



SAI MAATARINI TOLLWAYS LIMITED

10TH ANNUAL REPORT 2020-21



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. KRISHNAMURTHY CHATURVEDI | Independent Director |

KEY MANAGERIAL PERSONNEL (KMP)

| | |
|-----------------------------|--------------------------|
| Ms. J. RADHA SUPRIYA | Company Secretary |
|-----------------------------|--------------------------|

AUDIT COMMITTEE

| | |
|-------------------------------------|-----------------|
| Mr. CH. HARIVITHAL RAO | Chairman |
| Mr. T.V SANDEEP KUMAR REDDY | Member |
| Mr. KRISHNAMURTHY CHATURVEDI | Member |

NOMINATION AND REMUNERATION COMMITTEE

| | |
|-------------------------------------|-----------------|
| Mr. CH. HARIVITHAL RAO | Chairman |
| Mr. T.V SANDEEP KUMAR REDDY | Member |
| Mr. KRISHNAMURTHY CHATURVEDI | Member |

STATUTORY AUDITORS

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

REGISTERED & CORPORATE OFFICE

6-3-1090, T S R Towers,
Rajbhavan Road, Somajiguda,
Hyderabad – 500 082, Telangana.
CIN: U45400TG2011PLC076396
Email: 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

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 has immense pleasure in presenting the 10th Annual Report of your Company and is prepared on the Audited Standalone Financial Statements of the company for the financial year ended 31st March, 2021.

1. STATE OF COMPANY AFFAIRS

a. FINANCIAL SUMMARY:

The following table depicts the financial results of your Company for the year ending 31st March 2021:

| S. No. | Particulars | For the Year Ended 31 st March, 2021 (Rs. in lac) | For the Year Ended 31 st March 2019 (Rs. in lac) |
|--------|---|--|---|
| 1 | Revenue from Operations | - | - |
| 2 | Construction Revenue | - | - |
| 3 | TOTAL INCOME :: A | - | - |
| 4 | Construction Expenses | - | - |
| 5 | Employee benefits expense | - | - |
| 6 | Depreciation and amortization expense | - | - |
| 7 | Finance costs | - | - |
| 8 | Toll Plaza Admin Expenses | - | - |
| 8 | Other expenses | - | - |
| 9 | TOTAL EXPENDITURE :: B | - | - |
| 10 | LOSS BEFORE TAX from continuing operations | - | - |
| 11 | Less: Current Tax | - | - |
| 12 | LOSS from continuing operations | - | - |
| 13 | Loss from Dis continuing operations | (24,763.72) | (16,768.47) |
| 14 | LOSS FOR THE YEAR | (24,763.72) | (16,768.47) |

b. TERMINATION OF THE PROJECT

The members are aware that 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. The NHAI has 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 with the Chairman of the NHAI at Delhi on 30.09.2019, the substitution period was further extended by 90 days at Lender's request. 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.

c. NHAI PD & RO RECOMMENDATION

The members are aware 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 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 towards 90% of Debt Due to the Finance Division of NHAI.

d. RECOGNITION OF CLAIMS AND DERECOGNITION OF INTANGIBLE ASSET AND INTANGIBLE ASSET UNDER DEVELOPMENT

In view of the termination of the project as stated above your company in the year 2019-20 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. Keeping in view, the recommendation by PD NHAI and RO NHAI Bhuvaneshwar, your company recognised claims to the extent of Rs.1,78,228 Lakhs, being aggregate amount of derecognition of intangible asset and intangible asset under development.

e. SECTION 9 PETITION FILED BY SMTL AGAINST NHAI

Your 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.

f. JOINT APPLICATION BY 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 passed 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.

As the Termination payment issue is still pending at the Conciliation committee, SMTL and NHAI jointly submitted an application before the Honorable High Court of Delhi for extension of adjournment of Section 9 petition for another 5 months and the proceedings are adjourned to 06.05.2021.

The Company & NHAI have opted for resolving the dispute through the Conciliation Mechanism constituted by NHAI, since the conciliation route ensures amicable settlement of claims in a faster, fairer and transparent manner. Hence the matter is currently under the Conciliation Committee of Independent Experts (CCIE-2).

g. 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 (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, the Company was categorically advised by the Authority to refer the instant disputes to the Conciliation 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 to the committee consisting of following members:

- 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 extent 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 started in the month of June, the first meeting was held on 01.07.2020, in which the CCIE has opined that the Concession Agreement had been terminated on account of mutual differences between the parties with none of them being at default of their respective obligations under the Concession Agreement. As such, the CCIE had advised that the parties should amicably resolve the disputes to avoid protracted litigation.

The Company vide their letter dated 13.03.2021 requested NHAI for arranging a Second meeting before CCIE.

h. APPOINTMENT OF FINANCIAL ADVISOR BY THE COMPANY

The Company has engaged an independent expert as an exclusive financial advisor for the following services:

- a) Detailed review of the project documents, financing agreements, capital structure for the project.
- b) Assistance in drafting, reviewing and submission of all correspondences and representations required before the Authority.

- c) Negotiate with NHAI on termination payment.
- d) Regular strategic representations and continuous follow up with the Authority and actively attend and participate in all the meetings along with the Company and in all the conciliation meetings with NHAI and Conciliation Committee.

The expert has submitted their report dated 16.11.2020 which consists of 2 different modes of calculation for Termination payment:

CASE-I: The amount of Termination Payment in case of Political Force Majeure event comes to Rs. 2,296.67 cr. (Rs.1,997.89 Cr as 100% of Debt Due & Rs.298.78 Cr as 150% of Adjusted Equity)

CASE-II: The NPV of the asset is calculated on the basis of Free Cash Flow to Firm (FCFF) for residual period of Concession period as on Transfer date i.e. 28.01.2020. This amount comes to Rs. 2,918.62 Cr.

Based on the report, SMTL wrote a letter to NHAI GM (T) dated 17.11.2020 requesting to release the Termination payment.

i. STATUS OF CLAIM

The NHAI has released Rs.35,861 Lakhs as an advance for Termination Payment payable to the company and after deducting TDS of Rs. 537 Lakhs & GST TDS of Rs. 717 Lakhs on Rs. 35,861 Lakhs. An amount of Rs. 34,606 Lakhs was credited to the Companies Escrow account on 31.03.2021. Further, NHAI has released Rs. 11,006 lac on 5th April 2021 as an advance for Termination Payment and after deducting TDS of Rs. 165 lac and GST TDS of Rs. 220 lac, an amount of Rs. 10621 lac was credited to the Companies Escrow Account.

The company is in continuous follow up with the NHAI Officials and requested the NHAI to release the balance Termination payment. The NHAI officials informed that they put up the matter with the 3 CGM's Committee and try to release the Termination payment calculations to CCIE-2 as early as possible.

j. APPLICATION BEFORE DEBT RECOVERY TRIBUNAL (DRT)

IDBI Bank Limited (Lead Lender) on behalf of all the consortium lenders filed a case against M/s Sai Maatararini Tollways Limited and its directors and M/s Gayatri Projects Limited & M/s IDBI Trusteeship Services Limited under sub-section (4) of Section 19 of the Debt Recovery Tribunal Act, read with Sub Rule(2A) of Rule 5 of the Debt Recovery Tribunal (Procedure) Rules, 1993, which was listed before Hon'ble Debts Recovery Tribunal-1 on 23.09.2020.

Hon'ble Tribunal issued summons on the said Application under Section 19 (4) of the Act, (OA) filed against M/s Sai Maatararini Tollways Limited and its directors and M/s Gayatri Projects Limited & M/s IDBI Trusteeship Services Limited for recovery of debts of Rs.2051,21,51,325.42 Ps on 05.10.2020, and directed the Company to file Written Statement. However, the Company has not received copy of the subject O.A. The Company requested Hon'ble Debts Recovery Tribunal-1 to furnish copy complete set of O.A along with documents on 22.10.2020.

The Company has since received all the documents on 17.03.2021 and is in the process of filing the counter petition.

2. FUTURE OUTLOOK

OTS Proposal from the Company

Your Company has claimed a total amount of Termination Payment payable to the Company was Rs.2296.67 crores. The Computation of the said amount was based upon the terms of the Concession Agreement and also upon the opinion shared by Deloitte Touche, one of the leading accounting Firms in the Country.

However, NHAI is trying to settle the Termination Payment of only Rs.584.21 crore, which is in contrary to the Concession Agreement. The calculation made by the Authority is unilateral and without any prior intimation to the Company.

Currently, the matter with the CCIE 2 Committee. If CCIE 2 Committee is unable to settle the issues and both the Parties fail to amicably settle the amount of the Termination Payments, then the Company may be required to go to the Arbitration and higher legal forums for settling the disputes with the NHAI.

Due to the legal system, there can be delays in the settlement of the issues with NHAI. There will be definitely many disputes and prolonged litigations that will arise between NHAI and the Company. If NHAI is offering only Rs.584.21 crore to the Company as the Termination Payment, the company would definitely pursue for the Termination Payments of Rs.2296.67 crore, as calculated by the Company and Deloitte at the higher legal forums. Further the dispute will go into the Arbitration then to the High Court and then to the Supreme Court which might take 7 to 10 years time for settlement of the amount. Hence the settlement payments expected to be made by the NHAI to the Company as part of the amicable settlement is uncertain and NHAI may not pay any amount to the Company. Hence, the company has proposed for the One Time Settlement for the early payment of the Lenders Dues.

The Company has also requested the lenders to note that as per the minutes of the CCIE 2 meeting held on 21.06.2021, the Committee has opined as the following in Para 5:

“The Concessionaire said that it is a well-known fact that commercial traffic has drastically reduced on that road, therefore, they issued the Notice of Termination. Thereafter, NHAI issued their Notice for Termination. In this background it cannot be taken as Concessionaire's default, and penal provision cannot be invoked against them. Concessionaire fairly conceded that it was neither NHAI's default. Therefore, an amicable settlement has to be on the basis of neither Party's default.”

As the termination payment is under dispute with NHAI and they are not settling the termination amounts, the Company is offering to settle an additional amount of Rs. 247.73 crs as One Time Settlement (OTS) to all the Lenders proportionately. The total amount payable to Lenders will be Rs.700.00 crs (Rs.452.27 crs already received from NHAI and balance Rs.247.73 crs to be payable by the Company upon receipt of sanctions from all the Lenders).

In spite of all the difficulties, to maintain a good relationship with all the Lenders, the Sponsors/ Promoters are agreeing to settle for an aggregate amount of Rs.700.00 crs (Rs.452.27 crs already received from NHAI and balance Rs. 247.73 crs to be payable by the Company) towards full, final and complete settlement of all the dues to the lenders, without any further recourse to the project company, promoters, sponsors and guarantors. The amount will be bought in by Promoters directly or through an investor or through their associates/affiliates or private arrangement. Upon payment of the said amount to the Lenders, all the liabilities towards the existing Lenders, contingent or crystallized, stand irrevocably extinguished including outstanding principal, interest due and payable, accrued and unpaid interest, penal interest and other charges and the Lenders have no further claim of any nature against the Company, Promoters, Sponsors and Guarantors.

The Company shall make the payment of Rs. 247.73 crs (including any amounts collected from NHAI) to Lenders in lump sum within 90 days from the date of receipt of the final approvals/ sanctions from all the lenders.

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 31st March, 2021, 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 18th June, 2020, 23rd July, 2020, 31st October, 2020 and 29th January 2021.

Attendance of Directors at the meetings:

The details of the attendance of the Directors at the Board meetings held during the year ended 31st March, 2021.

| Name of the Director | Number of Board Meetings | |
|--------------------------|--------------------------|----------|
| | Held | Attended |
| T.V. Sandeep Kumar Reddy | 4 | 4 |
| T. Indira Reddy | 4 | 4 |
| T. Sarita Reddy | 4 | 4 |
| Ch. Harivithal Rao | 4 | 4 |
| M.V. Narasimha Rao | 4 | 4 |
| Krishnamurthy Chaturvedi | 1 | 1 |

Audit Committee Meetings

During the year ended 31st March, 2021, Four Audit Committee Meetings was convened and held. The date on which the Audit Committee meetings were held is 18th June, 2020, 23rd July, 2020, 31st October, 2020 and 29th January 2021.

Attendance of Members at the meetings:

The details of the attendance of the Directors at the Audit Committee meetings held during the year ended 31st March, 2021.

| 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

During the year ended 31st March, 2021, One Nomination and Remuneration Committee Meetings is convened and held. The Nomination and Remuneration Committee Meetings was held on 28th January, 2021.

The details of the attendance of the Directors at the Nomination and Remuneration Committee meetings held during the ended 31st March, 2021.

| Name of the Director | Number of Nomination and Remuneration Committee Meetings | |
|-------------------------|--|----------|
| | Held | Attended |
| M.V. Narasimha Rao | 1 | 1 |
| Ch. Harivithal Rao | 1 | 1 |
| T.V Sandeep Kumar Reddy | 1 | 1 |

Separate meeting of Independent Directors

One separate meeting of independent directors was held on 28th January, 2021 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:

- that in the preparation of the annual Accounts for the year ended 31st March, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that such accounting policies were selected and applied them consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2021 and of the profit of the Company for the year ended on that date;
- 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;
- that the annual Accounts have been prepared on a going concern basis;
- that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- 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:

- Mr. Krishnamurthy Chaturvedi was appointed as an Additional Director under the category of Independent Director with effect from 29.01.2021.

- b. Completion of tenure of Directorship of M.V Narasimha Rao as an Independent Director with effect from 01st March, 2021.

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

There are no changes in the Directors and Key Managerial Personnel after 31.03.2021.

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

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

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

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

- i. *Note 32 regarding termination payment claim receivable from National Highways Authority of India ('NHAI'). The Company, consequent to termination of the Concession Agreement, had assessed and raised a claim on NHAI for Rs.2,83,447 Lakhs but recognized in its books to the extent of Rs.1,78,228 Lakhs only, as a prudent measure. The Company has since reassessed its termination payment claim as Rs.2,29,667 Lakhs.*

The Company had filed a petition for initiation of Arbitration Proceedings in Hon'ble High Court of Delhi. The Company and the NHAI filed joint application before the High Court to keep the proceedings on hold consequent to Company and NHAI having opted for resolving the dispute through Conciliation mechanism constituted by NHAI. Both the parties have since referred the matter to Conciliation Committee of Independent Experts ('CCIE – 2'). As at the year end, the Arbitration Proceedings are on hold and the meetings of CCIE -2 are in progress.

The Company had appointed an independent expert for study, assessment and advise the management regarding the claim. Based on their report, the Company considered the carrying amount of claim of Rs.1,78,228 Lakhs is realizable, and no adjustments are required at this juncture. The NHAI had released Rs.35,861.00 Lakhs on 31.03.2021 as termination payment, which has been presented as a deduction from the claim amount.

Considering that proceedings of CCIE are still in progress and Arbitration proceedings are on hold at the request of both Company and NHAI, the ultimate recovery of the claim recognized depends on the final outcome of these proceedings; hence, the shortfall, if any, in realization of the claim and its impact on the loss for the year and reserves is not determinable at this stage.

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.

- ii. Note 35 to the financial statements regarding non-receipt of the confirmation of balances from banks and financial institutions in respect of borrowings and bank balances for the reasons detailed in the said note. The Company had recognized interest expense and other finance charges the rates as per existing loan agreements. We are unable to comment on impact, if any, on loss for the year and the Reserves had the confirmations been received from the lenders*

Explanation

Consequent to defaults by the Company, the Lenders have classified the borrowings as non performing assets (NPA) in the earlier years, in view of the company's non compliance to debt servicing obligations as per the contracted terms. The Lenders have recalled the loans and the Company is negotiating with the banks for a settlement. In view of this, these lenders have stopped issuing confirmation balances and statements of account. In the absence of same, the Company has recognised the interest and other financial costs in accordance with the contract terms as a prudent accounting practice. 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.

iii. Note 36 regarding non-recognition of liability towards Goods and Services Tax amounting to Rs.4303 akhs in respect of termination payment received from National Highways Authority of India till 31 March 2021 for the reasons stated in the said note. In our opinion, this non-recognition has resulted in understatement of loss for the year and liabilities by Rs.4303 Lakhs and accordingly, Reserves are overstated by a like amount.

Explanation

The Company is in receipt of Rs.35,861 Lakhs as an advance for Termination Payment from NHAI. While releasing the payment, NHAI had deducted an amount of Rs.717 Lakhs towards GST TDS besides income tax TDS. The Company has contested that, in its view, GST is not applicable in respect of Termination Payments and even if GST is applicable, NHAI has to add GST amount to the Termination Payment amount (because of change in Law) and release the amount. Considering this, the Company has not recognized the liability towards GST on termination payment received till the year end since it would not affect the results of operations for the year. It may be noted that the Termination Payment is against the Debt dues to the Lenders and Equity invested by the Sponsors, it is not against any contractual payments.

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 31st March, 2021.

14. DIVIDEND

The Board of Directors does not recommend any dividend on the Equity Shares for the financial year ended 31st March, 2021.

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 follow up with the NHAI Officials and requested the NHAI to release the balance Termination payment. It may be noted that the NHAI has released Rs.35,861 Lakhs as an advance for Termination Payment payable to the company and after deducting TDS of Rs. 537 Lakhs & GST TDS of Rs. 717 Lakhs on Rs. 35,861 Lakhs. An amount of Rs. 34,606 Lakhs was credited to the Companies Escrow account on 31.03.2021. Further, NHAI has released Rs. 11,006 lac on 5th April 2021 as an advance for Termination Payment and after deducting TDS of Rs. 165 lac and GST TDS of Rs. 220 lac, an amount of Rs. 10621 lac was credited to the Companies Escrow Account. All the above amounts received in the Escrow Account were distributed by the Lead Bank to the Consortium of Lenders. On receipt of the balance Termination amount, the company will settle the dues to the lenders.

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 31st March 2021, 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 29th September, 2016, M/s M. Bhaskara Rao & Co., Chartered Accountants, Hyderabad bearing ICAI Regn. No. 000459S, were appointed as statutory auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2021.

Accordingly, M/s. MKPS & Associates, Chartered Accountants (Firm Registration no. 302014E), are proposed to be appointed as statutory auditors of the Company. In this regard, the Company has received a certificate from the auditors to the effect that if they are appointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

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 2020-21.

28. MAINTENANCE OF COST RECORDS

The provisions relating to maintenance of Cost Records as specified by the Central Government under Section 148 of the Companies Act, 2013 is not applicable to the Company.

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, 2021.

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 2020-21 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: **07.08.2021**


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 31.03.2021
[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

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

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

| III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - | | | | | |
|--|--|-----------------------|---------------------------------------|-------------------------|---------------------------|
| Sl. No. | Name and address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
| 1 | Gayatri Highways Limited 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad- 500082. | L45100TG2006PLC052146 | Holding | 99.99 | 2(46) |

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

ii) Shareholding of Promoters

| S. No. | Shareholders Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|--------|--|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1 | Gayatri Highways 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 | 0.00001 | - | 1 | 0.002 | - | - |
| 3 | Mr. K. G. Naidu (Nominee of Gayatri Highways Limited) | 1 | 0.002 | - | 1 | 0.002 | - | - |

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| | | | | | | | | |
|--------------|---|--------------------|------------|------------|--------------------|------------|------------|----------|
| 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 | - | - |
| Total | | 1,00,00,843 | 100 | 100 | 1,00,00,843 | 100 | 100 | - |

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

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

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

(v) Shareholding of Directors and Key Managerial Personnel:

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

V. INDEBTEDNESS

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

(Rs. in lac)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 1,47,054.54 | | | 1,47,054.54 |
| ii) Interest due but not paid | 44,506.83 | | | 44,506.83 |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | 1,91,561.37 | - | | 1,91,561.37 |
| Change in Indebtedness during the financial year | | | | |
| Addition | | | | |
| Reduction | 9,948.53 | | | 9,948.53 |
| Net Change | | | | |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 1,12,448.68 | | | 1,12,448.68 |
| ii) Interest due but not paid | 69,164.16 | | | 69,164.16 |
| iii) Interest accrued but not due | | | | 0.00 |
| Total (i+ii+iii) | 1,81,612.84 | - | - | 1,81,612.84 |

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 |
|---------|---|------------------------|---|--------------|
| 1. | Gross Salary | - | - | - |
| | (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | - | - | - |
| | (b) Value of perquisites under Section 17(2) Income Tax Act, 1961 | - | - | - |
| | (c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961 | - | - | - |
| 2. | Stock Option | - | - | - |
| 3. | Sweat Equity | - | - | - |
| 4. | Commission | - | - | - |
| | as % of profit | - | - | - |
| | others, specify... | - | - | - |
| 5. | Others, please specify | - | - | - |
| | Total (A) | - | - | - |
| | Ceiling as per the Act | - | - | - |

B. Remuneration to other directors:**1. Independent Directors**

| Sl. no. | Particulars of Remuneration | Name of Directors | | | Total Amount |
|---------|---|------------------------|---------------------|--------------------------|-----------------------|
| | | Mr. Ch. Harivithal Rao | Mr. M.V.N. Rao | Krishnamurthy Chaturvedi | |
| | -Fee for attending Board/Committee Meetings | Rs. 50,000/- | Rs. 50,000/- | | Rs. 1,00,000/- |
| | -Commission | - | - | | - |
| | - Others, please specify | - | - | | - |
| | Total (B)(1) | Rs. 50,000/- | Rs. 50,000/- | | Rs. 1,00,000/- |

2. Other Non Executive Directors

| Sl. no. | Particulars of Remuneration | Name of Directors | | Total Amount |
|---------|---|---------------------|---------------------|-----------------------|
| | -Fee for attending Board/Committee Meetings | - | - | - |
| | -Commission | - | - | - |
| | - Others, please specify | - | - | - |
| | Total (B)(2) | - | - | - |
| | Total (B)= (B)(1)+ (B)(2) | Rs. 50,000/- | Rs. 50,000/- | Rs. 1,00,000/- |

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

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | | |
|-----------|---|--------------------------|-----------------------|------------------------|----------------------|
| | | CEO | Company Secretary | CFO Mr. K. Vijay Kumar | Total |
| 1. | Gross salary | - | - | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | - | Rs. 2,75,000/- | Rs.7,06,200/- | Rs.9,81,200/- |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | | - |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | | - |
| 2. | Stock Option | - | - | | - |
| 3. | Sweat Equity | - | - | | - |
| 4. | Commission | - | - | | - |
| | as % of profit | - | - | | - |
| | Others, specify... | - | - | | - |
| 5. | Others, please specify | - | - | | - |
| | Total | | Rs. 2,75,000/- | Rs.7,06,200/- | Rs.9,81,200/- |

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

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

For and on behalf of the Board of Directors

Sai Maatarini Tollways Limited

Place: **Hyderabad**

Date: 07.08.2021


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

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

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

For and on behalf of the Board
Sai Maatarini Tollways Limited

Place: **Hyderabad**

Date: **07.08.2021**


T. Indira Reddy
Director
DIN:00009906


T.V. Sandeep Kumar Reddy
Director
DIN:00005573



Form No. MR - 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

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: U45203TG2006PLC050554 (herein after 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 Sai Maatarini Tollways Limited books, papers, minute books, forms and returns filed and other records maintained by the Company [as provided to me] 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 covering the financial year ended on 31-03-2021 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 Sai Maatarini Tollways Limited (the "Company") for the financial year ended on 31-03-2021, according to the provisions of:

- I. The Companies Act, 2013 (the 'Act') and the rules made there under;
- II. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; and
- III. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 & Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') [to the extent applicable] to the Company.

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India as notified from time to time;
- b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- c) Other laws specifically applicable to the Company;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that the provisions of the following are not applicable to the Company:

- a) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- b) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- g) 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;
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009; and
- i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. The Company was not required to



appoint Executive Directors on its Board. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through, and there were no dissenting members' views, and the same are captured and recorded as part of the minutes.

I further report that 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 the Company has 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.

- 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, and the NHAI terminated the Concession Agreement vide letter dated 28-01-2020, and the Company has handed over the entire project on 30-01-2020, and the Company wrote letter to NHAI GM(T) requesting for termination payment of Rs.2,834.47 Corers vide letter no.1093 dated 08-05-2020.
- The Company has filed a petition as per Section 9 of the Arbitration & Conciliation Act, 1996 in the Hon'ble High Court of Delhi, New Delhi ("Court") against NHAI on 21-12-2019 requesting NHAI to deposit the Debt Due 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 Company and NHAI jointly filed an application on 27-05-2020 before the Court 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 was expected on 02-12-2020, and as the Termination Payment was still pending at the Conciliation Committee, SMTL and NHAI have jointly submitted an application to the Court for extension of adjournment for another 4 months period, and the proceedings were adjourned till 05-04-2021.
- The matter of Contract Agreement which was terminated on account of Force Majeure event is currently under the Arbitration between NHAI and the Company. The Company has opted for resolving the dispute with the NHAI through the Conciliation Mechanism instituted by NHAI. The Company vide their letters dated 30-11-2019 and 31-12-2019 reminded NHAI to refer the Disputes to the



Conciliation Committee of Independent Experts (CCIE). The first conciliation meeting comprising of independent experts was placed before the CCIE-2 on 01-07-2020 and CCIE viewed that there is a good possibility of settlement as a similar case has been settled earlier and it was expected that the conciliation-cum-settlement proceedings shall be completed within 5 sittings in a period of not more than 6 months from the day the reference is made to the CCIE. The Company has engaged Deloitte as Financial Advisor in this matter and based on their report, and the Company wrote a letter to NHAI GM(T) on 17-11-2020 requesting to release the Termination payment.

- IDBI Bank Limited (Lead Lender) on behalf of all the consortium lenders filed a case against the Company, its Directors, Gayatri Projects Limited and IDBI Trusteeship Services Limited under sub-section (4) of section 19 of the Debt Recovery Tribunal Act, read with sub rule (2A) of rule 5 of the Debt Recovery Tribunal (Procedure) Rules, 1993, and the case was listed before Hon'ble Debts Recovery Tribunal-1 on 23-09-2020, and the Tribunal issued summons for recovery of debts on 15-10-2020, and the Company requested the Tribunal to furnish copy with complete set of O.A along with documents on 22-10-2020. However due to present situations and restrictions caused by the global pandemic of COVID-19, the Company was unable to receive the documents, and the next listing date of summons was 15-02-2021.

I further report that No cases of fraud which are required to be reported pursuant to provisions of section 143 read with section 447 of the Companies Act, 2013 and the rules made there under.

Note:

- a) 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.
- b) Due to the disruptions & situations caused by the global pandemic of COVID-19, the compliance matters stated in this report are to read and construed based on various special measures, relaxations, clarifications, extensions, schemes, limits, waivers and fee payments given by the Ministry of Corporate Affairs (MCA), the Securities and Exchange Board of India (SEBI) and other statutory authorities for complying various provisions of the statutes applicable to the Company.



C.N.Kranthi Kumar
Company Secretary in Practice
FCS No.9255 CP No.13889
Unique Code No: I2014TL1227000
Peer Reviewed Unit
Certificate No.612/2019

UDIN: F009255C000409061

Date: 01-06-2021
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.

LP
C.N.



NOTES

To

The Members

Sai Maatarini Tollways Limited

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

1) Format:

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

2) Requirement:

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

3) Management responsibility:

The management of the Company is responsible for compliances laws, bye-laws, rules, regulations, circulars, guidelines, notifications, orders and standards as applicable to the Company, and the provisions of the Memorandum and Articles of Association of the Company, and the 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 the Audit of Standalone Financial Statements

Qualified Opinion

We have audited the accompanying Standalone Financial Statements of **Sai Maatarini Tollways Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, 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 ("hereinafter referred to as "the financial statements").

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 financial statements give the information required under the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the generally accepted accounting principles in India, of the state of affairs of the Company as at March 31, 2021, the Loss and its cash flows for the year ended on that date.

Basis for Qualified Opinion

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

1. Note 32 regarding termination payment claim receivable from National Highways Authority of India ('NHAI'). The Company, consequent to termination of the Concession Agreement, had assessed and raised a claim on NHAI for Rs.2,83,447 Lakhs but recognized in its books to the extent of Rs.1,78,228 Lakhs only, as a prudent measure. The Company has since reassessed its termination payment claim as Rs.2,29,667 Lakhs.

The Company had filed a petition for initiation of Arbitration Proceedings in Hon'ble High Court of Delhi. The Company and the NHAI filed joint application before the High Court to keep the proceedings on hold consequent to Company and NHAI having opted for resolving the dispute through Conciliation mechanism constituted by NHAI. Both the parties have since referred the matter to Conciliation Committee of Independent Experts ('CCIE - 2'). As at the year end, the Arbitration Proceedings are on hold and the meetings of CCIE -2 are in progress.

The Company had appointed an independent expert for study, assessment and advise the management regarding the claim. Based on their report, the Company considered the carrying amount of claim of Rs.1,78,228 Lakhs is realizable, and no adjustments are required at this juncture. The NHAI had released Rs.35,861.00 Lakhs on 31.03.2021 as termination payment, which has been presented as a deduction from the claim amount.



Considering that proceedings of CCIE are still in progress and Arbitration proceedings are on hold at the request of both Company and NHAI, the ultimate recovery of the claim recognized depends on the final outcome of these proceedings; hence, the shortfall, if any, in realization of the claim and its impact on the loss for the year and reserves is not determinable at this stage.

2. Note 35 to the financial statements regarding non-receipt of the confirmation of balances from banks and financial institutions in respect of borrowings and bank balances for the reasons detailed in the said note. The Company had recognized interest expense and other finance charges the rates as per existing loan agreements. We are unable to comment on impact, if any, on loss for the year and the Reserves had the confirmations been received from the lenders.
3. Note 36 regarding non-recognition of liability towards Goods and Services Tax amounting to Rs.43,03.32 Lakhs in respect of termination payment received from National Highways Authority of India till 31 March 2021 for the reasons stated in the said note. In our opinion, this non-recognition has resulted in understatement of loss for the year and liabilities by Rs.43,03.32 Lakhs and accordingly, Reserves are overstated by a like amount.

We conducted our audit of the 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 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 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements.

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

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 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

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 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 and rules made thereunder. 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibility for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but 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 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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Companies Act, 2013, we report that:
 - a) Except for the matters stated in the 'Basis of Qualified opinion' paragraph above, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) Except for the matters stated in the 'Basis of Qualified opinion' paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) the Balance Sheet, the Statement of Profit and Loss and the Statement of cash Flow dealt with by this Report are in agreement with the books of the account.
 - d) Except for the matters stated in the 'Basis of Qualified opinion' paragraph stated here in above, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with rules made thereunder.



- 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, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, 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 B'; 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 has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer 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, 2021.

For M Bhaskara Rao & Co
Chartered Accountants
Firm Registration No: 000 459 S



M V Ramana Murthy
Partner
Membership No. 206439
UDIN: 21206439AAAABY6204

Hyderabad, August 07, 2021

Re: Sai Maatarini Tollways Limited

Annexure B to the Independent Auditor's report

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

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

We have audited the internal financial controls over financial reporting of Sai Maatarini Tollways Ltd ("the Company") as of March 31, 2021 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 qualified 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, material weakness has been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2021 in respect of the Company's process of estimation of realisability of the termination payment claim from NHAI and process for obtaining confirmation of balances from term lending banks and financial institutions. These 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, 2021, 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, 2021.



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, 2021, 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, 2021 standalone Ind AS financial statements of the Company and this report affects our report dated August 7, 2021, 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: 000459S



M V Ramana Murthy
Partner
Membership No. 206439
UDIN: 21206439AAAAABY6204

Hyderabad, August 07, 2021

Re: Sai Maatarini Tollways Limited**Annexure A to the Independent Auditors' Report**

(Referred to in paragraph '1' under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. The Company does not have any fixed assets as at the year end, hence requirements of paragraph 3 (1) are not applicable.
- 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 and accordingly paragraph 3(iii) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- 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. The requirements relating to maintenance of cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended are not applicable to the Company.
- 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, 2021 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. According to the information and explanations given to us and based on the examination of records of the Company, the Company has defaulted in repayment of dues to banks and financial institutions as detailed below:

| Particulars | Amount Rs. In Lakhs | Period of default |
|--|---------------------|-----------------------------------|
| To Banks and Financial Institutions: [IDBI Bank Ltd, Punjab National Bank (erstwhile Oriental Bank of Commerce), Bank of India, Indian Overseas Bank, Union Bank of India (erstwhile Andhra Bank), Canara Bank, India Infrastructure Finance Co Limited, Life Insurance Corporation of India and Central Bank of India] | 1816,12.84 | January 1, 2018 to March 31, 2021 |
| Principal & Interest [net of Rs.346,05.87 Lakhs received from NHAI and credited to Escrow account with IDBI] | | |

- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. The Company has not availed any term loans during the year.
- 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; hence requirements of paragraph 3(xi) of the Order are not applicable.
- 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: 000459S



M V Ramana Murthy

Partner

Membership No. 206439

UDIN: 21206439AAAAABY6204

Hyderabad, August 07, 2021

Sai Maatarini Tollways Limited
Balance sheet as at 31st March 2021
(All amounts in ₹ in lacs unless otherwise stated)

| Particulars | Notes | As at | |
|---|-------|--------------------|--------------------|
| | | 31st March 2021 | 31st March 2020 |
| Assets | | | |
| Current assets | | | |
| Financial Assets | | | |
| - Cash and cash equivalents | 3 | 54.10 | 92.47 |
| Other Financial Assets | 4 | 1,42,394.06 | 1,78,255.08 |
| Other current assets | 5 | 1,264.41 | 40.30 |
| | | <u>1,43,712.57</u> | <u>1,78,387.85</u> |
| Assets Classified as held for sale | | <u>2.75</u> | <u>2.75</u> |
| | | <u>1,43,715.32</u> | <u>1,78,390.60</u> |
| Total Assets | | <u>1,43,715.32</u> | <u>1,78,390.60</u> |
| Equity and liabilities | | | |
| Equity | | | |
| Equity share capital | 6 | 1,000.08 | 1,000.08 |
| Instrument entirely equity in nature | 7(a) | 10,016.00 | 10,016.00 |
| Other equity | 7(b) | (51,588.82) | (26,825.10) |
| Total Equity | | <u>(40,572.74)</u> | <u>(15,809.02)</u> |
| Non-current Liabilities | | | |
| Financial liabilities | | | |
| Long Term Borrowings | 8 | - | - |
| Long Term Provisions | 9 | 0.31 | 5.82 |
| Total Non-current liabilities | | <u>0.31</u> | <u>5.82</u> |
| Current liabilities | | | |
| 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 | 10 | 177.14 | 160.21 |
| -Other Financial Liabilities | 11 | 1,81,660.59 | 1,91,590.46 |
| Other current liabilities | 12 | 2,450.02 | 2,440.60 |
| Short Term Provisions | 13 | - | 2.53 |
| Total Current liabilities | | <u>1,84,287.75</u> | <u>1,94,193.80</u> |
| Total Equity and Liabilities | | <u>1,43,715.32</u> | <u>1,78,390.60</u> |

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

M.V. Ramana Murthy

M.V. Ramana Murthy

Partner

Membership No. 206439



For and on behalf of the Board

T. Indira Reddy
T. INDIRA REDDY
Director
DIN: 00009906

T.V. Sandeep Kumar Reddy
T.V. SANDEEP KUMAR REDDY
Director
DIN: 00005573

Radha Supriya
J. Radha Supriya
Company Secretary

Place: Hyderabad
Date: 07.08.2021

Sai Maatarini Tollways Limited

Statement of Profit and Loss for the year ended 31st March 2021

(All amounts in ₹ in lacs unless otherwise stated)

| Particulars | Notes | For the year ended | |
|--|-------|--------------------|--------------------|
| | | 31st March 2021 | 31st March 2020 |
| Income | | | |
| Revenue from Operations | 14 | - | - |
| Other Income | 15 | - | - |
| Total income | | - | - |
| Expenses | | | |
| Employee benefits expense | 16 | - | - |
| Finance costs | 17 | - | - |
| Toll Plaza Admin Expenses | 18 | - | - |
| Other expenses | 19 | - | - |
| Total expense | | - | - |
| Loss before tax from continuing operations | | - | - |
| Current tax | | - | - |
| Income tax expense | | - | - |
| Profit/ (loss) for the year from Continuing Operations (A) | | - | - |
| Profit/(Loss) before tax from discontinuing operations | 20 | (24,763.72) | (16,768.47) |
| Current tax | | - | - |
| Profit/ (loss) for the Year from discontinuing Operations (B) | | (24,763.72) | (16,768.47) |
| Profit/ (loss) for the Year (A+B) | | (24,763.72) | (16,768.47) |
| Total other comprehensive income, net of tax | | - | - |
| Total comprehensive income / (loss) for the year | | (24,763.72) | (16,768.47) |
| Earnings / (loss) per equity share (EPES) | 21 | | |
| Continued Operations | | | |
| Basic | | - | - |
| Diluted | | - | - |
| Dis-continued Operations | | | |
| Basic | | (247.64) | (167.68) |
| Diluted | | (247.64) | (167.68) |

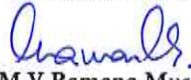
The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For M. BHASKARA RAO & CO.

Chartered Accountants


Firm Registration No. 0004598



M.V. Ramana Murthy
Partner

Membership No. 206439



For and on behalf of the Board


T. INDIRA REDDY
Director
DIN: 00009906


T.V. SANDEEP KUMAR REDDY
Director
DIN: 00005573

Place: Hyderabad
Date: 07.08.2021


J. Radha Supriya
Company Secretary

Sai Maatarini Tollways Limited

Statement of Cash flows for the year ended as on 31st March 2021

(All amounts in ₹ in lacs unless otherwise stated)

| Particulars | For the year ended | |
|--|--------------------|----------------------|
| | 31st March 2021 | 31st March 2020 |
| Operating activities | | |
| Profit/(Loss) before tax | (24,763.72) | (16,768.47) |
| Adjustments to reconcile profit before tax to net cash flows: | | |
| Depreciation of property, plant and equipment | - | 1,437.13 |
| Loss on transfer of asset | - | 0.5 |
| Working capital adjustments: | | |
| (Increase)/Decrease in other current assets | (1,224.11) | 1,111.10 |
| (Increase)/Decrease in other financial assets | 35,861.02 | (1,78,227.57) |
| Increase/(Decrease) in trade payables | 16.92 | (104.51) |
| Increase/(Decrease) in other current liabilities | (9,920.44) | 1,62,086.71 |
| Increase/(Decrease) in long term Provisions | (5.51) | 0.18 |
| Increase/(Decrease) in current term Provisions | (2.53) | 1.23 |
| | (38.38) | (30,463.69) |
| Income tax paid, net of refund | - | - |
| Net cash flow from operating activities | (A) | (38.38) |
| Investing activities | | |
| Intangible assets under development | - | 311.95 |
| Intangible assets (carriageway) | - | 1,78,726.36 |
| Purchase of Capital Assets | - | - |
| Net cash flow from investing activities | (B) | 1,79,038.31 |
| Financing activities | | |
| Decrease in Long Term borrowings | - | (1,48,752.67) |
| Net cash used in financing activities | (C) | (1,48,752.67) |
| Net increase/(decrease) in cash and cash equivalents | (A+B+C) | (38.38) |
| Cash and cash equivalents at the beginning of the year | 92.48 | 270.52 |
| Cash and cash equivalents at the end of the year | 54.10 | 92.48 |
| Cash and cash equivalents includes | | |
| Cash on hand | 0.06 | 0.12 |
| Balances with banks in current accounts | 54.04 | 92.36 |
| Total cash and cash equivalents | 54.10 | 92.48 |


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


M.V. Ramana Murthy
 Partner
 Membership No. 206439



For and on behalf of the Board


T. INDIRA REDDY
 Director
 DIN: 00009906


T.V. SANDEEP KUMAR REDDY
 Director
 DIN: 00005573


J. Radha Supriya
 Company Secretary

Place: Hyderabad
 Date: 07.08.2021

Sai Maatarini Tollways Limited**Statement of Changes in Equity for the year ended as on 31st March 2021**

(All amounts in ₹ in lacs unless otherwise stated)

(a) Equity share capital

| Particulars | Number | Amount |
|---|-------------|----------|
| Equity shares of ₹10 each issued, subscribed and fully paid | | |
| At 31st March 2021 | 1,00,00,843 | 1,000.08 |
| At 31st March 2020 | 1,00,00,843 | 1,000.08 |

(b) Other equity**For the Year ended 31st March 2021**

| Particulars | Security Premium Reserve | Retained earnings | Total equity |
|------------------------------|--------------------------|-------------------|--------------|
| As at 1st April 2020 | 17,015.94 | (43,841.04) | (26,825.10) |
| Profit / (loss) for the year | - | (24,763.72) | (24,763.72) |
| At 31st March 2021 | 17,015.94 | (68,604.76) | (51,588.82) |

For the Year ended 31st March 2020

| Particulars | Security Premium Reserve | Retained earnings | Total equity |
|------------------------------|--------------------------|-------------------|--------------|
| 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) |

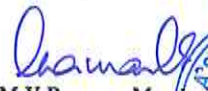
This is the Statement of Changes in Equity referred to in our report of even date.

As per our report of even date attached

For M. BHASKARA RAO & CO.

Chartered Accountants

Firm Registration No. 000459S

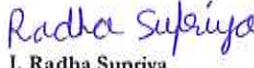

M.V. Ramana Murthy
Partner
Membership No. 206435

**For and on behalf of the Board**


T. INDIRA REDDY
Director
DIN: 00009906


T.V. SANDEEP
KUMAR REDDY
Director
DIN: 00005573

Place: Hyderabad
Date: 07.08.2021


J. Radha Supriya
Company Secretary

Sai Maatarini Tollways Limited

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ in lacs unless otherwise stated)

1 Corporate Information

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

The Company is a Special Purpose Vehicle (SPV) incorporated for the purpose of execution of the project "Four Laning of 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. The company has received Termination Notice from the NHAI on 28.01.2020 and the company has handedover the Toll assets on 30.01.2020 at 08.00 AM

Presently the Company does not have any operations due to termination and handing over of the Company's project. The administrative, finance, employee costs and miscellaneous incomes of the Company during the year are treated as results of Company's discontinuing operations and reported as such in the financial statements.

2 Significant Accounting Policies

2.01 Basis of preparation

(a) Going Concern Assumption

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 |
| Assets held for sale | fair value less costs to sell |

(b) Compliance with IndAS

Consequent to termination of Company's project by NHAI, the Company does not have any operations. Hence, the financial statements for the year have been prepared not on going concern basis. The assets and liabilities have been reported at realisable values at the year end.

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.

(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).



Sai Maatarini Tollways Limited

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ in lacs unless otherwise stated)

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.



Sai Maatarini Tollways Limited

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ in lacs unless otherwise stated)

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.



Sai Maatarini Tollways Limited

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ in lacs unless otherwise stated)

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.



Sai Maatarini Tollways Limited

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ in lacs unless otherwise stated)

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.



Sai Maatarini Tollways Limited

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ in lacs unless otherwise stated)

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.



Sai Maatarini Tollways Limited

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ in lacs unless otherwise stated)

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.



Sai Maatarini Tollways Limited**Summary of Significant Accounting Policies and Other Explanatory Information**

(All amounts in ₹ in lacs unless otherwise stated)

3 Cash and cash equivalents

| Particulars | As at | |
|-----------------------|-----------------|-----------------|
| | 31st March 2021 | 31st March 2020 |
| Balances with banks | | |
| - in current accounts | 54.04 | 92.36 |
| Cash on hand | 0.06 | 0.11 |
| | <u>54.10</u> | <u>92.47</u> |

4 Other Financial Assets

| Particulars | As at | |
|--|--------------------|--------------------|
| | 31st March 2021 | 31st March 2020 |
| Retention money-NHAI | 27.51 | 27.51 |
| Receivable from NHAI towards Termination of contract | 1,78,227.55 | 1,78,227.57 |
| Termination Payment received from NHAI | (35,861.00) | - |
| | <u>1,42,394.06</u> | <u>1,78,255.08</u> |

5 Other current assets

| Particulars | As at | |
|--------------------|-----------------|-----------------|
| | 31st March 2021 | 31st March 2020 |
| Other advances | 7.76 | 7.46 |
| TDS Receivable | 539.42 | 32.84 |
| GST TDS Receivable | 717.23 | - |
| | <u>1,264.41</u> | <u>40.30</u> |



Sai Maatarini Tollways Limited

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ in lacs unless otherwise stated)

6 Share capital

| Particulars | 31st March 2021 | | 31st March 2020 | |
|---|--------------------|-----------------|--------------------|-----------------|
| | Number | Amount | Number | Amount |
| Authorized | | | | |
| Equity shares of ₹10 each | 1,50,00,000 | 1,500.00 | 1,50,00,000 | 1,500.00 |
| | <u>1,50,00,000</u> | <u>1,500.00</u> | <u>1,50,00,000</u> | <u>1,500.00</u> |
| Issued, subscribed and fully paid-up | | | | |
| Equity shares of ₹10 each | 1,00,00,843 | 1,000.08 | 1,00,00,843 | 1,000.08 |
| | <u>1,00,00,843</u> | <u>1,000.08</u> | <u>1,00,00,843</u> | <u>1,000.08</u> |

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

| Particulars | 31st March 2021 | | 31st March 2020 | |
|---------------------------------------|--------------------|-----------------|--------------------|-----------------|
| | 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 | <u>1,00,00,843</u> | <u>1,000.08</u> | <u>1,00,00,843</u> | <u>1,000.08</u> |

(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 Shareholders 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 2020 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:

| Particulars | 31st March 2021 | | 31st March 2020 | |
|--|-----------------|----------|-----------------|----------|
| | 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

| Particulars | 31st March 2021 | | 31st March 2020 | |
|--|------------------|--------------|------------------|--------------|
| | Number of shares | % of holding | Number of shares | % of holding |
| Gayatri Highways Limited - Holding Company | 1,00,00,843 | 100% | 1,00,00,843 | 100% |

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.



7 a) Instrument entirely equity in nature

| Particulars | As at | |
|-----------------------------|------------------|------------------|
| | 31st March 2021 | 31st March 2020 |
| Loans from Sponsors: | | |
| 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

| Particulars | As at | |
|--|--------------------|--------------------|
| | 31st March 2021 | 31st March 2020 |
| Retained earnings | | |
| Balance as per last audited financial statements | (43,841.04) | (27,072.57) |
| Add: Net profit / (loss) for the year | (24,763.72) | (16,768.47) |
| Balance at the end of the Year | <u>(68,604.76)</u> | <u>(43,841.04)</u> |
| Securities Premium | | |
| Balance as per last audited financial statements | 17,015.94 | 17,015.94 |
| Add: Received on allotment during the year | - | - |
| Balance at the end of the Year | <u>17,015.94</u> | <u>17,015.94</u> |
| Total other equity | <u>(51,588.82)</u> | <u>(26,825.10)</u> |



Sai Maatarini Tollways Limited

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ in lacs unless otherwise stated)

8 Long term Borrowings

| Particulars | As at | |
|--|--------------------|--------------------|
| | 31st March 2021 | 31st March 2020 |
| Non-current borrowings | | |
| Term loans | | |
| Secured | | |
| From Banks | - | - |
| From Financial Institutions | - | - |
| | <u>-</u> | <u>-</u> |
| Current borrowings | | |
| Current maturities of long term loans | | |
| Term loans | | |
| Secured | | |
| From Banks | 1,09,213.54 | 1,09,213.54 |
| From Financial Institutions | 37,841.00 | 37,841.00 |
| | <u>1,47,054.54</u> | <u>1,47,054.54</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.



Sai Maatarini Tollways Limited

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ in lacs unless otherwise stated)

8 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.



Sai Maatarini Tollways Limited

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ in lacs unless otherwise stated)

8 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. 61,318.03 lakhs and total outstanding loan principal of Sub debt and Senior lenders of Rs.1,54,900.67 Lakhs. The company has paid an amount of Rs.34,605.86 Lakhs to the Lenders of SMTL towards part payment of said outstandings during the year.

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.

9 Long term provisions

| Particulars | As at | |
|---------------------------------|-----------------|-----------------|
| | 31st March 2021 | 31st March 2020 |
| Provision for Employee benefits | | |
| Provision for Gratuity | 0.31 | 5.82 |
| Total | 0.31 | 5.82 |



Sai Maatarini Tollways Limited

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ in lacs unless otherwise stated)

10 Trade payables

| Particulars | As at | |
|--|-----------------|-----------------|
| | 31st March 2021 | 31st March 2020 |
| Vendors payables for Services & Products | 177.14 | 160.21 |
| | 177.14 | 160.21 |

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 2020 or 31 March 2021.

11 Other financial liabilities

| Particulars | As at | |
|---|--------------------|--------------------|
| | 31st March 2021 | 31st March 2020 |
| Current maturities of long-term borrowings | 1,47,054.54 | 1,47,054.54 |
| Interest accrued and due | 69,164.16 | 44,506.83 |
| Total payable to Banks & Financial Institutions | 2,16,218.70 | 1,91,561.37 |
| Termination Payments made to Lenders | (34,605.87) | - |
| Total payable to Banks & Financial Institutions | 1,81,612.84 | 1,91,561.37 |
| Claims payable-related party-EPC Contractor (refer note 25(i)) | 22,745.00 | 22,745.00 |
| Claims Receivable -NHAI (Refer Note-25(i)) | (22,745.00) | (22,745.00) |
| Payable to related parties | 47.75 | 29.09 |
| | 1,81,660.59 | 1,91,590.46 |

12 Other current liabilities

| | As at | |
|---|-----------------|-----------------|
| | 31st March 2021 | 31st March 2020 |
| Creditors for capital expenditure | 1,469.90 | 1,459.83 |
| Advance against change 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 | 948.22 | 948.30 |
| Special Retention Money Payable | 497.59 | 497.59 |
| Capital Advance-Long term loan and advances - related party | (465.60) | (465.60) |
| Statutory dues payable | (0.09) | 0.48 |
| | 2,450.02 | 2,440.60 |

13 Short Tem Provisions

| | As at | |
|--|-----------------|-----------------|
| | 31st March 2021 | 31st March 2020 |
| Provision for Employee benefits | | |
| Provision for Gratuity | 0.00 | 2.53 |
| | 0.00 | 2.53 |



Sai Maatarini Tollways Limited**Summary of Significant Accounting Policies and Other Explanatory Information**

(All amounts in ₹ in lacs unless otherwise stated)

14 Revenue from Operations

| | As at | |
|--------------------------------------|-----------------|-----------------|
| | 31st March 2021 | 31st March 2020 |
| Revenue from Toll Operations | - | 9,163.30 |
| | - | 9,163.30 |
| Revenue from Discontinued operations | - | 9,163.30 |
| Revenue from Continuing operations | - | - |

15 Other Income

| | As at | |
|---|-----------------|-----------------|
| | 31st March 2021 | 31st March 2020 |
| Interest on TDS refund | 1.10 | 155.68 |
| Insurance Claims- Receipt | 24.11 | - |
| Reversal of Gratuity | 8.17 | - |
| | 33.38 | 155.68 |
| Other Income from Discontinued operations | 33.38 | 155.68 |
| Other Income from Continuing operations | - | - |



Sai Maatarini Tollways Limited

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ in lacs unless otherwise stated)

16 Employee benefits expense

| Particulars | For the year ended | |
|--|--------------------|-----------------|
| | 31st March 2021 | 31st March 2020 |
| Salaries and wages | 9.81 | 63.64 |
| Gratuity | 0.14 | 1.40 |
| | 9.95 | 65.04 |
| Employee benefits expense from Discontinued operations | 9.948 | 65.041 |
| Employee benefits expense from Continuing operations | - | - |
| Provision for Gratuity is made on actuarial basis as summarized below. | | |
| Profit and Loss account for current period | | |
| Service Cost: | | |
| Current Service Cost | 0.131 | 1.040 |
| Past service cost and loss/(gain) on curtailments and settlement | - | - |
| Net interest cost | 0.012 | 0.186 |
| Total included in 'Employee Benefit Expense' | 0.143 | 1.226 |
| Expenses deducted from the fund | - | - |
| Total Charge to P&L | 0.143 | 1.226 |

Other Comprehensive Income for the current period

| | | |
|--|----------------|----------------|
| Components of actuarial gain/losses on obligations: | | |
| Due to change in financial assumptions | (0.005) | 0.017 |
| Due to change in demographic assumption | | (0.000) |
| Due to experience adjustments | (0.002) | (3.597) |
| Amount recognized in Other Comprehensive Income | (0.008) | (3.581) |
| Reconciliation of defined obligation | | |

| Particulars | For the year ended | |
|---|--------------------|-----------------|
| | 31st March 2021 | 31st March 2020 |
| Defined Benefit Obligation | | |
| Opening defined benefit obligation | 0.173 | 2.528 |
| Service cost | 0.135 | 1.226 |
| Other Comprehensive Income for the current period | | (3.581) |
| Benefits paid | (0.008) | - |
| Closing defined benefited obligation | 0.308 | 0.173 |



Sai Maatarini Tollways Limited

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ in lacs unless otherwise stated)

16 Employee benefits expense continued.....

Principal Actuarial Assumptions

| | For the year ended | |
|----------------------------|--------------------|-----------------|
| | 31st March 2021 | 31st March 2020 |
| Average Salary Growth Rate | 4.00% | 4.00% |
| Discount Rate | 6.95% | 6.85% |
| Withdrawal Rates | 4% at all ages | 4% at all ages |

Sensitivity to key assumptions

Discount Rate Sensitivity

| | | |
|------------------|--------|--------|
| Increase by 0.5% | 0.28 | 0.16 |
| (% change) | -7.93% | -8.39% |
| Decrease by 0.5% | 0.34 | 0.19 |
| (% change) | 8.95% | 9.50% |

Salary Growth Rate Sensitivity

| | | |
|------------------|--------|--------|
| Increase by 0.5% | 0.33 | 0.19 |
| (% change) | 7.04% | 7.36% |
| Decrease by 0.5% | 0.29 | 0.16 |
| (% change) | -6.34% | -6.88% |

Withdrawal Rate (W.R.) Sensitivity

| | | |
|-------------|--------|--------|
| W.R. x 110% | 0.31 | 0.18 |
| (% change) | 1.61% | 1.29% |
| W.R. x 90% | 0.30 | 0.17 |
| (% change) | -1.78% | -1.48% |

17 Finance costs

| Particulars | For the year ended | |
|--|--------------------|------------------|
| | 31st March 2021 | 31st March 2020 |
| Interest on borrowings | | |
| Interest on senior debts | 22,331.08 | 20,230.98 |
| Interest on sub debts | 2,435.18 | 2,134.69 |
| Other finance costs | - | 1,054.41 |
| | 24,766.26 | 23,420.08 |
| Finance costs from Discontinued operations | 24,766.26 | 23,420.08 |
| 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)

18 Toll Plaza Administrative Expenses

| Particulars | For the year ended | |
|---|--------------------|-----------------|
| | 31st March 2021 | 31st March 2020 |
| Diesel Expenses | - | 16.59 |
| Electricity Expenses | - | 28.85 |
| Insurance charges | - | 5.14 |
| Repairs & Maintenance expenses | - | 87.53 |
| Road safety works expenses | - | 135.62 |
| Toll Plaza Operation & Maintenance expenses | 10.38 | 637.85 |
| | 10.38 | 911.58 |

| | | |
|---|-------|--------|
| Toll Plaza Administrative Expenses from Discontinued operations | 10.38 | 911.58 |
| Toll Plaza Administrative Expenses from Continuing operations | - | - |

19 Other expenses

| Particulars | For the year ended | |
|----------------------------------|--------------------|-----------------|
| | 31st March 2021 | 31st March 2020 |
| Travelling & Conveyance Expenses | 0.16 | 18.69 |
| Legal & Professional Expenses | 8.25 | 81.49 |
| NHAI IC Fee | - | 87.85 |
| Insurance Expenses | - | 33.37 |
| LIE consultancy fee | - | 17.70 |
| Office Maintenance Expenses | 0.04 | 0.24 |
| Payment to Auditors | 0.59 | 2.36 |
| Printing & Stationery Expenses | 0.06 | 0.06 |
| Bank Charges | 0.02 | 0.01 |
| Interest on TDS & GST | 0.05 | - |
| Director Sitting Fee | 1.24 | 1.18 |
| Other Expenses | 0.12 | 0.86 |
| Comprehensive Audit Fee | - | 5.90 |
| Loss on transfer of asset | - | 0.51 |
| Site Expenses | - | 3.41 |
| | 10.51 | 253.62 |

| | | |
|---|-------|--------|
| Other expenses from Discontinued operations | 10.51 | 253.62 |
| Other expenses from Continuing operations | - | - |



Sai Maatarini Tollways Limited

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ in lacs unless otherwise stated)

20 Statement of Profit and Loss from discontinuing operations for the year ending 31st March 2021

| Particulars | | For the year ended | |
|--|----|--------------------|--------------------|
| | | 31st March 2021 | 31st March 2020 |
| Income | | | |
| Revenue from Operations | 14 | - | 9,163.30 |
| Other Income | 15 | 33.38 | 155.68 |
| Total income | | 33.38 | 9,318.98 |
| Expenses | | | |
| Employee benefits expense | 16 | 9.95 | 65.04 |
| Depreciation and amortization expense | 3 | - | 1,437.13 |
| Finance costs | 17 | 24,766.26 | 23,420.08 |
| Toll Plaza Admin Expenses | 18 | 10.38 | 911.58 |
| Other expenses | 19 | 10.51 | 253.61 |
| Total expense | | 24,797.10 | 26,087.45 |
| Loss before tax from Discontinuing operations | | (24,763.72) | (16,768.47) |

21 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:

| Particulars | For the year ended | |
|---|--------------------|-----------------|
| | 31st March 2021 | 31st March 2020 |
| Loss attributable to equity holders of the Company | (24,763.72) | (16,768.47) |
| Weighted average number of equity shares in calculating basic EPES | 1,00,00,843 | 1,00,00,843 |
| Nominal value per equity share (Rs.) | 10.00 | 10.00 |
| Effect of dilution: | | |
| Weighted average number of equity shares used in computation of diluted EPES* | 1,00,00,843 | 1,00,00,843 |

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



Sai Maatarini Tollways Limited

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ in lacs unless otherwise stated)

22 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 management believes that the company is not exposed to any credit risk.

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 started in the month of June, the first meeting was held on 01.07.2020, in which the CCIE has opined that the Concession Agreement had been terminated on account of mutual differences between the parties with none of them being at default of their respective obligations under the Concession Agreement. As such, the CCIE had advised that the parties should amicably resolve the disputes to avoid protracted litigation.

The company vide their letter dated 13.03.2021 requested NHAI for arranging a Second meeting before CCIE.



Sai Maatarini Tollways Limited

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ in lacs unless otherwise stated)

23 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.

24 Commitments

| Particulars | As at | |
|--|-----------------|-----------------|
| | 31st March 2021 | 31st March 2020 |
| Estimated amount of contracts remaining to be executed on Capital Account not provided for | - | - |
| Other commitments | - | - |

25 Contingent items

| Particulars | As at | |
|---|----------------------|----------------------|
| | 31st March 2021 | 31st March 2020 |
| 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 | - | - |



Sai Maatarini Tollways Limited

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ in lacs unless otherwise stated)

26 Related party disclosures

Name of related parties and nature of relationship

Names of the related parties

Gayatri Highways Ltd

Gayatri Projects Ltd

T.V Sandeep Kumar Reddy

J. Radha Supriya- Company Secretary

Nature of relationship

Holding company

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

Director

Key Management personnel

Transactions with related parties during the year

| Particulars | Year ended | |
|--|-----------------|-----------------|
| | 31st March 2021 | 31st March 2020 |
| Gayatri Highways Ltd | | |
| Reimbursement of expenses | 18.66 | 25.34 |
| Gayatri Projects Ltd | | |
| EPC works | 10.21 | 421.95 |
| Utility shifting works | - | 55.11 |
| Remuneration to Chief Financial Officer | 7.06 | 7.02 |

Balances receivable/(payable)

| Particulars | As at | |
|---|-----------------|-----------------|
| | 31st March 2021 | 31st March 2020 |
| Gayatri Highways Ltd | | |
| Instrument entirely equity in nature | (10,016.00) | (10,016.00) |
| Reimbursement of expenses | (47.75) | (29.09) |
| Gayatri Projects Ltd | | |
| Trade payables | (1,469.90) | (1,459.83) |
| Retention Money payable-EPC work | (920.70) | (920.70) |
| 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 25(i)) | (22,745.00) | (22,745.00) |

27 Disclosure pursuant to Ind AS 23 "Borrowing Costs"

Borrowing cost capitalised during the year : Rs Nil

28 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.

29 Foreign Currency Transactions

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

Nil

Nil

Nil

Nil

Nil



Sai Maatarini Tollways Limited

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ in lacs unless otherwise stated)

30 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.

31 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.

32 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. The NHAI has 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 with the Chairman of the NHAI at Delhi on 30.09.2019, the substitution period was further extended by 90 days at Lender's request. 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 (I) & RO of NHAI recommending 90% of Debt Due amounting to Rs. 1,79,935 Lakhs 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 (I) at New Delhi referring the Termination payment of Rs. 1,79,935 Lakhs 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 in the year 2019-20 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. Keeping in view, the recommendation by PD NHAI and RO NHAI Bhubaneswar, the company recognised claims to the extent of Rs.1,78,228 Lakhs, being aggregate amount of derecognition of intangible asset and intangible asset under development.

d.Section 9 Petition filed by 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.



Sai Maatarini Tollways Limited

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ in lacs unless otherwise stated)

32 Status of the Project and Termination Payment continued....

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. The High Court of Delhi heard the above application on 29.05.2020 and passed 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.

As the Termination payment issue is still pending at the Conciliation committee, SMTL and NHAI jointly submitted an application before the Honorable High Court of Delhi for extension of adjournment of Section 9 petition for another 5 months and the proceedings are adjourned to 06.05.2021.

The Company & NHAI have opted for resolving the dispute through the Conciliation Mechanism constituted by NHAI, since the conciliation route ensures amicable settlement of claims in a faster, fairer and transparent manner. Hence the matter is currently under the Conciliation Committee of Independent Experts (CCIE-2).

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 (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, the Company was categorically advised by the Authority to refer the instant disputes to the Conciliation 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 to 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 extent 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 started in the month of June, the first meeting was held on 01.07.2020, in which the CCIE has opined that the Concession Agreement had been terminated on account of mutual differences between the parties with none of them being at default of their respective obligations under the Concession Agreement. As such, the CCIE had advised that the parties should amicably resolve the disputes to avoid protracted litigation.

The Company vide their letter dated 13.03.2021 requested NHAI for arranging a Second meeting before CCIE.



Sai Maatarini Tollways Limited

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ in lacs unless otherwise stated)

32 Status of the Project and Termination Payment continued....

g.Appointment of Financial Advisor by the Company

The Company has engaged an independent expert as an exclusive financial advisor for the following services:

- a) Detailed review of the project documents, financing agreements, capital structure for the project.
- b) Assistance in drafting, reviewing and submission of all correspondences and representations required before the Authority.
- c) Negotiate with NHAI on termination payment.
- d) Regular strategic representations and continuous follow up with the Authority and actively attend and participate in all the meetings along with the Company and in all the conciliation meetings with NHAI and Conciliation Committee.

The expert has submitted their report dated 16.11.2020 which consists of 2 different modes of calculation for Termination payment:

CASE-I: The amount of Termination Payment in case of Political Force Majeure event comes to Rs. 2,296.67 cr. (Rs.1,997.89 Cr as 100% of Debt Due & Rs.298.78 Cr as 150% of Adjusted Equity)

CASE-II: The NPV of the asset is calculated on the basis of Free Cash Flow to Firm (FCFF) for residual period of Concession period as on Transfer date i.e. 28.01.2020. This amount comes to Rs. 2,918.62 Cr.

Based on the report, SMTL wrote a letter to NHAI GM (I) dated 17.11.2020 requesting to release the Termination payment.

h.Status of claim at the year end

The NHAI has released Rs.35,861 Lakhs as an advance for Termination Payment payable to the company and after deducting TDS of Rs. 537 Lakhs & GST TDS of Rs. 717 Lakhs on Rs. 35,861 Lakhs. An amount of Rs. 34,606 Lakhs was credited to the Companies Escrow account on 31.03.2021.

The company is in continuous follow up with the NHAI Officials and requested the NHAI to release the balance Termination payment. The NHAI officials informed that they put up the matter with the 3 CGM's Committee and try to release the Termination payment calculations to CCIE-2 as early as possible

Based on it's opinion and Independent expert's report, the management is confident that carrying value of the claim as at the year end is realisable. Adjustments, if any, required would be made in the books upon final settlement of claim by NHAI.

33 Going Concern:

As at March 31, 2021 the accumulated losses amounted to Rs.68,602.22 Lakhs. Entire network 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, 2021 have been prepared under realizable basis.

The company is not a going concern and the financial statement of the company as on March 31, 2021 have been prepared under realizable basis. The Intangible assets and Intangible assets under development are transferred to Current Assets i.e Receivable from NHAI.

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

34 Non-Current assets held for sale

The assets held for sale comprise a vehicle for an amount of Rs.2.75 Lakhs. Management is making efforts to dispose the same.



Sai Maatarini Tollways Limited

Summary of Significant Accounting Policies and Other Explanatory Information

(All amounts in ₹ in lacs unless otherwise stated)

35 a. Application before Debt Recovery Tribunal (DRT)

IDBI Bank Limited (Lead Lender) on behalf of all the consortium lenders filed a case against M/s Sai Maatarini Tollways Limited and its directors and M/s Gayatri Projects Limited & M/s IDBI Trusteeship Services Limited under sub-section (4) of Section 19 of the Debt Recovery Tribunal Act, read with Sub Rule(2A) of Rule 5 of the Debt Recovery Tribunal (Procedure) Rules, 1993, which was listed before Hon'ble Debts Recovery Tribunal-1 on 23.09.2020

Hon'ble Tribunal issued summons on the said Application under Section 19 (4) of the Act, (OA) filed against M/s Sai Maatarini Tollways Limited and its directors and M/s Gayatri Projects Limited & M/s IDBI Trusteeship Services Limited for recovery of debts of Rs.2051,21,51,325.42 Ps on 05.10.2020, and directed the Company to file Written Statement. However, the Company has not received copy of the subject O.A. The Company requested Hon'ble Debts Recovery Tribunal-1 to furnish copy complete set of O.A along with documents on 22.10.2020.

The Company has since received all the documents on 17.03.2021 and is in the process of filing the counter petition.

b.Non-receipt of Confirmations/Statements from Lenders

Consequent to defaults by the Company, the Lenders have classified the borrowings as non performing assets (NPA) in the earlier years, in view of the company's non compliance to debt servicing obligations as per the contracted terms. The Lenders have recalled the loans and the Company is negotiating with the banks for a settlement. In view of this, these lenders have stopped issuing confirmation balances and statements of account. In the absence of 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.

- 36 As stated at Note 32.h above, the Company is in receipt of Rs.35,861 Lakhs as an advance for Termination Payment from NHAI. While releasing the payment, NHAI had deducted an amount of Rs.717 Lakhs towards GST TDS besides income tax TDS. The Company has contested that, in its view, GST is not applicable in respect of Termination Payments and even if GST is applicable, NHAI has to add GST amount to the Termination Payment amount (because of change in Law) and release the amount. Considering this, the Company has not recognized the liability towards GST on termination payment received till the year end since it would not affect the results of operations for the year.
- 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 period.

For M. BHASKARA RAO & CO.


Chartered Accountants


Firm Registration No. 000459S


M.V. Ramana Murthy
Partner
Membership No. 206439



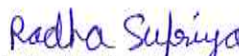
For and on behalf of the Board


T. INDIRA REDDY
Director
DIN: 00009906


T.V SANDEEP KUMAR REDDY
Director
DIN: 00005573

Place: Hyderabad

Date: 07.08.2021


J. Radha Supriya
Company Secretary

Form No MGT.11

PROXY FORM

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

CIN: U45400TG2011PLC076396

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

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

Name of the Member(s):

Registered Address:

E-mail Id:

Folio No/Client Id:

DP Id:

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

1. Name:

Address:

E-mail Id:

Signature:....., or failing him

2. Name:

Address:

E-mail Id:

Signature:....., or failing him

3. Name:

Address:

E-mail Id:

Signature:....., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 10th Annual General Meeting of the company, to be held on **Friday, the 24th Day of September, 2021 at 03.30 P.M.** at the Registered Office of the Company situated at 6-3-1090, T S R Towers, Raj Bhavan Road, Somajiguda, Hyderabad - 500 082, Telangana, India and at any adjournment thereof in respect of such resolutions as are indicated below:

1. To receive, consider and adopt the Balance sheet as at 31st March, 2021, Statement of Profit and Loss for the period ended on 31st March, 2021 and reports of Directors and Auditors thereon.
2. To appoint a Director in place of Ms. Sarita Reddy, who retires by rotation and is eligible for re-appointment.
3. Appointment of Statutory Auditors and fix their remuneration:

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable and pursuant to the recommendations of the Audit Committee, M/s. MKPS & Associates, Chartered Accountants (Firm Registration no. 302014E), be and are hereby appointed as Statutory Auditors of the Company in place of retiring auditors M/s M. Bhaskara Rao & Co, Chartered Accountants (ICAI Reg.No.000459S), to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 16th Annual General Meeting of the Company to be held in the year 2026."

FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorized to fix the Remuneration of the Auditors".

SPECIAL BUSINESS:

4. **TO APPOINT MR. KRISHNAMURTHY CHATURVEDI AS AN INDEPENDENT DIRECTOR.**

To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of sections 161, 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, the consent of the members of the Company be and is hereby accorded to appoint Mr. Krishnamurthy Chaturvedi (DIN: 08661228), who was appointed as an Additional Director of the Company, in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that he meets the criteria of independence under Section 149 of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, for a period of 5 years i.e., from 29th January, 2021 and he shall not be liable to retire by rotation.

FURTHER RESOLVED THAT Directors of the Company be and are hereby authorized to file Form DIR-12 with the Registrar of Companies and to do all necessary acts and deeds as may be required for giving effect to the above resolution”.

Signed this..... day of..... 2021.

Signature of shareholder

Please Affix
Revenue
Stamp

Signature of Proxy holder(s)

Note:

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

SAI MAATARINI TOLLWAYS LIMITED

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

ATTENDANCE SLIP

10th Annual General Meeting held on 24th Day of September, 2021 at Hyderabad

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

| | |
|--------------------------------|--|
| Name of the Shareholder | |
| Name of Proxy | |

I/We hereby record my / our presence at the 10th Annual General Meeting of the members of the Company held on Friday, the 24th Day of September, 2021 at 03.30 P.M. at the Registered Office of the Company situated at 6-3-1090, T S R Towers, Rajbhavan Road, Somajiguda, Hyderabad - 500 082, Telangana, India

SIGNATURE OF THE MEMBER OR THE PROXY ATTENDING THE MEETING

If Member, please sign here

if proxy, please sign here

Note: This form should be signed and handed over at the Meeting Venue.

* Applicable for investors holding shares in electronic form.