

IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH - II

CP (IB) No.32/07/HDB/2024

IN THE MATTER OF SAI MAATARINI TOLLWAYS LIMITED

Between:

IDBI Bank Limited,

NPA Management Group,

at 2nd Floor, H. No. 5-9-89/1&2,

Chapel Road, Hyderabad -500001, Telangana,

Rep. by its Authorized Signatory, Sri. N. Subrahmanyam,

S/o N.V. Subba Rao aged about 51 years,

Occ: Deputy General Manager, IDBI Bank Ltd,

NPA Management Group Chapel Road, Hyderabad.

...Applicant/ Financial Creditor

Vs.

M/s Sai Maatarini Tollways Limited,

6-3-1090, TSR Tower, Rajbhavan Road,

Somajiguda, Hyderabad -560082, Telangana State.

...Respondent/Corporate Debtor

Date of order: 04.04.2025

CORAM:

Sri Rajeev Bhardwaj, Hon'ble Member (Judicial)

Sri Sanjay Puri, Hon'ble Member (Technical)

Counsels present:

For the Petitioner : Mr. B. Harinath Rao.

For Respondent : Mr. S. Ram Babu, and
Mr. B. Rahul Kumar.



Per: Sanjay Puri, Member (Technical)

ORDER

This application was submitted by IDBI Bank Limited, the Financial Creditor (**FC**), to initiate the CIRP¹ under Section 7 of IBC² against M/s Sai Maatarini Tollways Limited, the Corporate Debtor (**CD**) due to the CD's failure to repay the financial debt amounting to Rs 457,56,33,859 as on 01.03.2024.

Brief of The Application

1. The FC stated that M/s Sai Maatarini Tollways Limited (CD) was a Special Purpose Vehicle (SPV) promoted by Gayatri Projects Limited (GPL) in 2011 for toll road development and is incorporated under the Companies Act, 1956, with Corporate Identity Number (CIN) U45400TG2011PLC076396.
2. The FC stated that the CD approached the FC in November 2012 for partial financial assistance for the 4-laning of the Panikolli-Rimuli section (about 166 km) of NH-215 in Orissa under Phase III of NHDP³. The FC sanctioned Rs 350 Crores as a Rupee Term Loan for the project vide sanction letter dated 20.11.2012. With a 6-month moratorium from the Scheduled Commercial Operation Date (SCOD), the loan was to be repaid in 48 unequal quarterly instalments, from 01.01.2018, to 1.10.2029.
3. The FC issued another Sanction Letter dated 20.11.2012, stating that the earlier sanction remained valid, subject to the provision of an irrevocable and unconditional Corporate Guarantee from M/s Gayatri

¹ Corporate Insolvency Resolution Process

² Insolvency & Bankruptcy Code 2016

³ National Highways Development Project.



27

Projects Limited (**Gayatri**) in favour of the FC, as per the terms outlined in that letter. Additionally, Gayatri Projects Ltd was to pledge its shares in the CD and create a charge over them in favour of the consortium lenders, with the FC acting as the leader/agent.

4. After executing the necessary loan documents in favour of its lenders, and upon entering into various other agreements, including the Sponsor Support Agreement, Guarantee Agreement, and Share Pledge Agreement, the CD availed itself of loan facilities from its lenders, including the FC in the present application.
5. The FC submitted that, to secure the due payment of various loan facilities availed by the CD from its lenders, including the FC, a first charge by way of hypothecation has been created on the CD's entire movable assets and bank accounts. In this regard, the CD has executed the Deed of Hypothecation dated 26.06.2013, along with the Deed of Modification dated 03.09.2013.
6. In due course, the CD completed 94.50% of the work and achieved its Provisional Commercial Operation Date (PCOD) on 08.08.2017, as against the originally targeted date of 01.07.2015. The estimated cost of the project was Rs 2306.16 crores. However, the actual expenditure incurred for the completed portion of the project amounted to Rs 2291 crores.
7. It is submitted that due to a ban on mining activity in the region, the contract work was severely impacted, which in turn affected the operations of the CD. As a result, toll collection remained in the range of Rs 12 to 14 lakhs per day, as against the envisaged Rs 83 lakhs per day. Consequently, the CD was unable to service its loan obligations, and its account was classified as a Non-Performing Asset (NPA) on 29.11.2017.
8. Thereafter, acting on its own behalf and as an agent for other lenders,



the FC issued a Recall Notice on 29.11.2019, demanding payment of Rs 1,734.29 Crore under the Rupee Facility as of 01.11.2019, along with applicable interest, default interest, charges, and compound interest at the contractual rates, with monthly rest until full payment. Additionally, Rs 162.54 Crores remained outstanding under the Subordinated Facility as of 01.11.2019, under similar terms.

9. The FC submitted that the CD and Guarantor had failed to clear the outstanding amount within 30 days of the recall notice. As a result, the CD and Guarantor executed an Acknowledgment of Debt and Confirmation of Security in favour of the lenders, including the FC, on 31.01.2022. Prior to this, the CD had signed similar acknowledgments on 19.01.2019 and 15.02.2021, both in favour of the lenders, including the FC.
10. In the meanwhile, NHAI⁴ terminated the Concession Agreement on 28.01.2020 and took over toll collections from 30.01.2020. In March/April 2021, NHAI released an interim Termination Payment of Rs 468.67 crore (excluding statutory deductions of Rs 16.40 crore) to the CD's Escrow Account. On 30.03.2023, the CD and NHAI reached a full and final settlement for Rs 499.36 crore, which included Rs 327.83 crore as the balance termination amount (from a revised settlement of Rs 796.50 crore, minus the Rs 468.67 crore already paid) and Rs 171.53 crore for claims related to contract termination, toll revenue loss, price escalation, additional construction interest, and Rs 9.37 crore for wrongly deducted GST TDS.
11. On 09.10.2023, NHAI paid the balance termination amount of Rs 331.13 crore (Rs 337.20 crore minus Rs 5.63 crore in terminal deductions) to the CD's Escrow Account, along with Rs 9.37 crore for statutory TDS. The total amount was then distributed between the CD's

⁴ National Highways Authority of India



Escrow Account and its Consortium lenders.

12. The FC recovered a total of Rs 231 crores, which included Rs 195 crores (the FC's share of the termination payment from NHAI) and Rs 35.56 crores from the CD's toll revenues.
13. Neither the CD nor the Guarantor has cleared the outstanding amounts. As a result, on 25.09.2020, the FC, along with other lenders, filed O.A. No. 330 of 2020 before the Debt Recovery Tribunal-I at Hyderabad, seeking recovery of Rs 2,051.21 crore (including the Applicant's claim of Rs 453.93 crore) as of 31.07.2020, plus additional interest. The case is still pending adjudication.
14. On 02.02.2024 and 04.03.2024, the CD requested the Applicant Bank to initiate CIRP/liquidation through the IBC process. Since the CD has failed to repay, the FC filed a Record of Financial Information with NESL on 25.02.2024, and with CRILC on 28.02.2024, where the CD's credit facilities with the FC are listed under the Default category.

The Counter

15. In its reply, the CD has not raised any objection to the initiation of the CIRP through the present application, except to note that the CD has signed a settlement agreement for interim termination payment with the consent of the lenders, including the FC, as well as a settlement agreement with the NHAI, wherein all claims of the lenders stand extinguished and waived. The response primarily is about the series of interactions with the NHAI and details the difficulties faced during the execution of the project and the subsequent toll collections by the CD. However, there is no dispute with respect to the outstanding debt as reported by the FC, and it is prayed that the present application for initiation of CIRP against the CD be allowed.



Findings and Decision

- 16 We have heard the learned counsel for the Petitioner and Respondent and perused the entire record. It is undisputed that the CD owes the FC Rs 457,56,33,859 as of 01.03.2024. This amount remains unpaid, and the default is not contested.
- 17 The FC sanctioned Rs 350 Crores to M/s Sai Maatarini Tollways Limited for the NH-215 project in Orissa under Phase-III of NHDP, as per the sanction letter dated 20.11.2012⁵. The loan was to be repaid in 48 unequal quarterly instalments, starting from 01.01.2016, and ending on 01.10.2027⁶.
- 18 The Corporate Loan account became a Non-Performing Asset (NPA) on 29.11.2017, and the FC issued a Recall Notice on 29.11.2019⁷, demanding payment from the CD and the Guarantor.
- 19 On 31.01.2022⁸ The CD and Guarantor executed an Acknowledgment of Debt and Confirmation of Security in favour of the lenders, including the FC. The Acknowledgment of Debt referred to the terms and conditions specified in the Common Loan Agreement dated 26.06.2013, as amended from time to time.
- 20 The CD's counsel has not specifically addressed the claims made by the FC in the counter, except to assert that the CD entered into a settlement agreement with the consent of the lenders, including the FC. According to him, the said settlement agreement with NHAI extinguishes and waives all claims.
- 21 Apparently, a one-time termination payment settlement agreement was made between the CD and NHAI. The amount received from the settlement is stated to have been distributed among the lenders,

5 Page No. 45-69 of petition. Sanction Letter Ref. No. HO/PAD/SMTL/551.
6 Page No. 91 of Petition. 2.6 Repayment of Common Lone Agreement.
7 Page No. 901-910 of Petition.
8 Page No. 914-916 of Petition



including the FC. However, neither the FC nor the CD has provided the settlement agreement.

- 22 In light of the foregoing, we are of the view that a financial debt exists in the present case, and that the CD has committed a default in repaying the same. We are satisfied that the FC has successfully established its case by producing sufficient evidence of default in respect of the outstanding debt, for which the CD is liable. Furthermore, the application has been filed within the prescribed period of limitation.
- 23 Since the financial debt exceeding the prescribed amount of Rs 1 crore has been defaulted by the CD, the application is hereby allowed.

ORDER

- a) The Application is admitted and this Adjudicating Authority orders the commencement of the Corporate Insolvency Resolution Process, which shall ordinarily be completed within the timelines stipulated in the Code, 2016 (as amended), reckoning from the date on which this order is passed.
- b) The Applicant has proposed the name of **Mr. Kalvakolanu Murali Krishna Prasad**, whose AFA as per the IBBI Website is valid up to 31.12.2025, as the Interim Resolution Professional (hereinafter referred to as the "IRP"). The proposal to appoint **Mr. Kalvakolanu Murali Krishna Prasad**⁹ as IRP is approved. The IRP is directed to file Authorization for Assignment within three days from the date of this order.
- c) The IRP is directed to take charge of the management of the Corporate Debtor, immediately. He is also directed to cause a public announcement as prescribed under Section 15 of the Code, 2016, within three days from

⁹ Mr. Kalvakolanu Murali Krishna Prasad, Registration Number of IP: IBBI/IPA-001/IP-P00967/2017-2018/11588, R/o. 8-27, Jillelguda, Mythripuram Colony, Vyshalinagar, Hyderabad, West Marredpally, Telangana – 500079, E-mail ID: kmk123ip@gmail.com



the date of receipt of this order, and call for submissions of claim in the manner as prescribed.

d) Moratorium is hereby declared and shall have effect from the date of this order till the completion of the CIRP, for the purposes referred to in Section 14 of the Code, 2016. It is hereby ordered that all of the following are prohibited:

- i. The institution of suits or continuation of pending suits or proceedings against the Corporate Debtor, including execution of any judgment, decree, or order in any court or law, tribunal, arbitration panel, or other authority;
- ii. Transferring, encumbering, alienating, or disposing of by the Corporate Debtor any of its assets or any legal rights or beneficial interest therein;
- iii. Any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property, including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002);
- iv. The recovery of any property by an owner or lessor where such property is occupied by or in the possession of the corporate debtor.
- v. Notwithstanding anything contained in any other law for the time being in force, a license, permit, registration, quota, concession, clearances or a similar grant or right given by the Central Government, State Government, local authority, sectoral regulator or any other authority constituted under any other law for the time being in force, shall not be suspended or terminated on the grounds of insolvency, subject to the condition that there is no default in payment of current dues arising for the use or



continuation of the license, permit, registration, quota, concessions, clearances or a similar grant or right during the moratorium period.

- e) The supply of essential goods or services to the Corporate Debtor shall not be terminated, suspended or interrupted during the moratorium period. Further, if the IRP considers supply of any goods or services critical to protect and preserve the value of the Corporate Debtor and manage the operations of such Corporate Debtor as a going concern, then the supply of such goods or services shall not be terminated, suspended or interrupted during the period of moratorium, except where such Corporate Debtor has not paid dues arising from such supply during the moratorium period. Furthermore, the provisions of Sub-section (1) of Section 14 shall not apply to such transactions, agreements, or other arrangements as may be notified by the Central Government in consultation with any financial sector regulator or any other authority.
- f) The IRP shall comply with the provisions of Sections 13(2), 15, 17 & 18 of the Code, 2016. The Directors, Promoters or any other person associated with the management of Corporate Debtor are directed to extend all assistance and co-operation to the IRP as stipulated under Section 19 for discharging his functions under Section 20 of the Code, 2016.
- g) The Financial Creditor shall provide to the IRP within 30 days of passing of this order, the information in respect of assets and liabilities of the corporate debtor from the last valuation report, stock statement, receivables statement, inspection reports of properties, audit report, stock audit report, title search report, technical officers report, bank account statement and such other information which shall assist the interim resolution professional or the resolution professional in preparing the information memorandum, getting valuation determined and in conducting the corporate insolvency resolution process.




- h) The Registry is directed to send a copy of this Order to the IRP, to enable him to take charge of the assets, etc. of the Corporate Debtor, and comply with this order as per the provisions of the Code, 2016.
- i) The Registry shall also communicate this Order to the Registrar of Companies, Hyderabad, for updating the status of the Corporate Debtor on the website of the Ministry of Corporate Affairs.

The Application No. CP(IB)/32/7/HDB/2024 is therefore admitted.


(SANJAY PURI)
MEMBER (TECHNICAL)




(RAJEEV BHARDWAJ)
MEMBER (JUDICIAL)


Deputy Registrar / Assistant Registrar / Court Officer
National Company Law Tribunal, Hyderabad Bench

प्रमाणित प्रति
CERTIFIED TRUE COPY
केस संख्या
CASE NUMBER **CP (IB) No. 32/7/HDB/24**
निर्णय का तारीख
DATE OF JUDGEMENT **4/4/25**
प्रति तैयार किया गया तारीख
COPY MADE READY ON **4/4/25**