., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 7th Annual General Meeting of the company, to be held on **Tuesday, the 28th Day of August, 2018 at 10.00 A.M.** at the Registered Office of the Company situated at 6-3-1090, TSR Towers, Raj Bhavan Road, Somajiguda, Hyderabad - 500 082, Telangana, India and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Adoption of Statement of Profit and Loss, Balance Sheet, Report of Board of Directors and Auditors for the year ended 31st March, 2018.

2. Re-appointment of Ms. T. Indira Reddy as a Director of the Company

3. Ratification of Appointment of Auditors.

4. Appointment of Cost Auditors.

Signed this...... day of......... 2018.

Signature of shareholder

Please Affix
Revenue
Stamp

Signature of Proxy holder(s)

Note:

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
2. **It is optional to indicate your preference. If you leave 'for', 'against' or 'abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.**