



**12<sup>th</sup> ANNUAL REPORT**  
**of**  
**NAGPUR-SEONI EXPRESS WAY LIMITED**  
  
**2018-19**



# **Nagpur-Seoni Express Way Limited**

## **Corporate Information**

### **Board of Directors**

Mr. Shashin Patel	- Managing Director
Mr. Nitin Patel	- Non-Executive Director
Mr. Arun Patel	- Independent Director
Mrs. Daksha Shah	- Independent Director

### **Company Secretary**

Mr. Rohan Anand up to 28<sup>th</sup> March, 2019  
Ms. Pooja Shah w.e.f. 3<sup>rd</sup> May, 2019

### **Statutory Auditors**

M/s. Gianender & Associates, Chartered Accountants

### **Committees**

#### **Audit Committee**

Mr. Arun Patel	- Chairman
Mrs. Daksha Shah	- Member
Mr. Nitin R. Patel	- Member

#### **Nomination & Remuneration Committee**

Mr. Arun Patel	- Chairman
Mrs. Daksha Shah	- Member
Mr. Nitin R. Patel	- Member

#### **Stakeholders Relationship Committee**

Mrs. Daksha Shah	- Chairman
Mr. Arun Patel	- Member
Mr. Nitin R. Patel	- Member

### **Registered Office**

Sadbhav House, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad - 380006

**CIN:** U45203GJ2007PLC049963

### **Registrar & Transfer Agent**

M/s. Link Intime India Pvt. Ltd.  
C-101, 1<sup>st</sup> Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083

## **NAGPUR – SEONI EXPRESS WAY LIMITED**

(CIN: U45203GJ2007PLC049963)

Regd. Office: "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006

Phone: 079-26445810, Fax: 079-26400210, E-mail: [investor@sadbhavinfra.co.in](mailto:investor@sadbhavinfra.co.in)



### **NOTICE**

**NOTICE** is hereby given that the 12<sup>th</sup> Annual General Meeting of **NAGPUR–SEONI EXPRESS WAY LIMITED** will be held on Monday, 16th day of September, 2019 at 12:30 p.m. at "Sadbhav", Nr. Havmor Restaurant, B/h Navrangpura Bus Stand, Navrangpura, Ahmedabad-380009 to transact the following businesses:

#### **ORDINARY BUSINESS**

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended on 31<sup>st</sup> March 2019, together with the Report of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Shashin Patel (DIN:00048328) who retires by rotation and being eligible, offers himself for reappointment.

**Date: 01/08/2019**

**Place: Ahmedabad**

**By order of Board of Directors**

#### **Registered Office:**

Sadbhav House,  
Opp. Law Garden Police Chowki,  
Ellisbridge, Ahmedabad – 380006  
CIN: U45203GJ2007PLC049963

**Pooja Shah**  
**Company Secretary**  
**Membership No. A56635**

#### **Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing the Proxy, in order to be effective, must be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 (Forty-Eight) hours before the commencement of the Meeting.

A person can act as a proxy on behalf of Members not exceeding 50 and holding in the aggregate, not more than ten percent of the total share capital of the Company, carrying voting rights. Provided that a Member holding more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as Proxy and such person shall not act as Proxy for any other person or shareholder.

2. Proxies submitted on behalf of limited companies must be supported by an appropriate resolution / authority, as applicable.
3. Members / Proxies should bring the enclosed Attendance Slip, duly filled in, for attending the AGM.

4. The Notice is being sent to all the Members, whose names appeared in the Register of Members as on the close of business hours on 16<sup>th</sup> August, 2019.
5. The Notice of the Meeting is also displayed / posted on the website of holding Company, i.e. [www.sadbhavinfra.co.in](http://www.sadbhavinfra.co.in)
6. A route map giving direction to reach the venue of the 12<sup>th</sup> Annual General Meeting is annexed to this Annual Report.
7. The physical copies of the aforesaid documents will also be available at the Corporate office of the company during on all working days between 12.00 Noon to 2.00 p.m., except Saturday, Sunday and holidays.

**Details of Directors Seeking Re-Appointment at the Annual General Meeting**

<b>Name of Director</b>	Shashin V. Patel
<b>DIN</b>	00048328
<b>Date of Birth</b>	02-04-1981
<b>Age</b>	38 years
<b>Date of Appointment</b>	Original appointment on 08-02-2007
<b>Disclosure of relationship between Directors inter-se</b>	None
<b>Functional Expertise and Experience</b>	15 years of experience in making strategic management decisions. In field of Management Information System, Project Bidding and Execution
<b>Education Qualification(s)</b>	MBA
<b>Board Position Held</b>	Managing Director
<b>Remuneration Last Drawn (if any)</b>	Nil
<b>No. of Board Meeting Attended during the year</b>	2
<b>Directorship in other Companies</b>	<ol style="list-style-type: none"> <li>1. Sadbhav Engineering Limited</li> <li>2. Sadbhav Infrastructure Project Limited</li> <li>3. Sadbhav Quarry Works Private Limited</li> <li>4. Shreenathji-Udaipur Tollway Private Limited</li> <li>5. Nagpur - Seoni Express Way Limited</li> <li>6. Bhilwara-Rajsamand Tollway Private Limited</li> <li>7. Sadbhav Nainital Highway Private Limited</li> <li>8. Sadbhav Bhavnagar Highway Private Limited</li> <li>9. Sadbhav Jodhpur Ring Road Private Limited</li> <li>10. Sadbhav Una Highway Private Limited</li> <li>11. Sadbhav Finstock Private Limited</li> <li>12. Sadbhav Realty Private Limited</li> </ol>
<b>Chairman/Member of Committee in other Companies</b>	None
<b>No. of Equity Shares held in the Company</b>	10 Shares (On behalf of Sadbhav Infrastructure Project Limited)

## **DIRECTORS' REPORT**

To  
The Members,

Your Directors hereby present the 12<sup>th</sup> Annual Report of the Company together with the audited financial statements for the year ended 31<sup>st</sup> March, 2019.

### **FINANCIAL PERFORMANCE**

The financial performance of the Company for the year under review along with previous year's figures are given hereunder:

**(Rs. in Million)**

<b>Particulars</b>	<b>2018-19</b>	<b>2017-18</b>
Revenue from Operations	203.13	172.36
Other Income	10.84	7.89
Total Income	<b>213.97</b>	180.25
Profit/(Loss) Before Taxation	(95.84)	(118.68)
Tax Expense	109.09	-
Other comprehensive income	0	-
Total comprehensive income, net of tax	482.59	(118.68)

### **DIVIDEND**

Your Directors do not recommend any dividend for the year ended 31<sup>st</sup> March, 2019.

### **RESERVES**

No amount is appropriated from Statement of Profit and Loss and transferred to any Reserve Account.

### **SHARE CAPITAL**

The paid up Equity Share Capital as on 31<sup>st</sup> March, 2019 is Rs. 48,00,00,000. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity or bonus shares. The Company has no scheme of provision of money for purchase of its own shares by employees or by trustees for the benefit of employees. Hence, the details under Rule 16 (4) of Companies (Share Capital and Debentures) Rules, 2014 are not required to be disclosed.

### **REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS**

The total revenue of your Company for the FY 2018-19 stood at Rs. 203.13 Million as against Rs. 172.36 Million for the FY 2017-18. Total comprehensive income for the FY

2018-19 was Rs. 482.59 Million as compared Rs. (118.68) Million for the FY 2017-18. Your Directors are hopeful to get better results in the coming year.

#### **CHANGE IN THE NATURE OF BUSINESS, IF ANY**

There are no material changes in the nature of business during the year.

#### **MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

No material changes and commitment affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of the report.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

No significant materials orders passed by the Regulators or Courts or Tribunals which would impact going concern status of the Company and its future operations.

#### **RISK MANAGEMENT**

The Company has formulated a risk management policy and has in place a mechanism to inform the Board Members about risk assessment and minimization procedures and periodical review to ensure that executive management controls risk by means of a properly designed framework.

#### **INTERNAL FINANCIAL CONTROLS SYSTEMS AND ADEQUACY**

The Company has appropriate internal control systems for business processes with regard to its operations, financial reporting and compliance with applicable laws and regulations. It has documented policies and procedures covering financial and operating functions and processes. These policies and procedures are updated from time to time and compliance is monitored by the internal audit function as per the audit plan. The Company continues its efforts to align all its processes and controls with best practices.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

##### **i) Changes in Directors and Key Managerial Personnel**

Pursuant to Section 152 of the Companies Act, 2013, Mr. Shashin Patel (DIN:00048328) Director of the Company, retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting. Mr. Rohan Anand resigned from the post of Company Secretary w.e.f. 28<sup>th</sup> March, 2019 and Ms. Pooja Shah has been appointed as Company Secretary w.e.f. 3<sup>rd</sup> May, 2019. Mr. Deep Patel has been appointed as Chief Financial Officer of the Company w.e.f. 24<sup>th</sup> May, 2019.

There were no changes in Key Managerial Personnel during the year.

**ii) Declaration by an Independent Director(s)**

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Act. In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the Rules made there under and are independent of the management.

**iii) Procedure for Nomination and Appointment of Directors**

The Nomination and Remuneration Committee is responsible for developing competency requirements for the Board based on the industry and strategy of the Company. Board composition analysis reflects in-depth understanding of the Company, including its strategies, environment, operations, financial condition and compliance requirements.

Nomination and Remuneration Committee conducts a gap analysis to refresh the Board on a periodic basis, including each time a Director's appointment or re-appointment is required. The Committee is also responsible for reviewing and vetting the CVs of potential candidates vis-à-vis the required competencies and meeting potential candidates, prior to making recommendations of their nomination to the Board. At the time of appointment, specific requirements for the position, including expert knowledge expected, is communicated to the appointee.

**iv) Criteria for Determining Qualifications, Positive Attributes and Independence of a Director**

Nomination and Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178 (3) of the Act.

**Independence:** In accordance with the above criteria, a Director will be considered as an 'Independent Director' if he/she meets with the criteria for 'Independent Director' as laid down in the Companies Act, 2013.

**Qualifications:** A transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender. It is also ensured that the Board has an appropriate blend of functional and industry expertise. While recommending the appointment of a Director, the Nomination and Remuneration Committee considers the manner in which the function and domain expertise of the individual will contribute to the overall skill domain mix of the Board.

**Positive Attributes:** In addition to the duties as prescribed under the Act, the Directors on the Board of the Company are also expected to demonstrate high standards of ethical behavior, strong interpersonal and communication skills and soundness of judgment. Independent Directors are also expected to abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Act.

**v) Annual Evaluation of Board Performance and Performance of its Committees and of Directors**

Pursuant to the applicable provisions of the Companies Act, the Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors.

The Board's functioning was evaluated on various aspects, including inter alia structure of the Board, including qualifications, experience and competency of Directors, diversity in Board and process of appointment; Meetings of the Board, including regularity and frequency, agenda, discussion and dissent, recording of minutes and dissemination of information; functions of the Board, including strategy and performance evaluation, corporate culture and values, governance and compliance, evaluation of risks, grievance redressal for investors, stakeholder value and responsibility, conflict of interest, review of Board evaluation and facilitating Independent Directors to perform their role effectively; evaluation of management's performance and feedback, independence of management from the Board, access of Board and management to each other, succession plan and professional development; degree of fulfillment of key responsibilities, establishment and delineation of responsibilities to Committees, effectiveness of Board processes, information and functioning and quality of relationship between the Board and management.

Directors were evaluated on aspects such as attendance and contribution at Board/Committee Meetings and guidance/support to the management outside Board/Committee Meetings, professional qualifications, prior experience, especially experience relevant to the

Company, knowledge and competency, fulfillment of functions, ability to function as a team, initiative, availability and attendance, commitment, integrity, independence and guidance/ support to management outside Board/Committee Meetings.

Areas on which the Committees of the Board were assessed included mandate and composition; effectiveness of the Committee; structure of the Committee; regularity and frequency of meetings, agenda, discussion and dissent, recording of minutes and dissemination of information; independence of the Committee from the Board; contribution to decisions of the Board; effectiveness of meetings and quality of relationship of the Committee with the Board and management.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of Non-Independent Directors was carried out by the Independent Directors, who also reviewed the performance of the Board as a whole. The Nomination and Remuneration Committee also reviewed the performance of the Board, its Committees and of the Directors.



## **DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES**

The Company does not have any Subsidiary, Joint Ventures and Associate Concerns.

## **PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT**

Since the Company does not have any Subsidiary / Joint Ventures / Associate Concerns, no financial position of such concern(s) are required to be included in the financial statement.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

The provisions of Section 186 of the Companies Act, 2013, with respect to a loan, guarantee or security is not applicable to the Company as the Company is engaged in providing infrastructural facilities which is exempted under Section 186 of the Companies Act, 2013. The details of investment made during the year under review are disclosed in the financial statements.

## **DEPOSITS**

During the year under review, your Company has not accepted any fixed deposits from the public falling under Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. Thus, as on 31<sup>st</sup> March, 2019, no deposits were unpaid or unclaimed and due for repayment.

## **INSURANCE**

All properties and insurable interests of the Company to the extent required have been adequately insured.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All related party transactions that were entered into during the financial year were at arm's length basis. A detailed report on material contracts and arrangements made during the year 2018-19, being arm's length transactions have been reported and annexed hereto in Form AOC-2 as **Annexure-1** and forms part of this report.

There are no materially significant related party transactions made by the Company with promoters, key managerial personnel or other designated persons which may have potential conflict with interest of the Company at large.

## **NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee of the Company is duly constituted in line with the provisions of Section 178 of the Companies Act, 2013. The Committee has been re-constituted between the end of the financial year to which this financial statements relate and the date of this report. The members of the Committee are Mr. Arun Patel (Chairman), Mrs. Daksha Shah and Mr. Nitin Patel. The Committee meets as and when the

requirement of appointment or re-appointment of Directors occurs or for fixing the remuneration of Director/Key Managerial Personnel.

One Committee Meeting was held on 6<sup>th</sup> August, 2018 during the year under review.

The Company has adopted a Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and other employees, pursuant to the provisions of the Companies Act, 2013. The philosophy for remuneration of Directors, Key Managerial Personnel and all other employees of the Company is based on the commitment of fostering a culture of leadership with trust. The Remuneration Policy of the Company is aligned to this philosophy.

The Nomination and Remuneration Committee has considered following factors while formulating Policy:

- (i) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- (ii) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (iii) Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

It is affirmed that the remuneration paid to Directors, Key Managerial Personnel and all other employees is as per the Remuneration Policy of the Company.

#### **AUDIT COMMITTEE**

The Audit Committee of the Company is duly constituted in line with the provisions of Section 177 of the Companies Act, 2013. The Committee has been re-constituted during the financial year. The members of the Committee are Mr. Arun Patel (Chairman), Mrs. Daksha Shah and Mr. Nitin Patel. Majority members of the Committee are Independent Directors. The Chairman of the Committee is Independent Director. Mr. Rohan Anand acts as the secretary to the Committee. All the recommendations made by the Audit Committee were accepted by the Board.

The Committee meets at least once in a quarter. During the year under review, 4 (Four) Committee Meetings were held on 5<sup>th</sup> May, 2018, 6<sup>th</sup> August, 2018, 3<sup>rd</sup> November, 2018 and 5<sup>th</sup> February, 2019.

#### **STAKEHOLDERS REMUNERATION COMMITTEE**

The company has constituted Stakeholders' Relationship Committee in compliance with the provisions of Section 178 of the Companies act, 2013 and Regulation 20 of Listing Regulations. The Committee has been re-constituted during the financial year. The members of the Committee are Mrs. Daksha Shah (Chairperson), Mr. Arun Patel and Mr.

Shashin Patel. Majority members of the Committee are Independent Directors. The Chairman of the Committee is Independent Director.

The Committee meets at least once in a quarter. During the year under review, 5 (Five) Committee Meetings were held on 5<sup>th</sup> May, 2018, 6<sup>th</sup> August, 2018, 1<sup>st</sup> October, 2018, 3<sup>rd</sup> November, 2018 and 5<sup>th</sup> February, 2019.

#### **NUMBER OF MEETINGS OF THE BOARD**

The Board meets at least once in a quarter and the maximum time gap between any two meetings is not more than four months. During the year under review, 6 (Six) Board Meetings were held on 5<sup>th</sup> May, 2018, 16<sup>th</sup> June, 2018, 6<sup>th</sup> August, 2018, 1<sup>st</sup> October, 2018, 3<sup>rd</sup> November, 2018 and 5<sup>th</sup> February, 2019.

Attendance at Board meetings:

<b>Name of Directors</b>	<b>No. of Board Meetings held</b>	<b>No. of Board Meetings Attended</b>
Mr. Shashin Patel	6	2
Mr. Nitin Patel	6	6
Mr. Arun Patel	6	6
Mrs. Daksha Shah	6	6

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(3)(c) and 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that: —

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) they have taken proper and sufficient care for the 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 fraud and other irregularities;
- (d) they have prepared the annual accounts on a going concern basis; and
- (e) The Directors had laid down internal financial controls to be followed the Company and such internal financial controls are adequate and were operating effectively; and
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Pursuant to Section 135 of the Companies Act, 2013 and rule framed thereunder, every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more Directors, out of which at least one Director shall be an Independent Director. Further, to the above, the Board of every Company shall ensure that the Company spends, in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

Provisions of Corporate Social Responsibility are not applicable to your Company.

## **COMPLAINT REDRESSAL COMMITTEE FORMED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.**

The Company has zero tolerance for sexual harassment at workplace. Company is a subsidiary of Sadbhav Infrastructure Project Limited (SIPL) and part of Sadbhav Group. Sadbhav Group as a whole including its subsidiary has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

Pursuant to provision of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, Complaint Redressal Committee has been constituted. The members of the Committee are as follows:

1	Mrs. Purvi Parikh	Chairperson
2	Mrs. Janki Shah	Presiding officer
3	Ms. Rutva Shah	Member
4	Mr. Ashok Menon	Member
5	Mr. Nitin Patel	Member
6	Mr. Bhadresh K. Soneji	Member
7	Mr. Stuti Kinariwala	Member

The Company has not received any complaint of sexual harassment during the financial year 2018-19 and No meeting of Complaint Redressal Committee was held during the year.

## **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the

mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that Company has not received any Complaint under Whistle Blower Mechanism.

## **AUDITORS**

### **1. Statutory Auditors**

Pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and The Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. Gianender & Associates, Chartered Accountants, New Delhi (Firm Registration No. 004661N), be and is hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of 11<sup>th</sup> Annual General Meeting ('AGM') held in the year 2018 till the conclusion of the 16<sup>th</sup> AGM to be held in 2023, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.

The Ministry of Corporate Affairs vide its Notification dated 7th May, 2018, has dispensed with the requirement of ratification of Auditor's appointment by the shareholders, every year. Hence, approval of the Members for the ratification of Auditor's appointment is not being sought at the ensuing Annual General Meeting.

The Auditors' Report does not contain any qualification, reservation or adverse remark on the financial statements for the year ended 31<sup>st</sup> March, 2019.

### **2. Cost Auditor**

Pursuant to sub-rule (2) of rule 4 of the Companies (Cost Records and Audit) Amendment Rules, 2014, every company specified in item (B) of rule 3 shall get its cost records audited in accordance with these rules if the overall annual turnover of the company from all its products and services during the immediately preceding financial year is rupees one hundred crore or more and the aggregate turnover of the individual product or products or service or services for which cost records are required to be maintained under rule 3 is rupees thirty five crore or more.

In view of the above mentioned rules, the annual turnover of the Company was below the threshold limit. Hence, the Company is not required to get its cost records audited. Moreover, the Company is engaged into the business of infrastructure projects and hence, the Company falls under Table (B) of rule 3 of Companies (Cost Records and Audit) Amendment Rules, 2014.

### **3. Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s. Ashish Shah & Associates, Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the year ended 31<sup>st</sup> March, 2019. The Secretarial Audit Report is annexed as **Annexure-2**.

**EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS**

The Auditors' Report does not contain any qualification. There were no reservations or adverse remarks made by the Auditors in their report. Secretarial Audit Report contains remark regarding non appointment of CFO pursuant to the Companies Act, 2013. In respect to the same, Company has appointed Mr. Deep Patel as Chief Financial Officer of the Company w.e.f. 24<sup>th</sup> May, 2019.

**DEBT SECURITIES**

Company has allotted 19,500 Rated, Listed, Secured, Redeemable, Non-Convertible Debentures under Series-A & Series-B. The said NCDs consisting of 16 ISINs got listed on wholesome debt market at BSE Limited out of which 2 ISINs were redeemed during the year. As on 31<sup>st</sup> March, 2019, following NCDs are listed on wholesome debt market at BSE Limited.

<b>Sr.</b>	<b>Script Code</b>	<b>ISIN</b>	<b>Description</b>	<b>Face Value (in Rs)</b>	<b>No. of NCDs</b>
1	953254	INE626J07012	Rated Listed Secured Redeemable Non-Convertible Debentures Series A issued on private placement basis of Rs.1,00,000/- each	87,400	10,000
2	953267	INE626J07087	Rated Listed Secured Redeemable Non-Convertible Debentures Series B issued on private placement basis of Rs.1,00,000/- each	1,00,000	400
3	953268	INE626J07095	Rated Listed Secured Redeemable Non-Convertible Debentures Series B issued on private placement basis of Rs.1,00,000/- each	1,00,000	400
4	953269	INE626J07103	Rated Listed Secured Redeemable Non-Convertible Debentures Series B issued on private placement basis of Rs.1,00,000/- each	1,00,000	400
5	953270	INE626J07111	Rated Listed Secured Redeemable Non-Convertible Debentures Series B issued on private placement basis of Rs.1,00,000/- each	1,00,000	400
6	953271	INE626J07160	Rated Listed Secured Redeemable Non-Convertible Debentures Series B issued on private placement basis of Rs.1,00,000/- each	1,00,000	1300

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7	953272	INE626J07152	Rated Listed Secured Redeemable Non-Convertible Debentures Series B issued on private placement basis of Rs.1,00,000/- each	1,00,000	1300
8	953273	INE626J07129	Rated Listed Secured Redeemable Non-Convertible Debentures Series B issued on private placement basis of Rs.1,00,000/- each	1,00,000	700
9	953274	INE626J07145	Rated Listed Secured Redeemable Non-Convertible Debentures Series B issued on private placement basis of Rs.1,00,000/- each	1,00,000	1200
10	953275	INE626J07137	Rated Listed Secured Redeemable Non-Convertible Debentures Series B issued on private placement basis of Rs.1,00,000/- each	1,00,000	1200

**Redeemed debentures during the financial year**

Sr	Script Code	ISIN	Description	Face Value (in Rs)	No. of NCDs	Date of Redemption
1	953264	INE626J07061	Rated Listed Secured Redeemable Non-Convertible Debentures Series B issued on private placement basis of Rs.1,00,000/- each	1,00,000	400	01/08/2018
2	953265	INE626J07079	Rated Listed Secured Redeemable Non-Convertible Debentures Series B issued on private placement basis of Rs.1,00,000/- each	1,00,000	400	01/02/2019

**DEBENTURE TRUSTEE**

The Company had entered into Debenture Trustee Agreement with **VISTRA ITCL (INDIA) LIMITED (Formerly known as IL&FS Trust Company Limited)** for NCDs. Contact details of the same are as below:

**VISTRA ITCL (INDIA) LIMITED**  
**(Formerly known as IL&FS Trust Company Limited)**  
IL&FS Financial Centre, Plot C-22  
G Block, Bandra Kurla Complex,

Bandra (East), Mumbai - 400 051  
Tel: (91 22) 2659 3612; Fax: (91 22) 2653 3297  
Email: [itcl@ilfsindia.com](mailto:itcl@ilfsindia.com); Website: [www.itclindia.com](http://www.itclindia.com)

## **CORPORATE GOVERNANCE**

The requirement of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is applicable only to specified securities (i.e. Equity Shares and/or Convertible securities). As the NCDs are listed on wholesome debt market at BSE Limited, requirement of Corporate Governance is not applicable to the Company.

## **EXTRACT OF ANNUAL RETURN**

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form MGT-9 is attached as **Annexure-3**.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

There was no earning and expenditure in foreign currency during the FY 2018-19.

Since the Company does not have any manufacturing activities, the other particulars required to be provided in terms of Section 134(3)(m) of the Companies Act, 2013 are not applicable.

## **ACKNOWLEDGEMENTS**

The Directors wish to express their appreciation of the support and cooperation of Government of Maharashtra, the Central Government, Bankers and Financial Institutions. Your Directors also wish to place on record their appreciation to the employees of the Company at all levels for their commitment and continued support for the Company.

**For and on behalf of Board of Directors**

**Date: 24/05/2019**  
**Place: Ahmedabad**

**Shashin V. Patel**  
**Managing Director**  
**DIN: 00048328**



**ANNEXURE -1**

**Form No. AOC-2**

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

**Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.**

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

Not Applicable, as there are no contracts or arrangements or transactions entered into with related party which are not at arm's length basis.

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

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

Sr.	Name of the Related Party	Nature of Relationship	Nature of Transactions	Duration of Contracts / Arrangements /Transactions	Salient terms of the contracts or transactions including value, if any. (Rs. In Million)	Date of approval by the Board	Amount paid / received in advance
1	Sadbhav Infrastructure Project Limited	Holding Company	Short term borrowings received	2018-19	67.80	N.A	NIL
2	Sadbhav Infrastructure Project Limited	Holding Company	Short term borrowings repaid (Including Interest paid)	2018-19	591.17	N.A	NIL
3	Sadbhav Infrastructure Project Limited	Holding Company	Interest on Short term borrowings	2018-19	105.98	N.A	NIL

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4	Sadbhav Infrastructure Project Limited	Holding Company	Operation and Maintenance Services availed	2018-19	19.96	N.A.	NIL
5	Sadbhav Engineering Limited	Ultimate Holding Company	Rent, allocation of expenses & reimbursement	2018-19	1.06	N.A.	NIL

**NOTE:** All above transactions have been entered in the ordinary course of business and arm's length basis, hence, approval of Board is not required under Section 188 of the Companies Act, 2013.

**For, Nagpur – Seoni Express Way Limited**

**Shashin V. Patel**  
**Managing Director**  
**DIN: 00048328**

## **Annexure-2**

### **Form No. MR-3**

#### **SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2019**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
**NAGPUR – SEONI EXPRESS WAY LIMITED**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Nagpur – Seoni Express Way Limited** (herein after referred to as “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Nagpur – Seoni Express Way Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Nagpur – Seoni Express Way Limited (“the Company”) for the financial year ended on 31<sup>st</sup> March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) Since shares of the Company are not listed on the stock exchange and does not intent to get its shares listed on the Stock Exchange the Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) are not applicable to the Company. However, securities of the Company are listed on the stock exchange and same is in compliance of The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(vi) There are no laws which are specifically applicable to the Company.

We have also examined compliance with applicable clauses of the following

1. Secretarial Standards issued by the Institute of Company Secretaries of India.
2. Provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. *However, Company has not appointed CFO and to that extent provision of Section 203 of the Companies Act, 2013 are not complied.*

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

All decisions at Board Meetings and Committee Meetings were carried out unanimously. As per records available in the said minutes there were no dissenting views expressed by any directors during the meetings.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period, there are no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

**Place: Ahmedabad**  
**Date: 24<sup>th</sup> May, 2019**

**For, Ashish Shah & Associates**

**Ashish Shah**  
**Company Secretary in practice**  
**FCS No. 5974**  
**C P No.: 4178**

This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.

## **Annexure-A**

To,  
The Members,  
Nagpur – Seoni Express Way Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events, etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Place: Ahmedabad**  
**Date: 24<sup>th</sup> May, 2019**

**For, Ashish Shah & Associates**

**Ashish Shah**  
**Company Secretary in practice**  
**FCS No. 5974**  
**C P No.: 4178**

**ANNEXURE -3**

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

**As on the financial year ended 31<sup>st</sup> March, 2019**

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

**I. REGISTRATION AND OTHER DETAILS**

CIN	U45203GJ2007PLC049963
Registration Date	8 <sup>th</sup> February, 2007
Name of the Company	Nagpur – Seoni Express Way Limited
Category / Sub-Category of the Company	Public Company / Limited by Shares
Address of Registered Office and Contact Details	“Sadbhav House”, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006 Tel: 079-26463384; Fax: 079-26400210 Email: <a href="mailto:investor@sadbhavinfra.co.in">investor@sadbhavinfra.co.in</a>
Whether listed Company	No
Name, Address and Contact Details of Registrar & Transfer Agent (RTA), if any	M/s. Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083 Tel: 022-49186000; Fax: 022-49186060 Email: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Name and description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
To Undertake Four Lane from Km. 596/750 to Km. 653/225 on National Highway No. 7 (NH-7) in the state of Madhya Pradesh under North-South Corridor (NHDP Phase-II) on Build, Operate and Transfer (Annuity) basis	42101	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr.	Name and Address of the Company	CIN	Holding/ Subsidiary /Associate	% of shares held	Applicable section
1	Sadbhav Infrastructure Project Limited “Sadbhav House”, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	L45202GJ2007PLC049808	Holding	100	2(46)

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#### IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY) AS ON 31<sup>ST</sup> MARCH, 2019

### A. Category-wise Shareholding

[illegible]

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h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify) Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	100	-	100	0.00	100	-	100	0.00	-
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)									
Hindu Undivided Family	-	-	-	-	-	-	-	-	-
NRI (Non Repat)	-	-	-	-	-	-	-	-	-
NRI (Repat)	-	-	-	-	-	-	-	-	-
Clearing Member	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>100</b>	-	<b>100</b>	<b>0.00</b>	<b>100</b>	-	<b>100</b>	<b>0.00</b>	-
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>47999940</b>	<b>60</b>	<b>48000000</b>	<b>100.00</b>	<b>48000000</b>	-	<b>48000000</b>	<b>100.00</b>	-



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**B. Shareholding of Promoters**

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
Sadbhav Infrastructure Project Limited	47999640	99.99	99.00	47999640	99.99	99.00	-
Sadbhav Engineering Limited	200	0.00	0	200	0.00	0	-
Shashin Patel (held on behalf of Sadbhav Infrastructure Project Limited)	10	0.00	0	10	0.00	0	-
Nitin Patel (held on behalf of Sadbhav Infrastructure Project Limited)	10	0.00	0	10	0.00	0	-
Girish D. Patel (held on behalf of Sadbhav Infrastructure Project Limited)	10	0.00	0	10	0.00	0	-
Narendra Patel (held on behalf of Sadbhav Infrastructure Project Limited)	10	0.00	0	10	0.00	0	-
Manoj K. Agola (held on behalf of Sadbhav Infrastructure Project Limited)	10	0.00	0	(10)	0.00	0	0.00
Hemendra C. Shah( held on behalf of Sadbhav Infrastructure Project Limited)	10	0.00	0	10	0.00	0	-
Niketan V. Patel( held on behalf of Sadbhav Infrastructure Project Limited)	-	-	0	10	0.00	0	-
<b>Total</b>	<b>47999900</b>	<b>99.99</b>	<b>99.00</b>	<b>47999900</b>	<b>99.99</b>	<b>99.00</b>	<b>-</b>

**C. Change in Promoters' shareholding**

For Each of the Promoters	Shareholding at the beginning of the year		Date	Reason	Increase/Decrease in shareholding		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Sadbhav Infrastructure Project Limited	47999640	99.99	-	-	-	-	47999640	99.99

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Sadbhav Engineering Limited	200	0.00	-	-	-	-	200	0.00
Shashin Patel (held on behalf of Sadbhav Infrastructure Project Limited)	10	0.00	-	-	-	-	10	0.00
Nitin Patel (held on behalf of Sadbhav Infrastructure Project Limited)	10	0.00	-	-	-	-	10	0.00
Girish D. Patel (held on behalf of Sadbhav Infrastructure Project Limited)	10	0.00	-	-	-	-	10	0.00
Narendra Patel (held on behalf of Sadbhav Infrastructure Project Limited)	10	0.00	-	-	-	-	10	0.00
Manoj K. Agola (held on behalf of Sadbhav Infrastructure Project Limited)	10	0.00	01-10-2018	Transfer of Shares	(10)	0.00	0	0.00
Hemendra Shah( held on behalf of Sadbhav Infrastructure Project Limited)	10	0.00	-	-	-	-	10	0.00
Niketan V. Patel( held on behalf of Sadbhav Infrastructure Project Limited)	-	-	01-10-2018	Transfer of Shares	10	-	10	0.00

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**D. Shareholding Pattern of top ten shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)**

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Reason	Increase/Decrease in shareholding		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
SREI Infrastructure Finance Limited	100	0.00	-	-	-	-	100	0.00

**E. Shareholding of Directors and Key Managerial Personnel (KMP)**

For Each Directors and KMP	Shareholding at the beginning of the year		Date	Reason	Increase/Decrease in shareholding		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Shashin Patel (held on behalf of Sadbhav Infrastructure Project Limited)	10	0.00	-	-	-	-	10	0.00
Nitin Patel (held on behalf of Sadbhav Infrastructure Project Limited)	10	0.00	-	-	-	-	10	0.00
Arun S. Patel	-	-	-	-	-	-	-	-
Daksha N. Shah	-	-	-	-	-	-	-	-
Rohan Anand up to 28.03.2019	-	-	-	-	-	-	-	-

**V. INDEBTEDNESS – indebtedness of the Company including interest outstanding/accrued but not due for payment**

(Rs. In Million)

	Secured Loans excluding deposits (Non-Convertible Debentures)	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year including</b>				
i) Principal Amount	1,750.00	828.68	0	2,578.68
ii) Interest due but not paid	0	261.58	0	261.58
iii) Interest accrued but not due	24.92	0	0	24.92
<b>Total (i+ii+iii)</b>	<b>1,774.92</b>	<b>1,090.26</b>	<b>0</b>	<b>2,865.18</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	0	173.78	0	173.78

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* Reduction	(146.00)	(591.17)	0	(737.17)
<b>Net Change</b>	<b>(146.00)</b>	<b>(417.39)</b>	<b>0</b>	<b>(563.39)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1,604.00	663.03	0	2,267.03
ii) Interest due but not paid	0	9.85	0	9.85
iii) Interest accrued but not due	22.83	0	0	22.83
<b>Total (i+ii+iii)</b>	<b>1,626.83</b>	<b>672.88</b>	<b>0</b>	<b>2,299.71</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

(Rs. In Million)

Sr.	Particulars of Remuneration	Mr. Shashin Patel Managing Director	Total Amount
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit	-	-
	- others, specify....	-	-
5	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act	-	-

**B. Remuneration to other Directors**

**(i) Independent Directors**

(` In Million)

Particulars of Remuneration	Mr. Arun S. Patel	Mrs. Daksha Shah	Total
(a) Fee for attending Board and Committee meetings	-	-	-
(b) Commission	-	-	-
(c) Other, please specify	-	-	-
<b>Total (i)</b>	<b>-</b>	<b>-</b>	<b>-</b>

**(ii) Other Non-Executive Directors**

(` In Million)

Particulars of Remuneration	Mr. Nitin Patel	Total
(a) Fee for attending Board and Committee meetings	-	-
(b) Commission	-	-
(c) Other, please specify	-	-
<b>Total (ii)</b>	<b>-</b>	<b>-</b>
<b>Total (i) + (ii)</b>		<b>-</b>

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTB**

(Rs. In Million)

Sr.	Particulars of Remuneration	Mr. Rohan Anand* Company Secretary	Total Amount
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	0.15	0.15
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961		
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission		
	- as % of profit		
	- others, specify....		
5	Others, please specify		
	- Gratuity		
	<b>Total (A)</b>	<b>0.15</b>	<b>0.15</b>

\* Mr. Rohan Anand has tendered resignation w.e.f. 28<sup>th</sup> March, 2019.

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES**

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

**For, Nagpur – Seoni Express Way Limited**

**Shashin Patel**  
**Managing Director**  
**DIN: 00048328**



**INDEPENDENT AUDITOR'S REPORT**

**To the Members of Nagpur Seoni Expressway Limited**

**Report on the audit of the Standalone Ind AS Financial Statements**

**Opinion**

We have audited the Standalone Ind AS financial statements of **Nagpur Seoni Expressway Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019 and the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information for the year ended on that date.

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 Companies Act, 2013 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 March 31, 2019, and its profit, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## **Responsibility of Management and Those Charged with Governance for the Standalone 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 Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

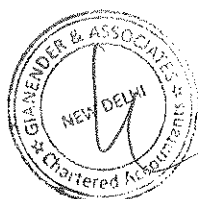
The Board of Directors is also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



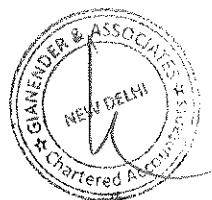
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Report on Other Legal and Regulatory Requirements**

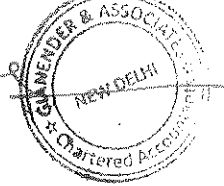
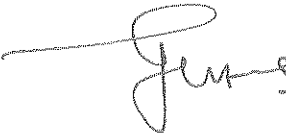
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent 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 statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Standalone 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 March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".





- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, no remuneration has been paid by the Company to its directors during the year so the provisions of section 197 of the Act are not applicable.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The company has disclosed pending litigations as mentioned in Note No.35 to the financial statements which would impact its financial position;
  - The Company does not envisage any material foreseeable losses in long-term contracts including derivative contract requiring provision;
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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



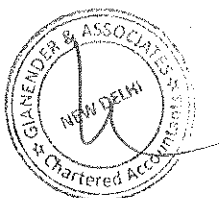
**G.K. Agrawal**  
**(Partner)**  
**(M No. 081603)**

**Place: New Delhi**  
**Date: May 24, 2019**

**Annexure 'A' to the Independent Auditor's Report of Nagpur Seoni Expressway Limited  
For the Year ended as on 31<sup>st</sup> March 2019**


**Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report on even date:-**

- i. The Company has no fixed assets as on 31.03.2019.
- ii. The Company is engaged in the business of BOT (Annuity) and hence the clauses 3 (ii) (a), (b) & (c) of the Companies (Auditor's Report) Order 2016 relating to inventory are not applicable.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liabilities partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, reporting under clause (a) to (c) of Para 3(iii) of the Order are not applicable
- iv. The Company has not entered into any transaction in respect of loans, investments, guarantee and securities, which attracts compliance to the provisions of the sections 185 and 186 of the Companies Act, 2013. Therefore the paragraph 3(iv) of the Order is not applicable to the company.
- v. The Company has not accepted deposits and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the Company.
- vi. The Company is prima-facie maintaining the cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- vii. a.) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has been generally regular in depositing undisputed statutory dues including provident fund, employee state insurance, income tax, service tax, value added tax, cess and other statutory dues during the year with the appropriate authorities. As on 31st March 2019, there are no undisputed statutory dues payables for period exceeding for a period more than six month from the date they become payable.  
  
b.) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues which have not been deposited on account of dispute.
- viii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not taken any borrowings from banks, financial institutions or Government. The Company has outstanding debentures and has not defaulted in the repayment of dues to debenture holders.



- ix. The Company does not have any term loan. The Company has not raised money by way of initial public offer or further public offer during the year.
- x. According to the information and explanation given to us by the management which have been relied by us, there were no frauds on or by the company noticed or reported during the period under audit.
- xi. The Company has not paid any managerial remuneration; hence paragraph 3(xi) of the Order is not applicable to the company.
- xii. The Company is not a Nidhi Company and hence clause3 (xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Standalone Ind AS financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him as covered under section 192. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

  
**G.K.Agrawal**  
**(Partner)**  
**(M No. 081603)**



**Place: New Delhi**  
**Date: May 24, 2019**

**ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT**  
**(Referred to in our Report of even date)**

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

We have audited the internal financial controls with reference to financial statements of **Nagpur Seoni Expressway Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

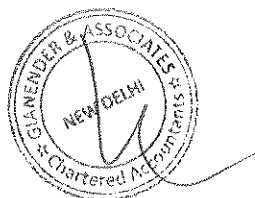
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to financial statements issued by the Institute of Chartered Accountants of India (the "Guidance Note"). 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 with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 Standalone 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 with reference to financial statements.



### **Meaning of Internal Financial Controls with reference to financial statements**

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements 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 Standalone 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 Standalone Ind AS financial statements.


### **Inherent Limitations of Internal Financial Controls with reference to financial statements**

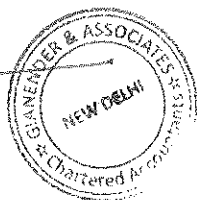
Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls With reference to financial statements issued by the Institute of Chartered Accountants of India.

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

  
**G.K. Agrawal**  
**(Partner)**  
**(M No. 081603)**



**Place: New Delhi**  
**Date: May 24, 2019**

**NAGPUR SEONI  
EXPRESSWAY LIMITED**

**IND AS FINANCIAL STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2019**

Nagpur Seoni Express Way Limited  
CIN :: U45203GJ2007PLC049963  
Balance Sheet as at March 31, 2019

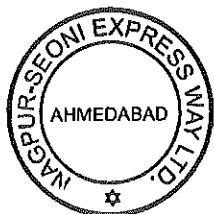
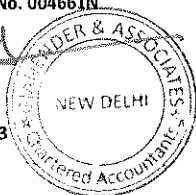
Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
		(INR In Million)	(INR In Million)
<b>ASSETS</b>			
<b>1 Non-current Assets</b>			
(a) Investment Property	5	4.82	4.82
(b) Financial Assets			
(i) Other Financial Assets	6	1,567.74	1,800.44
(c) Other Non Current Assets	7	14.24	11.52
<b>Total Non-current assets</b>		<b>1,586.80</b>	<b>1,816.78</b>
<b>2 Current Assets</b>			
(a) Financial Assets			
(i) Investments	8	216.02	28.01
(ii) Cash and Cash Equivalants	9	0.55	56.34
(iii) Other Current Financial Assets	6	447.16	383.96
(b) Other Current Assets	7	0.14	0.12
<b>Total Current assets</b>		<b>663.87</b>	<b>468.43</b>
<b>Total Assets</b>		<b>2,250.67</b>	<b>2,285.21</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	10	480.00	480.00
Other Equity	11	(605.30)	(1,087.88)
<b>Total Equity</b>		<b>(125.30)</b>	<b>(607.88)</b>
<b>LIABILITIES</b>			
<b>1 Non-current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	12	1,447.83	1,603.12
<b>Total Non-current liabilities</b>		<b>1,447.83</b>	<b>1,603.12</b>
<b>2 Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13	663.03	828.68
(ii) Trade Payables			
Total outstanding dues to micro and small enterprises		-	-
Total outstanding dues to other creditors	14	4.47	27.39
(iii) Other Financial Liabilities	15	188.15	432.48
(b) Other Current Liabilities	16	1.16	1.42
(c) Current Tax Liabilities (Net)		71.33	-
<b>Total Current liabilities</b>		<b>928.14</b>	<b>1,289.97</b>
<b>Total Equity and Liabilities</b>		<b>2,250.67</b>	<b>2,285.21</b>
<b>Significant Accounting Policies</b>	3		

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

For Gianender & Associates  
Chartered Accountants  
ICAI Firm Registration No. 004661N

G.K. Agarwal  
Partner

Membership No.081603



Date : May 24, 2019  
Place: Ahmedabad

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

Shashin Patel  
Managing Director  
DIN : 00048328

Pooja Shah  
Company Secretary  
M. No. A56635

Nitin Patel  
Director  
DIN : 00466330  
Deep G. Patel  
Chief Financial Officer

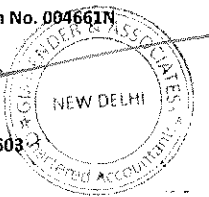
Date: May 24, 2019  
Place: Ahmedabad

**Nagpur Seoni Express Way Limited**  
CIN :: U45203GJ2007PLC049963  
**Statement of Profit and Loss for the year ended March 31,2019**

Particulars	Note No.	March 31, 2019 (INR In Million)	March 31, 2018 (INR In Million)
<b>INCOME</b>			
I Revenue From Operations	18	46.12	35.60
II Other Income	19	167.84	144.65
<b>III Total Income (I+II)</b>		<b>213.97</b>	<b>180.25</b>
<b>EXPENSES</b>			
Operating Expense	20	20.47	19.86
Employee Benefits Expenses	21	0.15	0.15
Finance Cost	22	255.00	264.88
Other Expenses	23	34.19	14.04
<b>IV Total Expenses</b>		<b>309.81</b>	<b>298.93</b>
Profit before exceptional item and tax (3-4)		(95.84)	(118.68)
Exceptional Items	24	687.52	-
<b>V Profit/(Loss) before tax (III-IV)</b>		<b>591.68</b>	<b>(118.68)</b>
Tax expenses			
Current tax		109.09	-
<b>VI Profit/(Loss) for the year (VI-V)</b>		<b>482.59</b>	<b>(118.68)</b>
<b>VII Other Comprehensive Income</b>		-	-
<b>VIII Total Comprehensive Income for the period, net of tax (V+VI)</b>		<b>482.59</b>	<b>(118.68)</b>
<b>Earning per share [Nominal Value of share Rs. 10/-]</b>			
Basic and Diluted	26	10.05	(2.47)
Significant Accounting Policies	3		

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

For Gianender & Associates  
Chartered Accountants  
ICAI Firm Registration No. 004661N  
G.K.Agarwal  
Partner  
Membership No.081603



Date : May 24, 2019  
Place: Ahmedabad

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

Shashin Patel  
Managing Director  
DIN : 00048328

Pooja Shah  
Company Secretary  
M. No. A56635

Date : May 24, 2019  
Place: Ahmedabad

Nitin Patel  
Director  
DIN : 00466330

Deep G. Patel  
Chief Financial Officer



**Nagpur Seoni Express Way Limited**  
CIN :: U45203GJ2007PLC049963  
**Cash Flow Statement for the year ended 31st March 2019**

(INR In Million)

Particulars	March 31, 2019	March 31, 2018
<b>(A) Cash flows from operating activities</b>		
Profit/(Loss) Before Tax	591.68	(118.68)
Adjustments for:		
Notional Interest on NCD	0.22	0.23
Finance Costs	254.78	264.64
Excess provision written Back	(0.02)	(3.17)
Gain on sale of Units of Mutual fund Investments (net)	(10.82)	(4.72)
<b>Cash generated before Effect of Working capital</b>	<b>835.84</b>	<b>138.31</b>
Adjustments for:		
(Increase)/Decrease in Other Financial Assets	169.47	211.60
(Increase)/Decrease in current asset	(2.74)	0.17
(Decrease)/Increase in trade payables	(22.92)	(50.63)
(Decrease)/Increase in Other financial liabilities	(0.02)	83.29
(Decrease)/Increase in current liability	(0.26)	(1.51)
(Decrease)/Increase in Provisions	71.33	-
<b>Cash generated from Operating Activity</b>	<b>1,050.72</b>	<b>381.23</b>
(+)/(-) : Tax Paid(Net of Refund)	(109.09)	(3.84)
<b>Net cash flow from operating activities (A)</b>	<b>941.63</b>	<b>377.39</b>
<b>(B) Cash Flows from investing activities</b>		
Investment in Mutual Fund	(901.79)	(376.00)
Redemption of Mutual Fund	724.59	360.31
Excess provision written Back	0.02	3.17
<b>Net cash from/ (used in) investing activities (B)</b>	<b>(177.18)</b>	<b>(12.53)</b>
<b>(C) Cash Flows from financing activities</b>		
Repayment of borrowings	(146.00)	(119.77)
Proceeds from Short Term Borrowings	68.74	20.96
Repayment of short term borrowings	(234.38)	(10.70)
Interest and other Finance cost paid	(508.60)	(266.33)
<b>Net cash used in financing activities (C)</b>	<b>(820.24)</b>	<b>(375.84)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(55.79)</b>	<b>(10.98)</b>
Cash and cash equivalents at beginning of the Period	56.34	67.32
<b>Cash and cash equivalents at end of the Period</b>	<b>0.55</b>	<b>56.34</b>

**Notes:**

(i) Components of cash and cash equivalents (refer note 9)

Cash on hand  
Balances with banks in current accounts  
Cash and cash equivalents

March 31, 2019	March 31, 2018
INR In Million	INR In Million
0.01	0.01
0.54	56.33
<b>0.55</b>	<b>56.34</b>

(ii) Reconciliation of Financial liabilities

	March 31, 2018	Cash inflows	Cash outflows	Interest Cost	Non-cash adjustment Transaction Cost	March 31, 2019
Long Term Borrowings	1,748.90	-	(146.00)	-	0.22	1603.12
Short Term Borrowings	828.68	68.74	(234.38)	-	-	663.03
Interest accrued and due on borrowings	261.58	95.38	(347.12)	-	-	9.85
Interest accrued but not due on borrowings	24.92	-	(24.92)	22.83	-	22.83

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

(iv) Figures in brackets represent outflows.

As per our report of even date

For Gnanender & Associates  
Chartered Accountants  
ICAI Firm Registration No. 004661N

G.K. Agarwal

Partner

Membership No.081603



Date : May 24, 2019  
Place: Ahmedabad

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

Shashin Patel

Managing Director

DIN : 00048328

Pooja Shah

Company Secretary

M. No. A56635

Date : May 24, 2019  
Place: Ahmedabad

Nitin Patel

Director

DIN : 00466330

Deep G. Patel

Chief Financial Officer

Nagpur Seoni Express Way Limited

CIN :: U45203GJ2007PLC049963

Statement of Changes in Equity for the year ended March 31, 2019

**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 2018	4,80,00,000	480.00
At 31 March 2019	4,80,00,000	480.00

**B Other Equity**

Particulars	Reserves and Surplus			Total (INR In Million)
	Retained Earning	Debenture Redemption Reserve	Equity Component of Compound Financial	
	(INR In Million)	(INR In Million)	(INR In Million)	
As at April 1, 2017	(1,087.49)	-	118.29	(969.20)
Profit/(Loss) for the year	(118.68)	-	-	(118.68)
Transfer to Debenture Redemption Reserve	-	-	-	0.00
As at March 31, 2018	(1,206.17)	-	118.29	(1,087.88)
As at April 1, 2018	(1,206.17)	-	118.29	(1,087.88)
Profit/(Loss) for the period	482.59	-	-	482.59
Transfer to Debenture Redemption Reserve	(132.79)	132.79	-	-
As at March 31, 2019	(856.37)	132.79	118.29	(605.30)

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

As per our report of even date

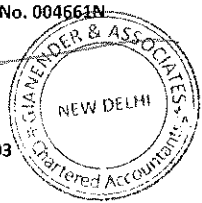
For Gianender & Associates

Chartered Accountants

ICAI Firm Registration No. 004661N

G.K. Agarwal  
Partner

Membership No.081603



For & On behalf of the Board of Directors of

Nagpur Seoni Express Way Ltd

Shashin Patel  
Managing Director  
DIN : 00048328

Pooja Shah  
Company Secretary  
M. No. A56635

Nitin Patel  
Director  
DIN : 00466330

Deep G. Patel  
Chief Financial Officer

Date : May 24, 2019  
Place: Ahmedabad



Date : May 24, 2019  
Place: Ahmedabad

## Nagpur Seoni Expressway Limited

### Notes to Financial statement for the year ended March 31, 2019

#### 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 24, 2019.

#### 2. Basis of preparation and presentation of financial statement:

##### (a) Compliance with IND AS:

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 and relevant amendment rules issued thereafter.

The company has applied the applicable standards and/or amendments to existing standards effective from April 1, 2018 in the preparation and presentation of financial statements for the year ending on March 31, 2019.

Most of the amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

##### (b) Basis of Presentation:

The Balance Sheet, the Statement of Profit and Loss and Statement of Changes in Equity are prepared and presented in the format prescribed in Schedule III to the Companies Act, 2013 ("the Act"). The Cash Flow Statement has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

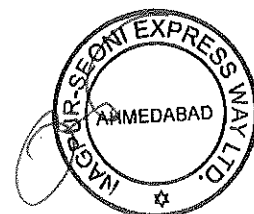
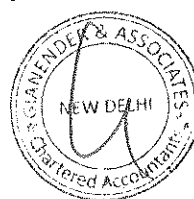
The financial statements are presented in INR, which is the functional currency and all values are rounded to the nearest million (INR 000,000), except when otherwise indicated.

##### (c) Basis of Measurement:

The financial statements have been prepared on historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

##### (d) Use of estimates and judgements:

The preparation of these financial statements is in conformity with IND AS which requires the management to make estimates and assumptions considered in the reported amounts of assets, liabilities (including contingent liabilities), income and expenses. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialize. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.



## Nagpur Seoni Expressway Limited

### Notes to Financial statement for the year ended March 31, 2019

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#### 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.

##### 3.2 Foreign Currencies

###### Transactions and balances

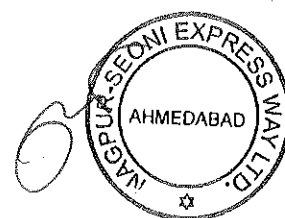
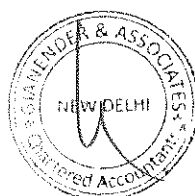
Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement of such transaction and on translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are recognised in profit or loss with the exception of 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.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

##### 3.3 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. The Company recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Company's activities, as described below.



**a. Contract revenue (construction contracts)**

The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" with the date of initial application being April 1, 2018. Ind AS 115, revenue from contracts with customers, mandatory for reporting period beginning on or after April 1, 2018 replaced existing revenue recognition requirements i.e Ind AS 18 Revenue Recognition and Ind AS 11 Construction Contracts. There were no significant adjustments required to the retained earnings as on April 1, 2018.

Accordingly, the policy for revenue is amended as under:

The Company derives revenue primarily from construction contracts. To recognize revenue, the Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligation in the contract, and (5) recognize revenue when a performance obligation is satisfied.

At contract inception, the company assesses its promise to transfer services to a customer to identify separate performance obligations.. The Company applies judgment to determine whether each service promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised services are combined and accounted as a single performance obligation. For performance obligations where control is transferred over time, revenue are recognized by measuring progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the services to be provided. The method for recognizing revenues and cost depends on the nature of the services rendered.

**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.

**c. Gain or loss on sale of Mutual Fund**

Gain or Loss on sale of mutual fund is recorded on transfer of title from the Company, and is determined as the difference between the sale price and carrying value of mutual fund and other incidental expenses.

**d. Dividend**

Income from dividend on investments is accrued in the year in which it is declared, whereby right to receive is established.

**e. Interest**

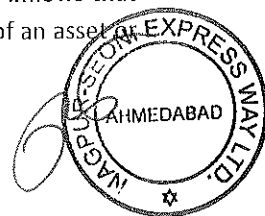
Interest income is recognised using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through expected life of the financial asset to the gross carrying amount of the financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

**f. Other Income**

Other items of income are recognised as and when the right to receive arises.

**3.4 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



## **Nagpur Seoni Expressway Limited**

### **Notes to Financial statement for the year ended March 31, 2019**

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 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

#### **3.5 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.

#### **3.6 Investment Property**

Investment Property is measured initially at cost including related transaction costs. Such cost comprises the purchase price, borrowing cost if capitalization criteria are met. All day-to-day repair and maintenance expenditure are charged to the statement of profit and loss for the period during which such expenses are incurred.

An investment property is derecognised on disposal or on permanently withdrawal from use or when no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

#### **3.7 Leases**

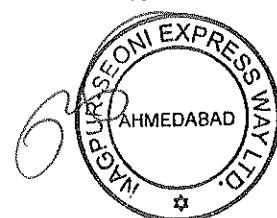
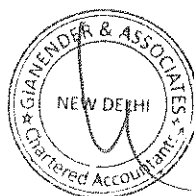
The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

##### **Company as lessee**

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the Statement of Profit and Loss on a straight-line basis over the lease term except the case where incremental lease reflects inflationary effect and lease expense is accounted in such case by actual rent for the period.

#### **3.8 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).

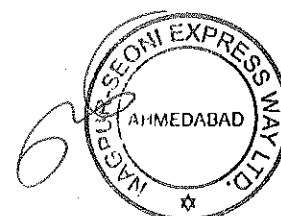
• **Financial assets at fair value through profit or loss:**

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 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**

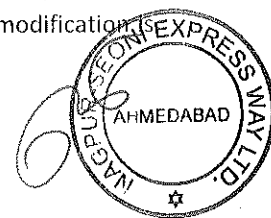
This is the category most relevant to the Company. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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





## Nagpur Seoni Expressway Limited

### Notes to Financial statement for the year ended March 31, 2019

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.

#### 3.9 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.

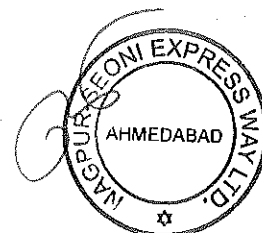
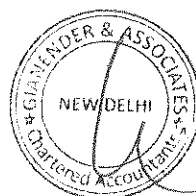
The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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



## Nagpur Seoni Expressway Limited

### Notes to Financial statement for the year ended March 31, 2019

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)

#### 3.10 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.

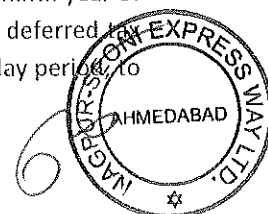
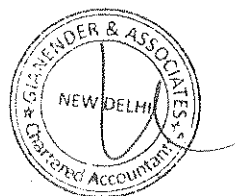
##### Deferred Tax

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 ninth 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.



## Nagpur Seoni Expressway Limited

### Notes to Financial statement for the year ended March 31, 2019

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.

#### 3.11 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.

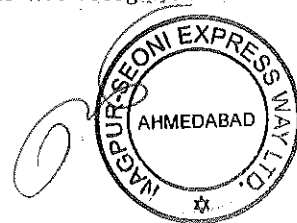
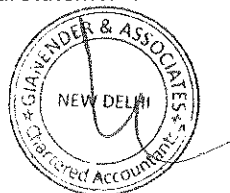
If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time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

#### 3.12 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.



**3.13 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.

**3.14 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.

**3.15 Segment reporting**

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

**4. A. 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.

**I. 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 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.

**II. Fair value measurement of financial instruments**

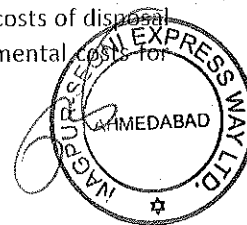
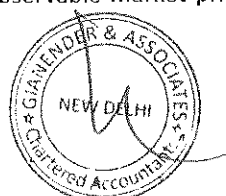
When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where 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.

**III. 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.

**IV. 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.

**B. Accounting Pronouncement Issued but not effective:**

**(i) Ind AS 116 "Leases"**

On March 30 ,2019, Ministry of Corporate Affairs has notified Ind AS116, Leases.Ind AS116 will replace the existing leases Standard, Ind AS17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e.,the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019 however the effect on adoption will not have any impact on financial statement.

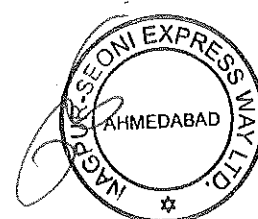
**(ii) Ind AS 19 "Employee Benefits" (Plan Amendment, Curtailment or Settlement)**

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement.

In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

**(iii) Ind AS 23 "Borrowing Costs"**

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that a Company borrows generally when calculating the capitalization rate on general borrowings. The Company does not expect any impact from this amendment.

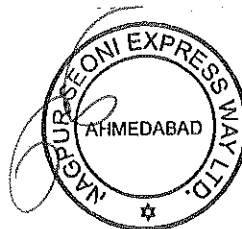


**Nagpur Seoni Express Way Limited**  
**Notes to Financial Statements for the year ended March 31, 2019**

<b>S Investment Properties</b>		<b>(INR In Million)</b>	
	<b>Particulars</b>	<b>Land</b>	<b>Total</b>
<b>Cost</b>			
<b>As at March 31, 2017</b>		<b>4.82</b>	<b>4.82</b>
	Addition	-	-
	Disposal	-	-
<b>As at March 31, 2018</b>		<b>4.82</b>	<b>4.82</b>
	Addition	-	-
	Disposal	-	-
<b>As at March 31, 2019</b>		<b>4.82</b>	<b>4.82</b>
<b>Net Book Amount</b>			
<b>As at March 31, 2018</b>		<b>4.82</b>	<b>4.82</b>
<b>As at March 31, 2019</b>		<b>4.82</b>	<b>4.82</b>

**Note:**

- 1 There are no income arise from above investment properties. Further, the company has not incurred any expenditure for above properties.
- 2 The above land has been mortgaged against Secured borrowings.
- 3 The Company has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
- 4 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, 2019**

6 Financial Assets	March 31, 2019 (INR In Million)	March 31, 2018 (INR In Million)
<b>Non Current Financial Assets</b>		
Receivable under service concession arrangement	1,567.75	1,800.43
Fixed Deposit (VAT)	0.01	0.01
<b>Total</b>	<b>1567.76</b>	<b>1800.44</b>
<b>Current Financial Assets</b>		
Receivable under service concession arrangement (Refer note 1 below)	435.80	383.96
Other Receivable from NHAI	11.36	-
<b>Total</b>	<b>447.16</b>	<b>383.96</b>
	<b>2014.92</b>	<b>2184.40</b>

**Note:**

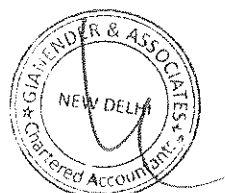
- 1 Annuity receivable from NHAI of Rs.435.80 Millions is the current portion i.e annuity receivable in the year 2019-2020 or in the next 12 months.
- 2 Fair value disclosures for financial assets are given in Note No. 38

7 Current Assets	March 31, 2019 (INR In Million)	March 31, 2018 (INR In Million)
<b>Non Current Assets</b>		
Interest Accrued but not Due*	0.00	0.00
Advance Income Tax (Net of Provision)		
Less: Provision for Income Tax		
Advance Income Tax (Net of Provision)	14.23	11.52
<b>Total</b>	<b>14.24</b>	<b>11.52</b>
<b>Current Assets</b>		
Prepaid expenses	0.14	0.12
<b>Total</b>	<b>0.14</b>	<b>0.12</b>

\* Amount INR 3686 in current year & previous year is below the rounding off norm of the company

8 Investments	March 31, 2019 (INR In Million)	March 31, 2018 (INR In Million)
<b>Unquoted</b>		
<b>Investments in mutual funds</b>		
L & T Ultra Short Term fund		
Units in 2019: Nil (P.Y.= 987841.971 )	-	28.01
Union Corporate Bond Fund Regular Plan-Growth		
1000000 (P.Y.= Nil)	10.69	0.00
L&T CASH FUND - GROWTH		
2019: 144411.542 (P.Y.= Nil )	205.33	0.00
<b>Total</b>	<b>216.02</b>	<b>28.01</b>
Aggregate amount of Unquoted Investments	216.02	28.01
Aggregate amount of Impairment in value of Investment		

9 Cash and Cash Equivalents	March 31, 2019 (INR In Million)	March 31, 2018 (INR In Million)
Cash on Hand	0.01	0.01
Balance with Bank	0.54	56.33
<b>Total</b>	<b>0.55</b>	<b>56.34</b>



**Nagpur Seoni Express Way Limited**  
**Notes to Financial Statements for the year ended March 31, 2019**

**10 Equity Share Capital**

	March 31, 2019		March 31, 2018	
	No. of shares	INR In Million	No. of shares	INR In Million
<b>Authorized Share Capital</b>				
Equity Shares of INR 10 each	5,80,00,000	580.00	5,80,00,000	580.00
	<b>5,80,00,000</b>	<b>580.00</b>	<b>5,80,00,000</b>	<b>580.00</b>
<b>Issued, Subscribed and fully paid up</b>				
Equity Shares of Rs 10 each	4,80,00,000	480.00	4,80,00,000	480.00
	<b>4,80,00,000</b>	<b>480.00</b>	<b>4,80,00,000</b>	<b>480.00</b>

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

Particulars	March 31, 2019		March 31, 2018	
	No. of shares	INR In Million	No. of shares	INR In Million
At the beginning of the year	4,80,00,000	480.00	4,80,00,000	480.00
Add: Issue during the year	-	-	-	-
Outstanding at the end of the year	<b>4,80,00,000</b>	<b>480.00</b>	<b>4,80,00,000</b>	<b>480.00</b>

**(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, 2018: 47,999,900) are held by Sadbhav Infrastructure Project Limited - Holding Company, while 100 shares (March 31, 2018: 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, 2019		March 31, 2018	
	No. of shares	% Holding	No. of shares	% Holding
<b>Equity Shares of Rs 10 each fully paid</b>				
Sadbhav Infrastructure Project Limited and its nominees	4,79,99,900	100%	4,79,99,900	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.

**11 Other Equity**

**11.1 Equity Component of Compound Financial Instrument -**

**Sub Ordinate debts (refer note below & 24)**

	March 31, 2019 (INR In Million)	March 31, 2018 (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	<b>Total 118.29</b>	<b>118.29</b>

**Debenture Redemption Reserve**

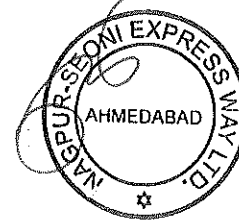
	March 31, 2019 (INR In Million)	March 31, 2018 (INR In Million)
Balance at the beginning of the year	-	-
Add : Transfer from surplus of statement of Profit & Loss (refer note 2 below)	132.79	-
Balance at the end of the year	<b>Total 132.79</b>	<b>-</b>

**(Deficit) in statement of profit and loss**

	March 31, 2019 (INR In Million)	March 31, 2018 (INR In Million)
Balance as per last financial statement	(1,206.17)	(1,087.49)
Add: Profit/(loss) for the year	482.59	(118.68)
Transfer to Debenture Redemption Reserve	(132.79)	-
Balance at the end of the year	<b>Total (856.38)</b>	<b>(1,206.17)</b>
	<b>Total (605.30)</b>	<b>(1,087.88)</b>

**Note**

- 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 Promoters 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.
- The Company has issued redeemable non-convertible debentures (refer note 12). Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the company to create DRR out of profits of the company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued. Though the DRR is required to be created over the life of debentures, the Company has upfront created DRR out of retained earnings. Further, the Company has created debenture redemption reserve to the extent surplus available for the purpose of creation of debenture redemption reserve.





**Nagpur Seoni Express Way Limited**  
**Notes to Financial Statements for the year ended March 31, 2019**

12 Non-Current Borrowings	March 31, 2019 (INR In Million)	March 31, 2018 (INR In Million)
<u>Secured*</u>		
Non convertible debentures	1,603.12	1,748.90
<b>Total</b>	<b>1603.12</b>	<b>1748.90</b>
 <u>Less: Current maturities of non-current borrowing*</u>		
<u>Secured</u>		
Non convertible debentures	155.29	145.78
<b>Total</b>	<b>155.29</b>	<b>145.78</b>
	<b>1447.83</b>	<b>1603.12</b>

\* 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
- 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-19
Series B	9500	8.91%	Partial Repayment	01-Aug-19

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.

13 Short Term Borrowings	March 31, 2019 (INR In Million)	March 31, 2018 (INR In Million)
Loans Repayable on Demand - Unsecured		
Loan from Holding Company (Refer Note*)	663.03	828.68
<b>Total</b>	<b>663.03</b>	<b>828.68</b>

\*Loan is repayable on demand / call notice from the lender and it carry interest of 10.00% per annum

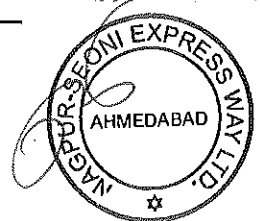
14 Trade Payables	March 31, 2019 (INR In Million)	March 31, 2018 (INR In Million)
Trade Payables (Refer Note 27)	4.47	27.39
<b>Total</b>	<b>4.47</b>	<b>27.39</b>

15 Financial Liabilities	March 31, 2019 (INR In Million)	March 31, 2018 (INR In Million)
Current maturities of long-term borrowings	155.29	145.78
Interest accrued but not due on borrowings	22.83	24.92
Interest accrued and due on borrowings	9.85	261.58
Retention Money of Contractor	0.17	0.17
Others	0.01	0.03
<b>Total</b>	<b>188.15</b>	<b>432.48</b>

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

16 Current Liabilities	March 31, 2019 (INR In Million)	March 31, 2018 (INR In Million)
Statutory dues	1.16	1.42
<b>Total</b>	<b>1.16</b>	<b>1.42</b>

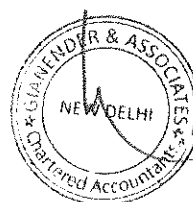
17 Current Tax Liabilities (Net)	March 31, 2019 (INR In Million)	March 31, 2018 (INR In Million)
Provision for Income Tax (Net of Tds Receivable 18-19)	71.33	-
	<b>71.33</b>	<b>-</b>



**Nagpur Seoni Express Way Limited**  
**Notes to Financial Statements for the year ended March 31, 2019**

<b>18 Revenue From Operations</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
	<b>(INR In Million)</b>	<b>(INR In Million)</b>
Routine Road Management Income	46.12	35.60
<b>Total</b>	<b>46.12</b>	<b>35.60</b>
<b>19 Other Income</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
	<b>(INR In Million)</b>	<b>(INR In Million)</b>
Net Gain or Loss on financial assets measured at FVTPL		
Gain on Sale of Mutual Funds ( Net )	10.82	4.72
*Total Net gains (losses) on fair value changes include Rs 9.13 million (previous year Rs 4.22 million) as 'Net gain or loss on sale of investments'		
Interest on Annuity Receivables	157.01	136.76
Miscellaneous Income		
Excess Provision written Back	0.02	3.17
<b>Total</b>	<b>167.84</b>	<b>144.65</b>
<b>20 Operating Expense</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
	<b>(INR In Million)</b>	<b>(INR In Million)</b>
Routine Road Maintenance Exp	19.96	19.20
Other Expenses	0.51	0.66
	<b>20.47</b>	<b>19.86</b>
<b>21 Employee benefits expense</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
	<b>(INR In Million)</b>	<b>(INR In Million)</b>
Salaries, wages,bonus and other allowances	0.14	0.14
Contribution to provident fund and other fund	0.02	0.01
	<b>0.15</b>	<b>0.15</b>
<b>22 Finance Cost</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
	<b>(INR In Million)</b>	<b>(INR In Million)</b>
Interest Expenses on Financial liabilities measured at amortized cost		
Interest on NCD	149.01	160.63
Short Term Borrowings	105.98	104.10
	<b>254.99</b>	<b>264.73</b>
Other Borrowing costs		
Bank Charges	0.01	0.00
Bank Guarantee Commission	-	0.15
Others	-	0.00
	<b>0.01</b>	<b>0.15</b>
<b>Total</b>	<b>255.00</b>	<b>264.88</b>
<b>23 Other Expenses</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
	<b>(INR In Million)</b>	<b>(INR In Million)</b>
Rent	1.06	1.06
Rates & Taxes	0.07	0.02
Office Expenses	0.09	0.10
Insurance	0.75	0.78
Professional fees & Legal Fees (Director sitting fees added)	31.55	11.39
Auditors' remuneration	0.25	0.24
Miscellaneous expenses	0.42	0.45
<b>Total</b>	<b>34.19</b>	<b>14.04</b>
Auditors' remuneration comprises following:	<b>March 31, 2019</b>	<b>March 31, 2018</b>
	<b>(INR In Million)</b>	<b>(INR In Million)</b>
Statutory Audit fees	0.24	0.19
Certification Fees	0.00	0.01
Tax Audit fees	0.01	0.04
<b>Total</b>	<b>0.25</b>	<b>0.24</b>
<b>24 Exceptional Items</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
	<b>(INR In Million)</b>	<b>(INR In Million)</b>
Contract Revenue (Arbitration Award Income)	440.64	-
Interest on delayed payment of Annuity	239.81	-
Other Income	7.07	-
<b>Total</b>	<b>687.52</b>	<b>-</b>

**Note:** As at 05th October, 2018, the Company received the award from the Arbitral Tribunal in which the semi annuity amount was increased from INR 191.98 million to INR 217.90 million from the initial date of annuity. Accordingly, the Company has received INR 440.64 million towards differential amount of annuity along with interest of INR 239.81 million on 29th January, 2019 from NHAI.



**Nagpur Seoni Express Way Limited**  
**Notes to Financial Statements for the year ended March 31, 2019**

**25 Income tax**

The major component of income tax expense for the year ended March 31, 2019 and March 31, 2018 are as under:

**A) Profit and Loss section**

	March 31, 2019 (INR In Million)	March 31, 2018 (INR In Million)
Current tax	-	-
Deferred tax	-	-
<b>Total</b>	-	-

**B) Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended March 31, 2019 and March 31, 2018**

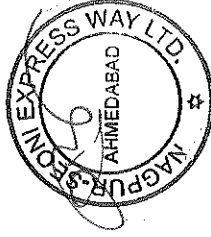
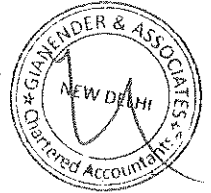
	March 31, 2019 (INR In Million)	March 31, 2018 (INR In Million)
<b>Accounting profit before tax</b>	<b>482.59</b>	<b>(118.68)</b>
Tax @ 27.82% (March 31, 2018: 27.82%)	134.26	(33.02)
<b>Adjustment</b>		
Tax losses not recognised due to absence of probable certainty of reversal (refer note 2)	(134.26)	33.02
Other non-deductible expenses	-	-
<b>At the effective income tax rate of Nil (March 31, 2017: Nil)</b>	<b>-</b>	<b>-</b>

**C) Deferred tax**

Particulars	Balance sheet		Statement of Profit and Loss	
	March 31, 2019	March 31, 2018	2018-19	2017-18
Impact of fair valuation of investment	-	-	-	-
Impact of fair valuation of derivative contract	-	-	-	-
Impact of fair valuation of asset	(312.07)	(376.53)	(64.45)	(39.64)
Expenditure allowable over the period	(0.24)	(0.34)	(0.10)	(0.07)
Unused losses available for offsetting against future taxable income (refer note 2)	312.31	376.86	64.55	39.72
<b>Deferred tax expense/(income)</b>				
<b>Net deferred tax assets/(liabilities)</b>				
<b>Deferred Tax Asset not recognized (refer note 2 below)</b>				

**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, 2019**

**26 Earning Per Share (EPS):**

The following reflects the income and share data used in the basic and diluted EPS computations:

	March 31, 2019 (INR In Million)	March 31, 2018 (INR In Million)
Net (Loss) attributable to Equity Shareholders:	482.59	(118.68)
Total no. of equity shares at the end of the year	4,80,00,000	4,80,00,000
Weighted average number of equity shares for basic and diluted EPS	4,80,00,000	4,80,00,000
Nominal value of equity shares	10.00	10.00
Basic and Dilluted earnings/(loss) per share	10.05	(2.47)

**27 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. Arun S. Patel, Independent Director Mrs. Daksha N. Shah, Independent Director Mr. Anand Rohan, Company Secretary (upto 28.03.2019) Ms. Pooja Shah, Company Secretary (w.e.f 03.05.2019)

**B Transactions with Related Parties during the Year:**

	March 31, 2019 (INR In Million)	March 31, 2018 (INR In Million)
Short Term Borrowings received		
SIPL	67.80	10.26
Short Term Borrowings repaid (including Interest paid)		
SIPL	591.17	20.61
Interest on Short Term Borrowings		
SIPL	105.98	104.10
Operation and Maintenance Services Availed		
SIPL	19.96	19.20
Rent , Allocation of Expenses & Reimbursement		
SEL	1.06	1.06
Director Sitting Fees		
Mrs. Daksha N. Shah	0.04	0.04
Mr. Arun S. Patel	0.04	0.04
Remuneration		
Mr. Anand Rohan	0.15	0.11

**C Balances outstanding as at March 31, 2019 :**

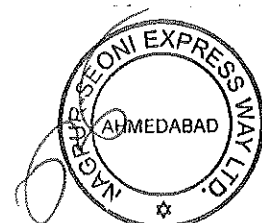
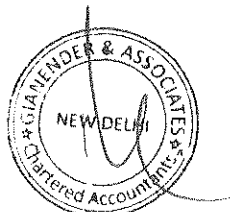
	March 31, 2019 (INR In Million)	March 31, 2018 (INR In Million)
Other Equity (Sub-ordinate debts )		
SIPL	118.29	118.29
Short Term Borrowings outstanding including interest payable		
SIPL	672.88	1090.26
Payable towards Operation & Manitenance & Project Management Services		
SIPL	-	4.91
Trade Payables and other current liabilities (unsecured)		
SEL	2.72	1.75
SIPL	-	18.52
Remuneration Payable		
Mr. Anand Rohan	0.01	0.01

**D Terms and conditions of the balance outstanding:**

1. The transactions with related parties are made on terms equivalent to those that prevail in arin'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.
2. The Company has not provided any commitment to the related party as at March 31, 2019 (March 31, 2018: Rs.Nil)

**28 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.



**29 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, 2018: Rs. 1.06 million). These operating lease agreement are cancellable by giving short period notice by either of the parties to the agreement.

**30** 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.

**31** The Company does not have any transaction to which the provision of IND AS-2 relating to Valuation of Inventories applies.

**32 Disclosure pursuant to Ind AS 115 - "Revenue from Contracts with Customers"**

Amount of contract revenue recognised in the year : Rs. 46.12 million (Previous year- Rs.35.60 million)

Method used to recognise the constructions revenue - Work excuted during the year and remaining to be executed

**(i) Changes in amount of Contract Assets:**

**Opening Balance**

Less: Annuity Received for Construction and Operations and Maintenance

Add: Notional Finance Income on Annuity Receivable

Operation and Maintanace Contract Revenue

**Closing Balance**

**March 31, 2019**

**(INR in Million)**

2184.39

(383.96)

157.01

46.12

**2003.55**

**Note:** Notional Finance Income on Annuity Receivable is recognised during the year using effective interest rate method where the effective interest rate is taken as 9.77% per annum.

**33 Employee benefits**

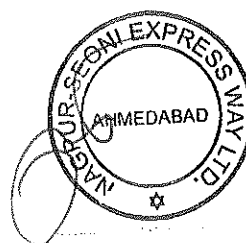
The Company has one employee, the Company Secretary, on its payroll during the period and therefore, there is no reportable information under Ind AS-19. Please refer note 27 for information related to remuneration paid to him.

**34 Disclosure pursuant to Ind AS 23 "Borrowing Costs"**

Borrowing cost capitalised during the year INR Nil. (previous year : INR Nil).

**35 Capital Commitment and Contigent Liabilities**

The Company does not have any capital commitment and contingent liabilities as on 31.3.2019. There are no litigation pending against the company which could be materially impact its financial position as at the end of the year.



**Nagpur Seoni Express Way Limited**  
**Notes to Financial Statements for the year ended March 31, 2019**

**36 Disclosure of Financial Instruments by Category**

(INR In Million)							
Financial instruments by categories	Note no.	March 31, 2019			March 31, 2018		
		FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
<b>Financial asset</b>							
Security Deposits	6	-	-	0.01	-	-	0.01
Investment in Mutual Fund	8	216.02	-	-	28.01	-	-
Cash and Cash Equivalent	9	-	-	0.55	-	-	56.34
Other Financial Assets	6	-	-	2,014.92	-	-	2,184.40
<b>Total Financial Asset</b>		<b>216.02</b>	<b>-</b>	<b>2,015.47</b>	<b>28.01</b>	<b>-</b>	<b>2,240.74</b>
<b>Financial liability</b>							
Non Current Borrowings	12	-	-	1,447.83	-	-	1,603.12
Loans Repayable on Demand	13	-	-	663.03	-	-	828.68
Trade Payables	14	-	-	4.47	-	-	27.39
Other Financial Liabilities	15	-	-	188.15	-	-	432.48
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>2,303.48</b>	<b>-</b>	<b>-</b>	<b>2,891.67</b>

**37 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.

**38 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, 2019		March 31, 2018		
	Carrying amount	Fair value	Carrying amount	Fair value	
<b>Financial Assets</b>					
Investment in Mutual Fund	Level-1	216.02	216.02	28.01	28.01
Security Deposits	Level-3	0.01	0.01	0.01	0.01
Cash and Cash Equivalent	Level-3	0.55	0.55	56.34	56.34
Other Financial Assets	Level-3	2,014.92	2,014.92	2,184.40	2,184.40
<b>Total Financial Assets</b>		<b>2,231.49</b>	<b>2,231.49</b>	<b>2,268.74</b>	<b>2,268.74</b>

**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.

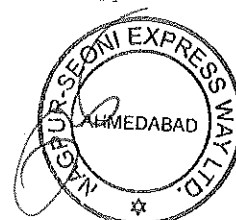
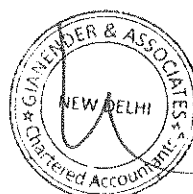
**39 Fair value hierarchy**

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, 2019 and March 31, 2018

(INR In Million)			
	Note	Fair value measurement using Significant observable inputs (Level 1)	
	No.	March 31, 2019	March 31, 2018
Assets measured at fair value			
Fair value through profit & loss			
Investment in Mutual	8	216.02	28.01

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



**40 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-to-fixed interest rate swaps. The company measures risk through sensitivity analysis. 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**

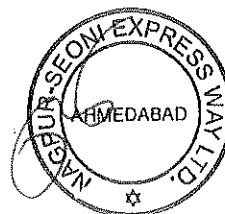
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is not exposed to credit risk from its operating activities as the company is under Service concession arrangement with National Highway 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, 2019 is Rs. 216.02 million and March 31, 2018 is Rs.28.01 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, 2019**

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

(Rs. In Million)						
Particulars	Total Amount	On Demand	upto 1 year	1-2 years	2 - 5 years	> 5 years
<b>As at March 31, 2019</b>						
Long term borrowings#	1,604.00	-	155.50	181.50	551.00	716.00
Short term borrowings	663.03	663.03	-	-	-	-
Trade Payables	4.47	-	4.47	-	-	-
Other Financial Liabilities#	32.86	-	32.86	-	-	-
<b>Total</b>	<b>2,304.36</b>	<b>663.03</b>	<b>192.83</b>	<b>181.50</b>	<b>551.00</b>	<b>716.00</b>
<b>As at March 31, 2018</b>						
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#	286.70	-	286.70	-	-	-
<b>Total</b>	<b>2,892.76</b>	<b>828.68</b>	<b>460.09</b>	<b>155.50</b>	<b>528.50</b>	<b>920.00</b>

# 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 38.

**41 Capital Management**

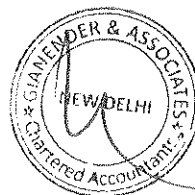
For the purpose of the Company's capital management, Capital consist of share capital, Other equity in form of Subordinate Debt and all other reserves attributable to the equity holders of the Company.

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 debt equity ratio which does not exceed 4:1, 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, 2019 (Rs. In Million)	March 31, 2018 (Rs. In Million)
Long term Borrowings (refer note 12)	1,604.00	1,750.00
<b>Total Debts - A</b>	<b>1,604.00</b>	<b>1,750.00</b>
Equity Share Capital (refer note 10)	480.00	480.00
Equity Component of Compound Financial Instruments (refer note 11.1)	118.29	118.29
<b>Total Equity - B</b>	<b>598.29</b>	<b>598.29</b>
<b>Debt equity ratio (A/B)</b>	<b>2.68</b>	<b>2.93</b>





**Nagpur Seoni Express Way Limited**  
**Notes to Financial Statements for the year ended March 31, 2019**

**42 Disclosure pursuant to Appendix - E of IND AS 115 "Revenue from Contracts with Customer"**

**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.**

- 43** The company has accumulated losses of INR 856.37 Million (March 31, 2018: INR 1206.17 Million) as at the March 31, 2019, which have resulted in erosion of the company's net worth, although Sadbhav Infrastructure Project Limited, the holding company, Sponsors of the Company's project, has invested INR 118.29 Million as sub ordinate debt which is part of the Project Equity Capital as per terms of the Rupee Facility Agreement (Loan Agreement). The Company has been able to meet its obligations in the ordinary course of the business complimented by the continuing financial support offered from Sadbhav Infrastructure Project Limited (the Holding Company). The Sponsors viz., Sadbhav Infrastructure Project Limited and Sadbhav Engineering Limited have also entered into undertaking to support the Company for cost overrun and shortfall in cash flow. Despite Negative net-worth, the management is confident of continuity of business and views the entity as going concern. Further the company has received an arbitral award from NHAI in which the Annuity amount has been increased from 191.98 million to 217.90 million.

**44 Previous year figures:**

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

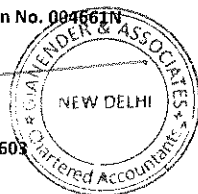
As per our report of even date

For Gianender & Associates  
Chartered Accountants

ICAI Firm Registration No. 004661N

G.K. Agarwal  
Partner

Membership No.081603



Date : May 24, 2019  
Place: Ahmedabad



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

Shashin Patel  
Managing Director

DIN : 00048328

Deeja Shah

Company Secretary

M. No. AS6635

Nitin Patel  
Director

DIN : 00466330

Deep G. Patel

Chief Financial Officer

Date : May 24, 2019  
Place: Ahmedabad



Reg. Off: Sadbhav House, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad- 380 006

## ATTENDANCE SLIP

<b>DP ID</b>	
<b>Client ID</b>	

<b>Folio No.</b>	
<b>No. of Shares</b>	

**Name and address of Shareholder / Proxy holder**


I hereby record my presence at the 12<sup>th</sup> Annual General Meeting of the Company held on Monday, 16th day of September, 2019 at 12:30 p.m. at “Sadbhav”, Nr. Havmor Restaurant, B/h Navrangpura Bus Stand, Navrangpura, Ahmedabad-380009.

**Shareholder / Proxy's Signature**

(Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand over at the entrance of the Meeting Hall)



**Nagpur – Seoni Express Way Limited**  
**Annual Report – 2018-19**  
CIN: U45203GJ2007PLC049963

**CIN: U45203GJ2007PLC049963**

Reg. Off: Sadbhav House, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad- 380 006

**Form No. MGT-11**

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

PROXY FORM			
Name of the Member(s)			
Registered Address			
E-mail ID			
Folio No./ Client ID		DP ID	

I/We, being the member(s) of \_\_\_\_\_ shares of the **Nagpur – Seoni Express Way Limited**, hereby appoint;

1. Name : .....

Address: .....

E-mail ID: ..... Signature: \_\_\_\_\_ or failing  
him

2. Name : .....

Address: .....

E-mail ID: ..... Signature: \_\_\_\_\_ or failing  
him

3. Name : .....

Address: .....

E-mail ID: ..... Signature: \_\_\_\_\_

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 12<sup>th</sup> Annual General Meeting of the Company, to be held on Monday, 16<sup>th</sup> day of September, 2019 at 12:30 p.m. at “Sadbhav”, Nr. Havmor Restaurant, B/h Navrangpura Bus Stand, Navrangpura, Ahmedabad-380009 Gujarat and at any adjournment thereof in respect of such resolution as are indicated below:

## ORDINARY BUSINESS

1. Consider and adopt Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2019, together with the Report of Directors and Auditors thereon. (Ordinary Resolution)
2. Re-appointment of Mr. Shashin Patel (DIN:00048328) who retires by rotation. (Ordinary Resolution)

Signed this ..... day of....., 2019

Affix  
Re.1/-  
Revenue  
Stamp

\_\_\_\_\_  
**Signature of Shareholder**

\_\_\_\_\_  
**Signature of 1<sup>st</sup> Proxy holder    Signature of 2<sup>nd</sup> Proxy holder    Signature of 3<sup>rd</sup> Proxy holder**

## Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A Proxy need not be a member of the Company.
3. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

## A ROUTE MAP GIVING DIRECTIONS TO REACH THE VENUE OF THE 12<sup>TH</sup> ANNUAL GENERAL MEETING

