

Ref: NSEL/2016-17/0002

21st July, 2016

To
The Dy Gen Manager
Corporate Relationship Dept
BSE Limited
PJ Tower, Dalal Street,
Mumbai- 400 001

Dear Sir / Madam,

**Sub: Half Yearly Compliance report of Non-Convertible Debentures ("NCDs") aggregating to
INR 195 Crores for the half year ended March 31, 2016**

In compliance to Regulation 52(4) and Regulation 52(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Half Yearly Debt Compliance Report for the half year ended 31st March, 2016

You are requested to take the same on record.

Thanking You

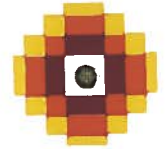
Yours Faithfully,

FOR, NAGPUR - SEONI EXPRESS WAY LIMITED

Vishnu
21/07/16

VISHNUBHAI M. PATEL
DIRECTOR
DIN: 00048287





ITCL

IL&FS Trust Company Limited

July 21, 2016

To,
Mr. Vishnubhai M. Patel
Director
Nagpur Seoni Expressway Limited,
Sadbhav House, Opp. Law Garden Police Chowki,
Ellisbridge, Ahmedabad,
Gujarat- 380 006.

Dear Sir,

Sub: Half Yearly Certificate of Debenture Trustee for March 31, 2016

In compliance of the requirements of Chapter V, Regulation 52, Sub – Regulation (4) and (5) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 for Non – Convertible Debt Securities we would like to state as under:

We, IL&FS Trust Company Limited ('ITCL'), are acting as a Debenture Trustee for the Secured, Rated, Listed, Redeemable, and Non-Convertible Debentures aggregating to Rs. 195 crores issued by Nagpur Seoni Expressway Limited.

With reference to above, we have received the following documents and have noted its contents without verification:

1. Half Yearly Disclosure as per Regulation 52 (4) of SEBI (LODR) Regulations, 2015 dated July 20, 2016.
2. Financial Statements for the year ended 31st March, 2016.
2. CA Certificates dated July 07, 2016.

This certificate has been signed and issued by us based on the documents (mentioned above) submitted by you.

Thanking You

Sincerely,
For IL&FS Trust Company Limited

Authorized Signatory

Place: Mumbai



Regd. Office : IL&FS Financial Centre, Plot No. C - 22, G Block, 7th Floor, Bandra Kurla Complex, Bandra (East), Mumbai - 400051, INDIA
Bangalore Office : IL&FS Trust Company Ltd., AL-Latheef, 1st Floor, No. 2 Union Street, Off Infantry Road, Bangalore - 560001, INDIA
New Delhi Office : IL&FS Trust Company Ltd., A-268, 1st Floor, Bhishm Pitahamah Marg, Defence Colony, New Delhi - 110024, INDIA
Kolkata Office : IL&FS Trust Company Ltd., IL&FS Constantia, 3rd Floor, 11 Dr. U. N. Bramachari Street, Kolkata - 700017, INDIA

Corporate Identity Number (CIN) : U66020MH1995PLC095507

www.itclindia.com

Date: 20/07/2016

To,
The Compliance Officer
IL&FS Trust Company Ltd.
The IL&FS Financial Centre,
Plot C- 22, G Block,
Bandra Kurla Complex, Bandra(E),
Mumbai -400051

Dear Sir,

Sub: Half Yearly disclosure as per Regulation 52 (4) of SEBI (LODR) Regulations, 2015

In compliance of the requirements of Regulation 52 (4) of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 in respect of Secured, Listed, Redeemable, Non-Convertible Debentures aggregating to Rs. 195 Cr. listed on the whole sale debt market of the Bombay Stock Exchange Limited, we are giving below the following information as on 31st March, 2016:

Sl. No.	Particulars	Disclosures
1.	Credit Rating of the Debentures	CARE AAA (SO) {Attached as Annexure-1}
2.	Asset Cover available	Attached as Annexure-2
3.	Debt-Equity Ratio	3.26 (Attached as Annexure-3)
4.	Previous due date for the payment of Principal and whether the same has been paid or not	NA
5.	Previous due date for the payment of interest and whether the same has been paid or not	NA
6.	Next due date for the payment of Principal and the amount	Date: 01/08/2016 Amount: Rs. 3.00 Crores
7.	Next due date for the payment of Interest and the amount	Date: 01/08/2016 Amount: 10.83 Crores
8.	Debt service coverage ratio	1.34 (Attached as Annexure-4)
9.	Interest Service converge ratio	1.51 (Attached as Annexure-5)
10.	Debenture redemption reserve	Liabilities to create and maintain DRR is not applicable as on 31.03.2016 as there was a loss in the Profit & Loss for the Financial Year 2015-16.



11.	Net worth	(117.66) Million
12.	Net profit after tax	(176.57) Million
13.	Earnings per share	(3.68)

You are requested to kindly take the same on record and issue certificate as per Regulation 52 (5) of SEBI (LODR) Regulations, 2015.

Thanking You

Sincerely,

FOR NAGPUR-SEONI EXPRESS WAY LIMITED

Vishnu
20/07/16



VISHNUBHAI M. PATEL
DIRECTOR
DIN: 00048287

Date: 20/07/2016

Encl: Financials as on March 31, 2016-Attached as Annexure-6

No. - CARE/ARO/RR/2015-16/1943

Mr Nitin R Patel
Director,
Nagpur Seoni Expressway Ltd,
"Sadbhav House"
Opp. Law Garden Police Chowki
Ellisbridge, Ahmedabad - 380 006

February 9, 2016

Dear Sir,

Credit rating for the proposed Non-Convertible Debenture Issue

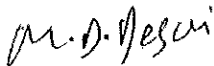
Please refer to our letter dated January 27, 2016 on the above subject.

1. The rationale for the rating is attached as an Annexure - I. Kindly note that the rationale would be published in the forthcoming issue of our monthly journal, 'CAREVIEW'.
2. A write-up (brief rationale) on the above ratings is proposed to be issued to the press shortly. A draft of this is enclosed for your perusal as Annexure - II.
3. We request you to peruse the annexed documents and offer your comments, if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible.

If you have any further clarifications, you are welcome to approach us.

Thanking you,

Yours faithfully,



[Maulesh Desai]
Sr. Manager



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Annexure I

Rating Rationale

Nagpur Seoni Expressway Ltd

Rating

Instrument	Amount (Rs. crore)	Rating ¹	Remarks
Non Convertible Debentures	195	'CARE AAA (SO) [Triple A (Structured Obligation)]	Final Rating
Total	195 (Rupees One Hundred and Ninety Five Crore only)		

Rating Rationale

The rating confirmation for the Non-Convertible Debenture (NCD) of Nagpur Seoni Expressway Limited (NSEL) derives strength from the credit quality of the underlying annuity receivables from National Highways Authority of India (NHAI; rated 'CARE AAA') supplemented by a structured payment mechanism for servicing of the NCDs, elimination of interest rate risk (through issue of fixed rate NCDs), established track record of receipt of annuities by NSEL, creation of debt service reserve account (DSRA) and proposed creation of major maintenance reserve account (MMRA) along with other credit enhancement features in the structure. In addition, the rating also considers the reduction in interest rates and established track record of the sponsor – Sadbhav Infrastructure Project Limited [SIPL; rated 'CARE A+ (SO)] in operating various build – operates – transfer (BOT) based road projects.

Any deterioration in the credit profile of the annuity provider – NHAI and occurrence of force majeure events are viewed as the key rating sensitivities.

Background

Incorporated in February 2007, NSEL is a special purpose vehicle (SPV) promoted by Sadbhav Engineering Limited's (SEL; rated 'CARE A+/CARE A1+') step down subsidiary, SIPL, to design, build, finance, operate and transfer a four-lane road for the total length of 56.48 km starting from Seoni bypass to Madhya Pradesh (MP)/Maharashtra border of National Highway – 7 (NH-

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

February 9, 2016

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7) in the state of MP on an annuity basis. As per the concession agreement (CA), the concession period of the project is 20 years (including construction period of 30 months) from the appointed date. Out of the total project stretch of 56.48 km, certain length of stretch falls under reserve forest and at the periphery of Pench Tiger Reserve area in the state of MP. Due to the prolonged delay in the clearance of land from Wild Life Board for these areas, NHAI had decided to delete this stretch from the scope of work as per provision in the CA. NSEL had achieved provisional commercial operations date (COD) with effect from May 25, 2010, for the completed stretch of 27.73 km. The project with the revised scope was completed at a cost of Rs.293 crore which was funded through debt (in the form of external commercial borrowing [ECB] of USD 41.74 million) of Rs.184 crore and the balance through promoter's contribution. This ECB has been replaced through fixed rate NCD.

Credit Risk Assessment

Operational annuity-based road project providing cash flow stability

Being an operational NHAI annuity-based project, the revenue risk of the project is minimal. Out of the original semi-annual annuity of Rs.35.40 (for the total project work), NHAI had sanctioned proportionate semi-annual annuity of Rs.17.38 crore based on provisional COD of proportionate work of 27.73 km completed by NSEL. The project has received ten semi-annual annuities till January 31, 2016. In April 2013, the semi-annual annuity for the project had been increased to Rs.19.20 crore by NHAI. NSEL had also received Rs.22.98 crore from NHAI in June 2013 related to the difference between revised annuity of Rs.19.20 crore and previous annuity of Rs.17.38 crore for the prior periods.

Low credit risk associated with the Annuity provider - NHAI

Incorporated by the Government of India (GoI) under an Act of the Parliament as a statutory body, NHAI functions as the nodal agency for development, maintenance and management of the national highways in the country. NHAI is vested with executive powers for developing national highways in India by the Ministry of Road Transport & Highways (MoRTH). The mission of NHAI is to meet the nation's need for the provision and maintenance of national highway

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CIN: U72900GJ2007PLC071621

network to world standards within the strategic policy framework as set by GoI. NHA's rating factors in the high level of support that it receives from GoI due to its strategic importance as the country's nodal agency for implementing various road sector projects including various phases of National Highways Development Programme (NHDP). The outlook on NHA reflects the outlook on the sovereign, whose direct and indirect support continues to be the key rating driver. By virtue of being a quasi-government body, the risk arising from NHA defaulting on the annuity payments is negligible.

Credit enhancement features under structured payment mechanism

The annuity receivable from NHA is to be kept in an escrow account. The funds are also to be transferred from the escrow account to designated accounts like MMRA, DSRA and debenture redemption reserve (DRR) as per the instruction of the Debenture Trustee. The salient features of the NCD structure are illustrated below:

1. A 'T plus 60' structure has been provided for the debt servicing with 'T' being the scheduled NHA annuity receipt date to take care of any operational delay in receipt of annuity from NHA.
2. Creation of DSRA in the form of fixed deposit receipts (FDRs) equivalent to six months debt servicing requirements. The Debenture Trustee may accept, at their option, a guarantee from a Bank/financial institution (if permitted under Applicable Laws) with a credit rating of AA+ or above in place of FDR without recourse to the project assets/revenues. The cost of the guarantee shall be borne by the Sponsors without recourse to assets of the Issuer. The company has created DSRA to the tune of Rs.11.60 crore (six month of debt servicing requirements) as on January 25, 2016.
3. The Escrow Bank have been empowered to invoke the bank guarantee (BG), to the extent of shortfall in debt servicing, established towards the DSRA, seven days before the scheduled debt service date. Once the BG for the DSRA is invoked, the sponsor has to replenish the same with the fresh BG without recourse to NSEL. In the intervening period, DSRA will be kept only in the form of FDR.
4. If the renewed BG towards DSRA is not received by the Escrow Bank or the trustee before one month of the expiry date, they will invoke the BG and the Sponsors will have

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CIT 167 (FORMERLY 301) (N) 1997

- the responsibility of establishing a fresh BG towards the DSRA without recourse to the Company. In the intervening period, DSRA will be kept only in the form of FDR.
5. The structure also provides for appropriation towards creation of MMRA in a scheduled manner.
 6. To enter into a fixed price O&M and major maintenance contract with SEL or SIPL.
 7. The issuer shall maintain debt service coverage ratio (DSCR) of not less than 1.08 annually.
 8. Sponsors shall fund all expenses over and above the base case business plan.
 9. 'Restricted payments' means all dividends, repayment/payment of loans, advances, interest, unpaid dues including trade payables from Shareholders or associate/group companies of Shareholders. Restricted payments shall not include payments made under the O&M/Major Maintenance/Tolling contracts in ordinary course of business within the base case business plan. Restricted payments shall be permitted from the 'Surplus Cash Flows'. 'Surplus Cash Flow' shall mean all surplus cash after meeting budgeting operating expenses, major maintenance reserve creation for the year (in cash or BG), DRR and DSRA (in cash or BG) obligations and debt service obligation in relation to the Issue and after setting aside/allocating an amount aggregating to Rs.8.50 crore for meeting any contingency in the second round of due major maintenance expense for the project due in FY21/22.
 10. As per the structure, during the currency of the NCDs, NSEL is not allowed, without prior approval of the debenture trustee, to invest by way of share capital in or lend or advance funds to or place deposits with any other concern and enter into borrowing arrangements with any other bank or financial institution, except for those arranged as part of means of finance for the present loan structure.

Established track record of sponsor as an operator of various BOT-based roads

SEL has proven project execution expertise and long-standing track record in the construction sector and good financial flexibility. SEL has demonstrated track record of more than two decades in execution of large sized road projects. SEL through its BOT holding company, SIPL, has a portfolio of 13 BOT projects (seven operational, two partly operational and four ongoing

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projects). During October, 2014, SEL had raised Qualified Institutional Placement (QIP) issue of Rs.250 crore. During September, 2015, SIPL raised Rs.425 crore of equity through Initial Public Offer (IPO). SIPL proposes to use the funds raised through IPO primarily to fund its future equity commitments and repayment of term loan. SEL has a healthy and diversified order book of Rs.9,306 crore (3.13 times of the contract receipt of FY15 [refers to the period April 1 to March 31]) as on September 30, 2015. As per audited financials for FY15 on a standalone basis, SEL reported a total operating income of Rs.3,026 crore (FY14: Rs.2,393 crore) and profit after tax (PAT) of Rs.114 crore (FY14: Rs.106 crore). As on March 31, 2015, SEL had net worth of Rs.1,350 crore with an overall gearing of 0.81 times. As per provisional financials of H1FY16, SEL reported total operating income of Rs.1,606 crore (H1FY15: Rs.1,311 crore) and profit after tax (PAT) of Rs.66 crore (H1FY15: Rs.37 crore).

Mitigation of interest rate and foreign exchange risk

With replacement of ECB (with lumpy repayments in the near term) by the structured long term NCD is expected to provide significant cash flow cushion to NSEL in the medium term and mitigate the foreign exchange risk on un-hedged principal repayments of ECB. Also, the proposed NCD structure has fixed interest rate for the entire tenure of the NCD resulting in elimination of interest rate risk.

Inherent Operations & Maintenance (O&M) risk mitigated by provision of creation of MMRA and fixed price O&M contract

NSEL is exposed to inherent O&M risk attached to operational BOT projects. In order to mitigate the same, NSEL has entered into fixed price O&M contract and major maintenance contract before the subscription to the bond. In addition, the structure also provides for appropriation towards creation of MMRA in a scheduled manner. Also, the debenture trustee shall have the right to substitute O&M/major maintenance contractor in the event of non-performance/breach by the existing O&M contractor as per the terms of O&M/major maintenance agreement. Moreover, NSEL has established track record of receiving all ten annuities without any deduction reflecting the maintenance of stipulated riding condition of the project stretch by Sadbhav group.

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CIN: 26200020010000000000000000000000

Prospects

Prospects of NSEL in the medium term would be governed by its ability to strictly adhere to the proposed structure.

Financial Performance

(Rs. Crore)

<i>For the period ended / as at March 31,</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>
	<i>(12M, A)</i>	<i>(12M, A)</i>	<i>(12M, A)</i>
Working Results			
Annuity Receipts	61.38	38.40	38.40
Total Operating income	62.27	38.55	38.63
PBILDT	60.04	33.63	24.87
Interest*	25.26	20.45	18.07
Amortization	18.72	20.23	22.37
PBT	16.07	-7.06	-15.57
PAT (after deferred tax)	14.14	-7.07	-15.57
Gross Cash Accruals	32.86	13.17	10.54
Interest Coverage (times)	2.38	1.64	1.38

* includes interest on subordinated loan

Note: One part annuity for the period from October 2010 to November 2010 and three full annuities from November 2010 to April 2012 aggregating to Rs.54.13 crore were paid by NHA1 on July 12, 2012.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

February 9, 2016

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CIN: I57100AHNPP00011001

Annexure II

Brief Rationale

CARE assigns final rating the Non-Convertible Debenture Issue of Nagpur Seoni Expressway Ltd

Rating

Instrument	Amount (Rs. crore)	Rating ¹	Remarks
Non Convertible Debentures	195	'CARE AAA (SO) [Triple A (Structured Obligation)]	Final Rating
Total	195 (Rupees One Hundred and Ninety Five Crore only)		

Rating Rationale

The rating confirmation for the Non-Convertible Debenture (NCD) of Nagpur Seoni Expressway Limited (NSEL) derives strength from the credit quality of the underlying annuity receivables from National Highways Authority of India (NHAI; rated 'CARE AAA') supplemented by a structured payment mechanism for servicing of the NCDs, elimination of interest rate risk (through issue of fixed rate NCDs), established track record of receipt of annuities by NSEL, creation of debt service reserve account (DSRA) and proposed creation of major maintenance reserve account (MMRA) along with other credit enhancement features in the structure. In addition, the rating also considers the reduction in interest rates and established track record of the sponsor – Sadbhav Infrastructure Project Limited [SIPL; rated 'CARE A+ (SO)] in operating various build – operates – transfer (BOT) based road projects.

Any deterioration in the credit profile of the annuity provider – NHAI and occurrence of force majeure events are viewed as the key rating sensitivities.

Background

Incorporated in February 2007, NSEL is a special purpose vehicle (SPV) promoted by Sadbhav Engineering Limited's (SEL; rated 'CARE A+/CARE A1+') step down subsidiary, SIPL, to design, build, finance, operate and transfer a four-lane road for the total length of 56.48 km starting from Seoni bypass to Madhya Pradesh (MP)/Maharashtra border of National Highway – 7 (NH-7) in the state of MP on an annuity basis. As per the concession agreement (CA), the concession period of the project is 20 years (including construction period of 30 months) from the appointed date. Out of the total project stretch of 56.48 km, certain length of stretch falls under reserve forest and at the periphery of Pench Tiger Reserve area in the state of MP. Due to the prolonged delay in the clearance of land from Wild Life Board for these areas, NHAI had

Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

February 9, 2016

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CIN: L62100GJ1999PL10071649

decided to delete this stretch from the scope of work as per provision in the CA. NSEL had achieved provisional commercial operations date (COD) with effect from May 25, 2010, for the completed stretch of 27.73 km. The project with the revised scope was completed at a cost of Rs.293 crore which was funded through debt (in the form of external commercial borrowing [ECB] of USD 41.74 million) of Rs.184 crore and the balance through promoter's contribution. This ECB has been replaced through fixed rate NCD.

During FY15 (refers to the period April 1 to March 31), NSEL reported a total operating income of Rs.38.40 crore (FY14: Rs.38.55 crore) and cash profit of Rs.10.54 crore (FY14: Rs.13.17 crore).

Analyst Contact

Name: Maulesh Desai

Tel: 079-40265605

Mobile: +91-8511190079

Email: Maulesh.Desai@careratings.com

CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Disclaimer

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In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.



February 9, 2016

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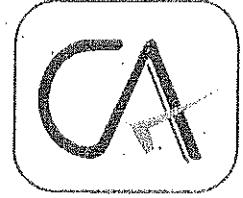
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CHARTERED ACCOUNTANTS

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

Annexure - 2



CERTIFICATE

To
IL & FS Trust Company Limited
The IL&FS Financial Centre,
Plot C- 22, G Block,
Bandra Kurla Complex, Bandra (E),
Mumbai 400051

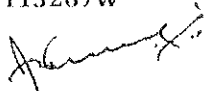
We have verified the relevant records of Nagpur Seoni Expressway Limited ("**Company**"), having its registered office Sadbhav House, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad.

Based on the information and explanations furnished to us, the security, being future Annuity receivable as on March 31, 2016 (for the period from April 01, 2016 to November 27, 2027) from the Project totaling Rs. 460.75 Crores (Rupees four hundred sixty crore seventy five lakh only) as verified by us, are adequate to discharge the claims, as and when due, of the listed secured debentures for Rs. 195 Crores proposed to be issued by the Company under Debenture Trust Deed to be entered into by the Company with M/s. IL & FS Trust Company Limited.

Note:-

1. The adequacy of the annuity amount has been considered based on the projections of revenue and expenditures as provided by the management.
2. The above certificate is issued at the specific request of the company to submit the same to the Trustees of the said debentures and is not to be used or referred to for any purpose without our prior written consent.

FOR, JAIN CHOWDHARY & CO.
CHARTERED ACCOUNTANTS
FRN: 113267W


AMOLAKSINGH DANG
PARTNER
M NO: 042684

Date: 07/07/2016
Place: Ahmedabad



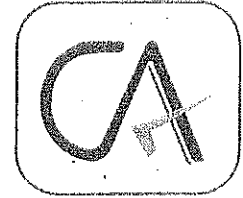
* Other Offices *

MUMBAI • JAIPUR • VADODARA • AJMER • FARIDABAD

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

Annexure - 3



CERTIFICATE

Borrower: Nagpur Seoni Expressway Limited (NSEL)
Trustee: IL&FS Trust Company Limited

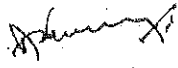
On the basis of audited accounts of NSEL for the year ended March 31, 2016, we hereby certify that the Total Debt to Equity Ratio of NSEL as on March 31, 2016 is 3.26 as per the working given hereunder:

Debt to Equity Ratio

Particulars	As at March 31, 2016	As at March 31, 2016
Debt		1,950.00
Equity		
A) Issued, subscribed and paid up Equity Share Capital	480.00	
B) Sub Debt	118.29	
C) Debenture Redemption Reserve	0.00	
D) Surplus in Statement of Profit and Loss	0.00	598.29
Debt Equity Ratio as on March 31, 2016		3.26

This Certificate is issued at the request of the Company for the purpose of submission to Debenture Trustee and is not to be used or referred to for any other purpose without our prior written consent.

FOR: JAIN CHOWDHARY & CO.
CHARTERED ACCOUNTANTS
FRN: 113267W


AMOLAKSINGH DANG
PARTNER
M NO: 042684

Date: 07/07/2016
Place: Ahmedabad



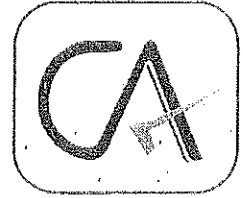
* Other Offices *

MUMBAI • JAIPUR • VADODARA • AJMER • FARIDABAD

JAIN CHOWDHARY & CO.
CHARTERED ACCOUNTANTS

B-405, Premium House,
Nr. Mithakhali Railway Crossing,
Off Ashram Road, Ahmedabad - 380 009.
Phone : (0) 079 - 26587828, 26580412
e-mail : amolaksinghdang@hotmail.com

Annexure-4



CERTIFICATE

Company / Issuer : Nagpur Seoni Expressway Limited (NSEL)
Debenture Trustee : IIFFS Trust Company Limited

On the basis of audited accounts of NSEL for the year ended March 31, 2016, we hereby certify that the Debt Service Coverage Ratio as on March 31, 2016 is 1.34 as per the working given hereunder:

Debt Service Coverage Ratio (DSCR)

(Amount in Million)

Sr. No	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2016
1	<u>EBIDTA for DSCR Calculation</u>		
	Profit After Tax	(176.57)	
	<u>Add:</u>		
	Interest Payable (191.94	
	Major Maintenance Reserve	40.40	
	Amortisation	233.53	
	<u>EBIDTA</u>	<u>289.31</u>	
	<u>Less:</u>		
	Cash payout of Taxes		
	<u>EBIDTA for DSCR Calculation</u>		<u>289.31</u>
2	Finance cost in relation to Debt		215.81
3=1/2	<u>Debt Service Coverage Ratio (DSCR)</u>		<u>1.34</u>

Note : Above Ratios are calculated on the basis of the definitions of 'DSCR' as specified in clause 1.1 of Debenture trust cum mortgage deed dated 16th January, 2016 executed amongst Company / Issuer and Debenture Trustee.

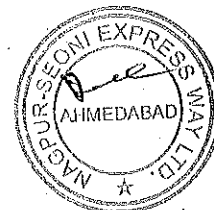
FOR, JAIN CHOWDHARY & CO.,
CHARTERED ACCOUNTANTS
FRN: 113267W

Amolaksingh Dang

AMOLAKSINGH DANG
PARTNER
M NO: 042684



Date: 07/07/2016
Place: Ahmedabad



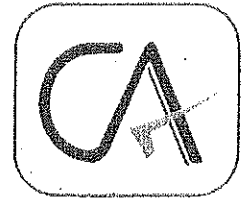
* Other Offices *

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Phone : (O) 079 - 26587828, 26580412
e-mail : amolaksinghdang@hotmail.com

Annexure - 5



CERTIFICATE

Company / Issuer : Nagpur Seoni Expressway Limited (NSEL)
Debenture Trustee : IIFFS Trust Company Limited

On the basis of audited accounts of NSEL for the year ended March 31, 2016, we hereby certify that the Interest Service Coverage Ratio as on March 31, 2016 is 1.51 as per the working given hereunder:

Interest Service Coverage Ratio (ISCR)

(Amount in Million)

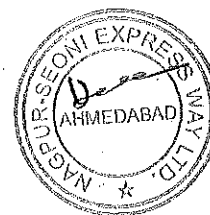
Sr. No	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2016
1	<u>EBIDTA for DSCR Calculation</u>		
	Profit After Tax	(176.57)	
	<u>Add:</u>		
	Interest Payable (excluding in relation to the Financial Indebtedness availed from the Sponser, including the Sub -ordinated liability)	191.94	
	Major Maintenance Reserve	40.40	
	Amortisation	233.53	
	<u>EBIDTA</u>	<u>289.31</u>	
	<u>Less:</u>		
	Cash payout of Taxes		
	<u>EBIDTA for ISCR Calculation</u>		<u>289.31</u>
2.	Finance cost in relation to Debt		191.94
3=1/2	<u>Interest Service Coverage Ratio (ISCR)</u>		<u>1.51</u>

Note : Above Ratios are calculated on the basis of the definitions of 'ISCR' as specified in clause 1.1 of Debenture trust cum mortgage deed dated 16th January, 2016 executed amongst Company / Issuer and Debenture Trustee.

This Certificate is issued at the request of the Company for the purpose of submission to Debenture Trustee and is not to be used or referred to for any other purpose without our prior written consent.

FOR, JAIN CHOWDHARY & CO.
CHARTERED ACCOUNTANTS
FRN: 113267W

AMOLAKSINGH DANG
PARTNER
M NO: 042684



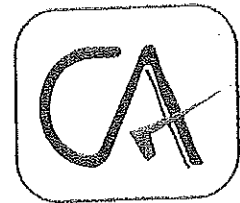
Date: 07/07/2016
Place: Ahmedabad

* Other Offices *

MUMBAI • JAIPUR • VADODARA • AJMER • FARIDABAD

**JAIN CHOWDHARY & CO.
CHARTERED ACCOUNTANTS**

B-405, Premium House,
Nr. Mithakhali Railway Crossing,
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e-mail : amolaksinghdang@hotmail.com



Annexure - 6

INDEPENDENT AUDITOR'S REPORT

To The Members of Nagpur Seoni Express Way Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Nagpur Seoni Express Way Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

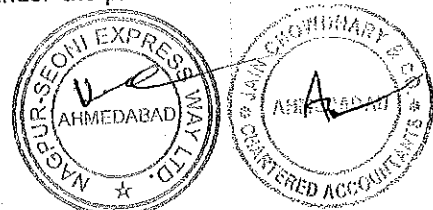
Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards 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 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 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.



* Other Offices *

MUMBAI • JAIPUR • VADODARA • AJMER • FARIDABAD

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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 financial statements.

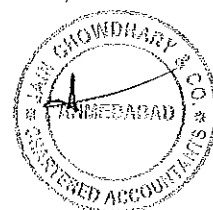
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its loss and its cash flows 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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:
- i. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - ii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



Place: Ahmedabad
Date: April 18, 2016

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

(Amolaksingh Dang)
Partner
Membership No. 42684

Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Nagpur Seoni Express Way Limited on the financial statements for the year ended 31st March 2016, we report that:

- (i)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified during the year by the Management in accordance with programme of physical verification, which in our opinion, provides for physical verification of all fixed assets at a reasonable intervals having regard to size of the Company and nature of fixed assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) The title deeds of the immovable property are held in the name of the Company.
- (ii) The Company had no inventory during and at the year end. Therefore, the reporting requirements of paragraph 3(ii) of the Order is not applicable.
- (iii) The Company has not granted loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Therefore, the reporting requirements of paragraph 3 (iii) of the Order are not applicable.
- (iv) The Company has not given loans, made investments or provided guarantees or security, attracting the provisions of sections 185 and 186 of the Act. Hence the reporting requirements of paragraph 3(iv) of the Order are not applicable.
- (v) The Company has not accepted deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
- (vi) The Company has made and maintained the cost records prescribed by the Central Government under section 148(1) of the Act.



- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, value added tax, cess and other material statutory dues as applicable have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, service tax, value added tax, cess and other material statutory dues were in arrears as at 31st March 2016 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues of income tax, wealth tax, duty of excise, duty of customs, sales tax or service tax or value added tax or cess which have not been deposited with the appropriate authorities on account of any disputes.

- (viii) Based on our audit procedure and the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The company has issued Non Convertible Debentures of Rs 195 Crore during the year.

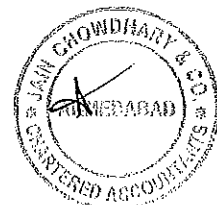
- (ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Also the Company has not raised any term loans during the year. Accordingly, the reporting requirement of paragraph 3(ix) of the Order is not applicable.

- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the Management, we report that no material fraud on or by the Company has been noticed or reported during the year.

- (xi) No managerial remuneration has been paid or provided by the Company during the year. Accordingly the reporting requirement of paragraph 3(xi) of the Order is not applicable.

- (xii) In our opinion the Company is not a Nidhi Company. Therefore the provisions of Clause 3(xii) of the Order are not applicable to the Company.

- (xiii) According to the information and explanation given to us and on the basis of our examination of the records of the Company, all the transactions with related parties are in compliance with Section 177 and 188 of the Act where applicable and also the details which have been disclosed in the Financial Statements are in accordance with the applicable Accounting Standards.



- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence the reporting requirement of paragraph 3(xiv) of the Order are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly reporting requirement of paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) According to the information given and as explained to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Ahmedabad
Date: April 18, 2016



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

(Amolaksingh Dang)
Partner
Membership No. 042684

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE 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, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the 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 financial statements, whether due to fraud or error.

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



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

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, 2016, 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 : April 18, 2016



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

(Amolksingh Dang)
Partner
Membership No.042684

Nagpur Seoni Express Way Ltd
Balance Sheet as at March 31, 2016

(₹ in Million)

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
I Equity and Liabilities			
(1) Shareholders' funds			
(a) Share capital	2	480.00	480.00
(b) Reserves and surplus	3	(597.66)	(421.10)
		(117.66)	58.90
(2) Non-Current Liabilities			
(a) Long-term borrowings	4	1,988.29	1,787.04
(b) Long-term provision	5	126.99	86.59
		2,115.28	1,873.63
(3) Current liabilities			
(a) Short-term borrowings	6	556.45	538.65
(b) Trade payables	7	40.74	49.80
(c) Other current liabilities	8	495.90	576.50
		1,093.09	1,164.95
Total		3,090.71	3,097.48
II Assets			
(1) Non-current assets			
(a) Fixed Assets - Intangible assets	9	2,803.27	2,908.86
(b) Non-current investments	10	4.83	4.83
(c) Long-term loans and advances	11	34.05	38.72
(d) Other non-current assets	12	0.00	0.00
		2,842.15	2,952.41
(2) Current assets			
(a) Current Investment	13	115.20	12.00
(b) Trade Receivables	14	131.93	131.93
(c) Cash and cash equivalents	15	0.52	0.26
(d) Short-term loans and advances	16	0.11	0.11
(e) Other current assets	17	0.80	0.77
		248.56	145.07
Total		3,090.71	3,097.48
Significant accounting policies	1		

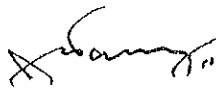

Accompanying notes are an integral part of the financial statements

As per our report of even date

For Jain Chowdhary & Co.

Chartered Accountants

FRN : 113267W

(Amolaksingh Dang)

Partner

Membership No. 42684

Date: April 18, 2016

Place: Ahmedabad

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



Shashin V. Patel
Managing Director
DIN : 48328

Date: April 18, 2016

Place: Ahmedabad



Vishnubhai M. Patel
Director
DIN : 48287



Nagpur Seoni Express Way Ltd
Statement of Profit and Loss for the year ended on March 31, 2016

(₹ in Million)

Particulars	Note No.	Year ended March 31, 2016	Year ended March 31, 2015
I Revenue from Operations	18	383.96	383.96
II Other income	19	3.00	2.38
III Total Revenue (I + II)		386.96	386.34
IV Expenses:			
Road Maintenance Expenses	20	57.32	117.14
Finance costs	21	254.98	180.71
Depreciation and amortisation expenses	9	233.53	223.68
Other Expenses	22	17.71	20.48
Total Expenses		563.53	542.01
V Profit/(Loss) before tax (III- IV)		(176.57)	(155.67)
VI Tax expenses:			
Current Taxes		-	-
VII Profit/(Loss) for the year (VII-VI)		(176.57)	(155.67)
VIII Profit/(Loss) per equity share:			
Basic & Diluted EPS	26	(3.68)	(3.24)
<i>Significant accounting policies</i>	1		

Accompanying notes are an integral part of the financial statements

As per our report of even date
For Jain Chowdhary & Co.
Chartered Accountants
FRN : 113267W

(Amolaksingh Dang)
Partner
Membership No. 42684

Date: April 18, 2016
Place: Ahmedabad



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

S V Patel
Shashin V. Patel
Managing Director
DIN : 48328

Date: April 18, 2016
Place: Ahmedabad

Vishnubhai M. Patel
Vishnubhai M. Patel
Director
DIN : 48287



Nagpur Seoni Express Way Ltd
Cash Flow Statement for the year ended March 31, 2016

(₹ In Million)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
(A) Cash flows from operating activities		
Net Profit/(Loss) before taxation	(176.57)	(155.67)
Adjustments for:		
Add:-		
Depreciation and amortisation	233.53	223.68
Financial Cost	254.98	180.71
Major Maintenance Expense	40.40	37.40
	528.91	441.79
Less:-		
Gain on Sale of Mutual Fund	2.20	2.12
Interest income	-	0.26
Operating Profit/(Loss) before working capital changes	350.14	283.75
Adjustments for:		
Decrease/(Increase) in Loans and advances	4.67	(11.53)
Decrease/(Increase) in other current assets	(0.03)	-
Decrease/(Increase) in Trade Receivable	-	3.83
Increase/(Decrease) in Trade payables and other liabilities	(8.72)	36.63
Net cash from/ (used in) operating activities (I)	346.06	312.69
(B) Cash Flows from investing activities		
Interest income	-	0.26
Purchase of Mutual Fund	(492.20)	(387.62)
Sale/Redemption of Mutual Fund Unit	391.20	377.75
Net cash used in Investing activities (ii)	(100.99)	(9.62)
(C) Cash Flows from financing activities		
Repayment of long term borrowings	(2,025.29)	(210.52)
Proceeds from Non convertible Debentures	1,950.00	-
Proceeds from short term borrowings	17.80	32.40
Repayment of short term borrowings (Including TDS)	-	(5.68)
Financial cost paid	(187.32)	(120.29)
Net cash generated from financing activities (iii)	(244.81)	(304.09)
Net increase/(decrease) in cash and cash equivalents (i+ii+iii)	0.26	(1.02)
Cash and cash equivalents at beginning of the year	0.26	1.28
Cash and cash equivalents at end of the year	0.52	0.26

Notes:

(i) Components of cash and cash equivalents:	As at March 31, 2016	As at March 31, 2015
Cash on hand	0.01	0.01
Balances with scheduled banks:		
- In current accounts	0.51	0.25
Cash and Cash equivalents as at year end (Note no 15)	0.52	0.26

(ii) The cash flow statement has been prepared under Indirect method as per Accounting Standard -3 "Cash Flow Statement" notified in Companies (Accounting Standards) Rules, 2006.

(iii) Figures in brackets represent outflows

As per our report of even date

For Jain Chowdhary & Co.
Chartered Accountants
FRN : 113267W

(Amolaksingh Dang)
Partner
Membership No. 42684

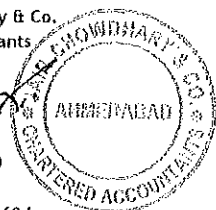
Date: April 18, 2016
Place: Ahmedabad

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

S. V. Patel
Shashin V. Patel
Managing Director
DIN : 48328

Vishnubhai M. Patel
Director
DIN : 48207

Date: April 18, 2016
Place: Ahmedabad



Notes forming part of Financial Statements

Overview of the Company :

Nagpur-Seoni Express Way Limited (NSEWL) was incorporated on 8th February, 2007 as a Special Purpose Vehicle (SPV) for implementing a four-lane divided carriageway standards, for North-South Corridor in the Seoni District of Madhya Pradesh (MP) in India on National Highway 7 (NH 7). The Concession has been awarded on Build Operate and Transfer (Annuity) basis by NHAI. The Company has achieved Provisional Commercial Operation date (PCOD) w.e.f 25th May 2010.

1 Statement of Significant Accounting Policies :

1.1 Basis of preparation of Financial Statements :

The accompanying Interim Financial Statements for the three months period ended June 30, 2014 ("Interim Period") has been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the requirements of Accounting Standard (AS) 25, Interim Financial Reporting notified under the Companies Act, 1956 (which are deemed to be applicable as per section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India. The accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hereto in use.

1.2 Use of Estimates

The preparation of financial statements requires management of the Company to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

1.3 Intangible Assets and amortisation:

- (i) An Intangible asset is recognised, only where it is probable that future economic benefits attributable to the asset will accrue to the enterprise and the cost can be measured reliably. Intangibles are stated at cost, less accumulated amortization and impairment losses, if any. Intangible Asset comprises Cost of Road Development and Incidental Expenditure pending capitalization incurred up to the date when it is ready for its intended use.
- (ii) Intangible assets (Right to operate the project Road) is amortized during the balance service concession period starting from the Commercial Operation Date (COD) using the Straight Line Method as prescribed under Accounting Standard (AS) 26 of the Companies (Accounting Standards) Rule, 2006.



Notes forming part of Financial Statements

1.4 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.

(i) *Annuity Income:-*

Annuity Income for the project is recognized on accrued basis.

(ii) *Dividend:*

Dividend is recognized on receipt of the dividend income.

(iii) *Income from sale of units of mutual funds:*

Profit/ loss on sale of mutual funds are recognized when the title to mutual funds ceases to exist.

(iv) *Interest:*

Interest on investment and bank deposits are recognized on a time proportion basis taking into account the amounts invested and the rate applicable.

1.5 Foreign Currency Transactions:

(i) *Initial Recognition:*

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of the transaction.

(ii) *Restatement:*

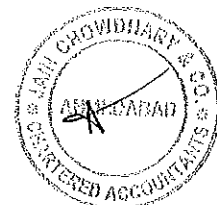
Foreign currency monetary assets and liabilities are restated at the end of each accounting period. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(iii) *Exchange Difference :*

Exchange differences arising on the settlement of monetary items, or on reporting monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise, except in case of exchange difference on foreign currency loan as stated in para (iv) under.

(iv) *Exchange gain/loss on Long-term Foreign Currency Monetary items :*

Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset. For the purpose of above, the company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination. In accordance with MCA circular dated 09th August 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period. In other words, the company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.



Notes forming part of Financial Statements

1.6 Investments:

- (i) Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.
- (ii) Current investments are carried at lower of cost and fair value. Long term investments are carried at cost less provision for diminution, other than of temporary nature, in value of such investments.

1.7 Borrowing Costs:

Borrowing costs directly attributable to the acquisition and construction of qualifying assets are capitalized as part of cost of such assets till such time the asset is ready for its intended use. A qualifying asset is one that requires substantial period of time to get ready for its intended use. All other borrowing costs, if any, are charged to the Profit & Loss Account as period costs.

1.8 Leases:

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

1.9 Taxes on Income:

Income Tax expense comprises of current tax and deferred tax (charge or credit).

- (i) Current tax is determined as the amount of tax payable in respect of taxable income for the year. Provision is made for income tax annually based on the tax liability computed, after considering tax allowances and exemptions under the Income Tax Act, 1961.
- (ii) Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. Deferred Tax Assets and Deferred Tax Liabilities are reviewed for appropriateness of their respective carrying values at each balance sheet date. Deferred Tax Assets and Deferred Tax Liabilities are reviewed for appropriateness of their respective carrying values at each balance sheet date.



Notes forming part of Financial Statements

1.10 Provisions, Contingent Liabilities and Contingent Assets:

- (i) A provision is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.
- (ii) Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.
- (iii) Contractual Obligations to periodically maintain Project asset as per the terms of the concession agreement are provided for in accordance with Accounting Standard(AS) -29 "Provisions, Contingent Liabilities and Contingent Assets" i.e; at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

1.11 Derivative Contracts:

The Company uses interest rate swap to hedge its exposure to movements in interest rates. The use of these swap contract reduce the risk or cost to the Company and the Company does not use those for trading or speculation purposes. Derivative contracts are fair valued at each reporting date. The resultant gain or loss from these transactions are recognized in the statement of profit and loss.

1.12 Cash and Cash Equivalent:

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

1.13 General

Any other accounting policy not specifically referred to are consistent with generally accepted accounting principles.



Nagpur Seoni Express Way Ltd

Notes on accounts forming part of Financial Statements

2 Share capital

(i) Authorised, Issued, Subscribed and Paid- Up Capital:

(₹ in Million)

Particulars		As at March 31, 2016	As at March 31, 2015
(a)	Authorised 5,80,00,000/- Equity Shares of ₹ 10 each (Previous year 5,80,00,000/- Equity Shares of ₹ 10 each)	580.00	580.00
	Total	580.00	580.00
(b)	Issued ,Subscribed and Paid Up 4,80,00,000/- Equity Shares of ₹ 10 each (Previous year 4,80,00,000/- Equity Shares of ₹ 10 each)	480.00	480.00
	Total	480.00	480.00

(ii) Reconciliation of number of equity shares outstanding as at Mar 31, 2016 and Mar 31, 2015 is as under:

(In No)

Particulars	As at March 31, 2016	As at March 31, 2015
Number of Shares at the beginning of the year	4 80 00 000	4 80 00 000
Add: Shares issued during the year		
Number of Equity shares at the end of the year	4 80 00 000	4 80 00 000

(iii) Rights of Shareholders, Dividend and Repayment of Capital:

- The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-
- Each holder of equity shares is entitled to one vote per share.
- In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive the residual assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.
- Out of issued, subscribed and paid up equity share capital 4,79,99,700/- no of shares (Previous year shares 4,79,99,840/-) are held by Sadbhav Infrastructure Project Limited.
- The details of shareholders holding more than 5 % of issued equity share capital as on March 31, 2016 is set out below:

Name of Shareholder	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	% to Total	No. of Shares	% to Total
Sadbhav Infrastructure Project	4 79 99 700	100%	4 79 99 840	100%
Sadbhav engineering Limited & Its Nominee	200	0%	60	0%
SREI Infrastructure Finance Limited	100	0%	100	0%
	4 80 00 000	100%	4 80 00 000	100%

3 Reserves and surplus

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Surplus/(Deficit)		
(Deficit) as at beginning of the year	(421.10)	(265.43)
Add: Net Profit/(Loss) after tax transferred from Statement of Profit and Loss	(176.57)	(155.67)
Add: Amount transfer to Debenture Redemption Reserve		
(Deficit) as at end of year	(597.66)	(421.10)



Nagpur Seoni Express Way Ltd

Notes on accounts forming part of Financial Statements

4 Long Term Borrowings:

(₹ in Million)

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Secured :		
Non Convertible Debenture (NCD)		
8.71% 10,000 L&T NCD (Face value of Rs. 100,000/- each)	1,000.00	-
8.90% 9,500 L&T NCD (Face value of Rs. 100,000/- each)	950.00	-
Secured :		
Foreign Currency Term Loan (ECB)	-	1,897.35
Current Maturity:	(80.00)	(228.60)
Unsecured :		
Loans and Advances from related parties (Refer note 25) (Sub- Ordinate Debt from Promoters, In terms of Common Rupee Term Loan Agreement)	118.29	118.29
Total	1,988.29	1,787.04

(i) Refinancing of Existing ECB Loans:

During the year, company has issued Non - Convertible Debentures (NCD) of ₹ 195 Crore. Out of which ₹191 crore has been utilized towards repayment of earlier ECB loan & balance amount has been utilized for payment of Loss on winding of derivative deal.

(ii) 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:

- Charge on all the borrower's immovable and movable property (both present and future) except Project Assets
- An assignment by way of security over all the borrower's right, title and interest in and to each transaction document.
- A share pledge, at all times, over not more than 99% of the sponsors shareholding in the borrower.

(b) The Security created under the Debenture Trust Deed shall rank pari passu inter se, amongst the trustees.

(iii) Terms of Repayment of NCDs:

Series of NCDs	No. of NCDs issued	Coupon Rate p.a. %	Terms of Repayment	Earliest date of Redemption
Series A	10,000	8.72%	Partial Repayment	01-Aug-16
Series B	9,500	8.91%	Partial Repayment	01-Aug-16

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.

5 Long Term Provision:

(₹ in Million)

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Periodical Major Maintenance (Refer note 29)	112.47	72.07
Provision for Income tax	14.52	14.52
	126.99	86.59

6 Short Term Borrowings:

(₹ in Million)

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Unsecured :		
Loans and advances from related party (Refer note 25)	556.45	538.65
Total	556.45	538.65



Nagpur Seoni Express Way Ltd

Notes on accounts forming part of Financial Statements

7 Trade Payables :

(₹ in Million)

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Trade Payable (Refer Note 25)	40.74	49.80
Total	40.74	49.80

** There are no Micro, Small and Medium Enterprises, to whom the Company owes, which are outstanding for more than 45 days at the balance sheet date. The above information has been determined to the extent such parties have been identified on the basis of the information available with the Company. This has been relied upon by the auditor.

8 Other Current Liabilities:

(₹ in Million)

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Payable towards Capital Expenditure (Refer Note 25)	249.13	249.13
Current maturities of long-term borrowings	80.00	228.60
Interest accrued and due on borrowings (Refer Note 25)	114.21	69.98
Interest accrued but not due on borrowings	50.85	27.42
Retention Money from Contractor	0.17	0.17
Statutory dues	1.54	1.20
Total	495.90	576.50

9 Intangible assets :-

(₹ in Million)

Particulars	Annuity Rights
Gross Block	
At April 1, 2014	3,755.84
Additions	75.51
As at March 31, 2015	3,831.36
Addition / Deduction	
Notional Foreign Exchange Fluctuation on Restatement **	127.94
As at March 31, 2016	3,959.30
Amortisation	
At April 1, 2014	698.82
Amortisation during the year	223.68
At March 31, 2015	922.50
Amortisation during the year	233.53
At March 31, 2016	1,156.03
Net Block	
As at March 31, 2016	2,803.27
As at March 31, 2015	2,908.86

** The Company has adopted an option under Para 46A of AS 11, inserted by notification no. G.S.R. 914(E) dated 29th March, 2011 issued by Ministry of Company Affairs, and accordingly the exchange difference arising on reporting of long-term foreign currency monetary items, in so far as they relate to the acquisition of depreciable asset, is added or deducted from the cost of the asset and shall be amortised over the balance life of the asset. During the year the company has added ₹ 127.94 Million (Previous year ₹ 75.51 Million) to the capital asset towards such exchange differences. The unamortised amount of such exchange difference included into the carrying amount of asset is ₹ 749.22 Million (Previous year ₹ 686.39 Million).

10 Non current investments:

(₹ in Million)

Particulars	As at	As at
	March 31, 2016	March 31, 2015
Non Trade Investments		
Investment in Property- Land (At Cost)	4.82	4.82
Fixed Deposit (VAT)	0.01	0.01
Total	4.83	4.83



Nagpur Seoni Express Way Ltd

Notes on accounts forming part of Financial Statements

11 Long term loans & Advances:

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Advance Income Tax	34.05	38.72
	34.05	38.72

12 Other Non Current Assets:

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Interest Accrued But Not Due (Receivable) (Amounting to Rs. 3686/-)	**	**
Total	-	-

** Amount is below rounding off norm adopted by the Company.

13 Current Investment:

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
ICICI Prudential Liquid - Regular Plan - Growth (C.Y. 4,801,640.561 units and P.Y. 59,241.326 units)	115.20	12.00
Total	115.20	12.00

14 Trade Receivables

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Other than Unsecured considered goods		
- Outstanding for more than Six Months		
- Others	131.93	131.93
Total	131.93	131.93

15 Cash & Cash Equivalent:

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
Balance with Banks		
- In current accounts	0.51	0.25
	0.51	0.25
- Cash on hand	0.01	0.01
Total	0.52	0.26

Balances with Banks including balances lying in the Escrow Accounts are offered as a security against borrowings as per terms of borrowings with the lenders.

16 Short Term loans and Advances:

(₹ in Million)

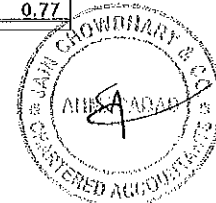
Particulars	As at March 31, 2016	As at March 31, 2015
<u>Unsecured Considered Good</u>		
Prepaid Expenses	0.11	0.11
Total	0.11	0.11

There was no amount due from Directors, other officers of the company, private companies in which director of the company is director member.

17 Other Current Assets

(₹ in Million)

Particulars	As at March 31, 2016	As at March 31, 2015
National Highway Authority of India	0.80	0.77
Total	0.80	0.77



Nagpur Seoni Express Way Ltd

Notes on accounts forming part of Financial Statements

(₹ in Millions)

Note No.	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
18	Revenue from Operations Annuity Income	383.96	383.96
	Total	383.96	383.96
19	Other Income Gain on Sale of Units of MF Interest on Fixed deposits with banks Income tax Refund	2.20 - 0.80	2.12 0.26 -
	Total	3.00	2.38
20	Road Maintenance Expenses Major Maintenance Expense (Refer Note 29) Routine Road Maintenance	40.40 16.92	37.40 79.74
	Total	57.32	117.14
21	Finance Cost : Interest on Interest on NCD Foreign Currency Term Loan (ECB) Short term loan from Promoter Delayed payment of Taxes Other Borrowing cost Foreign currency rate fluctuation Loss on winding of derivative deal Agency fees Bank Charges	50.84 48.27 63.04 - - - 92.77 - - 0.06	- 116.38 56.80 0.08 - 6.70 - 0.72 0.04
	Total	254.98	180.71
22	Other expenses: Rent Insurance Premium Professional fees Electricity Charges Vehicle Charges Auditors Remuneration Miscellaneous Expenses	1.03 0.59 11.07 0.41 0.37 0.30 3.94	1.01 0.62 17.29 0.39 0.36 0.15 0.66
	Total	17.71	20.48
	Auditors' remuneration (inclusive of Service Tax) comprises of the following: Payment to Auditors: - Statutory Audit Fees - Certification	0.14 0.03 0.17	0.11 0.03 0.15



Nagpur Seoni Express Way Ltd

Notes on accounts forming part of Financial Statements

23 Details of Expenditure in foreign currency during the financial year:

(₹ in Million)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest on Foreign Currency Loan	40.82	35.27
Agency Fees	-	0.72
Total	40.82	35.99

24 Commitments (To the Extent not provided for):

(₹ in Million)

Sr. No.	Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
(a)	Interest rate swap outstanding **	-	241.98
	Total	-	241.98

** The company used Currency swap and interest rate swap to hedge the interest related risks on its capital account. Such transactions are governed by the strategy approved by the board of directors which provide principles on the use of these Instruments, consistent with the Company's Risk Management Policy. Company has repaid all outstanding foreign currency loan along with interest during the year therefore no Interest rate swap outstanding at the year ended on 31/03/2016.

25 Related Party Disclosures:

Related party disclosures as required under the Accounting Standard (AS) - 18 on "Related Party Disclosures" notified in Companies (Accounting Standards) Rules, 2006 are given below:

(a) Name of the related parties and description of relationship :

Sr. No.	Description of Relationship	Name of the Related Party
(A)	Holding Company	Sadbhav Engineering Limited (SEL)
(B)	Enterprise having significant Influence	Sadbhav Infrastructure Project Ltd (SIPL)

(b) Transactions with Related Parties during the quarter ended March 31, 2016:

Sr. No.	Particulars	2015-16	2014-15
(i)	Unsecured Loans Received - SIPL	17.80	32.40
(ii)	Unsecured Loans Repaid including TDS - SIPL	6.30	5.68
(iii)	Interest Expenses - SIPL	63.03	56.80
(iv)	Rent - SEL	1.03	1.01
(v)	Expense for routine road management - SIPL	16.92	79.74
(vi)	Professional fees (Project Management Fees) - SIPL	6.84	6.74



Nagpur Seoni Express Way Ltd

Notes on accounts forming part of Financial Statements

(c) Balance outstanding as at March 31, 2016

(₹ in Million)

Sr. No.	Particulars	2015-16	2014-15
(i)	Sub-Ordinate Debt - SIPL	118.29	118.29
(ii)	Unsecured Loans (Including Interest) - SIPL	670.66	608.63
(iii)	Rent, Reimbursement & Allocation of Expenses - SEL	7.64	6.79
(iv)	Toward Professional fee (Project Management Fees) - SIPL	18.52	12.28
(v)	Toward Routine Road Management - SIPL	9.29	24.86
(vi)	Bills for Construction Work - SEL	249.13	249.13

26 Earning Per Share (EPS):

Earning per share is calculated by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year, as under:

Particulars	Unit	2015-16	2014-15
Net Profit/(Loss) as per Statement of Profit & Loss Account	₹ In Million	(176.57)	(155.67)
Weighted average of number of equity shares	No.	4 80 00 000	4 80 00 000
Basic & Diluted earning per share of face value of 10 ₹ Each)	₹	(3.68)	(3.24)

27 In the opinion of the Board of Directors, assets other than fixed assets and non-current investments are realisable at least at the value stated if realized in the ordinary course of business.

28 Current Tax

No provision is made for Income Tax in view of the loss during the financial year.

29 Movement In Periodic Major Maintenance Provisions:

(₹ in Million)

Particular	2015-16	2014-15
Carrying amount as at the beginning of the year	72.07	34.67
Add: Additional provision made in the year	40.40	37.40
Less:		
- Unused amounts reversed during the year		
Carrying amount at 31st March 2016	112.47	72.07



Nagpur Seoni Express Way Ltd

Notes on accounts forming part of Financial Statements

30 Details of Deferred tax asset (net) :

In accordance with Accounting Standard 22 "Accounting for Taxes on Income", the Company has Deferred Tax Assets of ₹ 616.88 Million (P. Y ₹ 447.85 Million) and Deferred Tax Liabilities of ₹ 529.65 Million (P.Y ₹ 322.92 Million). Having regard to consideration of the fact that Company is entitled to depreciation u/s 80IA of the Income tax Act, the DTA is not likely to be realised in foreseeable future. Hence as a matter of prudence deferred tax assets only to the extent of the amount of deferred tax liabilities, as above, have been recognized. Accordingly, there is no impact of the same on the financials for the year ended March 31, 2016. The components of Deferred Tax Assets and Liabilities are as under:

		(₹ in Million)	
Sr. No.	Particulars	As at March 31, 2016	As at March 31, 2015
A.	Deferred Tax Assets		
(a)	Carry forward business losses & unabsorbed depreciation as per Income Tax Act,	616.88	447.84
(b)	Preliminary expenses		0.01
	Total Deferred Tax Assets	616.88	447.85
B.	Deferred Tax Liability		
(a)	Difference between book and tax depreciation & amortisation	(284.61)	(315.57)
(b)	Foreign Exchange Fluctuation on restatement	(245.04)	(7.34)
	Total Deferred Tax Liability	(529.65)	(322.92)

31 Operating Leases:

Office premises of the Company are obtained on operating lease. The lease rent paid during the year is ₹ 1.03 Million (Previous Year ₹ 1.01 Million).

32 Previous Year Figures:

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

As per our report of even date
For Jain Chowdhary & Co.
Chartered Accountants
FRN : 113267W

(Amolaksingh Dang)
Partner
Membership No. 42684



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

S V Patel
Shashin V. Patel
Managing Director
DIN : 48328

Vishnubhai M. Patel
Director
DIN : 48287



Date: April 18, 2016
Place: Ahmedabad

Date: April 18, 2016
Place: Ahmedabad

