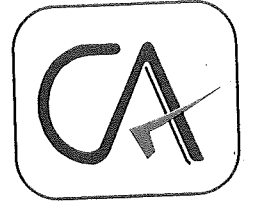


**NAGPUR SEONI
EXPRESSWAY LIMITED**

**IND AS FINANCIAL STATEMENT
FOR THE YEAR ENDED MARCH 31, 2018**

JAIN CHOWDHARY & CO.
CHARTERED ACCOUNTANTS

B-405, Premium House,
Nr. Mithakhali Railway Crossing,
Off Ashram Road, Ahmedabad - 380 009.
Phone : (O) 079 - 26587828, 26580412
e-mail : amolaksinghdang@hotmail.com



INDEPENDENT AUDITOR'S REPORT

To The Members of Nagpur Seoni Express Way Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Nagpur Seoni Express Way Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

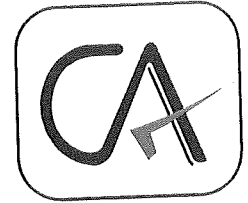
We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material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

* Other Offices *

MUMBAI • JAIPUR • VADODARA • AJMER • FARIDABAD

JAIN CHOWDHARY & CO.
CHARTERED ACCOUNTANTS

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An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March, 2018 and its financial performance including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

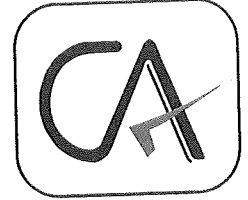
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

* Other Offices *

MUMBAI • JAIPUR • VADODARA • AJMER • FARIDABAD

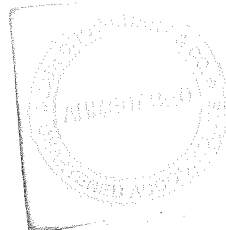
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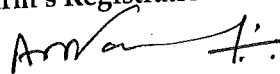


- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure - A"
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations which will have impact on its financial position;
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Ahmedabad
Date: May 05, 2018



For Jain Chowdhary & Co.
Chartered Accountants
Firm's Registration No. 113267W


(Amolaksingh Dang)
Partner
Membership No.42684

Report on Internal Financial Controls over Financial Reporting

Annexure `A' To the Independent Auditor's Report Of Even Date On The Ind AS Financial Statements Of Nagpur Seoni Express Way Limited

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

We have audited the internal financial controls over financial reporting of Nagpur Seoni Express Way Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

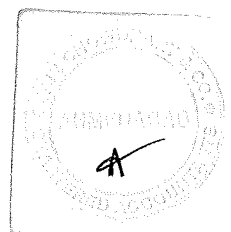
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.

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



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that;

- 1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS Financial Statements.

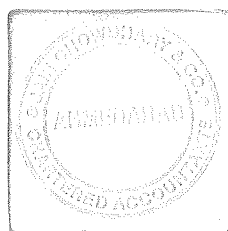
Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

Place: Ahmedabad
Date: May 05, 2018




For Jain Chowdhary & Co.
Chartered Accountants
Firm's Registration No. 113267W

(Amolaksingh Dang)
Partner
Membership No.42684

Nagpur Seoni Express Way Limited
Balance Sheet as at March 31, 2018

Particulars	Note No.	As at	As at
		March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
ASSETS			
1 Non-current Assets			
(a) Investment Property	4	4.82	4.82
(b) Financial Assets			
(i) Other Financial Assets	5	1,800.44	2,012.04
(c) Other Non Current Assets	6	11.52	7.68
Total Non-current assets		1,816.78	2,024.54
2 Current Assets			
(a) Financial Assets			
(i) Investments	7	28.01	7.59
(ii) Cash and Cash Equivalants	8	56.34	67.32
(iii) Other Current Financial Assets	5	383.96	383.96
(b) Other Current Assets	6	0.12	0.29
Total Current assets		468.43	459.16
Total Assets		2,285.21	2,483.70
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	9	480.00	480.00
Other Equity	10	(1,087.88)	(969.20)
Total Equity		(607.88)	(489.20)
LIABILITIES			
1 Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	11	1,603.12	1,748.90
Total Non-current liabilities		1,603.12	1,748.90
2 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	828.68	818.41
(ii) Trade Payables	13	27.39	78.01
(iii) Other Financial Liabilities	14	432.48	324.64
(b) Other Current Liabilities	15	1.42	2.94
Total Current liabilities		1,289.97	1,224.00
Total Equity and Liabilities		2,285.21	2,483.70
Significant Accounting Policies	3.1		

Accompanying notes are an integral part of the financial statements
As per our report of even date

For Jain Chowdary & Co.
Chartered Accountants
ICAI Firm Registration No. 113267W

(Amolaksingh Dang)
Partner
Membership No.42684

Date : May 05, 2018
Place: Ahmedabad



For & On behalf of the Board of Directors of
Nagpur Seoni Express Way Ltd


Shashin Patel
Managing Director
DIN : 00048328

Date: May 05, 2018
Place: Ahmedabad

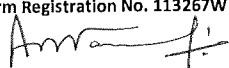

Nitin Patel
Director
DIN : 00466330


Rohan Anand
Company Secretary
M.No.47998

Nagpur Seoni Express Way Limited
Statement of Profit and Loss for the year ended March 31, 2018

Particulars	Note No.	March 31, 2018	March 31, 2017
		(INR In Million)	(INR In Million)
INCOME			
I Revenue From Operations	16	35.60	238.74
II Other Income	17	144.65	155.46
III Total Income (I+II)		180.25	394.20
EXPENSES			
Operating Expense	18	19.86	207.30
Employee Benefits Expenses	19	0.15	0.02
Finance Cost	20	264.88	240.57
Other Expenses	21	14.04	8.89
IV Total Expenses		298.93	456.78
V Loss for the year (III-IV)		(118.68)	(62.58)
VI Other Comprehensive Income		-	-
VII Total Comprehensive Income for the year, net of tax (V+VI)		(118.68)	(62.58)
Earning per share [Nominal Value of share Rs. 10/-] (31 March 2017: Rs 10/-)			
Basic and Diluted	23	(2.47)	(1.30)
Significant Accounting Policies	3.1		

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For Jain Chowdhary & Co.
Chartered Accountants
ICAI Firm Registration No. 113267W

(Amolaksingh Dang)
Partner
Membership No.42684


Date : May 05, 2018
Place: Ahmedabad



For & On behalf of the Board of Directors of
Nagpur Seoni Express Way Ltd


Shashin Patel
Managing Director
DIN : 00048328

Date : May 05, 2018
Place: Ahmedabad


Nitin Patel
Director
DIN : 00466330


Rohan Anand
Company Secretary
M.No.47998

Nagpur Seoni Express Way Limited
Statement of Changes in Equity for the year ended March 31,2018

A Equity Share Capital

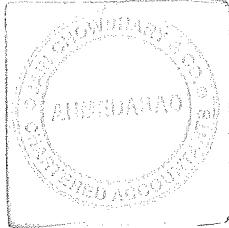
Equity shares of INR 10 each issued, subscribed and fully paid	No of Shares.	Amount (INR In Million)
At 31 March 2017	48,000,000	480.00
At 31 March 2018	48,000,000	480.00

B Other Equity

Particulars	Reserves and Surplus		Equity Component of Compound Financial	Total
	Securities Premium	Retained Earning		
	(INR In Million)	(INR In Million)	(INR In Million)	(INR In Million)
As at April 1, 2016	-	(1,024.91)	118.29	(906.62)
Profit for the year	-	(62.58)	-	(62.58)
Other Comprehensive Income for the year	-	-	-	0.00
As at March 31, 2017	-	(1,087.49)	118.29	(969.20)
As at April 1, 2017	-	(1,087.49)	118.29	(969.20)
Profit for the year	-	(118.68)	-	(118.68)
Other Comprehensive Income for the year	-	-	-	0.00
As at March 31, 2018	-	(1,206.17)	118.29	(1,087.88)

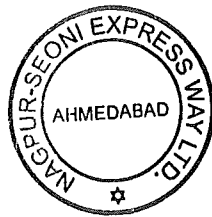
The accompanying notes are an integral part of the financial statements.
As per our report of even date

For Jain Chowdhary & Co.
Chartered Accountants
ICAI Firm Registration No. 113267W



(Amolaksingh Dang)
Partner
Membership No.42684

Date : May 05, 2018
Place: Ahmedabad



For & On behalf of the Board of Directors of
Nagpur Seoni Express Way Ltd

S V Patel

Shashin Patel
Managing Director
DIN : 00048328

Date : May 05, 2018
Place: Ahmedabad

Nitin Patel

Nitin Patel
Director
DIN : 00466330

Rohan Anand
Rohan Anand
Company Secretary
M.No.47998

Nagpur Seoni Express Way Limited
Cash Flow Statement for the Year ended 31st March 2018

Particulars	March 31, 2018	March 31, 2017
(A) Cash flows from operating activities		
(Loss) Before Tax	(118.68)	(62.58)
Adjustments for:		
Notional Interest on NCD	0.23	0.27
Finance Costs	264.64	240.55
Excess provision written Back	(3.17)	(0.20)
Gain on sale of Units of Mutual fund Investments (net)	(4.72)	(8.05)
Cash generated before Effect of Working capital	138.31	170.01
Adjustments for:		
(Increase)/Decrease in Other Financial Assets	211.60	(1.12)
(Increase)/Decrease in other current financial asset	-	0.79
(Increase)/Decrease in current asset	0.17	(0.18)
(Decrease)/Increase in trade payables	(50.63)	37.27
(Decrease)/Increase in Other financial liabilities	83.29	(185.26)
(Decrease)/Increase in current liability	(1.51)	1.38
Cash generated from Operating Activity	381.23	22.89
(+)/(-) : Tax Paid(Net of Refund)	(3.84)	8.01
Net cash flow from operating activities (A)	377.39	30.89
(B) Cash Flows from investing activities		
Investment in Mutual Fund Purchase (Net)	(12.53)	118.51
Net cash from/ (used in) investing activities (B)	(12.53)	118.51
(C) Cash Flows from financing activities		
Repayment of borrowings	(119.77)	(79.72)
Received from borrowings	10.26	261.96
Interest and other Finance cost paid	(266.33)	(264.84)
Net cash used in financing activities (C)	(375.84)	(82.60)
Net increase in cash and cash equivalents (A+B+C)	(10.98)	66.80
Cash and cash equivalents at beginning of the Period	67.32	0.52
Cash and cash equivalents at end of the Period	56.34	67.32

Notes:

(i) Components of cash and cash equivalents (refer note 8)

	March 31, 2018	March 31, 2017
	INR In Million	INR In Million
Cash on hand	0.01	0.01
Balances with banks in current accounts	56.33	67.31
Cash and cash equivalents	56.34	67.32

	INR In Million				
(ii) Reconciliation of Financial liabilities	March 31, 2017	Cash inflows	Cash outflows	Non-cash adjustment Transaction Cost	March 31, 2018
Long Term Borrowings	1,868.67	-	(120.00)	0.23	1,748.90
Short Term Borrowings	818.42	10.26	-	-	828.68

	INR In Million				
(iii) Reconciliation of Financial assets	March 31, 2017	Cash inflows	Cash outflows	Non-cash adjustment Interest accrued	March 31, 2018
Receivable under Service Concession Agreement	2395.99	(383.96)	-	172.36	2,184.39

(iv) The cash flow statement has been prepared under indirect method as per Indian Accounting Standard -7 "Cash Flow Statement".

(v) Figures in brackets represent outflows.

As per our report of even date

For Jain Chowdary & Co.
Chartered Accountants
ICAI Firm Registration No. 113267W

Amol Singh Dang
(Amolksingh Dang)
Partner
Membership No.42684

Date : May 05, 2018
Place: Ahmedabad



For & On behalf of the Board of Directors of
Nagpur Seoni Express Way Ltd

Su Patel
Shashin Patel
Managing Director
DIN : 00048328

Date : May 05, 2018
Place: Ahmedabad

Rohan Anand
Rohan Anand
Director
DIN : 00466330

Rohan Anand
Rohan Anand
Company Secretary
M.No.47998

Nagpur Seoni Expressway Limited

Notes to Financial statement for the year ended March 31, 2018

1. Company information:

Nagpur Seoni Expressway Limited ("the Company") is a company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. It is wholly owned subsidiary of Sadbhav Infrastructure Project Limited.

The Company was incorporated as a Special Purpose Vehicle (SPV) in February, 2007, to augment the existing road from km 596.750 to km 653.225 (approximately 56.475 kms) in the state of Madhya Pradesh by Four-Laning thereof on Built, Operate and Transfer ("BOT Annuity") basis. The Company has entered into Concession Agreement with National Highways Authority of India (NHAI) in which NHAI grants to the Company exclusive right, license and authority to construct, operate and maintain the project during the Concession Period of 20 years which includes Construction Period of 30 Months.

The financial statements were authorized for issue in accordance with a resolution of the directors on May 05, 2018.

2. Basis of preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements have been prepared on a historical cost basis, except for the followings:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),

The financial statements are presented in INR and all values are rounded to the nearest million (INR 000,000), except when otherwise indicated.

3. Summary of significant accounting policies

The following are the significant accounting policies applied by the company in preparing its financial statements:

3.1 Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless 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.

A liability is current when:

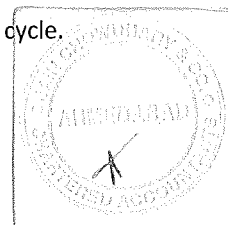
- It is expected to be settled in the normal operating cycle;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

The Company's has identified twelve months as its normal operating cycle.



Nagpur Seoni Expressway Limited

Notes to Financial statement for the year ended March 31, 2018

3.2 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue from Service Concession Arrangement:

a. Construction Revenue:

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the percentage of completion of the contract activity at the reporting date. The percentage of completion of a contract is determined considering the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs

Contract revenue comprises the initial amount of revenue agreed in the contract, the variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured. Contract revenue is measured at the fair value of the consideration received or receivable.

Percentage of completion is determined based on the proportion of actual cost incurred to the total estimated cost of the project. The percentage of completion method is applied on a cumulative basis in each accounting period to the current estimates of contract revenue and contract costs. The effect of a change in the estimate of contract revenue or contract costs, or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate and the effect of which is recognised in the Statement of Profit and Loss in the period in which the change is made and in subsequent periods.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred of which recovery is probable and the related contract costs are recognised as an expense in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense in the Statement of Profit and Loss in the period in which such probability occurs

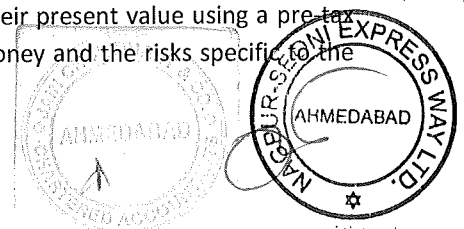
b. Annuity income

Revenue from annuity based projects is recognised in the Statement of Profit and Loss over the concession period of the respective projects based on the implicit rate of return embedded in the projected cash flows. Such income is duly adjusted for any variation in the amount and timing of the cash flows in the period in which such variation occurs.

3.3 Impairment – Non-financial assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The impairment loss is recognised in the statement of profit and loss.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the



Nagpur Seoni Expressway Limited

Notes to Financial statement for the year ended March 31, 2018

asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecasts calculation. These budgets and forecasts calculations generally covering a period of the concession agreements using long terms growth rates applied to future cash flows

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the CGU level, as appropriate and when circumstances indicate that the carrying value may be impaired

3.4 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the year they occur. Borrowing cost consist of interest and other costs that company incurs in connection with the borrowing of funds. Investment income earned on temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

3.5 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets

i. Initial recognition and measurement of financial assets

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets that are not at fair value through profit or loss are added to the fair value on initial recognition. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date i.e. the date that the Company commits to purchase or sell the asset.

ii. Subsequent measurement of financial assets

For purposes of subsequent measurement, financial assets are classified in three categories:

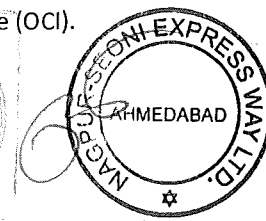
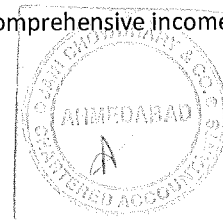
- Financial assets at amortized cost
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)

- **Financial assets at amortized cost :**

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

- **Financial assets at fair value through other comprehensive income:**

A financial asset is measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).



Nagpur Seoni Expressway Limited

Notes to Financial statement for the year ended March 31, 2018

- **Financial assets at fair value through profit or loss:**

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortized cost or as FVTOCI is classified as at FVTPL.

iii. **De-recognition of financial assets**

A financial asset is de-recognized when the contractual rights to the cash flows from the financial asset expire or the Company has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

iv. **Impairment of financial assets**

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets. Expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

b) **Financial Liabilities**

i. **Initial recognition and measurement of financial liabilities**

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

All financial liabilities are recognised initially at fair value. All financial liabilities are recognised initially at fair value and, in the case of loan and borrowings and payable, net of directly attributable transaction costs.

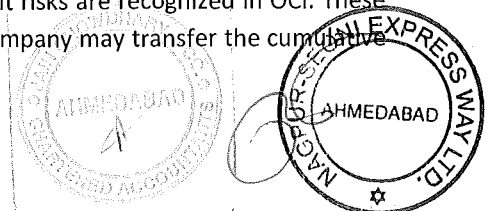
ii. **Subsequent measurement of financial liabilities**

The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative



Nagpur Seoni Expressway Limited

Notes to Financial statement for the year ended March 31, 2018

gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

- **Loans and Borrowings**

This is the category most relevant to the Company. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

- iii. **Derecognition of financial liabilities**

A financial liability (or a part of a financial liability) is derecognised from its balance sheet when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

- c) **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if the Company currently has enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.6 Fair Value Measurement

The company measures financial instrument such as Investment in Mutual Fund at fair value at each balance sheet date.

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. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

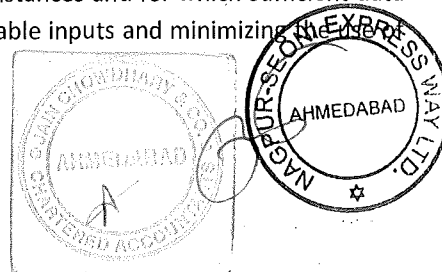
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefit by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.



Nagpur Seoni Expressway Limited

Notes to Financial statement for the year ended March 31, 2018

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market price in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable on yearly basis.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Significant accounting judgements, estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortized cost)

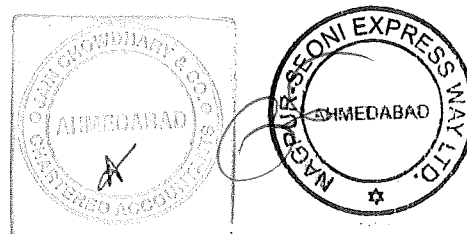
3.7 Income tax

Income tax expense comprises current tax and deferred tax.

Current Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income tax 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current income tax are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.



Nagpur Seoni Expressway Limited

Notes to Financial statement for the year ended March 31, 2018

Deferred Tax

Deferred tax is provided using the balance sheet approach. Deferred tax is recognized on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences excepts when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax losses and carry forward of unused tax credits to the extent that it is probable that taxable profit will be available against which those temporary differences, losses and tax credit can be utilized excepts when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

As per provision of Income tax Act 1961, the Company is eligible for a tax holiday under section 80IA for a block of 10 consecutive assessment years out of 20 years beginning of toll operation. The current year is ~~eight~~ year of company's operation and it propose to start claiming tax holiday in the subsequent years only. No deferred tax (assets or liabilities) is recognized in respect of temporary difference which reverse during tax holiday period, to the extent such gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing difference which is reverse after the tax holiday period is recognised in the year in which the timing difference originate. However, the company restricts recognition of deferred tax assets to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. For recognition of deferred tax, the timing difference which originate first are considered to reverse first.

The carrying amount of deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

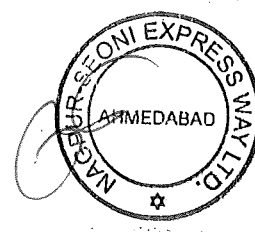
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rules and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, where company has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.8 Provisions

General

Provision is recognized when the company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.



Nagpur Seoni Expressway Limited

Notes to Financial statement for the year ended March 31, 2018

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contractual obligation to restore the infrastructure to a specified level of serviceability

The Company has contractual obligations to maintain the road to a specified level of serviceability or restore the road to a specified condition before it is handed over to the grantor of the Concession Agreements. Such obligations are measured at the best estimate of the expenditure that would be required to settle the obligation at the balance sheet date. The timing and amount of such cost are estimated and determined by estimated cash flows, expected to be incurred in the year of overlay. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to such obligation. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of such obligation are reviewed annually and adjusted as appropriate.

3.9 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

3.10 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value and bank overdrafts.

3.11 Earnings per share

Basic EPS is calculated by dividing the profit / loss for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit / loss attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

3.12 Segment reporting

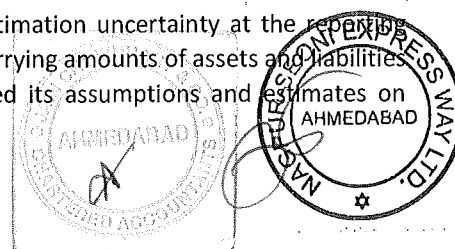
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

3.13 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the accompanying disclosure, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on



Nagpur Seoni Expressway Limited

Notes to Financial statement for the year ended March 31, 2018

parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Taxes

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the credits can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

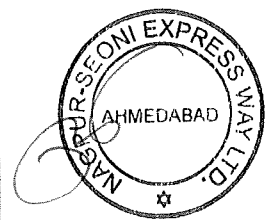
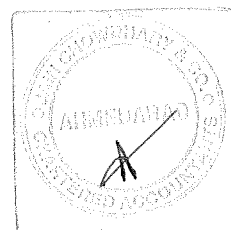
Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget generally covering a period of the concession agreements using long terms growth rates and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

3.14 Recent accounting pronouncements

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018. The Company will adopt the standard on April 1, 2018. Appendices D and E to Ind AS 115 prescribe accounting principles for services concession arrangements (SCA) which are similar to Appendices A and B to Ind AS 11. Hence, there is unlikely be a principle change in overall accounting for SCA. The effect on adoption of Ind AS 115 is expected to be insignificant.

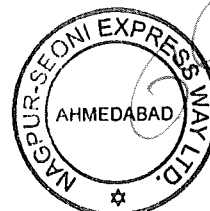
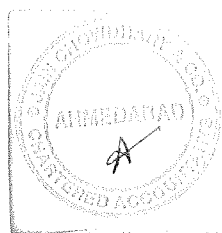


Nagpur Seoni Express Way Limited
Notes to Financial Statements for the year ended March 31, 2018

4 Investment Properties		(INR In Million)	
Particulars	Land	Total	
Cost			
As at April 01, 2016	4.82	4.82	
Addition	-	-	
Disposal	-	-	
As at March 31, 2017	4.82	4.82	
Addition	-	-	
Disposal	-	-	
As at March 31, 2018	4.82	4.82	
Net Book Amount			
As at March 31, 2017	4.82	4.82	
As at March 31, 2018	4.82	4.82	

Note:

- 1 There are no income arise from above investment properties. Further, the company has not incurred any expenditure for above properties.
- 3 The above land has been mortgaged agianst Secured borrowings.
- 4 The Company has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
- 5 The fair value disclosure for investment property is not presented as the property specifically acquired for offering as security for borrowings and based on the information available with the management that there are no material development in the area where land is situated and accordingly, they believe that there is no material difference in fair value and carrying value of property.



Nagpur Seoni Express Way Limited
Notes to Financial Statements for the year ended March 31, 2018

5 Financial Assets	March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
Non Current Financial Assets		
Receivable under service concession arrangement	1,800.43	2012.03
Fixed Deposit (VAT)	0.01	0.01
Total	1800.44	2012.04
Current Financial Assets		
Receivable under service concession arrangement (Refer note 1 below)	383.96	383.96
Total	383.96	383.96
	2184.40	2396.00

Note:

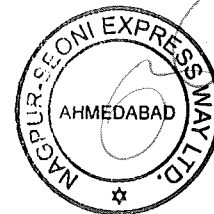
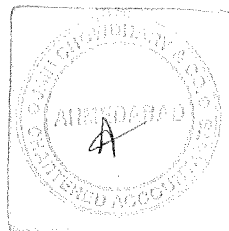
- 1 Annuity receivable from NHAI of Rs.383.96 Millions is the current portion i.e annuity receivable in the year 2018-2019 or in the next 12 months.
- 2 Fair value disclosures for financial assets are given in Note No. 30

6 Current Assets	March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
Non Current Assets		
Advance Income Tax (Net of Provision)	11.52	7.68
Total	11.52	7.68
Current Assets		
Prepaid expenses	0.12	0.29
Total	0.12	0.29

7 Investments	March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
Unquoted		
Investments in mutual funds		
L & T Ultra Short Term fund		
Units in 2018: 987841.971 (P.Y.= 285625.024)	28.01	7.59
Total	28.01	7.59
Aggregate amount of Unquoted Investments	28.01	7.59
Aggregate amount of Impairment in value of Investment		-

8 Cash and Cash Equivalent	March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
Cash on Hand	0.01	0.01
Balance with Bank	56.33	67.31
Total	56.34	67.32

Note: Balance with bank includes balance of INR 56.27 Million (March 31, 2017: INR 66.21 Million) lying in the Escrow Accounts, as per terms of borrowings with the lenders.



Nagpur Seoni Express Way Limited
Notes to Financial Statements for the year ended March 31, 2018

9 Equity Share Capital	March 31, 2018		March 31, 2017	
	No. of shares	INR In Million	No. of shares	INR In Million
Authorized Share Capital Equity Shares of INR 10 each	58,000,000	580.00	58,000,000	580.00
	58,000,000	580.00	58,000,000	580.00
Issued, Subscribed and fully paid up Equity Shares of Rs 10 each	48,000,000	480.00	48,000,000	480.00
	48,000,000	480.00	48,000,000	480.00

(a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period Particulars	March 31, 2018		March 31, 2017	
	No. of shares	INR In Million	No. of shares	INR In Million
At the beginning of the year	48,000,000	480.00	48,000,000	480.00
Add: Issue during the year	-	-	-	-
Outstanding at the end of the year	48,000,000	480.00	48,000,000	480.00

(b) Terms/Rights attached to the equity shares:

The Company has one class of shares referred to as equity shares having a par value of INR 10 each. Each shareholder is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Share held by holding Company:

Out of issued, subscribed and paid up equity capital 47,999,900 shares (March 31, 2017: 47,999,900) are held by Sadbhav Infrastructure Project Limited - Holding Company, while 100 shares (March 31, 2017: 100 shares) held by SREI Infrastructure Finance Limited

(d) Number of Shares held by each shareholder holding more than 5% Shares in the company

Particulars	March 31, 2018		March 31, 2017	
	No. of shares	% Holding	No. of shares	% Holding
Equity Shares of Rs 10 each fully paid				
Sadbhav Infrastructure Project Limited and its nominees	47,999,900	100%	47,999,900	100%

As per the records of the company, including its registers of shareholders/member and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

10 Other Equity

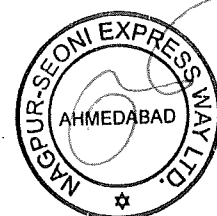
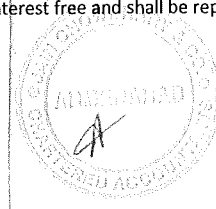
11.1 Equity Component of Compound Financial

Instrument - Sub Ordinate debts (refer note below & 24)

	March 31, 2018 (INR in Million)	March 31, 2017 (INR in Million)
Balance as per last financial statement	118.29	118.29
Add: Addition during the year	-	-
Add: Adjust during the year	-	-
Balance at the end of the year	Total 118.29	118.29
(Deficit) in statement of profit and loss		
Balance as per last financial statement	(1,087.49)	(1,024.91)
Add: loss for the year	(118.68)	(62.58)
Add / (Less): OCI for the year	-	-
Balance at the end of the year	Total (1,206.17)	(1,087.49)
Total	(1,087.88)	(969.20)

Note

- 1 The Project of the Company has been funded through sub ordinate debt of INR 118.29 Million from the Sponsors in accordance with Sponsor Support and Equity Contribution Agreement / Sponsor Undertaking. Such sub ordinate debts is considered as sponsor's contribution to ensure Promotors commitment for the project. Sub-ordinate debt is interest free and shall be repayable at the end of the concession period or earlier at the option of the company.



Nagpur Seoni Express Way Limited
Notes to Financial Statements for the year ended March 31, 2018

11 Non-Current Borrowings	March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
Secured*		
Non convertible debentures	1,748.90	1,868.67
Total	1748.90	1868.67
Less: Current maturities of non-current borrowing*		
Secured		
Non convertible debentures	145.78	119.77
Total	145.78	119.77
	1603.12	1748.90

* Includes the effect of transaction cost paid to Lenders on upfront basis.

Note:

(i) **Security details:**

The details of Security in respect of Non Convertible Debentures are as under:

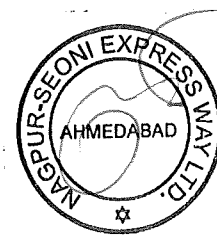
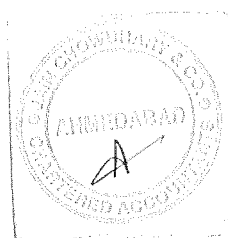
- a The Facility, and the payment and other obligations of the Borrower under the Finance Documents, Shall be secured by a first ranking:
- b Charge on all the borrower's immovable and movable property (both present and future) except Project Assets
- c An assignment by way of security over all the borrower's right, title and interest in and to each transaction document.
- d A share pledge, at all times, over not more than 99% of the sponsors shareholding in the borrower.
- e The Security created under the Debenture Trust Deed shall rank pari passu inter se, amongst the trustees.

(iii) **Terms of Repayment of Debentures & Loans:**

Series of NCDs	No. of NCDs issued	Coupon Rate p.a. %	Terms of Repayment	Earliest date of Redemption
Series A	10000	8.72%	Partial Repayment	01-Aug-18
Series B	9500	8.91%	Partial Repayment	01-Aug-18

At the time of redemption of any Debentures on any Redemption Date, the company shall pay the relevant Debenture Holders the unpaid Interest on such Debentures, accrued upto such Redemption Date.

- a **Non Convertible Debentures:**
The redemption of debenture for SERIES A (8.72%) shall be made in 18 semi annually installments while for SERIES B (8.91%) shall be made in 15 Semi annually installments on the first day of each half year i.e. 1st February and 1st August of the year ,commencing from 1st August 2016.
- b Interest on such Debentures shall be paid along with the Redemption of Debentures on the same day i.e. 1st February and 1st August of each year.



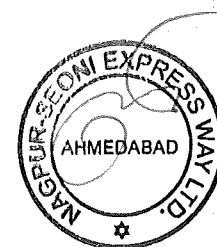
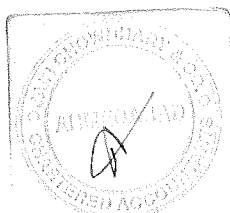
Nagpur Seoni Express Way Limited
Notes to Financial Statements for the year ended March 31, 2018

12	Short Term Borrowings	March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
	Loans Repayable on Demand - Unsecured		
	Loan from Holding Company (Refer Note*)	828.68	818.42
	Total	828.68	818.42
	*Loan is repayable on demand / call notice from the lender and it carry interest of 10.00% per annum		
13	Trade Payables	March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
	Trade Payables (Refer Note 24)	27.39	78.01
	Total	27.39	78.01
14	Financial Liabilities	March 31, 2017 (INR In Million)	March 31, 2017 (INR In Million)
	Current maturities of long-term borrowings	145.78	119.77
	Interest accrued but not due on borrowings	24.92	26.60
	Interest accrued and due on borrowings	261.58	178.09
	Retention Money of Contractor	0.17	0.17
	Others	0.03	
	Total	432.48	324.63
	* Includes the effect of transaction cost paid to Lenders on upfront basis.		
15	Current Liability	March 31, 2017 (INR In Million)	March 31, 2017 (INR In Million)
	Statutory dues	1.42	2.93
	Total	1.42	2.93



Nagpur Seoni Express Way Limited
Notes to Financial Statements for the year ended March 31, 2018

16 Revenue From Operations	March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
Routine Road Management Income	35.60	29.31
Major Maintenance Income	-	209.43
Total	35.60	238.74
17 Other Income	March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
Net Gain or Loss on financial assets measured at FVTPL		
Gain on Sale of Mutual Funds (Net)	4.72	8.04
Interest on financial assets that are measured at amortised cost		
Interest on Annuity Receivables	136.76	146.34
Other Interest		
Interest on Income Tax Refund	-	0.88
Miscellaneous Income		
Excess Provision written Back	3.17	0.20
Total	144.65	155.46
18 Operating Expense	March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
Routine Road Maintenance Exp	19.20	16.91
Major Maintenance Expense	-	190.39
Other Expenses	0.66	
Total	19.86	207.30
19 Employee benefits expense	March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
Salaries, wages,bonus and other allowances	0.14	0.02
Contribution to provident fund and other fund (refer note 31)	0.01	-
Total	0.15	0.02
20 Finance Cost	March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
Interest Expenses on Financial liabilities measured at amortized cost		
Interest on NCD	160.63	169.19
Short Term Borrowings	104.10	70.98
Total	264.73	240.17
Other Borrowing costs		
Bank Charges	0.00	0.00
Bank Guarantee Commission	0.15	0.40
Others	0.00	
Total	0.15	0.40
Total	264.88	240.57
21 Other Expenses	March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
Rent	1.06	1.03
Rates & Taxes	0.02	0.34
Office Expenses	0.10	0.49
Insurance	0.78	0.73
Professional fees & Legal Fees (Director sitting fees added)	11.39	5.31
Auditors' remuneration	0.24	0.39
Miscellaneous expenses	0.45	0.60
Total	14.04	8.89
Auditors' remuneration comprises following:		
	March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
Statutory Audit fees	0.19	0.18
Certification Fees	0.01	0.17
Tax Audit fees	0.04	0.03
Total	0.24	0.39



Nagpur Seoni Express Way Limited
Notes to Financial Statements for the year ended March 31, 2018

22 Income tax

The major component of income tax expense for the year ended March 31, 2018 and March 31, 2017 are as under:

A) Profit and Loss section

	March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
Current tax	-	-
Deferred tax	-	-
Total	-	-

B) Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended March 31, 2018 and March 31, 2017

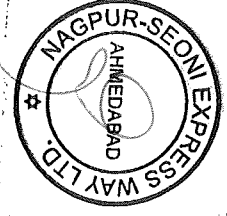
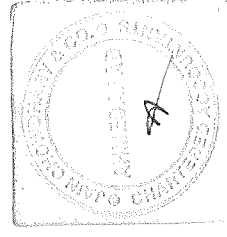
	March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
Accounting profit before tax	(118.68)	(62.58)
Tax @ 30.90% (March 31, 2017: 30.90%)	(36.67)	(19.34)
Adjustment		
Tax losses not recognised due to absence of probable certainty of reversal (refer note 1)	36.67	19.34
Other non-deductible expenses	-	-
At the effective income tax rate of Nil (March 31, 2017: Nil)	-	-

C) Deferred tax

Particulars	Balance sheet		
	March 31, 2018	March 31, 2017	2016-17
Impact of fair valuation of investment	-	-	(0.80)
Impact of fair valuation of derivative contract	-	-	-
Impact of fair valuation of asset	(376.53)	(416.17)	(39.65)
Expenditure allowable over the period	(0.27)	(0.41)	(0.08)
Unused losses available for offsetting against future taxable income (refer note 2)	376.80	416.59	(25.02)
Deferred tax expense/(income)	-	-	-
Net deferred tax assets/(liabilities)	-	-	-
Deferred Tax Asset not recognized (refer note 2 below)	-	-	-

Note

- The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.
- As a matter of prudence, the company has recognised deferred tax assets on deductible temporary differences and carry forward of unused tax losses in the books to the extent of deferred tax liability balance as it is not probable that future taxable profit will be available against which those temporary differences, losses and tax credit against which deferred tax asset can be utilized.



Nagpur Seoni Express Way Limited
Notes to Financial Statements for the year ended March 31, 2018

23 Earning Per Share (EPS):	March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
The following reflects the income and share data used in the basic and diluted EPS computations:		
Net (Loss) attributable to Equity Shareholders:	(118.68)	(62.58)
Total no. of equity shares at the end of the year	48,000,000	48,000,000
Weighted average number of equity shares for basic and diluted EPS	48,000,000	48,000,000
Nominal value of equity shares	10.00	10.00
Basic and Dilluted earnings per share	(2.47)	(1.30)

24 **Related Party Disclosures:**
Related party disclosures as required under the Indian Accounting Standard – 24 on "Related Party Disclosures" are given below:

A Name of Related Parties and Nature of Relationship :

Description of Relationship	Name of the Related Party
Ultimate Holding Company	Sadbhav Engineering Limited (SEL)
Holding Company	Sadbhav Infrastructure Project Ltd (SIPL)
Key Managerial Personnel	Mr. Shashinbhai V. Patel, Managing Director Mr. Nitin R. Patel, Director Mr. Mirat N. Bhadlawala, Independent Director (upto 14.08.2017) Mr. Arun S. Patel, Independent Director Mrs. Daksha N. Shah, Independent Director

B Transactions with Related Parties during the Year:

	March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
Short Term Borrowings received		
SIPL	10.26	261.97
Short Term Borrowings repaid (including Interest paid)		
SIPL	20.61	7.10
Interest on Short Term Borrowings		
SIPL	104.10	70.98
Operation and Maintenance Services Availed		
SIPL	19.20	207.30
Rent , Allocation of Expenses & Reimbursement		
SEL	1.06	1.03
Director Sitting Fees		
Mrs. Daksha N. Shah	0.04	-
Mr. Arun S. Patel	0.04	-
Mr. Mirat N. Bhadlawala	0.03	-

C Balances outstanding as at March 31, 2018 :

	March 31, 2018 (INR In Million)	March 31, 2017 (INR In Million)
Other Equity (Sub-ordinate debts)		
SIPL	118.29	118.29
Short Term Borrowings outstanding including interest payable		
SIPL	1,090.26	996.52
Payable towards Operation & Manitenance & Project Management		
SIPL	4.91	53.65
Trade Payables and other current liabilities (unsecured)		
SEL	1.75	0.78
SIPL	18.52	18.52

D Terms and conditions of the balance outstanding:

- The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free excepts short term loan and settlement occurs in cash as per the terms of the agreement.
- The Company has not provided any commitment to the related party as at March 31, 2018 (March 31, 2017: Rs.Nil)

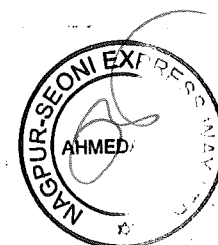
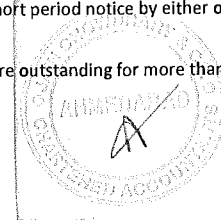
25 Segment Reporting

The operating segment of the company is identified to be "BOT (Annuity Basis)", as the Chief Operating Decision Maker (CODM) reviews business performance at an overall company level as one segment and hence, does not have any additional disclosures to be made under Ind AS 108 Operating Segments. Further, the Company also primarily operates under one geographical segment namely India.

26 Operating Lease:

Office premise of the Company have been taken on operating lease basis. The lease rent paid during the year Rs. 1.06 million (March 31, 2017: Rs. 1.03 million). These operating lease agreement are cancellable by giving short period notice by either of the parties to the agreement.

27 There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days at the balance sheet date. This is based on the information available with the Company.



Nagpur Seoni Express Way Limited
Notes to Financial Statements for the year ended March 31, 2018

28 Disclosure of Financial Instruments by Category

(INR In Million)

Financial instruments by categories	Note no.	March 31, 2018			March 31, 2017		
		FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
Financial asset							
Security Deposits	8	-	-	0.01	-	-	0.01
Investment in Mutual Fund	6	28.01	-	-	7.59	-	-
Cash and Cash Equivalent	7	-	-	56.34	-	-	67.32
Other Financial Assets	8	-	-	2,184.40	-	-	2,395.99
Total Financial Asset		28.01	-	2,240.74	7.59	-	2,463.31
Financial liability							
Non Current Borrowings	12	-	-	1,603.12	-	-	1,748.90
Loans Repayable on Demand	13	-	-	828.68	-	-	818.42
Trade Payables	14	-	-	27.39	-	-	78.01
Other Financial Liabilities	15	-	-	432.48	-	-	324.63
Total Financial Liabilities		-	-	2,891.67	-	-	2,969.97

29 Default and breaches

There are no defaults with respect to payment of principal interest, sinking fund or redemption terms and no breaches of the terms and conditions of the loan.

There are no breaches during the year which permitted lender to demand accelerated payment.

30 Fair value disclosures for financial assets

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial

instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(INR In Million)

Particular	March 31, 2018		March 31, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets				
Investment in Mutual Fund	28.01	28.01	7.59	7.59
Total Financial Assets	28.01	28.01	7.59	7.59

Notes:

a. The management assessed that the fair values of Investment in mutual fund, cash and cash equivalents, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

b. The carrying value of Company's interest-bearing borrowings are reasonable approximations of fair values as the borrowing carry floating interest rate.

c. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

a) Investments in units of Mutual Funds which are not traded in active market is determined using closing NAV.

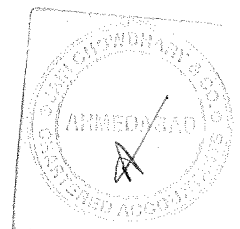
31 Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities: Quantitative disclosures fair value measurement hierarchy for financial assets as at March 31, 2018 and March 31, 2017

(INR In Million)

Assets measured at fair value	Note No.	Fair value measurement using Significant observable inputs (Level 2)	
		March 31, 2018	March 31, 2017
Fair value through profit & loss			
Investment in Mutual Fund	6	28.01	7.59

There have been no transfers between level 1 and level 2 during the years.



32 Financial instruments risk management objectives and policies

The Company's principal financial liabilities comprise borrowings and trade & other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include Investments, other receivables and cash and bank balance that derive directly from its operations.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Risk management systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Board of Directors oversee compliance with the Company's risk management policies and procedures, and reviews the risk management framework.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings, Investments, other receivables, trade and other payables.

Within the various methodologies to analyse and manage risk, Company has implemented a system based on "sensitivity analysis" on symmetric basis. This tool enables the risk managers to identify the risk position of the entities. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions. The risk estimates provided here assume:

- a parallel shift of 25-basis points of the interest rate yield curves in all currencies
- a simultaneous, parallel foreign exchange rates shift in which the INR appreciates / depreciates against all currencies by 2%

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of profit & loss may differ materially from these estimates due to actual developments in the global financial markets.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and provisions.

(b) 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 Interest risk arises to the company mainly from Long term borrowings with variable rates. The Company maintains its borrowings at fixed rate using interest rate swaps to achieve this when necessary. The company manages its cash flow interest rate risk by using floating-

The banks are now finance at variable rate only, which is the inherent business risk.

Interest rate sensitivity

The Company is not exposed to interest rate risk because its borrowings in Non convertible debenture carries fixed interest rate.

(c) Credit risk

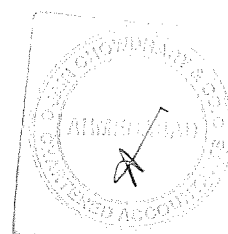
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is not exposed to credit risk from its operating activities as the company is under Service concession arrangement with National Highway Authority of India and the Annuity amount of the project is fixed and receivable from government semi annually. However, The Company is exposed to credit risk related to financing activities, including temporary Investment in mutual fund.

(d) Temporary Investment in Mutual Fund

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made only in accordance with company policy. The Company monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the Company adjusts its exposure to various counterparties. The Company's maximum exposure to credit risk for the components of the Balance sheet as of March 31, 2018 is Rs. 28.01 million and March 31, 2017 is Rs.7.59 million.

(e) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys cash management system. It maintains adequate sources of financing including debt at an optimised cost.



Nagpur Seoni Express Way Limited
Notes to Financial Statements for the year ended March 31, 2018

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	(Rs. In Million)					
	Total Amount	On Demand	upto 1 year	1-2 years	2 - 5 years	> 5 years
As at March 31, 2018						
Long term borrowings#	1,750.00	-	146.00	155.50	528.50	920.00
Short term borrowings	828.68	828.68	-	-	-	-
Trade Payables	27.39	-	27.39	-	-	-
Other Financial Liabilities#	432.48	-	432.48	-	-	-
Total	3,038.54	828.68	605.86	155.50	528.50	920.00
As at March 31, 2017						
Long term borrowings#	1,870.00	-	120.00	146.00	504.00	1,100.00
Short term borrowings	818.42	818.42	-	-	-	-
Trade Payables	78.01	-	78.01	-	-	-
Other Financial Liabilities#	324.63	-	324.63	-	-	-
Total	3,091.07	818.42	522.64	146.00	504.00	1,100.00

Current maturity of long term borrowings is included in long term borrowing part in above note from other financial liabilities.

(f) Collateral

The Company's all financial assets has been pledged against Non-current borrowings in order to fulfill the collateral requirement of the Lenders. The fair value of such financial assets disclosed in the note 29

33 Capital Management

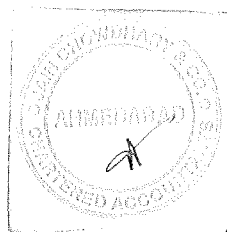
For the purpose of the Company's capital management, Capital consist of share capital, Other equity in form of Subordinate Debt and all other reserves attributable to the equity holders of the Company.

The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or obtained additional sub-ordinate debts. The Company monitors capital using debit equity ratio which does not exceed 2.93:1, which is total long term borrowings divided by total equity excluding balance of deficit in statement of profit & loss.

The key performance ratios as at 31 March are as follows

	March 31, 2018	March 31, 2017
	(Rs. In Million)	(Rs. In Million)
Long term Borrowings (refer note 11)	1,750.00	1,870.00
Total Debts - A	1,750.00	1,870.00
Equity Share Capital (refer note 9)	480.00	480.00
Other Equity Sub Debt	118.29	118.29
Total Equity - B	598.29	598.29
Debt equity ratio (A/B)	2.93	3.13



Nagpur Seoni Express Way Limited
Notes to Financial Statements for the year ended March 31, 2018

34 Disclosure pursuant to Appendix - A to Ind AS 11 - " Service Concession Arrangements"

A Description and classification of the arrangement

The Company has entered into Service Concession Agreement ('SCA') with National Highway Authority of India (NHAI) dated May 30, 2007 for the purpose of widening of two lane portion from 596.750 kms to 653.225 Kms covering 56.475 Kms on NH-7 in the state of Madhya Pradesh to 4 lanes through a Concession under North-South Corridor on Build Operate and Transfer on BOT Annuity basis. The Concession Period is of 20 years including construction period of 30 Months. The Company obtained completion certificate on 25th May 2010 from the NHAI.

B Significant Terms of the arrangements

(i) Annuity Payment:

The company is, performing and discharging its obligations in accordance with the terms and conditions and covenants set forth in SCA, eligible for the receipt of fixed amount of annuity on each annuity payment date. Annuity payment date means each period for which the annuity is payable under the terms of the SCA and as described under schedule G of the SCA. The annuity payments dates fall in months of May and November of every year.

(ii) Bonus or reduction in annuity:

In terms of the SCA the company shall receive bonus for early completion of the project or incur reduction in annuity for delay completion of the project. The project has been timely completed by the company i.e. May 25, 2010. There is no any impact of bonus and reduction in annuity except the proportionate reduction in annuity amount due to reduction in the overall length of the project road.

(iii) Levy and collection of fee from the users:

In terms of the SCA, NHAI shall have the authority to levy toll or fee on the vehicles using the project facilities and to demand, collect, retain and appropriate the fee in accordance with the applicable laws.

(iv) Details of Termination

SCA can be terminated on account of default of the company or NHAI in the circumstances as specified under article 30 of the SCA.

C There has been no change in the concession arrangement during the year.

35 Previous year figures:

Previous year figures have been regrouped/reclassified wherever necessary, to facilitate comparability with current year's classification.

As per our report of even date

For Jain Chowdary & Co.
Chartered Accountants
ICAI Firm Registration No. 113267W



(Amolaksingh Dang)
Partner
Membership No.42684

Date : May 05, 2018
Place: Ahmedabad



For & On behalf of the Board of Directors of
Nagpur Seoni Express Way Ltd

Sv Patel
Shashin Patel
Managing Director
DIN : 00048328

Nitih Patel
Nitih Patel
Director
DIN : 00466330

Date : May 05, 2018
Place: Ahmedabad

Rohan Anand
Rohan Anand
Company Secretary
M.No.47998