

FORM NO PAS-4*Rule 14(3)***PART - A****PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER**

To,
Cube Mobility Investments Pte. Ltd.
Address: 65 Chulia Street # 47-04 OCBC Centre, Singapore-049513

1. GENERAL INFORMATION

NO.	DESCRIPTION	DETAILS	
A.	Name, address, website, if any, and other contact details of the company indicating both registered office and corporate office:	<u>Name:</u>	Salaipudhur-Madurai Tollway Limited
		<u>Registered office:</u>	5 th Floor, OSE Commercial Block, Hotel Aloft Asset No. 5B, Aerocity Hospitality Dist., IGI Airport, New Delhi-110037
		<u>Corporate Office:</u>	Unit No. 1901, 19 th Floor, Tower B, World Trade Tower, Plot No. C-1. Sector-16, Noida-201301(UP)
		<u>Website:</u>	-
		<u>Contact No.</u>	+91 0120 4868307
		<u>Email ID:</u>	Pooja.agarwal@cubehighways.com
B.	Date of incorporation of the company	13/12/2019	
C.	Business carried on by the company and its subsidiaries with the details of branches or units, if any	Toll, Operate and transfer for Road assets.	
D.	Brief particulars of the management of the company	As per <u>Annexure-A</u>	
E.	Names, addresses, Director Identification Number (DIN) and occupations of the directors	As per <u>Annexure A</u>	
F.	Management's perception of risk factors	External factors beyond the control of the	

		management such as government policies, general economic slowdown, political instabilities etc.
G.	Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of i) statutory dues; ii) debentures and interest thereon iii) deposits and interest thereon loan from any bank or financial institution and interest thereon.	N.A.
H.	Names, designation, address and phone number, email ID of the nodal/ compliance officer of the company, if any, for the private placement offer process	Name: Nilesh Shukla Designation: Director Address: H No. 19, AAUGAPUR, UTTAR PRADESH, AUGAPUR PRATAPGARH 230138 UP IN Phone No.: 9999670530 Email ID: Nilesh.shukla@cubehighways.com
I.	Any default in Annual filing of the Company under the Companies Act, 2013 or the rules made thereunder.	N.A.

2. PARTICULARS OF THE OFFER

NO.	DESCRIPTION	DETAIL
A.	Financial position of the Company for the last 3 financial years	The Company being a newly incorporated Company, the financial position for three financial years are not available. The Financial Statements for Period December 13, 2019 to March 31, 2020 are annexed as Annexure D.
B.	Date of passing of board resolution	September 28, 2020
C.	Date of passing of resolution in the general meeting, authorizing the offer of securities	October 03, 2020
D.	Kinds of securities offered (i.e., whether share or debenture) and class of security; the total number	50,09,200 (Fifty Lakh Nine Thousand Two Hundred) Optionally Convertible Debentures of INR 200/- (Indian Rupees Two Hundred only) each aggregating to INR

	of shares or other securities to be issued	100,18,40,000/- (Indian Rupees One Hundred Crore Eighteen Lakhs Forty Thousand only)
E.	Price at which the security is being offered including the premium, if any, along with justification of the price	INR 200/- (Indian Rupees Two Hundred only)
F.	Name and address of the valuer who performed valuation of the security offered and basis on which the price has been arrived at along with report of the registered valuer;	<p>Name: Sumit Dhadda</p> <p>Address: B-11, F No. 202, Moti Ashirwad Bldg., Dhruv Marg, Tilak Nagar, Jaipur</p> <p>Basis on which price has been arrived at: Discounted Cash Flow Method</p> <p>Report of the Registered Valuer: Attached as Annexure B</p>
G.	<p>Relevant date with reference to which the price has been arrived at</p> <p>[Relevant Date means a date at least thirty days prior to the date on which the general meeting of the company is scheduled to be held]</p>	15 th May, 2020
H.	The class or classes of persons to whom the allotment is proposed to be made	Promoter of the Company – Cube Mobility Investments Pte. Ltd.
I.	Intention of promoters, directors or key managerial personnel to subscribe to the offer (applicable in case they intend to subscribe to the offer)	Cube Mobility Investments Pte. Ltd. (Promoter) directly intends to subscribe to the proposed offer
J.	The proposed time within which the allotment shall be completed	As required under the provisions of the Companies Act, 2013, the Company shall complete the allotment of OCDs as aforesaid within a period of 12 months from the date of passing of the Special Resolution by the Members granting consent for private placement

K.	The names of the proposed allottee(s) and the percentage of post private placement capital that may be held by them	<table><tr><th>Name of shareholders</th><th>Number of Equity Shares</th><th>Post Shareholding (%)</th></tr><tr><td>Cube Mobility Investments Pte. Ltd.</td><td>89,994</td><td>100%</td></tr></table>	Name of shareholders	Number of Equity Shares	Post Shareholding (%)	Cube Mobility Investments Pte. Ltd.	89,994	100%																		
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Cube Mobility Investments Pte. Ltd.	89,994	100%																								
L.	The change in control, if any, in the company that would occur consequent to the private placement	No change																								
M.	The number of persons to whom allotment on preferential basis/private placement/ rights issue has already been made during the year, in terms of number of securities as well as price	<table><tr><th>No. of Allotment</th><th>1</th><th>2</th><th>3</th></tr><tr><th>Name of Allottee</th><td>Cube Mobility Investments Pte. Ltd.</td><td>Cube Mobility Investments Pte. Ltd.</td><td>Cube Mobility Investments Pte. Ltd.</td></tr><tr><th>Date of Allotment</th><td>29-06-2020</td><td>28-09-2020</td><td>07.10.2020</td></tr><tr><th>Securities allotted</th><td>Optionally Convertible Debentures (OCDs)</td><td>Optionally Convertible Debentures (OCDs)</td><td>Optionally Convertible Debentures (OCDs)</td></tr><tr><th>Number and Price of Securities allotted</th><td>60,000 OCDs of INR 200/- each</td><td>70,000 OCDs of INR 200/- each</td><td>28,000 OCDs of INR 200/- each</td></tr><tr><th>Total Consideration (in INR)</th><td>1,20,00,000</td><td>1,40,00,000</td><td>56,00,000</td></tr></table>	No. of Allotment	1	2	3	Name of Allottee	Cube Mobility Investments Pte. Ltd.	Cube Mobility Investments Pte. Ltd.	Cube Mobility Investments Pte. Ltd.	Date of Allotment	29-06-2020	28-09-2020	07.10.2020	Securities allotted	Optionally Convertible Debentures (OCDs)	Optionally Convertible Debentures (OCDs)	Optionally Convertible Debentures (OCDs)	Number and Price of Securities allotted	60,000 OCDs of INR 200/- each	70,000 OCDs of INR 200/- each	28,000 OCDs of INR 200/- each	Total Consideration (in INR)	1,20,00,000	1,40,00,000	56,00,000
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N.	The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer	N.A.																								
O.	Amount which the company intends to raise by way of proposed offer of securities	INR 1,00,18,40,000 (INR One Hundred Crore Eighteen Lakhs Forty Thousand only) by way of issuance of 50,09,200 (Fifty Lakh Nine Thousand Two Hundred only) Optionally Convertible Debentures having face value of INR 200 each at par on private placement basis to Cube Mobility Investments Pte. Ltd.																								

P.	Terms of raising of securities: Duration, if applicable, Rate of dividend or rate of interest, mode of payment and repayment	<p>Terms of raising of securities:</p> <p>Duration: Redeemable on or before March 31, 2050 and can be optionally converted into equity shares at any time during its tenure</p> <p>Rate of Interest: 13% (payable quarterly)</p> <p>Mode of Payment and Repayment: FVCI route</p> <p>Repayment: FVCI route or equity conversion</p> <p>Terms of Conversion: The OCDs shall be optionally convertible into equity shares at a ratio of 1:1</p>
Q.	Proposed time schedule for which the private placement offer cum application letter is valid	12 months from the date of issue of offer letter
R.	Purposes and objects of the offer	The issue is proposed to fulfil its financial obligations under the Concession Agreement with respect to operation and maintenance of Madurai to Kanyakumari section of NH 7 from KM 116+500 to KM 180+000 Project Highway along with the Project Assets, in the State of Tamilnadu on toll, operate & transfer (TOT) basis and for general corporate purposes.
S.	Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects	Cube Mobility Investments Pte. Ltd. (Promoter) directly intends to subscribe to the proposed offer
T.	Principle terms of assets charged as security, if applicable	N.A.
U.	The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the company and its future operations	N.A.
V.	The pre-issue and post-issue shareholding pattern of the company in the following format:	

Sr. No.	Category	Pre-Issue		Post-Issue	
		No. of Shares (on a fully diluted basis)	% of Shareholding (on a fully diluted basis)	No. of Shares held (on a fully diluted basis)	% of Shareholding (on a fully diluted basis)
A.	Promoters' Holding:				
1.	Indian:				
	Individual	6	-	6	-
	Body Corporate				
	Sub Total				
2	Foreign Promoters	89,994	100%	89,994	100%
	Sub Total (A)	90,000	100%	90,000	100%
B.	Non-Promoters' holding:				
1.	Institutional Investors				
2.	Non-Institution				
	Private Corporate Bodies				
	Directors and Relatives				
	Indian Public				
	Others (Including Non-Resident Indians (NRIs))				
	Sub Total (B)				
	Grand Total	90,000	100%	90,000	100%

3. MODE OF PAYMENT FOR SUBSCRIPTION

	<u>Particulars</u>	<u>Details</u>
	Cheque/ Demand draft/ Other Banking Channels	Bank transfer through FVCI route

4. DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC.

No	Description	Detail
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A.	Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons.	Cube Mobility Investments Pte. Ltd. is directly interested in the proposed offer
B.	Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the issue of the private placement offer cum application letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed	N.A.
C.	Remuneration of directors (during the current year and last three financial years);	N.A.
D.	Related party transactions entered during the last three financial years immediately preceding the year of issue of the private placement offer cum application letter, including with regard to loans made or, guarantees given or securities provided	As per Annexure D
E.	Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of issue of the private placement offer cum application letter and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company	N.A.

	for each of the said reservations or qualifications or adverse remark	
F.	Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of issue of the private placement offer cum application letter in the case of company and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the private placement offer cum application letter and if so, section-wise details thereof for the company and all of its subsidiaries	N.A.
G.	Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company	N.A.

5. FINANCIAL POSITION OF THE COMPANY

NO	DESCRIPTION	DETAIL
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A.	<p>The capital structure of the company in the following manner in a tabular form-</p> <p>(i)</p> <p>A. authorized, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value);</p> <p>B. size of the present offer;</p> <p>C. Paid-up capital</p> <p style="padding-left: 40px;">a. After the offer;</p> <p style="padding-left: 40px;">b. After conversion of convertible instruments (if applicable);</p> <p>D. Share premium account (before and after the offer)</p>	<p>Authorized Capital: INR 7,00,00,000/- (Indian Rupees Seven Crores only)</p> <p>Subscribed and Paid up Capital: INR 9 Lakhs</p> <p>INR 1,00,18,40,000/- (Indian Rupees One Hundred Crore Eighteen Lakhs Forty Thousand only) (OCDs)</p> <p>INR 9 lakhs</p> <p>If the Conversion option is exercised the paid up Capital shall amount to INR 5,09,92,000 (Indian Five Crore Nine Lakh Ninety Two Thousand only)</p> <p>Nil</p>
	<p>(ii) The details of the existing share capital of the issuer company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration</p> <p>Provided that the issuer company shall also disclose the number and price at which each of the allotments were made in the last one year preceding the date of the private placement offer cum application letter separately indicating the allotments made for considerations other than cash and the details of the consideration in each case</p>	<p>Annexure C</p>
B.	<p>Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of issue of private placement offer cum application letter;</p>	<p>Since the Company has been recently incorporated in December 2019, the financial statements are available only for the period December 13, 2019 till March 31, 2020. The Company has incurred a loss of INR 20 Lakhs during the Period ended December 13, 2019 to March 31, 2020.</p>

C.	Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid)	N.A.
D.	A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of issue of private placement offer cum application letter;	The Company being a newly incorporated Company, the Audited Financial Statements for three financial years are not available. The Financial Statements for Period December 13, 2019 to March 31, 2020 are annexed as Annexure D.
E.	Audited Cash Flow Statement for the three years immediately preceding the date of issue of private placement offer cum application letter;	The Company being a newly incorporated Company, the Audited Cash Flow Statements for three financial years are not available. The Audited Cash Flow Statement for Period December 13, 2019 to March 31, 2020 are included in Annexure D.
F.	Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company.	N.A.

Part B
(To be filled by the applicant)

Name of the Applicant: **Cube Mobility Investments Pte. Ltd.**

Father's Name: **N.A.**

Complete Address including Flat/House No., Street, Locality, PIN Code:

65 Chulia Street # 47-04 OCBC Centre, Singapore-049513

Phone No., if any: **+65 62066977**

Email ID, if any: **George.currie@isquaredcapital.com**

PAN No.: **AAHCT0951B**

Bank Account Details: _____

Signature: _____

Initial of the officer of the Company designated to keep the record: _____

6. DECLARATION

I, Nilesh Shukla, Director of the Company hereby declare that:

- a) the company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

- b) the compliance with the said Act and the rules made thereunder do not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government;
- c) the monies received under the offer shall be used only for the purposes and objects indicated in the private placement offer cum application letter;

I am authorized by the Board of Directors of the Company vide resolution dated September 28, 2020 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with.

Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

For Salaipudhur-Madurai Tollway Limited

Nilesh Shukla
Digitally signed
by Nilesh Shukla
Date: 2020.10.10
14:05:22 +05'30'

Name: Nilesh Shukla

Designation: Director

DIN: 08617637

Address: H No. 19, Aaugapur, Uttar Pradesh, Augapur Pratapgarh-230138

Date: October 11, 2020

Place: Delhi

Attachments:

- 1. Copy of Bord Resolution dated September 28, 2020**
- 2. Copy of Shareholder's Resolution dated October 03, 2020**
- 3. Annexure A – List of Directors**
- 4. Annexure B – Valuation Report**
- 5. Annexure C – Shareholding Structure**

ANNEXURE A

LIST OF DIRECTORS

<i>Name</i>	<i>Designation</i>	<i>DIN</i>	<i>Address</i>	<i>Occupation</i>
OM PRAKASH	DIRECTOR	07419617	A-410 DR. AMBEDKAR NAGAR, SECTOR-V New Delhi 110062 DL IN	SERVICE
BOVIN KUMAR	DIRECTOR	08571658	NGM 191, DLF NEW TOWN HEIGHTS SECTOR 90, HAYATPUR 114 WAZIRPUR GURGAON 122505 HR IN	SERVICE
NILESH SHUKLA	DIRECTOR	08617637	H No. 19, AAUGAPUR, UTTAR PRADESH, AUGAPUR PRATAPGARH 230138 UP IN	SERVICE

ANNEXURE C

Details of the existing share capital of the issuer Company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration.

Date of allotment	Number of shares allotted	Face Value (INR)	Form of Consideration	Nature of allotment
04.02.2020	10,000	10	Bank Transfer	Subscription to Memorandum
01.04.2020	80,000	10	Bank Transfer	Right Issue

The number and price at which each of the allotments were made in the last one year preceding the date of the private placement offer cum application letter separately indicating the allotments made for considerations other than Cash and the details of the Consideration in each case: N.A.

SALAIPODHUR-MADURAI TOLLWAY LIMITED

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED IN THE 8th MEETING OF BOARD OF DIRECTORS OF SALAIPODHUR-MADURAI TOLLWAY LIMITED HELD ON MONDAY, 28th DAY OF SEPTEMBER, 2020, AT 11:00 A.M. AT UNIT NO. 1901, 19TH FLOOR, TOWER B, WORLD TRADE TOWER, PLOT NO.C-1, SECTOR 16, NOIDA-201301 (UP)

TO CONSIDER AND APPROVE THE OFFER FOR ISSUE OF UP TO FIFTY LAKH THIRTY-SEVEN THOUSAND TWO HUNDRED OPTIONALLY CONVERTIBLE DEBENTURES OF FACE VALUE OF INR 200 EACH, AGGREGATING UPTO INR ONE HUNDRED CRORE SEVENTY FOUR LAKH FORTY THOUSAND ONLY ON PRIVATE PLACEMENT BASIS

"RESOLVED THAT pursuant to the provisions of Sections 42, 62(1)(c), 71 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory amendments or re-enactments thereof for the time being in force), and the enabling provisions in the Memorandum and Articles of Association of the Company; and pursuant to rules/ regulations/ guidelines, if any, prescribed by the Reserve Bank of India or any other competent authority from time to time; and subject to necessary approvals / sanctions / permissions of appropriate statutory / regulatory authorities, if applicable, the consent of the Members of the Company be and is hereby accorded to issue 50,37,200 (Fifty Lakh Thirty Seven Thousand Two Hundred) Unsecured Optionally Convertible Debentures (hereinafter collectively referred to as OCDs) having face value of INR 200/- (Indian Rupees Two Hundred Only) each, in one or more tranches, at par for an aggregate amount not exceeding INR 100,74,40,000/- (Indian Rupees One Hundred Crore Seventy Four Lakh Forty Thousand only) on private placement basis to Cube Mobility Investments Pte. Ltd (existing Shareholder of the Company and hereinafter referred to as 'CMIPL/Subscriber') and to issue such number of Equity Shares as may be required to be issued upon conversion of the OCDs allotted pursuant to this resolution or as may be necessary in accordance with the terms of the offering.

RESOLVED FURTHER THAT the OCDs shall be issued subject to following terms and conditions mentioned herein below:

Terms	Description
Face Value	INR 200/- per OCD
Nature of instrument	Unsecured Optionally Convertible Debentures, convertible into Equity Shares in the manner provided in the Optionally Convertible Debenture Subscription Agreement ("Agreement").
Issue Price	INR 200/- per OCD
Interest coupon	The OCDs to carry interest rate equivalent to 13% p.a. and shall be payable quarterly.
Tenure	The OCDs shall be redeemable on or before 31 March 2050 and can be converted into equity at the option of investor anytime during the tenure of OCD.
Conversion	The subscriber has a right to convert whole or any part or any number of OCDs into equity shares, at any time, till the redemption Date. Such conversion shall be at the sole option of the Subscriber, by giving intimation,

SALAIPODHUR-MADURAI TOLLWAY LIMITED

	without any consent / prior approval from the Company. The conversion terms to be agreed based on fair value of equity as on issue date of OCD.
Conversion Date	The conversion date shall be the date on which the OCDs issued to the Subscriber are converted into Equity Shares, at the option of the Subscriber

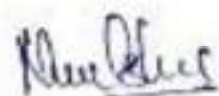
RESOLVED FURTHER THAT the draft Letter of Offer in Form PAS - 4 as prescribed under the Companies (Prospectus and Allotment of securities) Rules, 2014 and record of private placement in Form PAS-5 containing the terms and conditions be and is hereby approved.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable for such purpose, including but not limited to execution of various deeds, documents, writings, agreements, and also to modify, accept and give effect to any modifications therein and the terms and conditions of the issue, as may be required by the statutory, regulatory and other appropriate authorities and to settle all queries or doubts that may arise in the proposed issue, without being required to seek any further consent or approval of the Members.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable for such purpose, including but not limited to execution of various deeds, documents, writings, agreements, and also to modify, accept and give effect to any modifications therein and the terms and conditions of the issue, as may be required by the statutory, regulatory and other appropriate authorities and to settle all queries or doubts that may arise in the proposed issue, without being required to seek any further consent or approval of the Members.

RESOLVED FURTHER THAT subject to applicable laws, the Board be and is hereby also authorized to delegate, all or any of the powers herein conferred, to any Director(s) or Officer(s) of the Company and to revoke and substitute such delegation from time to time, as deemed fit by the Board, to give effect to the aforesaid resolution."

For Salaipudhur-Madurai Tollway Limited



Nilesh Shukla

Director

DIN: 08617637

Address: H No. 19, Aaugapur, Pratapgarh

Uttar Pradesh 230138

Date: October 03, 2020

Place: Noida

SALAIPUDHUR-MADURAI TOLLWAY LIMITED

CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTION PASSED IN THE EXTRAORDINARY GENERAL MEETING OF THE MEMBERS OF SALAIPUDHUR-MADURAI TOLLWAY LIMITED HELD ON SATURDAY, 03RD DAY OF OCTOBER, 2020, AT 09:45 A.M. AT 5TH FLOOR, OSE COMMERCIAL BLOCK, HOTEL ALOFT, ASSET NO. 5B, AEROCITY HOSPITALITY DISTRICT, IGI AIRPORT, NEW DELHI-110037

ISSUE OF UP TO FIFTY LAKH THIRTY-SEVEN THOUSAND TWO HUNDRED OPTIONALLY CONVERTIBLE DEBENTURES OF FACE VALUE OF INR 200 EACH, AGGREGATING UPTO INR ONE HUNDRED CRORE SEVENTY FOUR LAKH FORTY THOUSAND ONLY ON PRIVATE PLACEMENT BASIS

“RESOLVED THAT pursuant to the provisions of Sections 42, 62(1)(c), 71 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory amendments or re-enactments thereof for the time being in force), and the enabling provisions in the Memorandum and Articles of Association of the Company; and pursuant to rules/ regulations/ guidelines, if any, prescribed by the Reserve Bank of India or any other competent authority from time to time; and subject to necessary approvals / sanctions / permissions of appropriate statutory / regulatory authorities, if applicable, the consent of the Members of the Company be and is hereby accorded to issue 50,37,200 (Fifty Lakh Thirty Seven Thousand Two Hundred) Unsecured Optionally Convertible Debentures (hereinafter collectively referred to as OCDs) having face value of INR 200/- (Indian Rupees Two Hundred Only) each, in one or more tranches, at par for an aggregate amount not exceeding INR 100,74,40,000/- (Indian Rupees One Hundred Crore Seventy Four Lakh Forty Thousand only) on private placement basis to Cube Mobility Investments Pte. Ltd (existing Shareholder of the Company and hereinafter referred to as ‘CMIPL/Subscriber’) and to issue such number of Equity Shares as may be required to be issued upon conversion of the OCDs allotted pursuant to this resolution or as may be necessary in accordance with the terms of the offering.

RESOLVED FURTHER THAT the OCDs shall be issued subject to following terms and conditions mentioned herein below:

Terms	Description
Face Value	INR 200/- per OCD
Nature of instrument	Unsecured Optionally Convertible Debentures, convertible into Equity Shares in the manner provided in the Optionally Convertible Debenture Subscription Agreement ('Agreement').
Issue Price	INR 200/- per OCD
Interest coupon	The OCDs to carry interest rate equivalent to 13% p.a. and shall be payable quarterly.
Tenure	The OCDs shall be redeemable on or before 31 March 2050 and can be converted into equity at the option of investor anytime during the tenure of OCD.

SALAIPUDHUR-MADURAI TOLLWAY LIMITED

Conversion	The subscriber has a right to convert whole or any part or any number of OCDs into equity shares, at any time, till the redemption Date. Such conversion shall be at the sole option of the Subscriber, by giving intimation, without any consent / prior approval from the Company. The conversion terms to be agreed based on fair value of equity as on issue date of OCD.
Conversion Date	The conversion date shall be the date on which the OCDs issued to the Subscriber are converted into Equity Shares, at the option of the Subscriber

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable for such purpose, including but not limited to execution of various deeds, documents, writings, agreements, and also to modify, accept and give effect to any modifications therein and the terms and conditions of the issue, as may be required by the statutory, regulatory and other appropriate authorities and to settle all queries or doubts that may arise in the proposed issue, without being required to seek any further consent or approval of the Members.

RESOLVED FURTHER THAT subject to applicable laws, the Board be and is hereby also authorized to delegate, all or any of the powers herein conferred, to any Director(s) or Officer(s) of the Company and to revoke and substitute such delegation from time to time, as deemed fit by the Board, to give effect to the aforesaid resolution.”

Certified True Copy

For Salaipudhur-Madurai Tollway Limited

Nilesh Shukla
Digitally signed
by Nilesh Shukla
Date: 2020.10.03
12:33:42 +05'30'

Nilesh Shukla

Director

DIN: 08617637

**Address: H No. 19, Aaugapur, Pratapgarh
Uttar Pradesh 230138**

Place: Noida

Date: October 03, 2020

SALAIPODHUR-MADURAI TOLLWAY LIMITED

EXPLANATORY STATEMENT(S) AS REQUIRED UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013 FOR SPECIAL BUSINESS SET OUT IN THE NOTICE

ITEM NO. 1

APPROVAL OF OFFER FOR ISSUE OF UP TO FIFTY LAKH THIRTY-SEVEN THOUSAND TWO HUNDRED OPTIONALLY CONVERTIBLE DEBENTURES OF FACE VALUE OF INR 200 EACH, AGGREGATING UPTO INR ONE HUNDRED CRORE SEVENTY FOUR LAKH FORTY THOUSAND ONLY ON PRIVATE

In order to fulfil its financial obligations under the Concession Agreement with respect to operation and maintenance of Madurai to Kanyakumari section of NH 7 from KM 116+500 to KM 180+000 Project Highway along with the Project Assets, in the State of Tamilnadu on toll, operate & transfer (TOT) basis and in order to augment the financial requirements for general operations of the Company, it is proposed to raise funds by the way of issuance of Unsecured Optionally Convertible Debentures.

In accordance with the provisions of Sections 42, 62(1)(c), 71 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed thereunder, in case of an offer or invitation to subscribe for Optionally-Convertible Debentures (OCDs) on private placement basis, the Company needs to obtain prior approval of its shareholders by means of a special resolution.

The Company proposes to issue 50,37,200 (Fifty Lakh Thirty Seven Thousand Two Hundred) Unsecured Optionally Convertible Debentures (hereinafter collectively referred to as OCDs) having face value of INR 200/- (Indian Rupees Two Hundred Only) each, for an aggregate amount not exceeding INR INR 100,74,40,000/- (Indian Rupees One Hundred Crore Seventy Four Lakh Forty Thousand only) by way of private placement as per the terms and conditions mutually decided between the Subscriber and the Company.

In terms of Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, brief terms of the proposed offer are set out below in this Explanatory Statement.

(i) The Objects of the Issue

In order to fulfil its financial obligations under the Concession Agreement with respect to operation and maintenance of Madurai to Kanyakumari section of NH 7 from KM 116+500 to KM 180+000 Project Highway along with the Project Assets, in the State of Tamilnadu on toll, operate & transfer (TOT) basis and in order to augment the financial requirements for general operations of the Company, it is proposed to raise funds by the way of issuance of Unsecured Optionally Convertible Debentures.

(ii) Terms of Issue

Terms	Description
Face Value	INR 200/- per OCD
Nature of Instrument	Unsecured Optionally Convertible Debentures, convertible into Equity Shares in the manner provided in the Optionally Convertible Debenture

SALAIPUDHUR-MADURAI TOLLWAY LIMITED

	Subscription Agreement ("Agreement").
Issue Price	INR 200/- per OCD
Interest coupon	The OCDs to carry interest rate equivalent to 13% p.a. and shall be payable quarterly.
Tenure	The OCDs shall be redeemable on or before 31 March 2050 and can be converted into equity at the option of investor anytime during the tenure of OCD.
Conversion	The subscriber has a right to convert whole or any part or any number of OCDs into equity shares, at any time, till the redemption Date. Such conversion shall be at the sole option of the Subscriber, by giving intimation, without any consent / prior approval from the Company. The conversion terms to be agreed based on fair value of equity as on issue date of OCD.
Conversion Date	The conversion date shall be the date on which the OCDs issued to the Subscriber are converted into Equity Shares, at the option of the Subscriber

(iii) Terms of Conversion

The OCDs shall be optionally convertible into equity shares of the Company at a ratio of 1:1

(iv) The total number of securities to be issued

50,37,200 (Fifty Lakh Thirty-Seven Thousand Two Hundred) Unsecured Optionally Convertible Debentures

(v) The price or price band at/within which the allotment is proposed

INR 200/- each (Indian Rupees Two Hundred only) at par

(vi) Basis on which the price has been arrived at along with report of the registered valuer

The price has been arrived on the basis of Valuation Report issued by Mr. Sumit Dhabda (Registered Valuer) having office at B-11, F No. 202, Moti Ashirwad Bldg., Dhruv Marg, Tilak Nagar, Jaipur. The Valuation Report is enclosed with this Notice as **Annexure A**.

(vii) Relevant date with reference to which the price has been arrived at

May 15, 2020

(viii) The class or classes of persons to whom the allotment is proposed to be made

The allotment of OCDs is proposed to be made to the Promoter of the Company, i.e., Cube Mobility Investments Pte. Ltd.

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(ix) Intention of promoters, directors or key managerial personnel to subscribe to the offer

As mentioned in (viii) above, Cube Mobility Investments Pte. Ltd., the Promoter of the Company, is directly interested in subscribing to the Offer.

(x) The pre issue and post issue shareholding pattern of the Company

Sr. No.	Category	Pre-Issue		Post-Issue	
		No. of Shares (on a fully diluted basis)	% of Shareholding (on a fully diluted basis)	No. of Shares held (on a fully diluted basis)	% of Shareholding (on a fully diluted basis)
A.	Promoters' Holding:				
1.	Indian:				
	Individual	6	-	6	-
	Body Corporate				
	Sub Total	6	-	6	-
2	Foreign Promoters	89,994	100%	89,994	100%
	Sub Total (A)	90,000	100%	90,000	100%
B.	Non-Promoters' holding:				
1.	Institutional Investors				
2.	Non-Institution				
	Private Corporate Bodies				
	Directors and Relatives				
	Indian Public				

Regd. Office: 5th Floor, OSE Commercial Block, Hotel Aloft, Asset No. 5B, Aerocity Hospitality District, IGI Airport, New Delhi-110037

Corporate Office: Unit No. 1901, 19th Floor, Tower-B, World Trade Tower, Plot No. C-1, Sector-16, Noida-201301

Email: Pooja.Agarwal@cubehighways.com, **Phone:** +91 0120-4868307, **CIN:** U45305DL2019FLC358747

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Sr. No.	Category	Pre-Issue		Post-Issue	
		No. of Shares (on a fully diluted basis)	% of Shareholding (on a fully diluted basis)	No. of Shares held (on a fully diluted basis)	% of Shareholding (on a fully diluted basis)
	Others (Including Non-Resident Indians (NRIs))				
	Sub Total (B)				
	Grand Total	90,000	100%	90,000	100%

(xi) The proposed time within which the allotment shall be completed

In terms of the provisions of Companies Act, 2013, the allotment shall be completed within a period of 12 months from the date of issue of this Offer Letter.

(xii) The names of the proposed allottees and the percentage of post preferential offer capital that may be held by them

Proposed Allottee: Cube Mobility Investments Pte. Ltd.

Percentage of post preferential offer capital: 100%

(xiii) The change in control, if any, in the company that would occur consequent to the preferential offer

No change in control would occur consequent to the proposed preferential offer.

(xiv) The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price

No. of Allotment	Name of Allottee	Date of Allotment	Securities allotted	Number and Price of Securities allotted	Total Consideration (in INR)
1	Cube Mobility Investments Pte. Ltd.	29-06-2020	Optionally Convertible Debentures (OCDs)	60,000 OCDs of INR 200/- each	1,20,00,000
2	Cube Mobility Investments Pte. Ltd.	28-09-2020	Optionally Convertible Debentures	70,000 OCDs of INR 200/- each	1,40,00,000

SALAIPOUDHUR-MADURAI TOLLWAY LIMITED

			(OCDs)		
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(xv) The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer

Not Applicable

The Board of Directors of the Company believe that the proposed private placement is in the best interest of the Company and its Members. Your Directors, therefore, recommend this resolution to be passed as a **Special Resolution** by the Members.

None of the Directors of the Company, or their relatives, are in any way, concerned or interested, financially or otherwise, in the said resolution.

**Nilesh
Shukla** Digitally signed
by Nilesh Shukla
Date: 2020.10.03
12:34:10 +05'30'

**VALUATION REPORT FOR DETERMINATION OF FAIRNESS OF THE ISSUE PRICE AND CONVERSION
RATIO OF OPTIONALLY CONVERTIBLE DEBENTURE OF SALAPUDHUR-MADURAI TOLLWAY LIMITED**

Date of Valuation: May 15, 2020

Date of Valuation Report: June 8, 2020

Prepared by:

Registered Valuer: Sumit Dhadla

Registration Number with IBI: IBI/RV/06/2018/10160

Registration Number with ICAIRVO: ICAIRVO/06/RV-P000041/2018-19

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Chapter 1: Background

1.1 Purpose of Valuation Exercise

- Sumit Dhadha ("I") have been engaged by the Board of Salaipudhur-Madurai Tollway Limited ("SMTL") to issue the Valuation Report ("the report") for determination of fairness of the issue price of UCUs and equity shares to be issued by SMTL as on May 15, 2020.
- Based on the issuance price of UCUs so determined and the fair value of Equity shares of SMTL, this report shall also establish the conversion ratio of the UCUs to be issued.
- As per section 247 of Companies Act 2013, Valuation Report has been issued, which provides statutory backing to the Valuation. In accordance with section 247 of the Companies Act 2013 valuation of any property, stocks, shares, debentures, securities or goodwill or any other assets (herein referred to as the assets) or net worth of a company or its liabilities under the provision of this Act, should be valued by a person having such qualification and experience and registered as valuer in such manner as may be prescribed.

1.2 Background of SMTL

- Salaipudhur-Madurai Tollway Limited (SMTL) is an unlisted public company. It was incorporated on 13 December 2019 and is located in Delhi. It is classified as a public subsidiary of a foreign company. The company has three directors - Om Prakash, Bowin Kumar, and Nilesh Shukla. The registered office of the company is at 5th Floor, OSE Commercial Block, Hotel Aloft, Asset No.5B, Aerocity, IGI Airport, Delhi.
- Its Corporate Identification Number is U45309DL2019FLC358747. The Company's paid up capital as on May 15, 2020 is INR Five lakhs.
- The Company is in business of managing and operating toll roads in India under the Build Operate Transfer (BOT) scheme.
- The Company is 100% subsidiary of Cube Mobility Investments Pte. Ltd. which is a Singapore-based company investing in road and highway projects, along with other select infrastructure sectors in India. They are having 28 running projects in India.



1.3 Appointment date, valuation date & report date

As per Section 247 of the Companies Act, 2013 in absence of the Audit Committee, the Board of Directors of SMTL appointed Sumit Dhadda (Registered Valuer) for valuation of Equity Shares & Optionally Convertible Debentures on 25 May 2020. The analysis of the fair value of the Equity Share & Optionally Convertible Debentures of the Company has been carried out as on May 15, 2020 i.e. the Valuation date. The valuation report is issued on June 8, 2020.

1.4 Identity of Valuer

Sumit Dhadda is a Registered Valuer as required under The Companies (Registered Valuers & Valuation) Rules, 2017. Sumit Dhadda is registered with Insolvency & Bankruptcy Board of India vide registration number IBBI/RV/06/2018/10160. Sumit's primary membership is registered with ICAI Registered Valuers Organization vide no. ICAIRVO/06/RV-P000041/2018-19

Disclosure of Valuer Interest

- I have no present or prospective contemplated financial interest in SMTL nor any personal interest with respect to the Promoters & Board of Directors of SMTL. I have no bias/prejudice with respect to any matter that is the subject of the valuation report or to the parties involved with this engagement.
- My professional fees for this valuation is based upon my normal billing rates, and not contingent upon the results or the value of the business or in any other manner.



Chapter 2: Scope of Work & Limitation

Scope of Work

- I have been engaged by the Board of SMTL to issue the Valuation Report ("the report") for determination of fairness of the issue price of OCDs and equity shares to be issued by SMTL as on May 15, 2020.
- Our report on recommendation of fair value of OCD & equity shares is in accordance with Indian Valuation Standards, 2018 issued by the Institute of Chartered Accountants of India and in line with international valuation methodologies.
- I have been engaged by the SMTL to issue the Valuation Report ("the report") for recommending the fair valuation of OCD & Equity shares of the company as per the internationally accepted valuation principles and ICAI Valuation Standard-102, Valuation Bases, as on May 15, 2020.
- All the terms used under this report shall have the same meaning as assigned to them under ICAI Valuation Standard - 102, Definitions.
- We understand that the purpose of this report is for determination of fairness of the issue price of OCDs to be issued by SMTL and also to fix the conversion ratio today.
- Based on the fair value of OCDs so determined and the fair value of Equity shares of SMTL as determined by an independent valuer, this report shall also establish the conversion ratio of the OCDs to be issued.
- The value is to be determined with reference to the valuation date, which is May 15, 2020.
- For the aforesaid purpose, the scope of our service is to conduct relative (and not absolute) valuation of equity shares of the company and recommending it in accordance with generally accepted professional standards.

Scope Limitations

- i. Valuation analysis and result are specific to the purpose of valuation and are based on the financial information provided to us. It may not be valid for any other purpose or as at any other date.
- ii. Valuation analysis and result are specific to the date of this report. A valuation of this nature involves consideration of various factors including those impacted by prevailing market trends in general and industry trends in particular. As such, valuation results are, to a significant extent, subject to continuance of current trends beyond the date of the report. We, however, have no obligation to update this report for events, trends or transactions relating to the company or the market/economy in general and occurring subsequent to the date of this report.



- iii. We have relied upon the information furnished by the management of the Company and other sources believed to be reliable and true.
- iv. We express no opinion on the achievability of the forecasts given to us. The assumption used in their preparation, as we have been explained, are based on the management's present expectation of both – the most likely set of future business events and circumstances and the management's course of action related to them. It is usually the case that some events and circumstances do not occur as expected or are not anticipated. Therefore, actual results during the forecast period may differ from the forecast and such differences may be material.
- v. In the course of the valuation, we were provided with both written and verbal information, including market, technical, financial and operating data. We have however, not carried out a due diligence or audit of the company for the purpose of this engagement, nor have we independently investigated or otherwise verified the data provided.
- vi. Further, we have made various assumptions in relation to valuation of SMTL. We have made such assumptions, in discussions with the management.
- vii. It may be noted that valuation is a highly subjective exercise and may differ from valuer to valuer depending on the individual perception of the attendant circumstances. At best, it is an expression of opinion or a recommendation based on certain assumptions.
- viii. Considering the uncertainty due to COVID-19 impact, Management has factored the same and in their opinion, it will be normalised in long run. The Management has considered its impact in cash flows wherever required and I believe that such impact is plausible.



Chapter 3: Information Sources

For the purpose of this report, the documents and/or information published or provided by management have been relied upon. I have fully relied on the information provided by the company. I also do not vouch for the accuracy of the information as is provided to us by the management of SMTL.

We have relied upon the following information:

- i. Projections prepared by Management upto 31 March 2051
- ii. Terms & Conditions of Proposed issue of OCD
- iii. Information available in public domain i.e. MCA portal, Money Control etc.
- iv. I have also relied upon written and verbal explanations and information given to us by the management of the Company during the course of our exercise

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Chapter 4: Selection of Valuation Methodology

There is no single definition of the term 'Value' that is suitable for all purposes or at all times. The value of a particular asset may vary according to different valuation methodologies that are adapted to ascertain the value for a specific purpose. Valuation of securities is an inexact science. It may sometimes involve a set of judgments and assumptions that may be subject to certain uncertainties.

In the present case, the objective of the valuation exercise is to determine the fairness of the issue price of Equity shares and OCDs to be issued by SMTL. Based on the fair value of Equity shares and issuance price of OCDs so determined, this report shall also establish the conversion ratio of the OCDs to be issued.

The established methods of valuation and a brief description of each method is provided below -

Methods of Valuation

There are several commonly used and accepted methods for determining the value of business/shares of the company, which would be applied to the present case, to the extent relevant and applicable, such as:

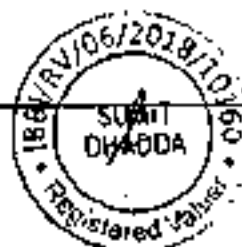
- Net Asset value or Break up value based on the value of the assets and liabilities (NAV).
- Value based on the Discounted cash flow (DCF) method.
- Value based on Market multiples of Comparable listed companies(CCM).

Discounted Free Cash Flow Method (DCF)

Under the DCF method, intrinsic value of an asset is equivalent to the present value of its expected future cash flows. Common equity can be valued directly by using Free Cash Flow to Equity ("FCFE") or indirectly by using a Free Cash Flow to Firm ("FCFF") model to estimate the value of the firm i.e. Enterprise Value and then subtracting the value of non - common - stock capital (usually debt) from FCFF to arrive at an estimate of the value of equity.

FCFF is the cash flow available to the company's suppliers of capital after all operating expenses (including taxes) have been paid and necessary investments in working capital (e.g., inventory) and fixed capital (e.g., equipment) have been made.

In the DCF approach to valuation, using FCFF method, the value of a business is determined based on future expected free cash flows discounted at a rate i.e. weighted average cost of capital ("WACC") that reflects the risk involved in the business and the cash flows. The value so determined represents the firm value or the enterprise value. Value obtained by using DCF method gives us the Enterprise Value. The same is adjusted for Non-operating assets, cash, debt and loans, as on the valuation date in order to arrive at the equity valuation.



Comparable Company Multiples Method (CCM)

Under the CCM Method, the valuation of the asset is based on multiples of comparable assets – that is, valuation based on multiples benchmarked to the multiples of similar assets. To make this comparison, we begin by identifying a valuation multiple (like enterprise value to sales multiple, Enterprise value to earnings multiple). This valuation multiple is applied to the earnings / sales figure of the company being valued to arrive at the valuation of the company.

However the following practical difficulties may be faced in employing the CCM approach:

- No or very few sufficiently comparable companies
- No or very few listed/recent transactions history in sufficiently comparable companies
- Lack of availability of the credible data about recent transaction in sufficiently comparable companies

Due to the aforesaid limitations, CCM method should be used only where sufficient comparable companies / transactions are available.

Net Asset Value Method (NAV)

The Net Asset Value method attempts to measure the value of the net assets of the company against each share. It is computed by taking the net value of the company's assets, subtracting from them the amount of liabilities and preferred shareholders claims, and dividing the remainder amongst the number of equity shares. For an investment company valuation, NAV valuation, based on the asset backing is generally given more importance. Net Asset Value Method is also considered appropriate, where the future cash flows / commercial operations of the valued company cannot be reasonably ascertained. As the Company is into highways constructions where the revenue model/project is based on future projections only therefore, I have not considered this method.

Preferred Approach

As indicated above, since ICAI Valuation Standards suggests aforesaid various valuation methodologies, therefore in the instant case, I have adopted DCF method for the purposes of valuation of shares, considering it to be the most rationale method.

Accordingly our approach plan, for the purposes of achieving the objectives the valuation report is as follows:

Step A: Identifying the fair value of equity shares as on May 15, 2020;

Step B: Determination of Fairness of the issue price of OCDs. Based on the fair value of Equity shares and Issuance price of OCDs so determined, establishing the conversion ratio of the OCDs

Chapter 5: Valuation of Equity Shares of SMTL

Step A: Identifying the fair value of equity shares as on May 15, 2020

Valuation of SMTL as Per Income Approach (DCF)

For the determination of Fair Value of equity as on May 15, 2020, we have relied on the information submitted by the management of SMTL.

Based on the financial projections, as provided to us, I have arrived at the free cash flows to equity of SMTL. The free cash flow to be used for the purpose of the model has been arrived at based on the financial projections (as provided by the management) for next 30 years from May 15, 2020 to March 31, 2051. The value of SMTL has been calculated as on May 15, 2020. The management has made these projections by considering the impact of its future expansion plans, and foreseeable changes in its future expansion plans, while making the financial projections and other suitable assumptions.

Valuation Analysis

An important element of valuation using DCF is the selection of discount rate that reflects the expected rate of return (adjusted for risks associated with the investment) to prospective investors in similar investment opportunities. The Cost of Equity, which reflects the opportunity cost to shareholders of company is used as the best indicator of the relevant discount rate.

The calculation of cost of equity has been elucidated in the succeeding Para.

Determination of Cost of Equity

The cost of equity has been determined by using the Capital Asset Pricing model ("CAPM").

$$\text{Cost of Equity} = R_f + (R_m - R_f) \times \beta + \text{SCRIP}$$

R_f	:	Risk free rate of return
R_m	:	Return on diversified market portfolio
$R_m - R_f$:	Market risk premium
β	:	Systematic risk factor associated with the industry i.e. Beta.
SCRIP	:	Company Specific Risk Premium

Accordingly, in this case the cost of equity has been arrived at as under:

$$\text{Cost of Equity} = R_f + (R_m - R_f) \times \beta$$

Determination of Risk Free Rate and Market Risk Premium

R_f has been taken at 6.04% being YTM on long-term risk free central government securities based on yield of India 10-Year Government Bond as on date of valuation. Basis the above, $R_m = R_f$ (Market risk premium) has been calculated at 6.37% for the company.

Determination of Beta

Beta is a measure of volatility, or systematic risk of the return on a particular security to the return on market portfolio. I have considered the Beta of 0.59 for SMTL based on the public data available on Professor Aswath Damodaran website and after considering market adjustments.

Accordingly, Cost of Equity has been computed as follows:

WACC	Cost (Ke)
Equity	9.78%
Company Specific size premium	1.5%
Company Specific Liquidity premium	1.5%
Ke for Valuation	12.78%
Cost of Capital for FCFE (rounded off to 13%)	13%

Cost of Equity has been considered after adding company specific size and liquidity premium of 1.5% each on a reasonable basis since the Company is recently incorporated company and also the cost of OCD are coming as 13%. The OCDs will be subscribed by promoters and without their contribution project will not be viable. Therefore, Cost of equity for SMTL is considered as 13%

Determination of Value in Perpetuity

The perpetuity value is the value of the business beyond the explicit forecast period and is the value of the maintainable annual cash flow divided by the K_e less growth factor. The perpetuity value is then discounted to the present value. In this model, no perpetuity is considered because the project is for a limited period and after the specified period, no cash flows will accrue to the model.

I have formed an opinion on the value of equity shares of SMTL, based on the information provided by the management of SMTL and rationale mentioned in the preceding paragraph. I am of the opinion that as on May 15, 2020, based on the free cash flows to the equity the fair value of one equity of SMTL- India is INR 200 (Rupees Two Hundred only). The values so arrived at are subject to the matters enumerated in 'Disclaimer statement', 'Scope of Work & Limitation' and information provided to us and should be viewed in the light thereof.

Chapter 6: Fair Valuation of OCDs and establishing the conversion ratio of the OCDs into Equity Shares

Step B: Determining the fairness of the Issue price of the OCDs

In the present case, SMTL has proposed to issue and allot unsecured Optionally Convertible Debentures to identified investors based on the following terms and conditions:

Terms	Description
Face Value	INR200/- per OCD
Nature of instrument	Unsecured Optionally Convertible Debentures, convertible into Equity Shares in the manner provided in the Optionally Convertible Debenture Subscription Agreement ('Agreement').
Issue Price	INR 200/- per OCD
Interest coupon	The OCDs to carry interest rate equivalent to 13% p.a. and shall be payable quarterly.
Tenure	† The OCDs shall be redeemable on or before 31 March 2050 and can be converted into equity at the option of investor anytime during the tenure of OCD.
Conversion	† The subscriber has a right to convert whole or any part or any number of OCDs into equity shares, at any time, till the redemption Date. Such conversion shall be at the sole option of the Subscriber, by giving intimation, without any consent / prior approval from the Company. The conversion terms to be agreed based on fair value of equity as on issue date of OCD.
Conversion Date	The conversion date shall be the date on which the OCDs issued to the Subscriber are converted into Equity Shares, at the option of the Subscriber

The OCDs are proposed to be converted (fully/partially) into equity shares of SMTL as per the terms of issue. We understand that the OCDs proposed to be issued by SMTL shall be converted into equity shares of SMTL as per the conversion ratio determined under this report. In the event of such conversion the OCD holders shall be issued and allotted such number of equity shares in SMTL as determined under this report and the OCD agreement.

The terms of the issuance of the OCD provide that each OCD shall be considered as a debt until converted into equity. This essentially means that until effective date of conversion, the OCD holder (of face value of INR 200) has provided a debt to the Company for INR 200 and such debt shall be converted into equity shares of the company at a later date. Further, on the date of conversion, the OCD holder shall receive equity shares in the company, having regard to the fair value of such equity shares as referred to in this report as on Valuation date i.e. May 15, 2020

The interest is payable at 13% which is considered the cost of debt and which is also considered as the investors expectation of return on income. As at the valuation date, the option is at the money as the underlying asset i.e. equity share is having fair value of INR 200 which is equivalent to issue price of proposed OCD. Therefore the fair value of OCD can be considered as INR 200/.

Establishing the conversion ratio of the OCDs into equity shares

The conversion ratio of the OCDs shall be determined having regard to the fair valuation of the Equity Shares as on the Valuation Date.

As discussed earlier in the report, fair value of the equity shares of SMTL as on valuation date determined by the registered valuer is INR 200.00 per Equity share as on May 15, 2020. The issuance price of the OCDs to be issued by SMTL is determined to be INR 200 per OCD.

The formula for determination of conversion ratio is as follows:

$$\begin{aligned}\text{Conversion Ratio} &= \text{Fair Value of OCDs} / \text{Fair Value of Equity Share} \\ &= 200/200 \\ &= 1\end{aligned}$$

Applying conversion ratio as above, 1 equity share shall be issued for 1 OCD upon conversion or the same can be expressed as 100 equity shares for every 100 OCDs.

Accordingly, the conversion ratio for the proposed issuance of OCDs shall be as under:

Particulars	Number of OCD's	No. of Equity Shares in SMTL
	1	1
Conversion Ratio for OCDs	100	100

Conclusion

Based on the workings in abovementioned paragraphs, the fair value of Optionally convertible Debentures are considered as INR 200/- to be issued at 13% interest. The OCDs can be converted into equity shares at any point during the issue period at the option of holder of OCDs. Based on fair value of equity shares as of valuation date, each OCD will be converted into one equity share accordingly the conversion ratio is 1:1.

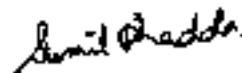
The values so arrived at are subject to the matters enumerated in 'Disclaimer statement' referred below, 'Scope of Work & Limitation' and information provided to us and should be viewed in the light thereof.

Disclaimer

This Valuation Report ("the report") is being furnished for determination of the fair value of equity shares and OCDs of Salapudhur-Madurai Tollway Limited ("SMTL"), on a going concern basis. We understand that the purpose of the said report is to determine the fair value of OCD & Equity shares of SMTL, as on May 15, 2020. The value of SMTL is to be determined with reference to valuation as on May 15, 2020. We have not considered the impact of any changes on the business / economic environment of the company or general industry post the valuation date.

The report has been prepared by Registered Valuer Sumit Dhadha from information extracted from desk research, published reports and other data supplied by the management of the company and other sources believed to be reliable and true. Our scope of work does not include verification of data submitted by management and has been relied upon by us. The report may not be distributed, published, reproduced or used, without the prior express written consent of Sumit Dhadha, for any purpose other than the objectives of this report.

The factual data, business details and financial statements have been provided by the management of SMTL, which has been relied upon by me, without verifying the accuracy thereof. While the information provided herein is believed to be true and reliable to the best of our knowledge, we do not make any representations or warranties, express or implied, as to the accuracy or completeness of such information. The report highlights the alternative approaches to valuation, identifies various factors affecting the valuation, summarizes the methodology keeping in view the circumstances of the company and arrives at the value of the company.



Registered Valuer: Sumit Dhadha

Registration Number with IBBI: IBBI/RV/06/2018/10160

Registration Number with ICAIRVO: ICAIRVO/06/RV-P000041/2018-19

UOIN: 20402763AAAA8V3851

Date: June 8, 2020

Place: Jaipur



SALAIPUDHUR-MADURAI TOLLWAY LIMITED
CIN: U45309DL2019FLC358747
BALANCE SHEET AS AT MARCH 31,2020

(Rs. in Lakhs)

Particulars	Notes	As at March 31,2020
ASSETS		
Current assets		
(a) Financial assets		
(i) Cash and cash equivalents	3	8.82
(b) Other Current assets	4	53.54
Total current assets		62.36
Total assets		62.36
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	5	1.00
(b) Other equity	6	(12.00)
Total equity		(11.00)
Current liabilities		
(a) Financial liabilities		
(i) Trade payables		
-total outstanding dues of micro enterprises and small enterprises		-
-total outstanding dues of creditors other than micro enterprises and small enterprises	7	11.59
(ii) Other financial liabilities	8	61.43
(b) Other current liabilities	9	0.35
Total current liabilities		73.36
Total equity and liabilities		62.36

The above Balance Sheet should be read in conjunction with the accompanying notes.

In terms of our report of even date attached.

For S.B. Billimoria & Co.

Chartered Accountants

PRAMOD
BAIJNATH
SHUKLA

Digitally signed by PRAMOD
BAIJNATH SHUKLA
Date: 2020.09.28 20:47:11
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Pramod B. Shukla

Partner

Place : New Delhi

Date : September 28, 2020

For and on behalf of the Board of Directors

Salaipudhur-Madurai Tollway Limited

Nilesh
Shukla

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Nilesh Shukla

Director

DIN: 08617637

Place : Noida

Date : September 28, 2020

BOVIN
KUMAR

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Bovin Kumar

Director

DIN: 08571658

Place : Noida

Date : September 28, 2020

For Gianender & Associates

Chartered Accountants

GIANENDER
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AGRAWAL

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G.K. Agrawal

Partner

Place : New Delhi

Date : September 28, 2020

SALAIPUDHUR-MADURAI TOLLWAY LIMITED
CIN: U45309DL2019FLC358747

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM DECEMBER 13, 2019 (THE DATE OF INCORPORATION) TO MARCH 31, 2020

(Rs. in Lakhs)

Particulars	Notes	For the period from December 13, 2019 to March 31, 2020
I) Revenue		
Revenue from operations		-
Total income		-
II) Expenses		
Other expenses	10	20.00
Total expenses		20.00
III) Loss before tax (I-II)		(20.00)
IV) Tax expenses		
Current tax		-
Deferred tax		-
V) Loss for the period (III-IV)		(20.00)
VI) Other comprehensive income		-
VII) Total comprehensive income / (loss) for the period (V+VI)		(20.00)
Earnings per equity share (Face value Rs 10 per share)	17	
(1) Basic (in Rs.)		(200.03)
(2) Diluted (in Rs.)		(200.03)

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.

In terms of our report of even date attached.

For S.B. Billimoria & Co.

Chartered Accountants

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Date: 2020.09.28 20:48:05
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Pramod B. Shukla

Partner

Place : New Delhi

Date : September 28, 2020

For Gianender & Associates

Chartered Accountants

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G.K. Agrawal

Partner

Place : New Delhi

Date : September 28, 2020

For and on behalf of the Board of Directors

Salaipudhur-Madurai Tollway Limited

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Nilesh Shukla

Director

DIN: 08617637

Place : Noida

Date : September 28, 2020

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Bovin Kumar

Director

DIN: 08571658

Place : Noida

Date : September 28, 2020

SALAIPUDHUR-MADURAI TOLLWAY LIMITED

CIN: U45309DL2019FLC358747

STATEMENT OF CASH FLOWS FOR THE PERIOD FROM DECEMBER 13, 2019 (THE DATE OF INCORPORATION) TO MARCH 31, 2020

(Rs. in Lakhs)

Particulars	For the period from December 13, 2019 to March 31, 2020
Cash flows from operating activities	
Net profit/(loss) after tax	(20.00)
Working capital adjustments:	
(Increase)/decrease in other current assets	(53.54)
Increase/(decrease) in trade payables	11.59
Increase/(decrease) in other financial liabilities	61.43
Increase/(decrease) in other current liabilities	0.35
Cash generated from operating activities	(0.18)
Income tax paid (net)	-
Net cash from/(used in) operating activities (A)	(0.18)
Cash flows from investing activities	
Net cash from /(used in) investing activities (B)	-
Cash flows from financing activities	
Proceed from issue of Equity share capital	1.00
Proceed from Share Application money pending allotment	8.00
Net cash flow from/(used in) financing activities (C)	9.00
Net increase/(decrease) in cash and cash equivalents (A+B+C)	8.82
Cash and cash equivalents at the beginning of the year	-
Cash and cash equivalents at the end of the period	8.82

Reconciliation of cash and cash equivalents as per Ind AS-7 "Statement of Cash flows"

Cash and cash equivalents comprise of:	
Balances with the bank	
- current account	8.82
Cash and cash equivalents at the end of the period	8.82

Note: Statement of Cash flows has been prepared under the 'Indirect Method' as set out in the Ind AS 7 - "Statement of Cash flows" notified under section 133 of the Companies Act, 2013.

The above Statement of Cash flows should be read in conjunction with the accompanying notes.

In terms of our report of even date attached.

For S.B. Billimoria & Co.

Chartered Accountants

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Pramod B. Shukla

Partner

Place : New Delhi

Date : September 28, 2020

For and on behalf of the Board of Directors

Salaipudhur-Madurai Tollway Limited

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Nilesh Shukla

Director

DIN: 08617637

Place : Noida

Date : September 28, 2020

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Bovin Kumar

Director

DIN: 08571658

Place : Noida

Date : September 28, 2020

For Gianender & Associates

Chartered Accountants

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G.K. Agrawal

Partner

Place : New Delhi

Date : September 28, 2020

SALAIPUDHUR-MADURAI TOLLWAY LIMITED
CIN: U45309DL2019FLC358747

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM DECEMBER 13, 2019 (THE DATE OF INCORPORATION) TO MARCH 31, 2020

a) Equity share capital (Rs. in Lakhs)

Particulars	Total
Equity shares issued (subscribed) during the period	1.00
Balance at the end of the period i.e. March 31, 2020	1.00

b) Other equity (Rs. in Lakhs)

Particulars	Share Application money pending allotment^	Reserve and Surplus	Total Equity
		Retained earnings*	
Share application money received during the period	8.00	-	8.00
Total comprehensive loss for the period	-	(20.00)	(20.00)
Balance at the end of the period i.e. March 31, 2020	8.00	(20.00)	(12.00)

*Retained earnings represents accumulated losses.

^Subsequently allotted on April 1, 2020.

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

In terms of our report of even date attached.

For S.B. Billimoria & Co.

Chartered Accountants

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Pramod B. Shukla

Partner

Place : New Delhi

Date : September 28, 2020

For and on behalf of the Board of Directors

Salaipudhur-Madurai Tollway Limited

Nilesh
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Nilesh Shukla

Director

DIN: 08617637

Place : Noida

Date : September 28, 2020

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Date: 2020.09.28
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Bovin Kumar

Director

DIN: 08571658

Place : Noida

Date : September 28, 2020

For Gianender & Associates

Chartered Accountants

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Date: 2020.09.28 20:11:41
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G.K. Agrawal

Partner

Place : New Delhi

Date : September 28, 2020

SALAIPODHUR-MADURAI TOLLWAY LIMITED
Notes to financial statements for the period ended March 31, 2020

1. Corporate Information

Salaipudhur-Madurai Tollway Limited ("the Company") is a company limited by shares, domiciled in India and incorporated under the provisions of the Companies Act, 2013, on December 13, 2019 as a Special Purpose Vehicle created in pursuance of contract with National Highway Authority of India (NHAI) for operation, maintenance and management of existing Madurai-Kanyakumari Section of National Highways- 07 from Km 116.500 to 180.000 in the state of Tamil Nadu under TOT (Toll, operate and transfer) basis. The rights, privileges and obligations of the Company, particularly the Concession will commence from the appointed date. The determination of the appointed date will be final and conclusive from NHAI, once the Company will satisfy all conditions precedent as set out in Article 4 of the concession agreement. The concession period of the project will be 30 (thirty) years commencing from the appointed date ("Concession period"). As per the terms and conditions of the Concession Agreement, the Company shall, at its own cost and expense, procure finance for undertaking the tolling obligations from the appointed date.

The Company is yet to comply conditions precedent as set out in Article 4 of the Concession agreement as at the date of approval of these Financial Statements. Further, physical possession of the project highway has not been transferred to the Company by the NHAI and no commercial operations has been started during the period ended on March 31, 2020.

2. Significant Accounting Policies

(i) Statement of Compliance

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

As the Company has been incorporated on December 13, 2019, period ended March 31, 2020 is the first financial period of the Company and accordingly there are no corresponding previous period comparative figures.

(ii) Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments and contingent consideration which are measured at fair values at the end of each reporting period, as explained in the accounting policies below

The Company maintains its accounts on accrual basis following the historical cost convention except for the following:

- certain financial assets and liabilities and contingent consideration measured at fair value; and
- defined benefit plans - plan assets measured at fair value.

Amounts in the financial statements are presented in Indian Rupees rounded off to Lakhs until unless otherwise stated.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

SALAIPODHUR-MADURAI TOLLWAY LIMITED
Notes to financial statements for the period ended March 31, 2020

In addition, for financial reporting purposes, 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).

(iii) 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.

(iv) Operating cycle

Based on the nature of activities of the Company and the normal time between acquisitions of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of classifications of its assets and liabilities as current and non-current.

(v) Current and non-current classification

The balance sheet presents current and non-current assets, and current and non-current liabilities, as separate classifications. For this purpose, an asset is classified as current if:

- It is expected to be realised, or is intended to be sold or consumed, in the normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is expected to realise the asset within 12 months after the reporting period; or
- The asset is a cash or equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Similarly, a liability is classified as current if:

- It is expected to be settled in the normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is due to be settled within 12 months after the reporting period; or

The Company does not have an unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

(vi) Foreign currency translation

i. Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

SALAIPODHUR-MADURAI TOLLWAY LIMITED
Notes to financial statements for the period ended March 31, 2020

Foreign exchange gains and losses resulting from the settlement of such transactions and from translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit and loss.

(vii) Revenue recognition

Revenue is measured at fair value of consideration received or receivable. The Company recognizes revenue from contracts with customers when it satisfies a performance obligation by transferring the promised goods or service to a customer. The revenue is recognized to the extent of transaction price allocated to the performance obligation satisfied. Revenue is recognized as and when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and at the effective interest rate applicable.

Other items of income are recognized as and when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

(viii) 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 recognized 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 to qualifying assets and includes borrowing costs capitalized 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 estimated useful lives as defined in the schedule II of the Companies Act. The estimated useful life and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates being accounted for on a prospective basis. Depreciation on additions/ deductions is calculated pro-rata from/ to the month of additions/ deductions.

An item of property, plant and equipment is derecognized 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 recognized in the statement of profit and loss.

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.

(ix) Intangible assets

Intangible assets are recognized 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 amortization, and cumulative impairment.

Amortization is recognized on a straight-line basis over their useful life. The estimated useful life is reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

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

SALAIPODHUR-MADURAI TOLLWAY LIMITED
Notes to financial statements for the period ended March 31, 2020

(x) Government grant

Grants from governments are recognized at fair value where there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income are deferred and recognized in profit or loss over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate.

Government grants whose primary condition is that the Company should purchase, construct, or otherwise acquire non-current assets are deducted from the carrying amount of such non-current assets.

(xi) Cash and cash equivalent

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(xii) Borrowing

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using effective interest method. Fees paid on the establishment of loan facilities are recognized at transaction costs of the loan to the extent that it is probable that some or all the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent, there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalized as prepayment for liquidity services and amortized over the period of the facility to which it relates.

The fair value of the liability portion of the optionally convertible debentures is determined using a market interest rate for equivalent non-convertible debentures. The amount is recorded as a liability on an amortized cost basis until extinguished on conversion or redemption of debentures. The remainder of the proceeds is attributable to the equity portion of the compound instrument. This is recognized and included in shareholders' equity, net of income tax effects, and not subsequently remeasured.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other gains/(losses).

Where the terms of the financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognized in profit or loss, which is measured as the difference between the carrying amount of financial liability and the fair value of equity instruments issued.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if lender agreed, after the reporting period and before the approval of the financial statement for issue, not to demand payment as a consequence of the breach.

(xiii) Borrowing cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying assets are capitalized during the period of time that is required to complete and prepare the qualifying asset for its intended use or sale. Capitalization of borrowing costs is

SALAIPODHUR-MADURAI TOLLWAY LIMITED
Notes to financial statements for the period ended March 31, 2020

suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

(xiv) Leases

The Company has adopted new Ind AS 116. The impact of adoption is not material and as such there is no impact on profit before taxation, profit after taxation, Earnings Per Share or cash flow.

Leases are recognized as a right-to-use assets and corresponding liability at the date at which the leased asset is available for use by the Company. The Company currently has only short-term leases and leases of low-value assets, which are accounted for as under.

Short-term leases and leases of low-value assets

Right-of-use assets and lease liabilities for short-term leases of real estate properties that have a lease term of 12 months or less and all leases of low value assets are recognized on a straight-line basis as an expense in profit or loss. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(xv) Provisions, contingent liabilities, and contingent assets

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

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 recognized 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.

(xvi) Financial Instruments

Financial assets and financial liabilities are recognized 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 recognized immediately in profit or loss.

a) Financial Assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets

(i) Classification of Financial Assets

SALAIPODHUR-MADURAI TOLLWAY LIMITED
Notes to financial statements for the period ended March 31, 2020

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 recognized in profit or loss.

(ii) Amortized cost and effective interest method

Income is recognized on an effective interest method as per Ind AS 109 for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in the Statement of Profit and Loss and is included in the "Other income" line item.

(iii) Impairment of financial assets (Expected credit loss model)

An impairment loss on financial asset is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Impairment loss if any are recognised in Statement of Profit or Loss for the period.

(iv) De-recognition of financial assets

The Company derecognize a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in the Statement of Profit or Loss on disposal of that financial asset.

b) Financial Liabilities

Financial liabilities are classified at initial recognition, as financial liabilities as fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized 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 amortized 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 recognized less cumulative amortization.

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

SALAIPODHUR-MADURAI TOLLWAY LIMITED
Notes to financial statements for the period ended March 31, 2020

c) Classification as debt or equity

Debt and equity instruments issued by Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(xvii) Earnings per share

- i. *Basic earnings per share* is computed by dividing the profit / (loss) for the year/period by the weighted average number of equity shares outstanding during the year/period.
- ii. *Diluted earnings per share* is computed by dividing the profit / (loss) for the year/period 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.

(xviii) Income tax

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 based on 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 based on amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method 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 realized or settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize 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 recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity wherein the related tax is also recognized in other comprehensive income or directly in equity, respectively.

(xix) Impairment of assets

The carrying values of assets / cash generating units at each reporting date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year/period even if there is no indication that the asset is impaired:

- (a) an intangible asset that is not yet available for use; and

SALAIPODHUR-MADURAI TOLLWAY LIMITED
Notes to financial statements for the period ended March 31, 2020

- (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 recognized for such excess amount. The impairment loss is recognized as an expense in the Statement of Profit and Loss.

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 recognized 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 recognized 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 recognized.

(xx) Critical accounting estimates, assumptions and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of applicable Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the period presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

(xxi) Recent accounting pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification, which would have been applicable from April 1, 2020.

SALAIPODHUR-MADURAI TOLLWAY LIMITED**Notes to financial statements for the period ended March 31, 2020****3 Cash and cash equivalents****(Rs. in Lakhs)**

Particular	As at March 31,2020
Balance with the bank: - current account	8.82
Total	8.82

4 Other current assets**(Rs. in Lakhs)**

Particular	As at March 31,2020
Prepayments	53.54
Total	53.54

SALAIPODHUR-MADURAI TOLLWAY LIMITED**Notes to financial statements for the period ended March 31, 2020****5 Equity share capital****(Rs. in Lakhs)**

Particulars	As at March 31, 2020
Authorised share capital : 70,00,000 equity shares of Rs. 10 each	700.00
Issued, subscribed and fully paid : 10,000 equity shares of Rs. 10 each	1.00
	1.00

Footnotes:**a. Reconciliation of the number of shares outstanding as on December 13, 2019 and as on March 31, 2020**

Particulars	As at March 31, 2020	
	No. of shares held	Amount in Rs. Lakhs
Balance at the beginning of the period	-	-
Addition(subscribed) during the period	10,000	1.00
Balance at the end of the period	10,000	1.00

b. Terms and rights attached to equity shares

(i) The Company has only one class of shares referred to as equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed, if any, by the Board of Directors is subject to the compliance of all applicable laws and approval of the shareholders in the ensuing Annual general Meeting.

(ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive surplus from sale of assets after setting off of the liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares in respect of each class in the Company held by its holding company or its ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate;

Particulars	As at March 31, 2020	
	No. of shares held	Amount in Rs. Lakhs
Cube Mobility Investment Pte. Limited, the holding Company along with its nominees	10,000	1.00
	10,000	1.00

d. Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the Balance Sheet date

The Company has not issued any bonus shares nor has there been any buy back of shares during the period from December 13, 2019 to March 31, 2020.

e. Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2020	
	No. of shares held	% Holding
Cube Mobility Investment Pte. Limited, the holding Company along with its nominees	10,000	100.00
Total	10,000	100.00

6 Other equity**(Rs. in Lakhs)**

Particulars	As at March 31, 2020
Share application money pending allotment Share application money received during the period^	8.00
Balance at the end of the period	8.00
Reserves and surplus -Retained earnings* (Debit balance in the Statement of Profit and Loss) Balance as on December 13, 2019	-
Total comprehensive loss for the period	(20.00)
Balance at the end of the period	(20.00)
Total	(12.00)

*Retained earnings represents accumulated losses.

^Subsequently allotted on April 1, 2020.

SALAIPODHUR-MADURAI TOLLWAY LIMITED
Notes to financial statements for the period ended March 31, 2020

7 Trade Payables

(Rs. in Lakhs)

Particulars	As at March 31, 2020
-total outstanding dues of micro enterprises and small enterprises	-
-total outstanding dues of creditors other than micro enterprises and small enterprises	11.59
Total	11.59

*The disclosures pursuant to the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') are as follows:

Particular	As at March 31, 2020
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day.	-
-Principal payment	-
-Interest payment	-
(iv) The amount of interest due and payable for the year	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

8 Other financial liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2020
Payable to related party (Refer note 14 and note 15)	61.43
Total	61.43

9 Other Current Liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2020
Statutory dues	0.35
Total	0.35

SALAIPUDHUR-MADURAI TOLLWAY LIMITED
Notes to financial statements for the period ended March 31, 2020
10 Other expenses
(Rs. in Lakhs)

Particulars	For the period from December 13, 2019 to March 31, 2020
Rent	0.24
Rates and taxes	7.15
Professional charges	2.46
Insurance	7.89
Payments to auditors (Including taxes)	
- Statutory audit fees	2.26
Total	20.00

11 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company has no borrowings as on March 31, 2020.

12 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 identify and analyse 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.

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

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company is not exposed to interest rate risk as there are no borrowings on floating rate of interest.

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 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 in the form of bank deposits.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(Rs. in Lakhs)

Particulars	Carrying Amount	Upto 1 year	1 - 2 years	2 - 5 years	More than 5 years
Non Derivative Financial Liability					
Non Interest bearing					
Trade payable	11.59	11.59	-	-	-
Other financial liabilities	61.43	61.43	-	-	-

C) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Company does not have trade receivables as on March 31, 2020. Hence, the management believes that the Company will not be exposed to any major credit risk.

D) Other financial assets

The Company's maximum exposure to credit risk as at March 31, 2020 is the carrying value of each class of financial assets.

13 Disclosure of financial instruments by category and fair value of Financial asset and liabilities at amortized cost
(Rs. in Lakhs)

Particular	Level	Note No.	As at March 31, 2020	
			Carrying amount	Fair value
Financial assets				
Cash and bank balances	1	3	8.82	8.82
Total Financial Assets			8.82	8.82
Financial liabilities				
Trade payables	1	7	11.59	11.59
Other financial liabilities	1	8	61.43	61.43
Total Financial Liabilities			73.02	73.02

The carrying amount of other financial liabilities is measured at amortised cost and is considered to be the same as its fair value, due to There are no amounts recognised at Fair value through Profit or Loss and other comprehensive income.

SALAIPODHUR-MADURAI TOLLWAY LIMITED**Notes to financial statements for the period ended March 31, 2020**

- 14** The National Highways Authority of India ("NHAI") had put up nine stretch of assets spread across Uttar Pradesh, Jharkhand, Bihar and Tamil Nadu states in India for auction under toll -operate -transfer (TOT) model ("TOT3") in the month of July 2019. Cube Mobility Investments Pte. Ltd. ("Holding Company") has emerged as the successful bidder for the TOT3 road assets for a concession period of 30 years. Pursuant to this, nine Special Purpose Vehicles ("SPVs") has been incorporated in India as 100% subsidiaries of Holding Company for the purpose of signing nine concession agreements with the NHAI in terms of Request for Proposal (RFP) document. On December 27, 2019, the Company and eight other SPVs (fellow subsidiaries) has entered into the respective Concession Agreements ("CA") with the NHAI.

With respect to the project, the Company is required to procure annual insurance. One of the fellow subsidiary namely Jhansi Lalitpur Tollway Limited has negotiated and paid insurance premium amounting Rs. 61.43 Lakhs on behalf of the Company and have claimed the reimbursement for expense from the Company. Accordingly, the same has been shown as "Payable to related party" under note 8 of the financial statements.

15 Related parties**A(i) Name of related party where control exists**

S. No.	Name of the related party	Nature of relationship
1	ISQ Asia Infrastructure Holdings II Pte. Ltd.	Ultimate Holding company w.e.f December 13, 2019
2	Cube Mobility Investment Pte Limited	Holding company w.e.f December 13, 2019

A(ii) Related parties with whom transactions have taken place during the period:

S. No.	Name of the related party	Nature of relationship
1	Cube Mobility Investment Pte Limited	Holding company w.e.f December 13 2019
2	Jhansi-Lalitpur Tollway Limited	Fellow subsidiary w.e.f December 17, 2019

Note: The name of the related parties and the nature of relationship are as identified by the management.

(B) Transactions with related parties during the period ended March 31, 2020

(Rs. in Lakhs)			
S. No.	Name of the related party	Nature of transactions	For the period from December 13, 2019 to March 31, 2020
1	Cube Mobility Investment Pte Limited	Issue of share capital	1.00
2	Cube Mobility Investment Pte Limited	Share application money received	8.00
3	Jhansi-Lalitpur Tollway Limited	Reimbursement of expense to fellow subsidiary	61.43

(C) Related parties balance as at March 31, 2020

(Rs. in Lakhs)			
S. No.	Name of the related party	Nature of transactions	As at March 31, 2020
			(Payable) / Receivable
1	Cube Mobility Investment Pte Limited	Share application money pending allotment	(8.00)
2	Jhansi-Lalitpur Tollway Limited	Other payable	(61.43)

- (D)** Cube Mobility Investment Pte Limited (Holding company) has provided performance security amounting Rs. 6118 Lakhs in aggregate to National Highway Authority of India (NHAI) for the due performance of the Company's and 8 other SPVs' (fellow subsidiaries) obligations under the 9 Concession agreements respectively entered in relation to projects comprising of 9 National Highway stretches (Bundle- 3) on Toll Operate Transfer Mode.

16 Disclosure pursuant to Ind AS 12 - "Income taxes"

(Rs. in Lakhs)	
Particulars	As at March 31, 2020
Reconciliation of tax expense	
Loss before tax	(20.00)
Enacted Income tax rate applicable to Company	26%
Income tax expense/(benefit) calculated at enacted	(5.20)
Effect of expenses that are not deductible in determining taxable profit	0.27
Effects of unrecognised deferred tax assets/(liabilities) on deductible temporary differences [#]	
-Carried forward business losses	4.93
Total tax expense on continuing operations	-

[#]Deferred tax asset (net) in respect of following deductible temporary items has not been recognised in the books of accounts as in the

(Rs. in Lakhs)	
Nature of timing difference	As at March 31, 2020
Carried forward business losses	(18.98)

SALAIPUDHUR-MADURAI TOLLWAY LIMITED
Notes to financial statements for the period ended March 31, 2020

17 Disclosure pursuant to Ind AS 33 "Earnings per share"

Particulars		For the period from December 13, 2019 to March 31, 2020
Basic/diluted earnings per equity share:		
Loss for the period attributable to owners of the Company for calculating basic earnings per share (Rs. in Lakhs)	A	(20.00)
Weighted average number of equity shares outstanding for calculating basic earnings per share	B	10,000
Basic earnings per equity share (Rs.)	A / B	(200.03)
Diluted earnings per equity share (Rs.)	A / B	(200.03)

18 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 Toll Operate Transfer (TOT) basis. Considering the nature of Company's business and operations, there are no separate reportable segments (business and/or geographical) in accordance with the requirements of Indian Accounting Standard 108 'Segment Reporting'. The Chief Operational Decision Maker monitors the operating results as one single segment for the purpose of making decisions about resource allocation and performance assessment and hence, there are no additional disclosures to be provided other than those already provided in the financial statements.

19 As at March 31, 2020, the Company is having negative net worth of Rs. 11 Lakhs. The Company is incorporated on December 13, 2020 and is yet to commence commercial operations as stated in note 1 of the financial statements. The Company is confident of getting hand over of the project from the NHAI and thereby commencing its commercial operations shortly.

Further, subsequent to the year-end the Company has received Rs. 260 Lakhs from its Holding Company in the form of Optionally Convertible debentures (OCDs) to meet out expenditure related to general corporate purpose. Accordingly, the Company has prepared the financial statements on a going concern basis.

20 Uncertainties related with COVID-19 pandemic:

As per the impact assessment of COVID-19 carried out by the Management, the Company believes that there is no significant impact of COVID-19 pandemic on the financial position and performance of the Company including to its assessment of liquidity and going concern assumption. The impact of the COVID-19 pandemic might be different from that estimated as at the date of approval of these Financial Statements and the Company will closely monitor any material changes to future economic conditions.

21 There were no litigation pending against the Company which could materially impact its financial position as at the end of the period.

22 The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

23 There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

24 The financial statements were approved for issue by the Board of Directors on September 28, 2020.

**For and on behalf of the Board of Directors
Salaipudhur-Madurai Tollway Limited**

Nilesh Shukla
Digitally signed
by Nilesh Shukla
Date: 2020.09.28
15:46:09 +05'30'

Nilesh Shukla
Director
DIN: 08617637
Place : Noida
Date : September 28, 2020

BOVIN KUMAR
Digitally signed
by BOVIN KUMAR
Date: 2020.09.28
15:08:24 +05'30'

Bovin Kumar
Director
DIN: 08571658
Place : Noida
Date : September 28, 2020

Gianender & Associates

Chartered Accountants
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New Rajendra Nagar
New Delhi - 110060

S.B. Billimoria & Co.

Chartered Accountants
7th Floor, Building 10 Tower B
DLF Cyber City Complex,
DLF City Phase - II
Gurugram, Haryana – 122 002

INDEPENDENT AUDITOR'S REPORT**To The Members of Salaipudhur-Madurai Tollway Limited
Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of Salaipudhur-Madurai Tollway Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020 and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the period then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and its loss, total comprehensive loss, its cash flows and the changes in equity for the period ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 ethical 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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our 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 other information. The other information comprises the information included in the Directors' 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the 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 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the 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 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 Section 143(3) of the Act, based on our audit, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f) Reporting on the adequacy of Internal Financial Control Over Financial Reporting of the Company and the operating effectiveness of such controls, under section 143(3)(i) of the Act is not applicable in view of the exemption available to the Company in terms of the notification no. G.S.R. 583(E) dated June 13, 2017 issued by the Ministry of Corporate Affairs, Government of India, read with general circular No. 08/2017 dated July 25, 2017.
- g) 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, no remuneration has been paid by the Company to its directors during the period and hence, provisions of section 197 of the Act are not applicable.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations, which would impact its financial position. Refer Note 21 of the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. Refer Note 22 of the financial statements.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Refer Note 23 of the financial statements.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

GIANENDER
KISHORE
AGRAWAL



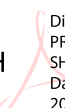
Digitally signed by
GIANENDER KISHORE
AGRAWAL
Date: 2020.09.28 20:22:29
+05'30'

G.K. Agrawal
Partner
(Membership No. 081603)
UDIN: 20081603AAAALK4089

New Delhi
September 28, 2020

For **S.B. Billimoria & Co.**
Chartered Accountants
(Firm's Registration No. 101496W)

PRAMOD
BAIJNATH
SHUKLA



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Pramod B. Shukla
Partner
(Membership No. 104337)
UDIN: 20104337AAAACV8875

New Delhi
September 28, 2020

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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

- (i) The Company does not have any property, plant and equipment, and hence reporting under clause (i) of the Order is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.
- (iii) 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.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the period nor has any unclaimed deposits within the meaning of Section 73 to 76 or any other relevant provisions of the Act and hence reporting under clause (v) of the Order is not applicable.
- (vi) Having regard to the nature of the Company's business/activities during the period, reporting under clause (vi) of the Order is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed statutory dues, including Tax deducted at source and other material statutory dues applicable to it to the appropriate authorities. Having regard to the nature of the Company's business /activities during the period, statutory dues in respect of Goods and Services tax, Provident Fund, Employees' State Insurance and Customs Duty are not applicable to the Company.
 - (b) The Company is incorporated on December 13, 2020, therefore, reporting related to undisputed statutory dues in arrears as at March 31, 2020 for a period more than six months is not applicable.
 - (c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax as on March 31, 2020 on account of disputes.
- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of the order is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the period.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not paid/provided any managerial remuneration and hence reporting under clause (xi) of the Order is not applicable to the Company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

Gianender & Associates**S.B. Billimoria & Co.**

- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards. During the period, the provisions of section 177 of the Act are not applicable to the Company.
- (xiv) During the period, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the period the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

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KISHORE AGRAWAL

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G.K. Agrawal
Partner
(Membership No. 081603)
UDIN: 20081603AAAALK4089

New Delhi
September 28, 2020

For **S.B. Billimoria & Co.**
Chartered Accountants
(Firm's Registration No. 101496W)

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Pramod B. Shukla
Partner
(Membership No. 104337)
UDIN: 20104337AAAACV8875

New Delhi
September 28, 2020