



# **SAI MAATARINI TOLLWAYS LIMITED**

## **9<sup>TH</sup> ANNUAL REPORT 2019-20**



**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.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

**KEY MANAGERIAL PERSONNEL (KMP)**

Ms. J.RADHA SUPRIYA	Company Secretary
Mr. K. VIJAY KUMAR	Chief Financial Officer

**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

**STATUTORY AUDITORS**

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

**COST AUDITORS**

M/s. DZR & Co  
Cost and Management Accountants



104, Praveen Residency,  
H.No: 2-2-14/2/104, DD Colony,  
Hyderabad-500 007, Telangana.

#### REGISTERED & CORPORATE OFFICE

6-3-1090, T S R Towers,  
Rajbhavan Road, Somajiguda,  
Hyderabad – 500 082, Telangana.  
CIN: U45400TG2011PLC076396  
Email: [ghl@gayatrihighways.com](mailto:ghl@gayatrihighways.com)

#### REGISTRAR AND TRANSFER AGENT

M/s. BIGSHARE SERVICES PRIVATE LIMITED.  
Branch Office: 306, Right Wing, Amrutha Ville,  
Opp, Yashoda Hospital, Rajbhavan Road,  
Somajiguda, Hyderabad – 500 082,  
Telangana India  
E Mail: [bsshyd@bigshareonline.com](mailto:bsshyd@bigshareonline.com)  
Tel: 040- 23374967

#### PROJECT LENDERS

IDBI Bank Limited, Mumbai  
Punjab National Bank (erstwhile Oriental Bank of Commerce), Hyderabad  
Bank of India, Mumbai  
Indian Overseas Bank, Hyderabad  
Union Bank of India (erstwhile 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 Board of Directors have immense pleasure in presenting the 9<sup>th</sup> Annual Report of your Company and is prepared on the Audited Standalone Financial Statements of the company for the Financial year ended 31<sup>st</sup> March, 2020.

### 1. STATE OF COMPANY AFFAIRS

#### (a) FINANCIAL SUMMARY:

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

S. No.	Particulars	For the Year Ended 31 <sup>st</sup> March 2020 (Rs. in lac)	For the Year Ended 31 <sup>st</sup> March 2019 (Rs. in lac)
1	Revenue from Operations	-	-
2	Construction Revenue	-	-
3	<b>TOTAL INCOME :: A</b>	-	-
4	Construction Expenses	-	-
5	Employee benefits expense	-	-
6	Depreciation and amortization expense	-	-
7	Finance costs	-	-
8	Toll Plaza Admin Expenses	-	-
8	Other expenses	-	-
9	<b>TOTAL EXPENDITURE :: B</b>	-	-
10	<b>LOSS BEFORE TAX from continuing operations</b>	-	-
11	Less: Current Tax	-	-
12	<b>LOSS from continuing operations</b>	-	-
13	<b>Loss from Dis continuing operations</b>	(16,768.47)	(17,982.74)
14	<b>LOSS FOR THE YEAR</b>	<b>(16,768.47)</b>	<b>(17,982.74)</b>

The Company has issued "Termination Notice for Force Majeure (Political Event)" to NHAI on 27th March, 2019. There after NHAI terminated the Concession Agreement vide their letter dated 28.01.2020.

Consequently, the toll operations were taken over by the authority on 30.01.2020 at 08.00 AM. Hence going concern is not appropriate.



As the Toll operations have been transferred to the NHAI at 08.00 AM on 30.01.2020 the company's operations has been discontinued. Upon termination of the project, the Company has raised a claim for Rs.2,83,447 Lakhs on the NHAI, based on its computation as per terms of the Concession Agreement. However, the Company had estimated and recognized its claim, as a prudent measure, on the Authority as Rs.1,78,228 Lakhs which is equivalent to the carrying amounts of intangible asset and intangible asset under development of Rs.1,77,446 Lakhs and Rs. 782 Lakhs respectively.

The company has ceased to be a going concern entity and the financial statements of the company as on March 31, 2020 have been prepared under realizable basis.

**(b) SPECIAL PURPOSE VEHICLE:**

Your Company is a Special Purpose Vehicle (SPV) formed for the purpose of execution of the project "Four Laning of Panikoli-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 2019-20 vis-à-vis 2018-19 is tabulated below:

S. No.	Particulars	Toll Collections (01.04.2019 to 30.01.2020) (Rs. in Cr)	Toll Collections (01.04.2019 to 31.03.2020) (Rs. in Cr)
1	Toll Plaza-1	28.99	17.51
2	Toll Plaza-2	17.28	9.91
3	Toll Plaza-3	45.35	27.70
	<b>Total</b>	<b>91.63</b>	<b>55.12</b>

## 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		
	<b>Total</b>	<b>2,306.16</b>	<b>Total</b>	<b>2,306.16</b>

## 3. TERM LOANS:

The following table shows the amount of Loan disbursement made by the lenders and Loan outstanding as on 31st March, 2020:

₹ 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	88.70	435.53
2	Andhra Bank	97.35	97.35	0.10	97.25	24.88	122.13
3	Bank of India	200.00	200.00	0.20	199.80	51.07	250.87
4	Canara Bank	150.00	148.66	0.15	148.51	37.70	186.21
5	Central Bank of India	100.00	99.94	0.10	99.84	25.60	125.44
6	IOB	100.00	100.00	-	100.00	25.62	125.62
7	OBC	100.00	100.00	0.10	99.90	25.54	125.44
8	LIC of India	100.00	99.10	-	99.10	25.42	124.52
9	IIFCL	200.00	199.31	-	199.31	51.05	250.36
	<b>TOTAL</b>	<b>1397.35</b>	<b>1391.19</b>	<b>0.65</b>	<b>1390.54</b>	<b>355.58</b>	<b>1746.12</b>

Lenders of the Company have classified the borrowings to the Company as non-performing assets in the earlier years, in view of the company's non-payment of as per the contracted terms. However, IDBI on behalf of all lender's called back the loans vide their letter no 328 dated 29.11.2019 and the Company is negotiating with the banks for smooth settlement vide our letter dated 30.12.2019. Consequently, these lenders have stopped issuing confirmation balances. Most of the lenders have



also stopped furnishing the statement of accounts. In view of the same, the Company has recognized the interest and other financial costs in accordance with the loan agreements.

#### 4. GRANT

During the year, your Company has not received any Tranche of Grants from NHAI.

The details of Grant received by your Company up to 31st March 2020 are tabulated below:

S. No.	Particulars	Amount (Rs. in Cr.)
1	Total Grant to be Received	548.49
2	Total Grant Received till 31.03.2019	540.29
3	<b>Balance Grant To be Received</b>	<b>8.20</b>

## 2. FUTURE OUTLOOK

The average toll collections during the year are only around Rs.30 lakhs per day, which is 1/3<sup>rd</sup> of the envisaged toll collections, such Toll collections does not enable the company to service the debt obligations. The Physical progress of the project is 94.5% up to March'2020 and the balance work to be completed is around 09.13 kms. The Company's request for extension of time (EOT) up to May 31,2019 for completion of project has been recommended by PD, Keonjhar and RO, Bhubaneswar to HO, NHAI. Proposal for One Time Fund (OTF) to the tune of Rs.117.69 crores has been recommended by the Regional Office, Bhubaneswar to NHAI HO, New Delhi vide its letter no 554/2018 dated 06.03.2018. There is no response from NHAI, HO regarding the release of OTF. The company has also requested NHAI for Revenue shortfall Loan for Rs.162.67 Crores as per Article 28 of the Concession Agreement vide the company's letter no 1026 dated 17.12.2018. There is also no response from NHAI regarding the release of Revenue Shortfall loan.

All mining activities in the vicinity of the Project Highway have come to a complete halt pursuant to the Hon'ble Supreme Court's judgment in the case of Common Cause v. Union of India and Others, pronounced on 02.08.2017. At the time of bidding for the Project, approximately 70 mining leases were operational along the Project Highway. As a consequence of the embargo imposed by the Hon'ble Supreme Court, the number of operational mining leases has dropped drastically. As a consequence, the volume of traffic plying on the Project Highway has drastically reduced which has severely impacted the toll revenue collections.



The manner in which the Apex Court applied the extant laws to ban mining operations along the Project Highway falls within the ambit of "Change in Law", the consequences of which cannot be effectively addressed within the scheme of the Concession Agreement. Within a period of merely 20 months from the date the tolling operations commenced i.e. 17.08.2017 to 31.03.2019, the company has already incurred a huge loss. The extent of losses will only increase with the passage of time, leaving no alternative to even recover the investments made by us in the Project; leave alone realizing any profit thereon, the same clearly falls within the ambit of a Political Event (Force Majeure) as defined in the Concession Agreement.

In such circumstances, as per the Concessionaire Agreement, the Concessionaire can terminate the Concession Agreement under the 'Political event' of the 'force majeure' clause as a "termination event" due to subsistence of force majeure situation continuing to about one year and more and is also entitled to 'termination payment'.

As per the Legal Opinion obtained by the company, the company informed all the lenders its Intention to Terminate the concession agreement with the NHAI in the Lender's Consortium meeting held on 18<sup>th</sup> December 2018. The company has issued a notice of *"Intention to Terminate the Concession Agreement on account of, inter-alia, irreparable loss of toll revenue due to reasons not attributable to the Concessionaire-Force Majeure (Political Event)"* to NHAI for termination of contract vide our letter no. 1035 dated on 09<sup>th</sup> March, 2019. As per the clause 37.1.2 of the Concession agreement, after the expiry of 15 days from the date of issue of notice for "Intention to Terminate", the Company can issue the "Termination Notice". As such after expiry of 15 days, the Company has issued *"Termination Notice for Force Majeure (Political Event)"* on 27<sup>th</sup> March, 2019.

On 10<sup>th</sup> April 2019, NHAI also has issued an Intention for Termination under Clause 37 of the CA. Company on 25<sup>th</sup> April, 2019, replied to the said notice, negating each and every point referred to in the said letter.

The Lenders had exercised their Right to Substitution of concessionaire vide their letter dated 24.04.2019. Accordingly, The NHAI has been decided to withhold their termination of the concession agreement for a period not exceeding 180 days from the date of representation of lenders representative i.e 24.04.2019. The Lenders representative (IDBI) had a meeting the Chairmen of the NHAI at Delhi on 30.09.2019 and requested to extend the substitution period by another 90 days as per the clause 3.2.3 of the substitution agreement. Even after extending further period of 90 days, the Lenders are unable to find a substitute for the Concessionaire.



There after NHAI terminated the Concession Agreement vide their letter dated 28.01.2020 and the project assets have been handed over to the NHAI at 08.00 AM on 30.01.2020

The company, based on Authority's default, has raised a claim on NHAI for an amount of Rs. 2,834.47 Cr (which includes Equity of Rs.835.19 Cr and Total Debt Due of Rs.1999.28 Crs) strictly adopting the relevant clauses of the Concession Agreement.

#### **NHAI PD & RO Recommendation**

It is noted that the NHAI PD informed to CGM (T) & RO recommending 90% of Debt Due amounting to Rs. 1,799.35 Cr (Rs.1,999.28 X 90%) for Termination Payment for further review/examination at Finance Division of NHAI H.Q, New Delhi'

It is also noted that NHAI RO, Bhubaneswar informed GM (T) at New Delhi referring the Termination payment of Rs. 1,799.35 Cr (Rs.1,999.28 X 90%) towards 90% of Debt Due to the Finance Division of NHAI.

However, the company on prudent basis, has recognized the claims on NHAI to the extent of Net Block of Intangible Assets and Intangible assets under development i,e Rs.1,782.27 Crs.

SMTL has submitted the Escalation Cost claims amounting of Rs. 974.50 Cr to NHAI, stating *"Concessionaire's right to recover losses/damages from the Authority on account of material defaults of the Authority"* vide its letter no 1037 dated 13.03.2019. The defaults were of such magnitude that the entire project completion schedule was disturbed beyond repair.

The company has filed a petition as per Section 9 of the Arbitration & Conciliation Act, 1996 in the High Court of Delhi, New Delhi against NHAI on 21st December, 2019 requesting NHAI to deposit 90% of the Debt Due i.e., Rs. 1,765.08 Crore (Rs. 1,961.2 X 90%) as per the provisions of the Concession Agreement.

This Petition was filed to protect the interest of the lenders and to remit an amount of Rs. 1,765.08 Crores to the Consortium of Lenders.



### **Joint application signed by both NHAI & SMTL to keep the court proceeding under suspension for a period of 180 days**

GM(T) of NHAI wrote a letter to SMTL request to submit the Joint application to be filed before Arbitral Tribunal/court to keep the court proceeding on hold for a min period of 180 days vide their letter no 150796 dated 11.03.2020.

Joint application letter under section 151 CPC seeking suspension of the instant proceeding for a minimum of 180 days was signed by the Authorized representatives of both NHAI and SMTL on 21.05.2020

SMTL and NHAI jointly filed an application on 27.05.2020 before the High Court of Delhi, New Delhi to keep the proceeding on hold for a min period of 180 days for commencement of Conciliation proceedings as per the policy guidelines of NHAI.

The above application heard on 29.05.2020 before the High Court of Delhi, New Delhi and passes an order to put all the proceeding on hold for a min period of 180 days for commencement of Conciliation proceedings as per the policy guidelines of NHAI and next hearing on December 2, 2020.

### **CONCILIATION COMMITTEE PROCEEDINGS**

The Authority's silence on the companies genuine claims has, without any doubt whatsoever, resulted in a dispute between the parties for both the said causes of action.

As per the Clause 44.1 of the Concession Agreement states that any dispute between the parties shall, in the first instance, be attempted to be resolved amicably through the conciliation process under clause 44.2. The said clause 44.2, in turn, states that the disputes shall be referred to the Chairman of the Authority and the chairman of Board of Directors of the Concessionaire for amicable settlement. The said persons shall be required to meet no later than 7 days from the date of reference to discuss and attempt to amicably resolve the dispute. The text of clause 44.2 of the concession Agreement is reproduced herein below for your ease of reference: -

"In the event of any Dispute between the parties, either party may call upon the Independent Engineer to mediate and assist the party's in arriving at an amicable settlement there off. Failing mediation by the independent Engineers are without the intervention of the independent engineer, either party may require such dispute to be referred to the Chairman of the Authority and the chairman of board of Director of Concessioner for amicable settlement, and upon such reference the said persons shall meet no later than seven days from the date of reference to discuss and attempt to amicable resolve the dispute. If such meeting doesn't take place within Seven days or the dispute is not amicable settle within in 15 days of the meeting or the dispute is not resolved as evidenced by



the signing of written terms of settlement within 30 days of the notice in writing referred to in clause 44.1.1 or such longer period as may be mutually agreed by the parties either party may refer the dispute to arbitration in accordance with the provision of clause 44.3.”

As per NHAI Letter date 24/07/2019 the company had a meeting with CGM (T) and GM(T) at NHAI Head Quarters on 05/08/2019 and submitted all documents related to disputes for consideration. However till date no meeting was arranged with chairman NHAI as per clause 44.2 of the Concession Agreement.

During our discussions with the Authority, we were categorically advised by the Authority to refer the instant disputes to the Conciliation Committee of Independent Experts (“CCIE”) so that our claims could be expeditiously and fairly agreed between the Parties. Then the company requested NHAI to refer Disputes to the Conciliation Committee of Independent Experts (CCIE) formulated vide NHAI policy circular no 2.1.23/2017 dated 02.06.2017.

In this connection, the company referred Disputes the following committee consisting of

- 1) Justice IP Vasistha (Rtd)
- 2) Sh. AV Upadhyay
- 3) Sh VV Ranganathan

the company submitted DD of Rs. 5 Lakhs in favor of NHAI towards cost of Conciliation as per the extent SOP dated 19.07.2017 and board resolution dated 26.03.2019 and power of attorney dated 11.07.2019 for representing the Concessionaire.

Accordingly, the company issued a letter dated 05.10.2019 & 15.02.2020 to the Authority communicating our consent to refer this matter to the CCIE.

The proceedings of CCIE is about to start in the month of June and it is expected to settled within 6 months but the process is moving dead slow due to the COVID-19 pandemic and consequent lock-down by the entire Nation.

#### **Going Concern:**

As per clause 1.14.2 of IND AS 1 PRESENTATION OF ITEMS IN THE FINANCIAL STATEMENTS, the financial Statements prepared under Ind AS should be prepared on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so.



The company is a SPV created for the purpose of toll operation and maintenance of Four Laning of Panikoili – Rimuli section of NH-215 from Km 0.000 to Km. 163.000 (Design length 166.73) in the state of Orissa under NHDP Phase – III as BOT (Toll) basis on DBFOT Pattern.

On 02.08.2017 (i.e. six days before the Provisional Certificate was issued to the Petitioner for the Project Highway), the Hon'ble Supreme Court passed its final judgment in the matter of Common Cause v. Union of India and Others. (2017) 9 SCC 499 (hereinafter "Common Cause matter"). In its judgment, the Supreme Court, inter-alia, held that any iron ore or manganese ore extracted contrary to the provisions of the Environment Impact Assessment of 1994 or 2006 or without a Forest Clearance (on or after 07.01.1998) would constitute illegal or unlawful mining under the MMDR Act and therefore would entitle the State Government to recover 100% of the price of such minerals from the year 2000-2001 onwards in terms of Section 21(5) of the MMDR Act where the extracted mineral has already been disposed of.

The said Common Cause judgment had a direct impact on the volume of traffic plying on the Project Highway. In fact, the drop in traffic volume was directly relatable to the Common Cause judgment insofar as the instant Project Highway, which was otherwise characterized by the industries along-side it and its proximity to the Paradip Port, started witnessing a dismal traffic volume on account of the closure of mining operations. In a letter dated 04.10.2018 issued to NHAI, the company highlighted that its losses, attributable to toll collections alone, had reached a staggering Rs. 242.31 Crore during the period from August 2017 till October 2018. The reason for this loss was obviously not attributable to the Concessionaire, as it was clearly a Political Event (Force Majeure), as defined in the Concession Agreement. In that letter, the company also categorically intimated the NHAI that the Project would become financially unviable if the current losses were not recouped in the days ahead.

By the above said embargo on considerable mining activities on the Project Highway, the company has been the victims of falling drastic fall in the traffic volume, which was the only life-line for the corporate survival in this Project, the same clearly falls within the ambit of a Political Event (Force Majeure) as defined in the Concession Agreement.

In such circumstances, as per the Concessionaire Agreement, the Concessionaire can terminate the Concession Agreement under the 'Political event' of the 'force majeure' clause as a "termination event" due to subsistence of force majeure situation continuing to about one year and more and is also entitled to 'termination payment'.

The company has reported accumulated loss of Rs 26,090.05 Lakhs against total share capital and share premium of Rs 28,032.02 Lakhs and the company's net worth is fully eroded. The Company has issued "Termination Notice for Force Majeure (Political Event)" to NHAI on 27th March, 2019. There after NHAI terminated the Concession Agreement vide their letter dated



28.01.2020, Consequently, the toll operations were taken over by the authority on 30.01.2020 at 08.00 AM. Hence going concern is not appropriate. As the Toll operations have been transferred to the NHAI at 08.00 AM on 30.01.2020 the company's operations has been discontinued.

Accordingly, the company has ceased to be a going concern entity and the financial statements of the company as on March 31, 2020 have been prepared under realizable basis.

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

### **3. EXTRACT OF ANNUAL RETURN**

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

### **4. BOARD MEETINGS**

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

The dates on which the Board meetings were held are 22<sup>nd</sup> May 2019, 09<sup>th</sup> August, 2019, 23<sup>rd</sup> October 2019 and 28<sup>th</sup> January 2020.

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

The details of the attendance of the Directors at the Board meetings held during the year ended 31<sup>st</sup> March, 2020.

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

### Audit Committee Meetings

During the year ended 31<sup>st</sup> March, 2020, Four Audit Committee Meetings was convened and held. The date on which the Audit Committee meetings were held is 22<sup>nd</sup> May, 2019, 09<sup>th</sup> August, 2019, 23<sup>rd</sup> October, 2019 and 28<sup>th</sup> January, 2020.

### Attendance of Members at the meetings:

The details of the attendance of the Directors at the Audit Committee meetings held during the year ended 31<sup>st</sup> March, 2020.

Name of the Director	Number of Audit Committee Meetings	
	Held	Attended
M.V. Narasimha Rao	4	4
Ch. Harivithal Rao	4	4
T.V. Sandeep Kumar Reddy	4	4

### Nomination and Remuneration Committee Meetings

There was no requirement for the members to hold a Meeting during the Period

### Separate meeting of Independent Directors

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



## 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 Accounts for the year ended 31<sup>st</sup> March, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies were selected and applied them consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2020 and of the profit of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual Accounts have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f. That directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

## 6. DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

- a) Mr. T. Rajiv Reddy resigned from the office of Managing Director of the Company due to pre-Occupation with other activities with effect from 27<sup>th</sup> January 2020.
- b) No Independent Director was appointed during the period, so a statement regarding opinion of the Board with regard to integrity, expertise and experience including the proficiency is not applicable.

There are no changes in the Directors and Key Managerial Personnel after 31.03.2020.

## 7. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS

All the Independent Directors have submitted their declaration of independence, as required under section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section(6).

## 8. RE-APPOINTMENTS

Mr. T. V. Sandeep Kumar Reddy, Director of the Company who retires by rotation and being eligible, offers himself 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 including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub-section (3) of Section 178 of the Act.

The Committee headed by Mr. 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

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

#### *Auditors Qualification*

*The National Highways Authority of India ('the NHAI') had terminated the Concession Agreement and the company has been requested to handover the project assets Company had handed over the project on 30.01.2020. Upon termination of the project, the Company has raised a claim for Rs.2,83,447 Lakhs on the NHAI, based on its computation as per terms of the Concession Agreement. However, the Company had estimated and recognized its claim, as a prudent measure, on the Authority as Rs.1,78,228 Lakhs which is equivalent to the carrying amounts of intangible asset and intangible asset under development of Rs.1,77,446 Lakhs and Rs. 782 Lakhs respectively. This treatment has not resulted in gain or loss on derecognition of intangible asset and accordingly not had any impact on the loss for the year.*

#### *Explanation*

NHAI terminated the Concession Agreement vide their letter dated 28.01.2020 and the project assets have been handed over to the NHAI at 08.00 AM on 30.01.2020



The company, based on Authority's default, has raised a Termination claim of Rs. 2,834.47 Cr (which includes Equity of Rs.835.19 Cr and Total Debt Due of Rs.1999.28 Crs duly certified by the statutory auditor) strictly adopting the relevant clauses of the Concession Agreement.

NHAI PD informed to CGM (T) & RO for further review/examination and onward submission to Finance Division of NHAI H.Q, New Delhi vide their letter no 370 dated 06.03.2020, recommending for release of Termination Payment i.e., 90% of Debt Due amounting to Rs. 1,799.35 Cr (Rs.1,999.28 X 90%) .

NHAI RO, Bhubaneswar informed GM (T) at New Delhi referring the Termination payment of Rs. 1,799.35 Cr (Rs.1,999.28 X 90%) towards 90% of Debt Due to the Finance Division of NHAI vide their letter no 520 dated 06.03.2020.

The Termination payment receivable from NHAI as shown in Books of Accounts is net of estimated provision and is lesser amount than the recoverable amount towards termination compensation by the Company pursuant to the termination of the concession agreement entered into with the NHAI.

As per **INDAS 1 "Presentation of Financial Statements", Para 8.3.4 and As per INDAS 8 "Accounting Policies, Changes in Accounting estimates and errors"**, Para 1.5.3 state that the company can make prudent estimates whiles preparing its financial statement for making them more reliable.

The Management has carried out an assessment of its exposure in these projects duly considering the expected payments arising out of the a foresaid termination and the likely outcome of the Conciliation Committee of Independent Experts (CCIE) proceedings and believes that the net amount of termination compensation recoverable carried in the books is good for recovery and no addition provision/ adjustment to the same is considered necessary by the Management.

The company has prepared its financial statements by complying with IND AS and Companies Act 2013, the statutory auditor is unable to assess on the realization of termination claims on NHAI, under the circumstances he has Qualified the report

The company is confident on realization of the termination claims, as NHAI PD informed to CGM (T) & RO for further review/examination and onward submission to Finance Division of NHAI H.Q, New Delhi vide their letter no 370 dated 06.03.2020, recommending for release of Termination Payment i.e., 90% of Debt Due amounting to Rs. 1,799.35 Cr (Rs.1,999.28 X 90%) .

NHAI RO, Bhubaneswar informed GM (T) at New Delhi referring the Termination payment of Rs. 1,799.35 Cr (Rs.1,999.28 X 90%) towards 90% of Debt Due to the Finance Division of NHAI vide their letter no 520 dated 06.03.2020.

The legal process is going on, the final outcome will be depend on the judgments from the legal forum.

No fraud has been reported by the Auditors

#### **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 of the Act are given in the Form **AOC – 2**, and is annexed as **Annexure-2**.

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

The Company does not propose to transfer any amount to any general reserve for the Financial Year ended 31<sup>st</sup> March, 2020.

#### **14. DIVIDEND**

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

#### **15. MATERIAL CHANGES AND COMMITMENTS**

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

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

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

Information and details relating to Conservation of Energy and Technology absorption do not apply to the company and there are no Foreign Exchange Earnings and Outgo during the period



## 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.

The company has issued a notice of *"Intention to Terminate the Concession Agreement on account of, inter-alia, irreparable loss of toll revenue due to reasons not attributable to the Concessionaire-Force Majeure (Political Event)"* to NHAI for termination of contract vide our letter no. 1035 dated on 09th March, 2019. As per the clause 37.1.2 of the Concession agreement, after the expiry of 15 days from the date of issue of notice for "Intention to Terminate", the Company can issue the "Termination Notice". As such after expiry of 15 days, the Company has issued *"Termination Notice for Force Majeure (Political Event)"* on 27th March, 2019.

SMTL has submitted the Escalation Cost claims amounting of Rs. 974.50 Cr to NHAI, stating *"Concessionaire's right to recover losses/damages from the Authority on account of material defaults of the Authority"* vide its letter no 1037 dated 13.03.2019.

On 10th April 2019, NHAI also has issued an Intention for Temination under Clause 37 of the CA. Company on 25th April, 2019, replied to the said notice, negating each and every point referred to in the said letter.

The Lenders had exercised their Right to Substitution of concessionaire vide their letter dated 24.04.2019. Accordingly, The NHAI has been decided to withhold their termination of the concession agreement for a period not exceeding 180days from the date of representation of lenders representative i.e 24.04.2019. The Lenders representative (IDBI) had a meeting the Chairmen of the NHAI at Delhi on 30.09.2019 and requested to extend the substitution period by another 90 days as per the clause 3.2.3 of the substitution agreement. Even after extending further period of 90 days, the Lenders representative are unable to find no substitute for the Concessionaire.

There after NHAI terminated the Concession Agreement vide their letter dated 28.01.2020 and the project assets have been handed over to the NHAI at 08.00 AM on 30.01.2020



The company, based on Authority's default, has raised a claim of Rs. 2,834.47 Cr (which includes Equity of Rs.835.19 Cr and Total Debt Due of Rs.1999.28 Crs duly certified by the statutory auditor) strictly adopting the relevant clauses of the Concession Agreement.

#### NHAI PD & RO Recommendation

It is noted that the NHAI PD informed to CGM (T) & RO recommending 90% of Debt Due amounting to Rs. 1,799.35 Cr (Rs.1,999.28 X 90%) for Termination Payment for further review/examination at Finance Division of NHAI H.Q, New Delhi'

It is also noted that NHAI RO, Bhubaneswar informed GM (T) at New Delhi referring the Termination payment of Rs. 1,799.35 Cr (Rs.1,999.28 X 90%) towards 90% of Debt Due to the Finance Division of NHAI.

#### THE IMPACT OF COVID-19 ON THE PERFORMANCE OF THE COMPANY

As everyone are well aware that the new corona virus (Covid -19) has spread to nearly every country in the world since it first emerged in China at the beginning of the year. As on 06.04.2020, (approximately) more than 65.19 lakh people are infected and 3.88 lac people died all over the world. Also, in our Country, approximately 2.18 lakhs people infected and number of fatalities due to coronavirus infection is 6,091. As per the experts, the only way to stop spreading the disease is to maintain the social distance, since there is no vaccine to protect against this virus.

The Government of India initiated serious steps to contain the Covid-19. On 19.03.2020, the Prime Minister of India requested the citizens of the Country to strictly observe the "Janata Curfew" from 22.03.2020 in his National Speech. Further, the Government of India has ordered for a complete lockdown for 21 days from 25.03.2020 to 14.04.2020. Since, the numbers of infections are increasing day by day; the Central Govt. as well as all the State Governments has again extended the lockdown period till 03.05.2020 with a conditional relaxation for the regions where the spread had been contained. On 1 May, the Government of India extended the nationwide lockdown further by two weeks until 17 May. The Government has divided the entire nation into three zones—green, red and orange—with relaxations applied accordingly. On 17 May 2020, nationwide lockdown was further extended till 31 May, 2020 by National Disaster Management Authority.

We all are aware of the fact that the entire world is collectively entangled in fighting the Coronavirus/ COVID-19 pandemic, businesses are facing several financial and physical hardships due to the mandatory government lockdowns. With there being no visibility regarding the duration of the lockdown coupled with the fact that no known cure or vaccine is available to fight the pandemic, everyone is left with great deal of uncertainty and anticipation over the 'new normal'.



**Impact on Company's Conciliation proceedings and Termination payment:**

The NHAI has proposed for a conciliation meeting with the SMTL as per their circular dt. 02-06-2017. Prior to the above conciliation meetings between SMTL and NHAI, both the parties (NHAH and SMTL) have to crystalize the issues to be taken-up in the conciliation meeting

The proceedings of CCIE is about to start in the month of June and it is expected to settled within 6 months but the process is moving dead slow due to the COVID-19 pandemic and consequent lock-down by the entire Nation.

As a result of this extraordinary situation in the country due to Covind-19, receipt of Termination Payment from NHAI is delayed. We expect that it may take more time to get the funds from NHAI towards Termination Payment, as the legal issues have to be resolved.

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

**20. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS**

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

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

During the Financial Year ending on 31<sup>st</sup> March 2020, your Company had no subsidiaries and associate companies.

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

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

**22. CONSOLIDATED FINANCIAL STATEMENTS**

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

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

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

**24. DEPOSITS**

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

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

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

**26. STATUTORY AUDITORS**

At the Annual General Meeting held on 29<sup>th</sup> 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.

**27. COST AUDITOR**

M/s. DZR & Co, Cost and Management Accountants were appointed as Cost Auditor to audit the cost records of the Company for the financial year 2019-20.

**28. MAINTENANCE OF COST RECORDS**

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



**29. SECRETARIAL AUDITOR**

As per Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI Regulations"] every listed entity and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice, in Form no MR-3 as specified under Section 204 of the Act and the rules made thereunder with effect from the year ended 31st March, 2020.

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

**30. SECRETARIAL AUDIT REPORT**

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

**31. PARTICULARS OF EMPLOYEES**

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

**32. 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.

**33. 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.

**34. HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

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

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

**35. INTERNAL COMPLAINTS COMMITTEE**

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

**36. ACKNOWLEDGEMENTS**

Your Directors express their appreciation to the Company's Regulatory, Professional & Local Bodies, Bankers, Financial Institutions, Auditors, Customers, Consultants, Service Providers for their continuous, co-operation and support and the Members for their confidence in the management of the Company.

**For and on behalf of the Board of Directors  
Sai Maatarini Tollways Limited**

Place: **Hyderabad**

Date: **18<sup>th</sup> June, 2020**



**T. Indira Reddy**

**Director**

**DIN: 00009906**



**T.V. Sandeep Kumar Reddy**

**Director**

**DIN:00005573**



## 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 of Directors

Sai Maatarini Tollways Limited

Place: **Hyderabad**Date: **18<sup>th</sup> June, 2020**

**T. Indira Reddy****Director****DIN: 00009906**

**T.V. Sandeep Kumar Reddy****Director****DIN: 00005573**

## Form No. MGT-9

**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended 31.03.2020**  
**[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the**  
**Companies (Management and Administration) Rules, 2014]**

<b>I. REGISTRATION AND OTHER DETAILS:</b>	
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: <a href="mailto:ghl@gayatrihighways.com">ghl@gayatrihighways.com</a> 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: <a href="mailto:bsshyd@bigshareonline.com">bsshyd@bigshareonline.com</a> , Tel: 040- 23374967

<b>II. Principal Business Activities of the Company</b>			
<b>All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:</b>			
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%

<b>III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -</b>					
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.	L45100TG2006PLC052146	Holding	100	2(46)



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

### i) Category-wise Share Holding

[illegible]

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

## 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 Limited	1,00,00,837	99.99994	100	1,00,00,837	99.99994	100	-
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	P. Purnachander Rao (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	-	-
<b>Total</b>		<b>1,00,00,843</b>	<b>100</b>	<b>100</b>	<b>1,00,00,843</b>	<b>100</b>	<b>100</b>	<b>-</b>

❖ 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 31<sup>st</sup> 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 company	No. of shares	% of total shares of the company
	At the beginning of the year	<b>1,00,00,843</b>	<b>100</b>		
	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	<b>1,00,00,843</b>	<b>100</b>	-	-

**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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1,47,054.54			1,47,054.54
ii) Interest due but not paid	24,127.94			24,127.94
iii) Interest accrued but not due	6,814.70	-		6,814.70
<b>Total (i+ii+iii)</b>	<b>1,77,997.18</b>	<b>-</b>		<b>1,77,997.18</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	13,564.19			13,564.19
Reduction	-			-
<b>Net Change</b>	<b>13,564.19</b>	<b>-</b>		<b>13,564.19</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1,47,054.54			1,47,054.54
ii) Interest due but not paid	36,660.70			36,660.70
iii) Interest accrued but not due	7,846.13			7,846.13
<b>Total (i+ii+iii)</b>	<b>1,91,561.37</b>			<b>1,91,561.37</b>

**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/WTG/ Manager		Total Amount
		<b>Mr. T. Rajiv Reddy</b>		
<b>1.</b>	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. 50,000/-	Rs. 50,000/-	Rs. 1,00,000/-
	-Commission	-	-	-
	- Others, please specify	-	-	-
	<b>Total (B)(1)</b>	<b>Rs. 50,000/-</b>	<b>Rs. 50,000/-</b>	<b>Rs. 1,00,000/-</b>

**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	-	-	-
	<b>Total (B)(2)</b>	-	-	-
	<b>Total (B) = (B)(1) + (B)(2)</b>	<b>Rs. 50,000/-</b>	<b>Rs. 50,000/-</b>	<b>Rs. 1,00,000/-</b>

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (Rs.)**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO Mr. K. Vijay Kumar	Total
1.	<b>Gross salary</b>	-	-		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	Rs.7,02,000/-	Rs.7,02,000/-
	(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	-	-		-
	<b>Total</b>			<b>Rs.7,02,000/-</b>	<b>Rs.7,02,000/-</b>

**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)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board of Directors

Sai Maatarini Tollways Limited

Place: **Hyderabad**Date: **18<sup>th</sup> June, 2020**

**T. Indira Reddy****Director****DIN: 00009906**

**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	<b>Nil</b>
(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	





**FORM NO. MR - 3**  
**Secretarial Audit Report**  
**for the financial year ended 31<sup>st</sup> March, 2020**

To

The Members

**Sai Maatarini Tollways Limited,**

6-3-1090, TSR Towers, RajBhavan Road,  
 Somajiguda, Hyderabad - 500082, Telangana.

I have conducted the Secretarial Audit for compliance of applicable statutory provisions and the adherence to good corporate practices by Sai Maatarini Tollways Limited, CIN: U45400TG2011PLC076396 (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records [as provided to me] maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period ended on 31-03-2020 (hereinafter called the "Audit Period" starting from 01-04-2019 to 31-03-2020) complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- I. The Companies Act, 2013 ('the Act') (as amended from time to time) and the rules made there under;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') (as amended from time to time) and the rules made thereunder;
- III. The Depositories Act, 1996 (as amended from time to time) and the regulations and bye-laws framed there under;

*H.C.N.*



- IV. Foreign Exchange Management Act, 1999 (as amended from time to time) and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company (as amended from time to time):-
- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009; and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India as notified from time to time;
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- iii. The Other laws specifically applicable to the Company;
- iv. Adequate systems and processes for compliance with labour laws, competition law, and environmental laws;
- v. Board structures / systems and processes; and
- vi. Memorandum and Articles of Association.





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

- Foreign Exchange Management Act, 1999 (as amended from time to time) and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- The Regulations and Guidelines prescribed under the SEBI Act specified in Point V (a) to (h) above; and
- The Securities Contracts (Regulation) Act, 1956.

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

- Complied with the provisions of The Companies Act, 2013 and the rules made thereunder;
- Complied with the provisions of The Depositories Act, 1996 (as amended) and the regulations and bye-laws framed there under to the extent applicable;
- Complied with the provisions of the Secretarial Standards issued by The Institute of Company Secretaries of India, as notified from time to time;
- Complied with The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable;
- Complied with Other specific applicable laws to the Company to the extent applicable;
- Complied with the provisions of the Memorandum and Articles of Association of the Company;
- Given adequate notice to all directors to schedule the Board Meetings, sent agenda and detailed notes on agenda at least seven days and there exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;
- All decisions at Board Meetings and Committee Meetings were carried out with majority and were recorded in the minutes of the meeting of the Board of Directors or Committee of the Board as the case may be, and there were no dissenting decisions to be recorded; and
- There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.



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

- Has no specific events / actions having a major bearing on the Company's affairs in pursuance of the above laws, rules, regulations, guidelines, standards, etc. referred to above.
- Has no cases of fraud which are required to be reported pursuant to provisions of section 143 read with section 447 of the Companies Act, 2013 and the rules made there under.

I further report that:

The Company is a Special Purpose Vehicle created for the purpose of toll operation and maintenance of Four Laning of Panikoili – Rimuli section of NH-215 from Km 0.000 to Km. 163.000 (Design length 166.73) in the state of Orissa under National Highways Development Project Phase – III as build–operate–transfer (Toll) basis on the pattern of design-build-finance-operate-transfer ("Project") .

The Company has ceased to be a going concern entity and the financial statements of the Company as on March 31, 2020 have been prepared under realizable basis as the going concern was not appropriate.

The Company has issued a notice of **"Intention to Terminate the Concession Agreement on account of, inter-alia, irreparable loss of toll revenue due to reasons not attributable to the Concessionaire-Force Majeure (Political Event)"** to the National Highways Authority of India ("NHAI") on 09-03-2019.

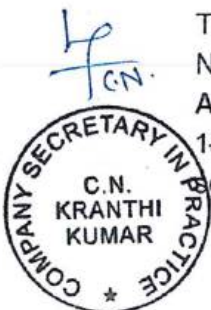
After the expiry of requisite notice period of 15 days, the Company has issued "Termination Notice for Force Majeure (Political Event)" to NHAI on 27-03-2019.

So, NHAI terminated the Concession Agreement vide letter dated 28-01-2020 and the Company has handed over the entire project 30-01-2020.

Upon termination of the project, the Company has raised a claim for Rs.2,83,447 Lakhs on the NHAI, based on its computation as per terms of the Concession Agreement.

However, the Company had estimated and recognized its claim, as a prudent measure, on the Authority for Rs.1,78,228 Lakhs which is equivalent to the carrying amounts / net block of intangible asset and intangible asset under development of Rs.1,77,446 Lakhs and Rs.782 Lakhs respectively.

The Company has submitted the Escalation Cost claims amounting of Rs. 974.50 Cr to NHAI, stating **"Concessionaire's right to recover losses/damages from the Authority on account of material defaults of the Authority"** vide letter dated 13-03-2019. The defaults were of such magnitude that the entire project completion schedule was disturbed beyond repair.





The Company has filed a petition as per Section 9 of the Arbitration & Conciliation Act, 1996 in the High Court of Delhi, New Delhi against NHAI on 21-12-2019 requesting NHAI to deposit 90% of the Debt Due i.e., Rs. 1,765.08 Crore (Rs. 1,961.2 X 90%) as per the provisions of the Concession Agreement to protect the interest of the lenders and to remit the amount to the Consortium of Lenders.

The Joint Application signed by both NHAI and Company to keep the court proceeding under suspension for a period of 180 days. NHAI wrote a letter to Company requesting to submit the Joint application to be filed before Arbitral Tribunal/Court to keep the court proceeding on hold for a min period of 180 days vide letter dated 11-03-2020.

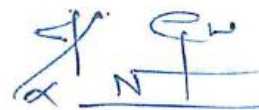
The Company and NHAI jointly filed an application on 27-05-2020 before the High Court of Delhi, New Delhi to keep the proceeding on hold for a minimum period of 180 days for commencement of Conciliation proceedings as per the policy guidelines of NHAI and the next hearing is expected on 02-12-2020, and the matter is still pending.

The Company has issued a letter's dated 05-10-2019 & 15-02-2020 to the NHAI communicating the Company's consent to refer this instant disputes to the Conciliation Committee of Independent Experts ("CCIE") so that the claims could be expeditiously and fairly agreed between the Parties.

The proceedings of CCIE is expected to start in June, 2020 and it is expected to settle within 6 months, however due to the COVID-19 global pandemic and lock-down situations, the proceedings may take further time.

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

UDIN: F009255B000415782



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

Date: 04/07/2020

Place, Hyderabad



## ANNEXURE - 'A'

To

The Members  
**Sai Maatarini Tollways Limited**

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

1. Maintenance of secretarial records is the responsibility of the management of Sai Maatarini Tollways Limited (the "**Company**"). My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records with best possible care, reasonable skill and due diligence.
3. The verification was done on sample / test / random basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices that I have followed [based on guiding principles] has provided a reasonable basis for my opinion.
4. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
5. Where ever required, I have obtained the management representation about the compliance of laws, rules, regulations, guidelines and happening of events, etc.
6. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on sample / test / random basis.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.





## NOTES

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

### 1) Format:

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

The report is to read considering the lockdown situation caused by the global pandemic of COVID-19 and the on and off restrictions on people movements in containment zones / areas caused by the global pandemic of COVID-19.

### 2) Requirement:

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

### 3) Management responsibility:

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

### 4) Reporting responsibility:

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

### 5) Interpretation:

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



## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
Sai Maatarini Tollways Limited

### Report on Audit of Standalone Financial Statements

#### Qualified Opinion

1. We have audited the accompanying Standalone Financial Statements of **Sai Maatarini Tollways Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information ("here after referred to as "standalone financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give a true and fair view in conformity with the accounting standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the Loss and its cash flows for the year ended on that date.

#### Basis for Qualified Opinion

3. We draw attention to the following note to the standalone financial statements:

Note 33 regarding termination of the project, derecognition of intangible asset, derecognition of intangible asset under development and recognition of claim consequent to termination to the extent of Rs.1,78,228 Lakhs. The National Highways Authority of India ('the NHAI') had terminated the Concession Agreement and the Company had handed over the project on 30.01.2020. Upon termination of the project, the Company has raised a claim for Rs.2,83,447 Lakhs on the NHAI, based on its computation as per terms of the Concession Agreement. However, the Company had estimated and recognized its claim, as a prudent measure, on the Authority as Rs.1,78,228 Lakhs which is equivalent to the carrying amounts of intangible asset and intangible asset under development of Rs.1,77,446 Lakhs and Rs. 782 Lakhs respectively. This treatment has not resulted in gain or loss on derecognition of intangible asset and accordingly not had any impact on the loss for the year.

As at the year end, at the request of the Company and NHAI, the Company's petition under Arbitration proceedings pending before Hon'ble High Court of Delhi is under a suspension. The Company has since consented to the Authority to refer





the matter to Conciliation Committee of Independent Experts ('the CCIE') and proceedings of the said Committee are yet to be commenced. Considering these uncertainties, the adjustments, if any, the claim recognized depends on the final outcome of the proceedings and hence, the impact, if any, on the loss for the year and reserves is not determinable at this stage.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Qualified opinion on the standalone financial statements.

#### **Material Uncertainty Related to Going Concern**

4. We draw attention to Note 34 in the financial statements, which indicates that the Company incurred a net loss of Rs. 16,768.47 Lakhs during the year ended March 31, 2020, entire net worth of the company was eroded. These events along with the other events stated in Note 33 regarding termination of Concession Agreement by National Highways Authority of India (NHAI) indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. In view of these uncertainties and adverse factors, management has prepared the financial statements not on a going concern basis. These financial statements have been prepared on realizable basis

#### **Emphasis of Matter:**

5. We draw attention to note 36 to the standalone financial statements regarding non receipt of the confirmation of balances from secured term lenders – banks and financial institutions and accounting for the interest and other finance charges as per the contracted rates.

Our opinion is not modified in respect of the aforementioned matters.

#### **Information Other than the Financial Statements and Auditor's Report Thereon**

6. The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is





materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

If, based on the work we have performed we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Management's Responsibility for the Standalone Financial Statements**

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with The Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

#### **Auditors' Responsibility for the Audit of Standalone Financial Statements**

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures





responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Report on Other Legal and Regulatory Requirements**

9. As required by Regulation 3, Schedule C of the Regulations and Section 143(3) of the Companies Act, 2013, we report that:
  - a) Except for the matters stated in the 'Basis of Qualified opinion' paragraph stated here in above, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;





- b) Except for the matters stated in the 'Basis of Qualified opinion' paragraph stated here in above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- c) the Balance Sheet, the Statement of Profit and Loss and the Statement of cash Flow dealt with by this Report are in agreement with the books of the account.
- d) Except for the matters stated in the 'Basis of Qualified opinion' paragraph stated here in above, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) The matter relating to going concern described in the Material Uncertainty relating to Going Concern paragraph stated above, and the matters stated in Basis for Qualified Opinion section and Emphasis of Matters section above, in our opinion, may have an adverse effect on the functioning of the company
- f) on the basis of written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164(2) of the Act.
- g) The Qualification relating to maintenance of accounts and other matters connected there with are as stated in the Basis for Qualified Opinion paragraph.
- h) 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
- i) with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act
- j) 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 is not having any pending litigations except as stated in Note 33 to the financial statements.
  - ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There are no amounts which are required to be transferred, to the Investor Education and Protection Fund by the Company for the year ended March 31, 2020.





10. As required by the Companies (Auditors' Report) Order, 2016 issued by the Central Government of India in terms of Section 143(11) of the Companies Act, 2013, we give in "Annexure B "a statement on the matters specified in paragraph 3 and 4 of the Order.

**For M Bhaskara Rao & Co**

Chartered Accountants

Firm Registration No: 000 459 S



**V K Muralidhar**

Partner

Membership No. 201570

UDIN: 20201570AAAADE7799

Place: Hyderabad

Date: June 18, 2020

**Re: SAI MAATARINI TOLLWAYS LTD**

**Annexure A to the Independent Auditors' 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 Ltd ("the Company") as of March 31, 2020 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 that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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 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.

**Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2020:

a) The Company's internal financial controls system over estimation of realisability of the claims from NHAI as stated in basis for qualified opinion of the main report was not operating effectively. This could potentially result in misstatement in the financial statements by way of Company not providing for adjustments, if any, that may be required.

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

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weakness described above on the achievement of the objectives of the



control criteria, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2020.

**Explanatory paragraph**

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the standalone Ind AS financial statements of the Company, which comprise the Balance Sheet as at March 31, 2020, and the related Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. These material weaknesses were considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2020 standalone Ind AS financial statements of the Company and this report affects our report dated June 18, 2020, on which we have expressed a qualified opinion on those standalone Ind AS financial statements.

**For M Bhaskara Rao & Co**

Chartered Accountants

Firm Registration No: 000 459 S



**V K Muralidhar**

Partner

Membership No. 201570

UDIN: 20201570AAAADE7799

Place: Hyderabad

Date: June 18, 2020



**Re: SAI MAATARINI TOLLWAYS LTD****Annexure B to the Independent Auditors' Report**

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

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
  
(b) According to the information and explanations given to us, all the fixed assets have been physically verified by the management during the year in accordance with 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, no material discrepancies were noticed on such verification.  
  
(c) According to the information and explanations given to us, the Company is not having any immovable properties.
- ii. Having regard to the nature of the Company's business, paragraph 3(ii) of the Order relating to inventory is not applicable.
- 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, paragraph 3(iii) of the Order is not applicable, at present.
- iv. In our opinion and according to the information and explanations given to us, the Company has entered into any transactions covered under Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities etc. Accordingly, paragraph 3(iv) of the Order is not applicable, at present.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits. Accordingly, the provisions of paragraph 3(v) of the Order does not arise.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained.
- vii. According to the information and explanations given to us and according to the books and records as produced and examined by us in accordance with the generally accepted auditing practices in India, in respect of statutory dues:  
  
(a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, wealth tax, service tax, custom duty, excise duty, value added tax, goods and service tax, cess and any



other material statutory dues applicable to it with the appropriate authorities during the year.

There were no undisputed amounts payable in respect of provident fund, income tax, sales tax, service tax, customs duty, value added tax, goods and service tax and cess which were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax or duty of customs or duty of excise or value added tax or cess that have not been deposited on account of any dispute.

- viii. In our opinion and according to the information and explanations given to us and based on the examination of records of the Company, the Company has not defaulted in repayment of dues to financial institutions except as stated below:

Particulars	Amount of default as at the Balance Sheet date (Rs. Lakhs)	Period of default	Remarks
Installments Repayable to Banks and Financial Institutions	1,54,900.67	January 1, 2018 to March 31, 2020	Lenders have classified the borrowings to the company as non performing and called back the loans
Interest Repayable	36,660.70	Up to March 31, 2020	

- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Term loans availed by the Company during earlier years were, prima facie, applied by the Company for the purposes for which they were obtained.
- 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. In our opinion and according to the information and explanations given to us and based on the examination of records of the Company, the Company has not paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with the Schedule V of the Companies Act, 2013.
- xii. According to the information and explanations given to us and based on our examination of the records, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.





- xiii. According to the information and explanations given to us and based on the examination of records of the Company, all the transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standard.
- xiv. According to the information and explanations given to us and based on the examination of records of the Company, the Company has not made preferential allotment or private placement of shares or fully or partly Convertible debentures during the year. Hence, reporting under the provisions of paragraph 3(xiv) of the Order does not arise.
- xv. According to the information and explanations given to us and based on the examination of records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year. Accordingly, paragraph 3(xv) of the order is not applicable.
- xvi. The Company is not a Non-Banking Financial Institutions as per Section 45I(a) of the Reserve Bank of India Act, 1934.

**For M Bhaskara Rao & Co**

Chartered Accountants

Firm Registration No: 000 459 S

**V K Muralidhar**

Partner

Membership No. 201570

UDIN: 20201570AAAADE7799

Place: Hyderabad

Date: June 18, 2020

# Sai Maatarini Tollways Limited

## Balance sheet as at 31st March 2020

(All amounts in ₹ in lacs unless otherwise stated)

	Notes	As at	
		31st March 2020	31st March 2019
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3 (a)	-	5.94
Intangible assets	3 (b)	-	1,78,726.36
Intangible assets under development	3 (c)	-	311.95
		-	1,79,044.25
<b>Current assets</b>			
Financial Assets			
- Cash and cash equivalents	4	92.47	270.52
Other Financial Assets	5	1,78,255.08	27.51
Other current assets	6	40.30	1,151.40
		1,78,387.85	1,449.43
<b>Assets Classified as held for sale</b>	3 (a)	2.75	-
		1,78,390.60	1,449.43
<b>Total assets</b>		1,78,390.60	1,80,493.68
<b>Equity and liabilities</b>			
Equity			
Equity share capital	7	1,000.08	1,000.08
Instrument entirely equity in nature	8	10,016.00	10,016.00
Other equity	8	(26,825.10)	(10,056.63)
<b>Total Equity</b>		(15,809.02)	959.45
<b>Non-current Liabilities</b>			
Financial liabilities			
Long Term Borrowings	9	-	1,47,318.21
Long Term Provisions	10	5.82	5.64
		5.82	1,47,323.85
<b>Current liabilities</b>			
Financial liabilities			
-Trade payables			
i) Total outstanding due of Micro enterprises and small enterprises		-	-
ii) Total outstanding due of creditors other than Micro enterprises and small enterprises	11	160.21	264.72
-Other Financial Liabilities	12	1,91,590.46	29,721.10
Other current liabilities	13	2,440.60	2,223.25
Short Term Provisions	14	2.53	1.31
		1,94,193.80	32,210.38
<b>Total equity and liabilities</b>		1,78,390.60	1,80,493.68

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

  
V K Muralidhar  
Partner  
Membership No. 201570  



Place: Hyderabad

Date: 18.06.2020

For and on behalf of the Board

  
T. INDIRA REDDY  
Director  
DIN: 00009906

  
K. Vijay Kumar  
Chief Financial Officer

  
T.V SANDEEP KUMAR REDDY  
Director  
DIN: 00005573

  
J. Radha Supriya  
Company Secretary



Sai Maatarini Tollways Limited  
Statement of Profit and Loss for the year ending 31st March 2020  
(All amounts in ₹ in lacs unless otherwise stated)

	Notes	For the Period ended	
		31st March 2020	31st March 2019
<b>Income</b>			
Revenue from Operations	15	-	-
Other Income	16	-	-
Construction Revenue	17	-	-
<b>Total income</b>		-	-
<b>Expenses</b>			
Construction Expenses	18	-	-
Employee benefits expense	17	-	-
Depreciation and amortization expense	3	-	-
Finance costs	18	-	-
Toll Plaza Admin Expenses		-	-
Other expenses	20	-	-
<b>Total expense</b>		-	-
<b>Loss before tax from continuing operations</b>		-	-
Current tax		-	-
<b>Income tax expense</b>		-	-
<b>Profit/ (loss) for the period from Continuing Operations (A)</b>		-	-
Profit/(Loss) before tax from discontinuing operations	21	(16,768.47)	(17,982.74)
Current tax		-	-
<b>Profit/ (loss) for the Period from discontinuing Operations (B)</b>		(16,768.47)	(17,982.74)
<b>Profit/ (loss) for the Period (A+B)</b>		(16,768.47)	(17,982.74)
<b>Total other comprehensive income, net of tax</b>		-	-
<b>Total comprehensive income / (loss) for the period</b>		(16,768.47)	(17,982.74)
<b>Earnings / (loss) per equity share (EPES)</b>			
<b>Continued Operations</b>			
Basic		-	-
Diluted		-	-
<b>Dis-continued Operations</b>			
Basic		(167.68)	(179.83)
Diluted		(167.68)	(179.83)

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

V K Muralidhar  
Partner  
Membership No. 201570



T. INDIRA REDDY  
Director  
DIN: 00009906

T.V SANDEEP KUMAR REDDY  
Director  
DIN: 00005573

Place: Hyderabad  
Date: 18.06.2020

K. Vijay Kumar  
Chief Financial Officer

Radha Supriya  
J. Radha Supriya  
Company Secretary

**Sai Maatarini Tollways Limited**

**Statement of Cash flows for the Period ended as on 31st March 2020**

(All amounts in ₹ in lacs unless otherwise stated)

	31st March 2020	31st March 2019
<b>Operating activities</b>		
Profit/(Loss) before tax	(16,768.47)	(17,982.74)
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation of property, plant and equipment	1,437.13	850.00
Adjustment in amortised finance cost	-	-
Loss on transfer of asset	0.5	-
<b>Working capital adjustments:</b>		
(Increase)/Decrease in trade receivables	-	-
(Increase)/Decrease in other non current Financial assets	-	(31.31)
(Increase)/Decrease in other non current assets	-	(545.42)
(Increase)/Decrease in other current assets	1,111.10	2.79
(Increase)/Decrease in other Financial assets	(1,78,227.57)	-
Increase/(Decrease) in trade Payables	(104.51)	(117.91)
Increase/(Decrease) in other long term liabilities	-	-
Increase/(Decrease) in other current liabilities	1,62,086.71	17,429.55
Increase/(Decrease) in long term Provisions	0.18	2.52
Increase/(Decrease) in current term Provisions	1.23	1.21
	(30,463.69)	(391.31)
Income tax paid, net of refund	-	-
<b>Net cash flow from operating activities</b>	<b>(A)</b>	<b>(30,463.69)</b>
<b>Investing activities</b>		
Intangible assets under development	311.95	4,868.99
Intangible assets (carriageway)	1,78,726.36	(2,984.33)
Purchase of Capital Assets	-	-
<b>Net cash flow from investing activities</b>	<b>(B)</b>	<b>1,79,038.31</b>
<b>Financing activities</b>		
Proceeds from Issue of Share Capital	-	-
Increase in Long Term borrowings	(1,48,752.67)	(3,241.12)
Repayment of long-term borrowings	-	-
Increase in Sub Debt	-	-
<b>Net cash used in financing activities</b>	<b>(C)</b>	<b>(1,48,752.67)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(A+B+C)</b>	<b>(178.04)</b>
Cash and cash equivalents at the beginning of the year	270.52	2,018.30
<b>Cash and cash equivalents at the end of the year</b>	<b>92.48</b>	<b>270.52</b>
<b>Cash and cash equivalents includes</b>		
Cash on hand	0.12	54.60
Balances with banks in current accounts	92.36	215.92
<b>Total cash and cash equivalents</b>	<b>92.48</b>	<b>270.52</b>
Balances with banks in fixed deposit accounts	-	-
<b>Total</b>	<b>92.48</b>	<b>270.52</b>

This is the Cash Flow Statement 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

For and on behalf of the Board

V K Muralidhar  
Partner

Membership No. 201570



T. INDIRA REDDY  
Director

DIN: 00009906

K. Vijay Kumar  
Chief Financial Officer

T.V SANDEEP KUMAR REDDY  
Director

DIN: 00005573

Radha Supriya  
Company Secretary

Place: Hyderabad  
Date: 18.06.2020



**Sai Maatarini Tollways Limited**

**Statement of Changes in Equity for the year ended as on 31st March 2020**

(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 31st March 2020	1,00,00,843	1,000.08
At 31st March 2019	1,00,00,843	1,000.08

**(b) Other equity**

**For the Year ended 31st March 2020**

	Security Premium Reserve	Retained earnings	Total equity
As at 1st April 2019	17,015.94	(27,072.57)	(10,056.63)
Profit / (loss) for the year	-	(16,768.47)	(16,768.47)
At 31st March 2020	17,015.94	(43,841.04)	(26,825.10)

**For the Year ended 31st March 2019**

	Security Premium Reserve	Retained earnings	Total equity
At 1st April 2018	17,015.94	(9,089.83)	7,926.11
Profit / (loss) for the year	-	(17,982.74)	(17,982.74)
At 31st March 2019	17,015.94	(27,072.57)	(10,056.63)

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.

For and on behalf of the Board

Chartered Accountants

Firm Registration No. 000459S

V K Mutalidhar

Partner

Membership No: 201570



T. INDIRA REDDY

Director

DIN: 06859435

T.V SANDEEP KUMAR REDDY

Director

DIN: 00005573

K. Vijay Kumar

K. Vijay Kumar

Chief Financial Officer

Radha Supriya

J. Radha Supriya

Company Secretary

Place: Hyderabad

Date: 18.06.2020

**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 Panikoli-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.

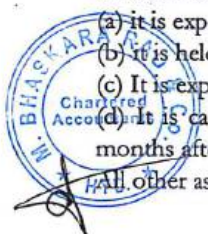
#### 2.06 Current & Non Current classification :

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 of 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 recognised as an asset if it is virtually certain that the reimbursement will be received and the amount of the receivable can be measured reliably.

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

The company has the policy of taking note of the Contingent assets & liabilities once they are on the legal forum

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

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

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

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

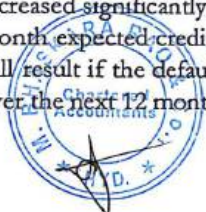
Financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

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

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

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

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





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

#### 2.16 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 superannuation fund, 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.





## 3 (a) Property plant and equipment

Particulars	Gross Block			Depreciation			Transferred to Non- Current Assets held for sale (Refer Note no.39)	Net Block	
	As at 01.04.2019	Additions during the year	As at 31.03.2020	Up to 01.04.2019	For the year	Up to 31.03.2020		As at 31.03.2020	As at 01.04.2019
Computers	1.93	-	1.93	1.36	0.57	1.93	(0.00)	-	0.57
Office Equipments	0.35	-	0.35	0.35	-	0.35	0.00	-	0.00
Vehicle	14.50	-	14.50	9.90	1.84	11.74	2.75	-	4.60
Plant & Machinery	1.13	-	1.13	0.35	0.26	0.61	-	-	0.77
<b>Total</b>	<b>17.90</b>	<b>-</b>	<b>17.90</b>	<b>11.96</b>	<b>2.67</b>	<b>14.63</b>	<b>2.75</b>	<b>-</b>	<b>5.94</b>
Previous Year figures	17.90	-	17.90	9.26	2.70	11.96		5.94	8.64

## 3 (b) Intangible Asset Under Development

Particulars	Opening balance as at 01.04.2019	Addition during the year	Closing balance as at 31.03.2020
Construction Cost			
EPC Cost (including Mobilisation Amount)	1,133.08	421.95	1,555.03
Other Construction Cost	-	-	-
<b>Total</b>	<b>1,133.08</b>	<b>421.95</b>	<b>1,555.03</b>
Pre operative Expenses			
Financial Charges	-	-	-
Salaries and wages	28.61	-	28.61
Legal and Professional Charges	105.16	-	105.16
Travelling & Conveyance	1.26	-	1.26
Site Administration Expenses	3.34	-	3.34
Rent-Site Office	1.35	-	1.35
Rates and Taxes, Filing Fees	-	-	-
Insurance Expenses	36.68	43.08	79.76
Miscellaneous	2.47	5.00	7.47
Utility Shifting Work Expenses	1,019.64	79.14	1,098.78
<b>Sub Total</b>	<b>1,198.50</b>	<b>127.22</b>	<b>1,325.72</b>
<b>Total Cost</b>	<b>2,331.58</b>	<b>549.17</b>	<b>2,880.75</b>
Less:			
Reimbursement of utility shifting	1,019.64	79.14	1,098.78
Grant Received from NHAI	1,000.00	-	1,000.00
Interest and Dividend Income	-	-	-
Unamortised Finance Cost	-	-	-
<b>Total</b>	<b>2,019.64</b>	<b>79.14</b>	<b>2,098.78</b>
<b>Grand total</b>	<b>311.94</b>	<b>470.03</b>	<b>781.97</b>
Intangible Asset Under Development transferred to NHAI			781.97
Intangible Asset Under Development			-

NHAI terminated the Concession Agreement vide their letter dated 28.01.2020 and the project assets have been handed over to the NHAI at 08.00 AM on 30.01.2020

## (c) Intangible Asset (Carriageway)

As on 31.03.2020

Particulars	Gross Value	Cumulative Amortisation	Intangible Asset (Carriageway) transfer to NHAI	Net carrying amount as on 31.03.2020
Intangible assets (Carriageway)	1,79,963.68	2,671.80	1,77,291.88	-
Unamortised Finance cost	153.71	-	153.71	-
<b>Grand total</b>	<b>1,80,117.39</b>	<b>2,671.80</b>	<b>1,77,445.59</b>	<b>-</b>

NHAI terminated the Concession Agreement vide their letter dated 28.01.2020 and the project assets have been handed over to the NHAI at 08.00 AM on 30.01.2020  
As on 31.03.2019

Particulars	Gross Value	Cumulative Amortisation	Net Carrying Amount as on 31.03.19
Intangible assets (Carriageway)	1,79,963.68	1,237.33	1,78,726.35
<b>Grand total</b>	<b>1,79,963.68</b>	<b>1,237.33</b>	<b>1,78,726.35</b>



**Sai Maatarini Tollways Limited**

**Summary of Significant Accounting Policies and Other Explanatory Information**

(All amounts in ₹ in lacs unless otherwise stated)

**4 Cash and cash equivalents**

	As at	
	31st March 2020	31st March 2019
Balances with banks		
- on current accounts	92.36	215.92
Cash on hand	0.11	54.60
	<u>92.47</u>	<u>270.52</u>

**5 Other Financial Assets**

	As at	
	31st March 2020	31st March 2019
Retention money-NHAI	27.51	27.51
Receivable from NHAI towards Termination of contract (refer 3 (b) & (c))	1,78,227.57	-
	<u>1,78,255.08</u>	<u>27.51</u>

**6 Other current assets**

	As at	
	31st March 2020	31st March 2019
Prepaid expenses	-	44.48
Other advances	7.46	7.50
TDS Receivable	32.83	1,099.39
	<u>40.29</u>	<u>1,151.37</u>





## 7 Share capital

	31st March 2020		31st March 2019	
	Number	Amount	Number	Amount
<b>Authorized</b>				
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
<b>Issued, subscribed and fully paid-up</b>				
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

	31st March 2020		31st March 2019	
	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 2019 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:

	31st March 2020		31st March 2019	
	Number	Amount	Number	Amount
Gayatri Highways Limited - Holding Company	1,00,00,843	1,000.08	1,00,00,843	1,000.08

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

	31st March 2020		31st March 2019	
	Number of shares	% of holding	Number of shares	% of holding
Gayatri Highways Limited - Holding Company	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.



8 a) Instrument entirely equity in nature

	As at	
	31st March 2020	31st March 2019
<b>Loans from Sponsors:</b>		
Gayatri Highways Ltd.	10,016.00	10,016.00
	<u>10,016.00</u>	<u>10,016.00</u>

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	
	31st March 2020	31st March 2019
<b>Retained earnings</b>		
Balance as per last audited financial statements	(27,072.57)	(9,089.83)
Add: Net profit / (loss) for the Year	(16,768.47)	(17,982.74)
Balance at the end of the Year	<u>(43,841.04)</u>	<u>(27,072.57)</u>
<b>Securities Premium</b>		
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	<u>17,015.94</u>	<u>17,015.94</u>
<b>Total other equity</b>	<u>(26,825.10)</u>	<u>(10,056.63)</u>





Sai Maatarini Tollways Limited  
Summary of Significant Accounting Policies and Other Explanatory Information  
(All amounts in ₹ in lacs unless otherwise stated)

9 Long term Borrowings

	As at	
	31st March 2020	31st March 2019
<b>Non-current borrowings</b>		
Term loans		
Secured		
From Banks	-	1,09,213.54
From Financial Institutions	-	44,655.70
Less: Current maturities of long-term borrowings	-	(5,589.40)
Less : Unamortised Finance Cost	-	(961.63)
	<u>-</u>	<u>1,47,318.21</u>
<b>Current borrowings</b>		
Current maturities of long term loans		
Term loans		
Secured		
From Banks	1,09,213.54	4,389.40
From Financial Institutions	45,687.13	1,200.00
	<u>1,54,900.67</u>	<u>5,589.40</u>

**Nature of Security for Secured Loans:**

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

- First mortgage and pari passu charge on all the borrower's immovable properties, present and future, if any, save and except the Project Assets.
- 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.
- 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.
- 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.
- an assignment by way of security:
  - 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;
  - of the right, title, interests, benefits, claims and demands of the Borrower in, to and under all the Approvals and Insurance Contracts; and
  - 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.
- 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.
- 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.



9 Long term Borrowings (Continued..)

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
- (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.





## 9 Long term Borrowings (Continued..)

## Terms of repayment of Secured Loans

- A. The Company shall repay the Term Loans to the banks and financial institutions in 48 (forty eight) structured 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.
- C. The above are original terms of repayment whereas IDBI on behalf of all lenders recalled the Senior and Sub debt dues as on 29.11.2019. As per the recall notice, the total loan from senior lenders and Sub- debt and interest thereon are become payable immediately. Accordingly, all the Non current borrowing are transferred to current borrowings

## 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. 36,666.70 lakhs and total outstanding loan principal of Sub debt and Senior lenders of Rs.1,54,900.67 Lakhs.

## 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.

## 10 Long term provisions

	As at	
	31st March 2020	31st March 2019
<b>Provision for Employee benefits</b>		
Provision for Gratuity	5.82	5.64
<b>Total</b>	<b>5.82</b>	<b>5.64</b>

## 11 Trade payables

	As at	
	31st March 2020	31st March 2019
<b>Vendors payables for Services &amp; Products</b>		
	160.21	264.71
	<b>160.21</b>	<b>264.71</b>

The identification of micro and small 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 2019 or 31 March 2020.



Sai Maatarini Tollways Limited  
Summary of Significant Accounting Policies and Other Explanatory Information  
(All amounts in ₹ in lacs unless otherwise stated)

**12 Other financial liabilities**

	As at	
	31st March 2020	31st March 2019
Current maturities of long-term borrowings	1,54,900.67	5,589.40
Interest accrued and due	36,660.70	24,127.94
Total payable to Banks & Financial Institutions	1,91,561.37	29,717.34
Claims payable-related party-EPC Contractor ( refer note 26(i) )	22,745.00	22,745.00
Claims Receivable -NHAI ( Refer Note-26(i) )	(22,745.00)	(22,745.00)
Payable to related parties	29.09	3.75
	<u>1,91,590.46</u>	<u>29,721.10</u>

**13 Other current liabilities**

	As at	
	31st March 2020	31st March 2019
Creditors for capital expenditure	1,459.83	1,242.58
Advance against chage of scope works-NHAI	545.42	545.42
Advance against Change of Scope works-related party	(545.42)	(545.42)
Retention Money Payable - related party	948.30	939.82
Special Retention Money Payable	497.59	493.38
Capital Advance-Long term loan and advances - related party	(465.60)	(465.60)
Statutory dues payable	0.48	13.07
	<u>2,440.60</u>	<u>2,223.25</u>

**14 Short Tem Provisions**

	As at	
	31st March 2020	31st March 2019
Provision for Employee benefits		
Provision for Gratuity	2.53	1.31
	<u>2.53</u>	<u>1.31</u>

**15 Revenue from Operations**

	As at	
	31st March 2020	31st March 2019
Revenue from Toll Operations	9,163.30	5,511.73
	<u>9,163.30</u>	<u>5,511.73</u>
Revenue from Discontinued operations	9,163.30	5,511.73
Revenue from Continuing operations	-	-

**16 Other Income**

	As at	
	31st March 2020	31st March 2019
Interest on TDS refund for AY 16-17,17-18 & 18-19	155.68	-
	<u>155.68</u>	<u>-</u>

Other Income from Discontinued operations  
Other Income from Continuing operations

155.68





Sai Maatarini Tollways Limited  
Summary of Significant Accounting Policies and Other Explanatory Information  
(All amounts in ₹ in lacs unless otherwise stated)

17 Employee benefits expense

	For the year ended	
	31st March 2020	31st March 2019
Salaries and wages	63.64	70.42
Gratuity	1.40	3.73
	65.04	74.15
Less: Transferred to Intangible Assets under Development (refer note no.3)	-	-
Balance transferred to Statement of Profit and Loss	65.04	74.15
Employee benefits expense from Discontinued operations	65.04	74.15
Employee benefits expense from Continuing operations	-	-

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	1.40	3.73
Past service cost and loss/(gain) on curtailments and settlement	-	-
Net interest cost	-	-
Total included in 'Employee Benefit Expense'	1.40	3.73

Expenses deducted from the fund	-	-
Total Charge to P&L	1.40	3.73

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	-	-
Reconciliation of defined obligation	-	-

	For the year ended	
	31st March 2020	31st March 2019
<b>Defined Benefit Obligation</b>		
Opening defined benefit obligation	1.40	
Service cost	1.40	3.22
Net interest expenses	-	-
Net actuarial gain/(loss) recognized during the year	-	-
Benefits paid	-	-
Closing defined benefited obligation	2.80	3.22

18 Finance costs

	For the year ended	
	31st March 2020	31st March 2019
Interest on borrowings		
Interest on senior debts	20,230.98	18,266.68
Interest on sub debts (Previous year includes Interest for the period 17.08.2017 to 31.03.2019)	2,134.69	2,898.49
Other finance costs	1,054.41	287.38
	23,420.08	21,452.55
Less: Transferred to Intangible Asset (CWIP)	-	-
Balance transferred to Statement of Profit and Loss	23,420.08	21,452.55
Finance costs from Discontinued operations	23,420.08	21,452.55
Finance costs from Continuing operations	-	-



**Sai Maatarini Tollways Limited**

**Summary of Significant Accounting Policies and Other Explanatory Information**

(All amounts in ₹ in lacs unless otherwise stated)

**19 Toll Plaza Administrative Expenses**

	31st March 2020	31st March 2019
Diesel Expenses	16.59	30.79
Electricity Expenses	28.85	41.27
Insurance charges	5.14	3.63
Repairs & Maintenance	87.53	40.03
Add. Road safety works	135.62	-
Toll Plaza Operation & Maintenance	637.85	779.10
	<b>911.58</b>	<b>894.82</b>
Toll Plaza Administrative Expenses from Discontinued operations	911.58	894.82
Toll Plaza Administrative Expenses from Continuing operations	-	-

**20 Other expenses**

	For the year ended	
	31st March 2020	31st March 2019
Travelling & Conveyance	18.69	10.07
Legal & Professional Expenses	81.49	12.81
NHAI IC Fee	87.85	69.57
Advertisement Expenses	-	2.28
Insurance	33.37	65.74
Lie consultancy fee	17.70	21.24
PMC Consultancy Fee	-	13.08
Office Maintenance	0.24	0.02
Statutory Audit Fee	2.36	2.36
Tax Audit Fee	-	0.30
Printing & Stationery	0.06	0.05
Bank Charges	0.01	0.02
Interest on TDS	-	-
Other Expenses	2.04	1.71
Comprehensive Audit Fee	5.90	18.23
Business Promotion Expenses	-	-
loss on transfer of asset	0.51	-
SPV Site Expenses (P&L)	3.41	5.47
	<b>253.61</b>	<b>222.95</b>
Other expenses from Discontinued operations	253.61	222.95
Other expenses from Continuing operations	-	-

**Payment to auditors**

	31st March 2020	31st March 2019
As auditor:		
Audit fee	2.36	2.36
Tax audit fee	-	0.30
For other services	-	-
GST/Service Tax	-	-
	<b>2.36</b>	<b>2.66</b>





**21 Statement of Profit and Loss from discontinuing operations for the year ending 31st March 2020**

		For the year ended	
		31st March 2020	31st March 2019
<b>Income</b>			
Revenue from Operations	15	9,163.30	5,511.73
Other Income	16	155.68	-
<b>Total income</b>		<b>9,318.98</b>	<b>5,511.73</b>
<b>Expenses</b>			
Employee benefits expense	17	65.04	74.15
Depreciation and amortization expense	3	1,437.13	850.00
Finance costs	18	23,420.08	21,452.55
Toll Plaza Admin Expenses	19	911.58	894.82
Other expenses	20	253.61	222.95
<b>Total expense</b>		<b>26,087.45</b>	<b>23,494.47</b>
<b>Loss before tax from Discontinuing operations</b>	-	<b>(16,768.47)</b>	<b>(17,982.74)</b>

**22 Earnings / (loss) 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		
	31st March 2020	31st March 2019
Loss attributable to equity holders of the Company	(16,768.47)	(17,982.74)
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
<b>Effect of dilution:</b>		
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 these 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.





23 Financial Risk Management (Contd...)

THE IMPACT OF COVID-19 ON THE PERFORMANCE OF THE COMPANY

As everyone are well aware that the new corona virus (Covid -19) has spread to nearly every country in the world since it first emerged in China at the beginning of the year. As on 06.04.2020, (approximately) more than 65.19 lakh people are infected and 3.88 lac people died all over the world. Also, in our Country, approximately 2.18 lakhs people infected and number of fatalities due to coronavirus infection is 6,091. As per the experts, the only way to stop spreading the disease is to maintain the social distance, since there is no vaccine to protect against this virus.

The Government of India initiated serious steps to contain the Covid-19. On 19.03.2020, the Prime Minister of India requested the citizens of the Country to strictly observe the "Janata Curfew" from 22.03.2020 in his National Speech. Further, the Government of India has ordered for a complete lockdown for 21 days from 25.03.2020 to 14.04.2020. Since, the numbers of infections are increasing day by day; the Central Govt. as well as all the State Governments has again extended the lockdown period till 03.05.2020 with a conditional relaxation for the regions where the spread had been contained. On 1 May, the Government of India extended the nationwide lockdown further by two weeks until 17 May. The Government has divided the entire nation into three zones—green, red and orange—with relaxations applied accordingly. On 17 May 2020, nationwide lockdown was further extended till 31 May, 2020 by National Disaster Management Authority.

We all are aware of the fact that the entire world is collectively entangled in fighting the Coronavirus/ COVID-19 pandemic, businesses are facing several financial and physical hardships due to the mandatory government lockdowns. With there being no visibility regarding the duration of the lockdown coupled with the fact that no known cure or vaccine is available to fight the pandemic, everyone is left with great deal of uncertainty and anticipation over the 'new normal'.

**Impact on Company's Conciliation proceedings and Termination payment:**

The NHAI has proposed for a conciliation meeting with the SMTL as per their circular dt. 02-06-2017. Prior to the above conciliation meetings between SMTL and NHAI, both the parties (NHAI and SMTL) have to crystalize the issues to be taken-up in the conciliation meeting.

The proceedings of CCIE is about to start in the month of June and it is expected to settled within 6 months but the process is moving dead slow due to the COVID-19 pandemic and consequent lock-down by the entire Nation.

As a result of this extraordinary situation in the country due to Covind-19, the release of Termination Payment by NHAI is being delayed. We expect that it may take more time to get the funds from NHAI towards Termination Payment.



Sai Maatarini Tollways Limited

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ in lacs unless otherwise stated)

24 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. No deferred tax asset/ liability arises and accordingly no provision is made in the accounts.

25 Commitments

	As at	
	31st March 2020	31st March 2019
Estimated amount of contracts remaining to be executed on Capital Account not provided for	-	9,026.33
Other commitments	-	-

26 Contingent items

	As at	
	31st March 2020	31st March 2019

Claims by the company against NHAI  
SMTL has submitted the Escalation Cost claims amounting of Rs. 97,450 Lakhs to NHAI, stating "Concessionaire's right to recover losses/damages from the Authority on account of material defaults of the Authority" vide its letter no 1037 dated 13.03.2019. The defaults were of such magnitude that the entire project completion schedule was disturbed beyond repair. The above claims are before the Conciliation committee

Claims against the company not acknowledged as debt

(i) The Company has received cost overrun claims from EPC Contractor for delay in completion due to prolongation of construction period of the project beyond the scheduled date towards additional overhead expenditure, price escalation on materials consumed, loss of productivity and loss of profit. Aggregate claims against EPC Escalation made on NHAI from EPC Contractor is Rs 51,752.68 lakhs. Out of this, during earlier years the company recognized an amount Rs.22,745 lakhs in the books of account. Total claim of Rs.51,752.68 lakhs to EPC contractor will be paid only after receiving the claim amount from NHAI and after obtaining the consent from the Competent Authorities/stake holders. The claim recognised is subject to approval from competent authority.

29,007.68 29,007.68

(ii) Interest on NHAI claims

Not yet quantifiable Not yet quantifiable

Guarantees

Other money for which the company is contingently liable

- -

- -





## 27 Related party disclosures

## Name of related parties and nature of relationship

## Names of the related parties

Gayatri Highways Ltd

Gayatri Projects Ltd

## Nature of relationship

Holding company

Enterprises in which Key Management personnel and/or their relatives have significant influence

Key Management personnel

Director and Relative of Key Management personnel

T. Rajiv Reddy - Managing Director

T.V Sandeep Kumar Reddy - Director

K.Vijay Kumar - Chief Financial Officer

Key Management personnel

## 27 Related party disclosures (Continued..)

## Transactions with related parties during the year

	Year ended	
	31st March 2020	31st March 2019
<b>Gayatri Highways Ltd</b>		
Reimbursement of expenses	25.34	3.75
<b>Gayatri Projects Ltd</b>		
EPC works	421.95	-
Utility shifting works	55.11	1,019.64
Utility shifting advance	-	545.42
Claims receivables (refer Note 26(i))	-	22,745.00
Remuneration to Chief Financial Officer	7.02	6.60

## Balances receivable/(payable)

	As at	
	31st March 2020	31st March 2019
<b>Gayatri Highways Ltd</b>		
Instrument entirely equity in nature	(10,016.00)	(10,016.00)
Reimbursement of expenses	(29.09)	(3.75)
<b>Gayatri Projects Ltd</b>		
Other Current Liabilities	-	-
Trade payables	(1,459.83)	(1,242.58)
Retention Money payable-EPC work	(920.70)	(1,405.65)
Retention Money payable-utility shifting work	(27.51)	(27.51)
Utility shifting advance	545.42	545.42
Material Advance	465.60	465.60
Claims payables (refer Note 26(i))	(22,745.00)	(22,745.00)



**Sai Maatarini Tollways Limited**

**Summary of Significant Accounting Policies and Other Explanatory Information**

(All amounts in ₹ in lacs unless otherwise stated)

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

Borrowing cost capitalised during the year : Rs Nil

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

**30 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

**31 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.

**32 Provision for Major Maintenance:**

NHAI issued Termination Notice vide their letter dated 28.01.2020 and the project assets have been handed over to the NHAI at 08.00 AM on 30.01.2020. Therefore No provision for Major Maintenance is required





### 33 Status of the Project and Termination Payment:

#### a. Termination of the Project

The Company has issued "Termination Notice for Force Majeure (Political Event)" on 27th March, 2019.

On 10th April 2019, NHAI also has issued an Intention for Termination under Clause 37 of the Concession Agreement (CA). Company on 25th April, 2019, replied to the said notice, negating each and every point referred to in the said letter.

The Lenders had exercised their Right to Substitution of concessionaire vide their letter dated 24.04.2019. Accordingly, The NHAI has been decided to withhold their termination of the concession agreement for a period not exceeding 180 days from the date of representation of lenders representative i.e 24.04.2019. The Lenders representative (IDBI) had a meeting the Chairmen of the NHAI at Delhi on 30.09.2019 Lenders Representative requested to extend the substitution period by another 90 days as per the clause 3.2.3 of the Substitution Agreement. Even after extending further period of 90 days, the Lenders Representative was unable to find a substitute for the Concessionaire.

There after NHAI terminated the Concession Agreement vide their letter dated 28.01.2020 and the project assets have been handed over to the NHAI at 08.00 AM on 30.01.2020

The company, based on Authority's default, has raised a claim of Rs. 2,83,447 Lakhs (which includes Equity of Rs.83,519 Lakhs and Total Debt Due of Rs.1,99,928 Lakhs) strictly adopting the relevant clauses of the Concession Agreement.

#### b.NHAI PD & RO Recommendation

Management has noted that the Project Director (PD) of NHAI informed to CGM (T) & RO of NHAI recommending 90% of Debt Due amounting to Rs. 1,79,935 Lakhs (Rs.1,99,928 X 90%) for Termination Payment for further review/examination at Finance Division of NHAI H.Q, New Delhi'

It is also noted that NHAI RO, Bhubaneswar informed GM (T) at New Delhi referring the Termination payment of Rs. 1,79,935 Lakhs (Rs.1,99,928 X 90%) towards 90% of Debt Due to the Finance Division of NHAI.

#### c. Recognition of claims and derecognition of Intangible asset and Intangible asset under development

In view of the termination of the project as stated above the company during the year had Derecognised carrying value of the intangible asset Rs.1,77,446 Lakhs and Intangible asset under development Rs.782 lakhs aggregate derecognition of Rs. 1,78,228 lakhs. Based on the recommendation by PD NHAI and RO NHAI Bhubaneswar the company recognised claims to the extent of Rs.1,78,228 Lakhs this derecognition of intangible asset and intangible asset under development and recognition of Claim were made in the Balance sheet only

The company is expecting to resolve the matter within a period of twelve months from the reporting date. Hence, considered the claims as other current Financial assets

#### d.SECTION 9 PETITION FILED BY THE SMTL AGAINST NHAI

The company has filed a petition as per Section 9 of the Arbitration & Conciliation Act, 1996 in the High Court of Delhi, New Delhi against NHAI on 21st December, 2019 requesting NHAI to deposit 90% of the Debt Due i.e., Rs. 1,76,508 Lakhs (Rs. 19,612 X 90%) as per the provisions of the Concession Agreement.

This Petition was filed to protect the interest of the lenders and to remit an amount of Rs. 1,76,508 Lakhs to the Consortium of Lenders.

#### e. Application signed by both NHAI & the company to keep the court proceeding on hold for a minimum period of 180 days

GM(T) of NHAI wrote a letter to the company requesting to submit the Joint Application to be filed before Arbitral Tribunal/Court to keep the court proceeding on hold for a minimum period of 180 days vide their letter no 150796 dated 11.03.2020.

Joint Application letter under section 151 CPC seeking suspension of the instant proceeding for a minimum of 180 days was signed by the Authorized representatives of both NHAI and the Company on 21.05.2020

The Company and NHAI jointly filed an application on 27.05.2020 before the High Court of Delhi, New Delhi to keep the proceeding on hold for a minimum period of 180 days for commencement of Conciliation proceedings as per the policy guidelines of NHAI.

The High Court of Delhi heard the above application on 29.05.2020 and passes an order to put all the proceeding on hold for a minimum period of 180 days for commencement of Conciliation proceedings as per the policy guidelines of NHAI Next hearing was posted for December 2, 2020.



**f. CONCILIATION COMMITTEE**

As per the Clause 44.1 of the Concession Agreement any dispute between the parties shall, in the first instance, be attempted to be resolved amicably through the conciliation process under clause 44.2. The said clause 44.2, in turn, states that the disputes shall be referred to the Chairman of the Authority and the chairman of Board of Directors of the Concessionaire for amicable settlement. The said persons shall be required to meet no later than 7 days from the date of reference to discuss and attempt to amicably resolve the dispute.

As per NHAI Letter date 24/07/2019 the company had a meeting with CGM (I) and GM(I) at NHAI Head Quarters on 05/08/2019 and submitted all documents related to disputes for consideration. However till date no meeting was arranged with chairman NHAI as per clause 44.2 of the Concession Agreement.

During our discussions with the Authority, the Company was categorically advised by the Authority to refer the instant disputes to the Cabinet Committee of Independent Experts ("CCIE") so that the company claims could be expeditiously and fairly agreed between the Parties. Then the company requested NHAI to refer Disputes to the Conciliation Committee of Independent Experts (CCIE) formulated vide NHAI policy circular no 2.1.23/2017 dated 02.06.2017.

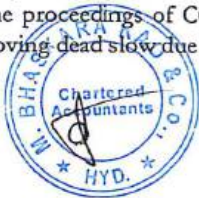
In this connection, the company referred Disputes the following committee consisting of

- 1) Justice IP Vasistha (Rtd)
- 2) Sh. AV Upadhyay
- 3) Sh VV Ranganathan

The company submitted requisite fee towards cost of Conciliation as per the extant SOP dated 19.07.2017, board resolution dated 26.03.2019 and power of attorney dated 11.07.2019 for representing the Concessionaire.

Accordingly, the company issued a letter dated 05.10.2019 & 15.02.2020 to the Authority communicating our consent to refer this matter to the CCIE.

The proceedings of CCIE is about to start in the month of June and it is expected to settled within 6 months but the process is moving dead slow due to the COVID-19 pandemic and consequent lock-down by the entire Nation.





**Sai Maatarini Tollways Limited**

**Summary of Significant Accounting Policies and Other Explanatory Information**

(All amounts in ₹ in lacs unless otherwise stated)

**34 Going Concern:**

As at March 31, 2020 the accumulated losses amounted to Rs.43,841.04 Lakhs. Entire networth of the company was eroded. NHAI has terminated the Concession Agreement and the company has transferred its entire intangible assets (including intangible asset under development) to NHAI.

The company has ceased to be a going concern entity and the financial statements of the company as on March 31, 2020 have been prepared under realizable basis.

The company is not a going concern and the financial statement of the company as on March 31, 2020 have been prepared under realizable basis. The Intangible assets and Intangible assets under development are transferred to Current Assets i.e. Receivable from NHAI.

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

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

In view of the termination of the concession agreement as stated in note No 33 remaining assets of the company having a carrying amount of Rs.2.75 Lakhs was treated as non current assets held for sale

**36 Confirmation of Balances - Secured Term Loan Lenders - Banks and Financial Institutions**

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

37 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.

38 There were no litigation pending against the company except as stated in this financial statements which could be materially impact its financial position as at the end of the year.

39 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



V K Muralidhar  
Partner


Membership No. 201570



For and on behalf of the Board

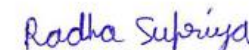


T. INDIRA REDDY  
Director  
DIN: 00009906

  
K. Vijay Kumar  
Chief Financial Officer



T.V SANDEEP KUMAR REDDY  
Director  
DIN: 00005573

  
J. Radha Supriya  
Company Secretary

Place: Hyderabad

Date: 18.06.2020