

**DRAFT RED HERRING PROSPECTUS**

Dated May 25, 2015

(The Draft Red Herring Prospectus will be updated upon filing with the RoC)

Please read Section 32 of the Companies Act, 2013

**Book Built Issue****SADBHAV INFRASTRUCTURE PROJECT LIMITED**

Our Company was incorporated as Sadbhav Infrastructure Project Limited on January 18, 2007 at Ahmedabad as a public limited company under the Companies Act, 1956. Our Company obtained a certificate for commencement of business on February 7, 2007. For further details, see "History and Certain Corporate Matters" beginning on page 232.

**Registered Office:** Sadbhav House, Opposite Law Garden Police Chowki, Ellisbridge, Ahmedabad 380 006

**Tel:** (91 79) 2646 3384; **Fax:** (91 79) 2640 0210

**Contact Person:** Gaurav Vesasi, Company Secretary and Compliance Officer

**E-mail:** investor@sadbhavinfra.co.in; **Website:** www.sadbhavinfra.co.in

**Corporate Identity Number:** U45202GJ2007PLC049808

**OUR PROMOTERS: SADBHAV ENGINEERING LIMITED AND VISHNUBHAI M. PATEL**

**PUBLIC ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (THE "EQUITY SHARES") OF SADBHAV INFRASTRUCTURE PROJECT LIMITED (OUR "COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) AGGREGATING UP TO ₹ [●] MILLION ("ISSUE") CONSISTING OF A FRESH ISSUE OF [●] EQUITY SHARES AGGREGATING UP TO ₹ 4,250 MILLION AND AN OFFER FOR SALE OF UP TO 8,102,996 EQUITY SHARES BY XANDER INVESTMENT HOLDING XVII LIMITED AND UPTO 4,853,643 EQUITY SHARES BY NORWEST VENTURE PARTNERS VII – A – MAURITIUS (THE "SELLING SHAREHOLDERS"). THE ISSUE COMPRISES A NET ISSUE TO THE PUBLIC OF [●] (THE "NET ISSUE") AND A RESERVATION OF [●] EQUITY SHARES AGGREGATING UP TO ₹ 250 MILLION FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED HEREIN) (THE "EMPLOYEE RESERVATION PORTION"). THE ISSUE WOULD CONSTITUTE [●]% OF OUR POST-ISSUE PAID-UP EQUITY SHARE CAPITAL AND THE NET ISSUE TO THE PUBLIC WOULD CONSTITUTE [●] % OF OUR POST-ISSUE PAID-UP EQUITY SHARE CAPITAL.**

**THE FACE VALUE OF EQUITY SHARES IS ₹ 10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND WILL BE ADVERTISED IN [●] EDITIONS OF THE ENGLISH NATIONAL NEWSPAPER [●], [●] EDITIONS OF THE HINDI NATIONAL NEWSPAPER [●] AND [●] EDITION OF THE GUJARATI NEWSPAPER [●] (GUJARATI BEING THE REGIONAL LANGUAGE OF GUJARAT, WHERE OUR REGISTERED OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE.**

In case of any revision to the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), by issuing a press release, and also by indicating the change on the website of the BRLMs and at the terminals of the Syndicate Members.

In terms of Rule 19(2)(b)(iii) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR"), this is an Issue for at least 10% of the post-Issue paid-up equity share capital of our Company. In the event the post-Issue Equity Share capital of our Company calculated at the Issue Price is lower than ₹ 40,000 million, then the Issue will be deemed to be undertaken in terms of Rule 19(2)(b)(ii) of the SCRR where the minimum offer to public will be at least such percentage which will be equivalent to ₹ 4,000 million calculated at the Issue Price. The Issue is being made through the Book Building Process wherein at least 75% of the Net Issue shall be Allotted on a proportionate basis to Qualified Institutional Buyers ("QIBs"), provided that our Company and the Selling Shareholders may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. If at least 75% of the Net Issue cannot be Allotted to QIBs, then the entire application money shall be refunded forthwith. Further, not more than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI Regulations"), subject to valid Bids being received at or above the Issue Price. Further, [●] Equity Shares will be available for allocation on a proportionate basis to Eligible Employees, subject to valid bids being received from them at or above Issue Price. All potential investors, other than Anchor Investors, may participate in this Issue through an Application Supported by Blocked Amount ("ASBA") process providing details of their respective bank account which will be blocked by the SCSBs. QIBs (except Anchor Investors) and Non-Institutional Bidders are mandatorily required to utilise the ASBA process to participate in this Issue. Anchor Investors are not permitted to participate in the Issue through ASBA Process. For details, see "Issue Procedure" beginning on page 578.

**RISKS IN RELATION TO THE FIRST ISSUE**

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 and the Floor Price is [●] times the face value and the Cap Price is [●] times the face value. The Issue Price (determined and justified by our Company in consultation with the BRLMs as stated under "Basis for Issue Price" beginning on page 162) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" beginning on page 21.

**COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY**

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, the Selling Shareholders accept responsibility that this Draft Red Herring Prospectus contains all information about them as the Selling Shareholders in the context of the Offer for Sale and each Selling Shareholder assumes responsibility for statements in relation to such Selling Shareholder included in this Draft Red Herring Prospectus.

**LISTING**

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Our Company has received an 'in-principle' approval from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Issue, the Designated Stock Exchange shall be [●].

**BOOK RUNNING LEAD MANAGERS**

|                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Kotak Mahindra Capital Company Limited</b><br>1 <sup>st</sup> Floor, 27 BKC, Plot No. 27, G Block<br>Bandra Kurla Complex<br>Bandra (East), Mumbai 400 051<br>Tel: (91 22) 4336 0000<br>Fax: (91 22) 6713 2447<br>E-mail: sipl ipo@kotak.com<br>Investor grievance e-mail: kmccredressal@kotak.com<br>Website: http://investmentbank.kotak.com<br>Contact Person: Ganesh Rane<br>SEBI Registration No.: INM000008704 | <b>Inga Capital Private Limited</b><br>Naman Midtown, 'A' wing, 21 <sup>st</sup> floor<br>Senapati Bapat Marg<br>Elphinstone (West), Mumbai 400 013<br>Tel: (91 22) 4031 3489<br>Fax: (91 22) 4031 3379<br>E-mail: sipl ipo@ingacapital.com<br>Investor grievance e-mail: investors@ingacapital.com<br>Website: www.ingacapital.com<br>Contact Person: Ashwani Tandon<br>SEBI Registration No.: INM000010924 | <b>Edelweiss Financial Services Limited</b><br>14 <sup>th</sup> Floor, Edelweiss House, Off CST Road<br>Kalina, Mumbai 400 098<br>Tel: (91 22) 4009 4400<br>Fax: (91 22) 4086 3610<br>E-mail: sipl ipo@edelweissfin.com<br>Investor grievance e-mail: customerservice.mb@edelweissfin.com<br>Website: www.edelweissfin.com<br>Contact Person: Hardik Kampani / Sameer Gaud<br>SEBI Registration No.: INM0000010650 |

**BOOK RUNNING LEAD MANAGERS****REGISTRAR TO THE ISSUE**

|                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                               |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                               |
| <b>ICICI Securities Limited</b><br>ICICI Centre, H.T. Parekh Marg<br>Churchgate, Mumbai 400 020<br>Tel : (91 22) 2288 2460<br>Fax : (91 22) 2282 6580<br>Email: sipl ipo@icicisecurities.com<br>Investor Grievance Email: customercare@icicisecurities.com<br>Website: www.icicisecurities.com<br>Contact Person: Anurag Byas<br>SEBI Registration No.: INM000011179 | <b>Macquarie Capital Securities (India) Private Limited</b><br>92, Level 9, 2 North Avenue<br>Maker Maxity<br>Bandra Kurla Complex,<br>Bandra East, Mumbai 400 051<br>Tel: (91 22) 6720 4000<br>Fax: (91 22) 6720 4301<br>E-mail: sipl ipo@macquarie.com<br>Investor grievance e-mail: investor.complaints@macquarie.com<br>Website: http://www.macquarie.com/in/corporate<br>Contact Person: Anupam Misra<br>SEBI Registration No.: INM000010932 | <b>Link Intime India Private Limited</b><br>C-13, Pannalal Silk Mills Compound, L.B.S. Marg<br>Bhandup (West), Mumbai 400 078<br>Tel: (91 22) 2596 7878<br>Fax: (91 22) 2596 0329<br>E-mail: mumbai@linkintime.co.in<br>Website: www.linkintime.co.in<br>Contact Person: Sachin Achar<br>SEBI Registration No.: INR0000040508 |

**BID/ISSUE PROGRAMME****BID/ISSUE OPENS ON****BID/ISSUE CLOSING ON**[●] \*\*  
[●] \*\*

\*Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid / Issue Opening Date.

\*\* Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI Regulations.

## TABLE OF CONTENTS

|                                                                                             |            |
|---------------------------------------------------------------------------------------------|------------|
| <b>SECTION I: GENERAL.....</b>                                                              | <b>2</b>   |
| DEFINITIONS AND ABBREVIATIONS .....                                                         | 2          |
| CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA....                | 16         |
| FORWARD-LOOKING STATEMENTS .....                                                            | 19         |
| <b>SECTION II: RISK FACTORS .....</b>                                                       | <b>21</b>  |
| <b>SECTION III: INTRODUCTION .....</b>                                                      | <b>57</b>  |
| SUMMARY OF INDUSTRY .....                                                                   | 57         |
| SUMMARY OF BUSINESS .....                                                                   | 63         |
| SUMMARY OF FINANCIAL INFORMATION.....                                                       | 69         |
| FINANCIAL STATEMENTS OF DHULE PALESNER TOLLWAY LIMITED.....                                 | 83         |
| THE ISSUE .....                                                                             | 121        |
| GENERAL INFORMATION.....                                                                    | 123        |
| CAPITAL STRUCTURE .....                                                                     | 135        |
| OBJECTS OF THE ISSUE .....                                                                  | 148        |
| BASIS FOR ISSUE PRICE .....                                                                 | 163        |
| STATEMENT OF TAX BENEFITS .....                                                             | 167        |
| <b>SECTION IV: ABOUT OUR COMPANY .....</b>                                                  | <b>171</b> |
| INDUSTRY .....                                                                              | 171        |
| BUSINESS .....                                                                              | 196        |
| REGULATIONS AND POLICIES.....                                                               | 229        |
| HISTORY AND CERTAIN CORPORATE MATTERS.....                                                  | 233        |
| SUBSIDIARIES .....                                                                          | 247        |
| MANAGEMENT .....                                                                            | 256        |
| OUR PROMOTERS AND PROMOTER GROUP .....                                                      | 276        |
| OUR GROUP COMPANIES.....                                                                    | 280        |
| RELATED PARTY TRANSACTIONS .....                                                            | 287        |
| DIVIDEND POLICY .....                                                                       | 288        |
| <b>SECTION V: FINANCIAL INFORMATION.....</b>                                                | <b>289</b> |
| FINANCIAL STATEMENTS .....                                                                  | 289        |
| FINANCIAL INDEBTEDNESS .....                                                                | 449        |
| MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS ..... | 494        |
| <b>SECTION VI: LEGAL AND OTHER INFORMATION .....</b>                                        | <b>516</b> |
| OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS .....                                      | 516        |
| GOVERNMENT AND OTHER APPROVALS.....                                                         | 547        |
| OTHER REGULATORY AND STATUTORY DISCLOSURES.....                                             | 555        |
| <b>SECTION VII: ISSUE INFORMATION.....</b>                                                  | <b>569</b> |
| TERMS OF THE ISSUE.....                                                                     | 569        |
| ISSUE STRUCTURE .....                                                                       | 572        |
| ISSUE PROCEDURE.....                                                                        | 579        |
| RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES .....                                | 632        |
| <b>SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION.....</b>                        | <b>633</b> |
| <b>SECTION IX: OTHER INFORMATION .....</b>                                                  | <b>645</b> |
| <b>DECLARATION .....</b>                                                                    | <b>648</b> |

## SECTION I: GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended from time to time.*

#### General Terms

| Term                                                 | Description                                                                                                                                                                                                       |
|------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “our Company”, “the Company”, “the Issuer” or “SIPL” | Sadbhav Infrastructure Project Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Sadbhav House, Opposite Law Garden Police Chowki, Ellisbridge, Ahmedabad 380 006 |
| “we”, “us” or “our”                                  | Unless the context otherwise indicates or implies, refers to our Company together with its Subsidiaries                                                                                                           |

#### Company Related Terms

| Term                                           | Description                                                                                                                                                                                                                                                  |
|------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AB                                             | Allahabad Bank                                                                                                                                                                                                                                               |
| AJTL                                           | Aurangabad – Jalna Toll Way Limited                                                                                                                                                                                                                          |
| AJTL Project                                   | Four laning of the Aurangabad Jalna Road (MSH-6) from km 10/400 to km 60/200 (approximately 49.8 km) and Zalta bypass from km 0/00 to km 2/850 (approximately 2.85 km) and Beed bypass from km 292/500 to km 305/650 (approximately 13.15 km) in Maharashtra |
| AnB                                            | Andhra Bank                                                                                                                                                                                                                                                  |
| ARRIL                                          | Ahmedabad Ring Road Infrastructure Limited                                                                                                                                                                                                                   |
| ARRIL Concession Agreement                     | Concession Agreement dated September 7, 2006 entered into between AUDA and ARRIL                                                                                                                                                                             |
| ARRIL Project                                  | Improvement and widening to four lane of two lane Sardar Patel Ring Road around Ahmedabad city in Gujarat                                                                                                                                                    |
| Articles of Association / AoA                  | Articles of Association of our Company, as amended                                                                                                                                                                                                           |
| AUDA                                           | Ahmedabad Urban Development Authority                                                                                                                                                                                                                        |
| Auditors / Statutory Auditors / Joint Auditors | Joint statutory auditors of our Company, namely, Manubhai & Shah, Chartered Accountants and S.R.B.C & Co. LLP, Chartered Accountants                                                                                                                         |
| BHTPL                                          | Bijapur – Hungund Tollway Private Limited                                                                                                                                                                                                                    |
| BHTPL Project                                  | Four laning of Bijapur – Hungund section of NH – 13 from km 102.00 to km 202.00 (approximately 97.22 km) in Karnataka under NHDP Phase III                                                                                                                   |
| BOB                                            | Bank of Baroda                                                                                                                                                                                                                                               |
| BoI                                            | Bank of India                                                                                                                                                                                                                                                |
| BRTPL                                          | Bhilwara – Rajsamand Tollway Private Limited                                                                                                                                                                                                                 |
| BRTPL Project                                  | Four laning of Rajsamand – Bhilwara section of NH – 758 from km 0.00 to km 87.25 (approximately 87.25 km) in Rajasthan under NHDP Phase IV                                                                                                                   |
| CARE                                           | Credit Analysis and Research Limited                                                                                                                                                                                                                         |
| CB                                             | Canara Bank                                                                                                                                                                                                                                                  |
| CBI                                            | Central Bank of India                                                                                                                                                                                                                                        |
| CorpBank                                       | Corporation Bank                                                                                                                                                                                                                                             |
| Board / Board of Directors                     | Board of directors of our Company or a duly constituted committee thereof, unless otherwise specified                                                                                                                                                        |
| DB                                             | Dena Bank                                                                                                                                                                                                                                                    |
| DPTL                                           | Dhule Palesner Tollway Limited                                                                                                                                                                                                                               |
| DPTL Project                                   | Four laning of section from Dhule to Palesner of NH-3 from km 168.50 to km 265.00 (approximately 89 km) in Maharashtra under NHDP Phase III                                                                                                                  |
| Director(s)                                    | Director(s) of our Company, unless otherwise specified                                                                                                                                                                                                       |
| Equity Shares                                  | Equity shares of our Company of face value of ₹ 10 each                                                                                                                                                                                                      |
| FB                                             | Federal Bank                                                                                                                                                                                                                                                 |
| GDA Facility                                   | Debenture Trust Deed dated January 1, 2015 pursuant to which 1,600 non-                                                                                                                                                                                      |

| Term                            | Description                                                                                                                                                                                                                                                                                                                                                                 |
|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                 | convertible debentures amounting to ₹ 1,600 million was issued in favour of HDFC Corporate Debt Opportunities Fund, HDFC Short Term Plan and HDFC High Interest Fund Short Term Plan and the several persons who are for the time being and who may from time to time become the holders of the debentures and whose names are entered in the register of debenture-holders |
| GKC                             | GKC Projects Limited                                                                                                                                                                                                                                                                                                                                                        |
| Group Companies                 | Companies, firms, ventures etc. promoted by our Promoter, irrespective of whether such entities are covered under Section 370(1)(B) of the Companies Act, 1956 or not<br><br>For details, see “Our Group Companies” beginning on page 279.                                                                                                                                  |
| HCC                             | Hindustan Construction Company Limited                                                                                                                                                                                                                                                                                                                                      |
| HCC Concessions                 | HCC Concessions Limited                                                                                                                                                                                                                                                                                                                                                     |
| HCC Infrastructure              | HCC Infrastructure Limited                                                                                                                                                                                                                                                                                                                                                  |
| HDFC                            | HDFC Bank Limited                                                                                                                                                                                                                                                                                                                                                           |
| HYTPL                           | Hyderabad – Yadgiri Tollway Private Limited                                                                                                                                                                                                                                                                                                                                 |
| HYTPL Project                   | Four laning of Hyderabad – Yadgiri section of NH – 202 from km 18.60 to km 54.00 (approximately 35.65 km) in Andhra Pradesh and Telangana under NHDP Phase III                                                                                                                                                                                                              |
| IB                              | Indian Bank                                                                                                                                                                                                                                                                                                                                                                 |
| ICICI                           | ICICI Bank Limited                                                                                                                                                                                                                                                                                                                                                          |
| IDBI                            | IDBI Bank Limited                                                                                                                                                                                                                                                                                                                                                           |
| IIFCL                           | India Infrastructure Finance Company Limited                                                                                                                                                                                                                                                                                                                                |
| IL&FS                           | IL&FS Infrastructure Debt Fund Series 1 – A and IL&FS Infrastructure Debt Fund Series 1 - B                                                                                                                                                                                                                                                                                 |
| Investor CCCPS                  | 1,125,387 compulsorily convertible cumulative preference shares of our Company of face value ₹ 10 each issued and allotted to each of Xander and Norwest pursuant to the Investor Subscription Agreement                                                                                                                                                                    |
| Investor Shareholders Agreement | Shareholders agreement dated August 18, 2010 as amended by way of amendment agreements dated August 26, 2010, September 13, 2010, September 11, 2012 and November 11, 2014 entered into between our Company, SEL, Norwest and Xander                                                                                                                                        |
| Investor Subscription Agreement | Share subscription agreement dated August 18, 2010 entered into between our Company, SEL, Norwest and Xander                                                                                                                                                                                                                                                                |
| IOB                             | Indian Overseas Bank                                                                                                                                                                                                                                                                                                                                                        |
| I-Sec                           | ICICI Securities Limited                                                                                                                                                                                                                                                                                                                                                    |
| ITCL                            | IL&FS Trust Company Limited                                                                                                                                                                                                                                                                                                                                                 |
| ITSL                            | IDBI Trusteeship Services Limited                                                                                                                                                                                                                                                                                                                                           |
| JLI                             | John Laing Investments Limited                                                                                                                                                                                                                                                                                                                                              |
| JLIM                            | John Laing Investments Mauritius (No. 1)                                                                                                                                                                                                                                                                                                                                    |
| KB                              | Karnataka Bank                                                                                                                                                                                                                                                                                                                                                              |
| Key Management Personnel        | Key management personnel of our Company in terms of the SEBI Regulations and the Companies Act, 2013 and disclosed in “Management” from pages 272 to 274                                                                                                                                                                                                                    |
| KMB                             | Kotak Mahindra Bank Limited                                                                                                                                                                                                                                                                                                                                                 |
| MBCPNL                          | Maharashtra Border Check Post Network Limited                                                                                                                                                                                                                                                                                                                               |
| MBCPNL Project                  | Modernization and computerization of integrated border check posts at 22 locations in Maharashtra                                                                                                                                                                                                                                                                           |
| MBHPL                           | Mysore – Bellary Highway Private Limited                                                                                                                                                                                                                                                                                                                                    |
| MBHPL Project                   | Design, build, finance, operate, maintain and transfer of existing state highway (SH 3 and 33) from Malavalli to Pavagada (approximately 193.34 km) in Karnataka on DBFOMT annuity basis                                                                                                                                                                                    |
| MCL                             | Montecarlo Limited                                                                                                                                                                                                                                                                                                                                                          |
| MNEL                            | Mumbai Nasik Expressway Limited                                                                                                                                                                                                                                                                                                                                             |
| MNEL Concession Agreement       | Concession Agreement dated October 14, 2005 entered into between MNEL and NHAI                                                                                                                                                                                                                                                                                              |
| MNEL Project                    | Improvement, operation and maintenance of rehabilitation and strengthening of                                                                                                                                                                                                                                                                                               |



| Term                            | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                 | existing two land road and widening to four lane divided highway of Vadape-Gonde section of NH-3 from km 593.50 to km 440.00 (approximately 99.50 km) in Maharashtra under NHDP Phase III                                                                                                                                                                                                                                                                                  |
| MoA / Memorandum of Association | Memorandum of Association of our Company, as amended                                                                                                                                                                                                                                                                                                                                                                                                                       |
| NSEL                            | Nagpur – Seoni Express Way Limited                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| NSEL Project                    | Four lane divided carriageway from the start of the Seoni Bypass at km 595/925 of NH-7 to MP/MH Border at km 652/0 of NH-7 under NHDP Phase – I                                                                                                                                                                                                                                                                                                                            |
| OBC                             | Oriental Bank of Commerce                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| PBA                             | PBA Infrastructure Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| PIPL                            | Patel Infrastructure Private Limited                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Promoters                       | Promoters of our Company namely SEL and Vishnubhai M. Patel. For details, see “Our Promoters and Promoter Group” on pages 275 to 276                                                                                                                                                                                                                                                                                                                                       |
| Promoter Group                  | Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI Regulations and disclosed in “Our Promoters and Promoter Group” on pages 277 and 278                                                                                                                                                                                                                                                                       |
| PNB                             | Punjab National Bank                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Restated Financial Statements   | Financial information compiled by the management of our Company from its audited financial statements (prepared in accordance with Indian GAAP) and is prepared in accordance with the requirements of (a) sub-clause (i), (ii) and (iii) of clause (b) of Sub-section (1) of Section 26 of Chapter III of the Companies Act, 2013 read with rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014; and (b) relevant provisions of the SEBI Regulations |
| RHTPL                           | Rohtak – Hissar Tollway Private Limited                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| RHTPL Project                   | Four laning of the Rohtak – Hissar section of NH – 10 from km 87.00 to km 170.00 including connecting link from km 87.00 (NH – 10) to km 348.00 (NH – 71) (approximately 98.81 km) in Haryana under NHDP Phase III                                                                                                                                                                                                                                                         |
| RPTPL                           | Rohtak – Panipat Tollway Private Limited                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| RPTPL Project                   | Four laning of Rohtak – Panipat section of NH-71A from km 0.00 (km 63.30 of NH-10) to km. 80.858 (km 83.50 of NH-1) (approximately 80.858 km) in Haryana under NHDP Phase III                                                                                                                                                                                                                                                                                              |
| Registered Office               | Registered office of our Company located at Sadbhav House, Opposite Law Garden Police Chowki, Ellisbridge, Ahmedabad 380 006                                                                                                                                                                                                                                                                                                                                               |
| Registrar of Companies /RoC     | Registrar of Companies located at ROC Bhavan, Opposite Rupal Park Society, behind Ankur Bus Stop, Naranpura, Ahmedabad 380 013                                                                                                                                                                                                                                                                                                                                             |
| SB                              | Syndicate Bank                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| SBTPL                           | Solapur – Bijapur Tollway Private Limited                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| SEL                             | Sadbhav Engineering Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| SEL CCDs                        | 1,100,950 0.01% unsecured compulsory convertible debentures of ₹ 681.23 each aggregating to ₹ 750 million                                                                                                                                                                                                                                                                                                                                                                  |
| SEL CCD Certificate             | Non-transferable debenture certificate dated November 1, 2012 issued to SEL                                                                                                                                                                                                                                                                                                                                                                                                |
| SFPL                            | Sadbhav Finstock Private Limited                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Shareholders                    | Shareholders of our Company from time to time                                                                                                                                                                                                                                                                                                                                                                                                                              |
| SPCT                            | Sadbhav Public Charitable Trust                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| SQWPL                           | Sadbhav Quarry Works Private Limited                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| SRPL                            | Sadbhav Realty Private Limited                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| SSNNL                           | Sardar Sarovar Narmada Nigam Limited                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Subsidiaries                    | Subsidiaries of our Company, namely, AJTL, ARRIL, BHTPL, BRTPL, HYTPL, MBCPNL, NSEL, RHTPL, RPTPL and SUTPL                                                                                                                                                                                                                                                                                                                                                                |
| SUTPL                           | Shreenathji – Udaipur Tollway Private Limited                                                                                                                                                                                                                                                                                                                                                                                                                              |
| SUTPL Project                   | Four-lane divided project highway comprising the section of NH-8 commencing from km 177/00 to km 260/100 i.e. the Gomati Chauraha to Udaipur section (approximately 79.310 km) in Rajasthan under NHDP Phase IV                                                                                                                                                                                                                                                            |
| UBI                             | Union Bank of India                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| VB                              | Vijaya Bank                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

| Term    | Description             |
|---------|-------------------------|
| VMP HUF | Vishnubhai M. Patel HUF |

### Issue Related Terms

| Term                                              | Description                                                                                                                                                                                                                                                                                                                                                                                                            |
|---------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Allot/ Allotment/ Allotted                        | Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the Equity Shares offered by the Selling Shareholders pursuant to the Offer for Sale to the successful Bidders                                                                                                                                                                                       |
| Allottee                                          | A successful Bidder to whom the Equity Shares are Allotted                                                                                                                                                                                                                                                                                                                                                             |
| Allotment Advice                                  | Note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange                                                                                                                                                                                                                    |
| Anchor Investor                                   | A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI Regulations                                                                                                                                                                                                                                                                      |
| Anchor Investor Bid/Issue Period                  | One Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted                                                                                                                                                                                                                                                                                                              |
| Anchor Investor Issue Price                       | Final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price<br>The Anchor Investor Issue Price will be decided by our Company in consultation with the BRLMs                                                                                  |
| Anchor Investor Portion                           | Up to 60% of the QIB Portion which may be allocated by our Company and the Selling Shareholders, in consultation with the BRLMs, to Anchor Investors on a discretionary basis<br><br>One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors |
| Application Supported by Blocked Amount or ASBA   | An application, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account<br><br>ASBA is mandatory for QIBs (except Anchor Investors) and Non Institutional Bidders participating in the Issue                                                                                                                       |
| ASBA Account                                      | An account maintained with an SCSB and specified in the Bid cum Application Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the Bid cum Application Form                                                                                                                                                                                                                                       |
| ASBA Bid                                          | A Bid made by an ASBA Bidder                                                                                                                                                                                                                                                                                                                                                                                           |
| ASBA Bidder                                       | Prospective investors (other than Anchor Investors) in the Issue who intend to submit the Bid through the ASBA process                                                                                                                                                                                                                                                                                                 |
| Banker(s) to the Issue /Escrow Collection Bank(s) | Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Account will be opened, in this case being [●]                                                                                                                                                                                                                                                               |
| Basis of Allotment                                | Basis on which Equity Shares will be Allotted to successful Bidders under the Issue and which is described in "Issue Procedure" from pages 618 to 621                                                                                                                                                                                                                                                                  |
| Bid                                               | An indication to make an offer during the Bid/Issue Period by a Bidder pursuant to submission of the Bid cum Application Form, or during the Anchor Investor Bid/Issue Period by the Anchor Investors, to subscribe to or purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI Regulations                        |
| Bid Amount                                        | Highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder upon submission of the Bid                                                                                                                                                                                                                                                                                          |
| Bid cum Application Form                          | Form used by a Bidder, including an ASBA Bidder, to make a Bid and which will be considered as the application for Allotment or transfer, as the case may be, in terms of the Red Herring Prospectus and the Prospectus                                                                                                                                                                                                |

| <b>Term</b>                           | <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Bid/Issue Closing Date                | <p>Except in relation to any Bids received from the Anchor Investors, the date after which the Syndicate, the Designated Branches and the Registered Brokers will not accept any Bids, which shall be notified in [●] editions of the English national newspaper [●], [●] editions of the Hindi national newspaper [●], and [●] edition of the Gujarati newspaper [●] (Gujarat being the regional language of Gujarat, where our registered office is located), each with wide circulation</p> <p>Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI Regulations</p> |
| Bid/Issue Opening Date                | Except in relation to any Bids received from the Anchor Investors, the date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in two national daily newspapers, one each in English and Hindi, and in one Gujarati daily newspaper, each with wide circulation                                                                                                                                                                                                                                                                                                                                                                                    |
| Bid/Issue Period                      | Except in relation to Anchor Investors, the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Bid Lot                               | [●]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Bidder                                | Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an ASBA Bidder and an Anchor Investor                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Book Building Process                 | Book building process, as provided in Schedule XI of the SEBI Regulations, in terms of which the Issue is being made                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Broker Centres                        | <p>Broker centres notified by the Stock Exchanges where Bidders can submit the Bid cum Application Forms to a Registered Broker</p> <p>The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective website of the Stock Exchanges</p>                                                                                                                                                                                                                                                                                                                                                                                                                |
| Book Running Lead Managers or BRLMs   | Book running lead managers to the Issue, being Kotak Mahindra Capital Company Limited, Inga Capital Private Limited, Edelweiss Financial Services Limited, ICICI Securities Limited and Macquarie Capital Securities (India) Private Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| CAN / Confirmation of Allocation Note | Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid / Issue Period                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Cap Price                             | Higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Client ID                             | Client identification number maintained with one of the Depositories in relation to demat account                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Cut-off Price                         | <p>Issue Price finalised by our Company in consultation with the BRLMs</p> <p>Only Retail Individual Bidders and the Eligible Employees bidding in the Employee Reservation Portion are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price</p>                                                                                                                                                                                                                                                                                                                                                                                                              |
| Designated Branches                   | Such branches of the SCSBs which shall collect the Bid cum Application Forms used by the ASBA Bidders, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Designated Date                       | Date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the fresh Issue and the Selling Shareholders may give                                                                                                                                                                                                                                                           |

| Term                                | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                     | delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Designated Stock Exchange           | [●]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Draft Red Herring Prospectus / DRHP | This Draft Red Herring Prospectus dated May 25, 2015 issued in accordance with the SEBI Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue, including any addendum or corrigendum thereto                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Edelweiss                           | Edelweiss Financial Services Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Eligible Employee                   | <p>All or any of the following:</p> <p>(a) a permanent and full time employee of our Company or of SEL, our corporate Promoter (excluding such employees who not eligible to invest in the Issue under applicable laws, rules, regulations and guidelines and Vishnubhai M. Patel and his immediate relatives) as of the date of filing of the Red Herring Prospectus with the RoC and who continues to be an employee of our Company, until the submission of the Bid cum Application Form and is based, working in India or abroad as on the date of submission of the Bid cum Application Form; and</p> <p>(b) a Director of our Company, whether a whole time Director or otherwise, (excluding such Directors not eligible to invest in the Issue under applicable laws, rules, regulations and guidelines and Vishnubhai M. Patel and his immediate relatives) as of the date of filing the Red Herring Prospectus with the RoC and who continues to be a Director of our Company until the submission of the Bid cum Application Form and is based in India or abroad as on the date of submission of the Bid cum Application Form</p> <p>An employee of our Company, who is recruited against a regular vacancy but is on probation as on the date of submission of the Bid cum Application Form will also be deemed a 'permanent and a full time employee'</p> <p>The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 200,000</p> |
| Eligible NRI(s)                     | NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to subscribe to or purchase the Equity Shares                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Employee Reservation Portion        | Portion of the Issue being [●] Equity Shares aggregating up to ₹ 250 million available for allocation to Eligible Employees, on a proportionate basis                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Escrow Account                      | Account opened with the Escrow Collection Bank(s) and in whose favour the Bidders (excluding the ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Escrow Agent                        | Escrow agent appointed pursuant to the Share Escrow Agreement namely [●]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Escrow Agreement                    | Agreement to be entered into by our Company, the Selling Shareholders, the Registrar to the Issue, the BRLMs, the Syndicate Members and the Escrow Collection Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected from the Bidders (excluding the ASBA Bidders), on the terms and conditions thereof                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| First Bidder                        | Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Floor Price                         | Lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Fresh Issue                         | Fresh issue of up to [●] Equity Shares by our Company aggregating up to ₹ 4,250 million                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| General Information                 | General Information Document prepared and issued in accordance with the                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

| Term                      | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Document / GID            | circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Inga                      | Inga Capital Private Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Issue                     | Public issue of up to [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] each, aggregating up to ₹ [●] million comprising the Fresh Issue and the Offer for Sale<br><br>The Issue comprises of Net Issue to the public aggregating up to ₹ [●] million and Employee Reservation Portion                                                                                                                                                                                                                                                                                                                                                                                 |
| Issue Price               | Final price at which Equity Shares will be Allotted in terms of the Red Herring Prospectus<br><br>Issue Price will be decided by our Company in consultation with the BRLMs on the Pricing Date                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Issue Proceeds            | Proceeds of the Issue that is available to our Company and the Selling Shareholders                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Kotak                     | Kotak Mahindra Capital Company Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Macquarie                 | Macquarie Capital Securities (India) Private Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Maximum RII Allottees     | Maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Mutual Fund Portion       | 5% of the QIB Portion (excluding the Anchor Investor Portion), or [●] Equity Shares which shall be available for allocation to Mutual Funds only                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Mutual Funds              | Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Net Issue                 | Issue less the Employee Reservation Portion                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Net Proceeds              | Proceeds of the Fresh Issue less our Company's share of the Issue expenses<br><br>For further information about use of the Net Proceeds and the Issue expenses, see "Objects of the Issue" on pages 147 and 159                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Non-Institutional Bidders | All Bidders that are not QIBs or Retail Individual Bidders or Eligible Employees bidding in the Employee Reservation Portion and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Non-Institutional Portion | Portion of the Issue being not more than 15% of the Issue consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Non-Resident              | A person resident outside India as defined under FEMA and includes a non – resident Indian, FIIs, FVCI and FPIs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Norwest                   | Norwest Venture Partners VII – A – Mauritius                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Offer Agreement           | Agreement dated May 25, 2015 between our Company, the Selling Shareholders and the BRLMs, as amended by Amendment Agreement of the same date, pursuant to which certain arrangements are agreed to in relation to the Issue                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Offer for Sale            | Offer for sale of up to 8,102,996 Equity Shares by Xander and up to 4,853,643 Equity Shares by Norwest at the Issue Price aggregating up to ₹ [●] million in terms of the Red Herring Prospectus                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Price Band                | Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) including any revisions thereof<br><br>Price Band and the minimum Bid Lot size for the Issue will be decided by our Company and the Selling Shareholders in consultation with the BRLMs and will be advertised, at least five Working Days prior to the Bid/Issue Opening Date, in [●] editions of the English national newspaper [●], [●] editions of the Hindi national newspaper [●], and [●] edition of the Gujarati newspaper [●], (Gujarati being the regional language of Gujarat, where our Registered Office is located) each with wide circulation |

| Term                                                          | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Pricing Date                                                  | Date on which our Company, in consultation with the BRLMs, will finalise the Issue Price                                                                                                                                                                                                                                                                                                                                                                                                             |
| Prospectus                                                    | Prospectus to be filed with the RoC after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI Regulations containing, <i>inter alia</i> , the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information                                                                                                                                                                                        |
| Public Issue Account                                          | Account opened with the Bankers to the Issue to receive monies from the Escrow Account(s) and the ASBA Accounts on the Designated Date                                                                                                                                                                                                                                                                                                                                                               |
| QIB Category / QIB Portion                                    | Portion of the Net Issue (including the Anchor Investor Portion) being not less than 75% of the Net Issue consisting of [●] Equity Shares which shall be Allotted to QIBs (including Anchor Investors)                                                                                                                                                                                                                                                                                               |
| Qualified Institutional Buyers or QIBs / QIB Bidder           | Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI Regulations                                                                                                                                                                                                                                                                                                                                                                                                          |
| Red Herring Prospectus or RHP                                 | <p>The red herring prospectus to be issued by our Company in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue</p> <p>The red herring prospectus will be registered with the RoC at least three days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date</p> |
| Refund Account(s)                                             | Account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding refund to ASBA Bidders) shall be made                                                                                                                                                                                                                                                                                                                                          |
| Refund Bank(s)                                                | [●]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Refunds through electronic transfer of funds                  | Refunds through NECS, direct credit, RTGS or NEFT, as applicable                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Registered Brokers                                            | Stock brokers registered with the stock exchanges having nationwide terminals, other than the Members of the Syndicate                                                                                                                                                                                                                                                                                                                                                                               |
| Registrar to the Issue or Registrar                           | Link Intime India Private Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Retail Individual Investors / Retail Individual Bidders/ RIIs | Individual Bidders, other than Eligible Employees bidding in the Employee Reservation Portion, submitting Bids, who have Bid for the Equity Shares for an amount not more than ₹ 200,000 in any of the bidding options in the Net Issue (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)                                                                                                                                           |
| Retail Portion                                                | Portion of the Issue being not more than 10% of the Net Issue consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Investor(s) in accordance with the SEBI Regulations                                                                                                                                                                                                                                                                                       |
| Revision Form                                                 | <p>Form used by Bidders, including ASBA Bidders, to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s)</p> <p>QIB Bidders and Non-Institutional Bidders are not allowed to lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage</p>                                                                                                                                            |
| Self Certified Syndicate Bank(s) or SCSB(s)                   | Banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a>                                                                                                                                                                                                                                                                                                                |
| Selling Shareholders                                          | Xander and Norwest                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Share Escrow Agreement                                        | Agreement to be entered into between the Selling Shareholders, our Company, the Escrow Agent and the BRLMs in connection with the transfer of Equity Shares under the Offer for Sale by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees                                                                                                                                                                                                              |
| Specified Locations                                           | Bidding centres where the Syndicate shall accept Bid cum Application Forms from ASBA Bidders, a list of which is available at the website of the SEBI ( <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> ) and updated from time to time                                                                                                                                               |
| Syndicate Agreement                                           | Agreement to be entered into between the BRLMs, the Syndicate Members, our Company and the Selling Shareholders in relation to collection of Bids in                                                                                                                                                                                                                                                                                                                                                 |

| Term                                  | Description                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|---------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                       | the Issue (other than Bids directly submitted to the SCSBs under the ASBA process and Bids submitted to Registered Brokers at the Broker Centres)                                                                                                                                                                                                                                                                                           |
| Syndicate Members                     | Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, [●]                                                                                                                                                                                                                                                                                                                                |
| Syndicate or Members of the Syndicate | BRLMs and the Syndicate Members                                                                                                                                                                                                                                                                                                                                                                                                             |
| TRS or Transaction Registration Slip  | Slip or document issued by the Syndicate, or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid                                                                                                                                                                                                                                                                                               |
| Underwriters                          | [●]                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Underwriting Agreement                | Agreement among the Underwriters, our Company and the Selling Shareholders to be entered into on or after the Pricing Date                                                                                                                                                                                                                                                                                                                  |
| Working Day                           | Any day, other than Saturdays and Sundays, on which commercial banks in Mumbai are open for business, provided however, for the purpose of the time period between the Bid/Issue Closing Date and listing of the Equity Shares on the Stock Exchanges, "Working Days" shall mean all days excluding Sundays and bank holidays in Delhi or Mumbai in accordance with the circular no. CIR/CFD/DIL/3/2010 dated April 22, 2010 issued by SEBI |
| Xander                                | Xander Investment Holding XVII Limited                                                                                                                                                                                                                                                                                                                                                                                                      |

#### Technical/Industry Related Terms /Abbreviations

| Term            | Description                                                                                                                                                                                                                                                                                                                                  |
|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ACIT            | Assistant Commissioner of Income Tax                                                                                                                                                                                                                                                                                                         |
| AMC             | Ahmedabad Municipal Corporation                                                                                                                                                                                                                                                                                                              |
| Arbitration Act | Arbitration and Conciliation Act, 1996                                                                                                                                                                                                                                                                                                       |
| AVC             | Automatic vehicle classification                                                                                                                                                                                                                                                                                                             |
| BOT             | Build, operate and transfer, including DBFOT and DBFOMT                                                                                                                                                                                                                                                                                      |
| COD             | Date of commencement of the commercial operation of the project as defined under the relevant concession agreement for each project, and includes PCOD, to the extent applicable                                                                                                                                                             |
| CRISIL          | CRISIL Limited                                                                                                                                                                                                                                                                                                                               |
| CRISIL Report   | Reports by CRISIL dated December 26, 2013; June 21, 2014; July 11, 2014; July 18, 2014; August 19, 2014; September 1, 2014; September 2, 2014; September 4, 2014; September 5, 2014; October 10, 2014; October 21, 2014 and November 13, 2014                                                                                                |
| DBFOT           | Design, build, finance, operate and transfer                                                                                                                                                                                                                                                                                                 |
| DBFOMT          | Design, build, finance, operate, maintain and transfer                                                                                                                                                                                                                                                                                       |
| DCIT            | Deputy Commissioner of Income Tax                                                                                                                                                                                                                                                                                                            |
| DSCR            | Debt service coverage ratio                                                                                                                                                                                                                                                                                                                  |
| EPC             | Engineering, procurement and construction                                                                                                                                                                                                                                                                                                    |
| Lane kms        | A measurement unit generally used in the road industry to represent the length and width of roads. One lane km equals one kilometre long and single lane road which is generally three-and-a-half meters wide. Lane kms are computed based on the length of road specified under the concession agreement, multiplied by the number of lanes |
| LHS             | Left hand side                                                                                                                                                                                                                                                                                                                               |
| MOEF            | Ministry of Environment and Forests, Government of India                                                                                                                                                                                                                                                                                     |
| MSRDC           | Maharashtra State Road Development Corporation Limited                                                                                                                                                                                                                                                                                       |
| MPRDC           | Madhya Pradesh Road Development Corporation                                                                                                                                                                                                                                                                                                  |
| NH              | National Highway                                                                                                                                                                                                                                                                                                                             |
| NH Act          | National Highways Act, 1956                                                                                                                                                                                                                                                                                                                  |

| Term            | Description                                                                                               |
|-----------------|-----------------------------------------------------------------------------------------------------------|
| NH Fee Rules    | National Highways Fee (Determination of Rates and Collection) Rules, 2008                                 |
| NH Rules        | National Highways Rules, 1957                                                                             |
| NHAI            | National Highways Authority of India                                                                      |
| NHAI Act        | National Highways Authority of India Act, 1988                                                            |
| NHDP            | National Highways Development Programme                                                                   |
| O&M             | Operation and maintenance                                                                                 |
| OMT             | Operate, maintain and transfer                                                                            |
| PCOD            | Provisional commercial operation date as defined under the relevant concession agreement for each project |
| PCU             | Passenger Car Units                                                                                       |
| ROBs            | Road over bridges or railways over bridges, as the context may refer to, in respect of the roads          |
| RoW             | Right of way along roads                                                                                  |
| RHS             | Right hand side                                                                                           |
| SPV             | Special purpose vehicle                                                                                   |
| SH              | State highways                                                                                            |
| Toll            | A charge payable for use of road and highways, including service fee                                      |
| V R Tech        | V R Techniche Consultants Private Limited                                                                 |
| V R Tech Report | Report titled “Traffic Growth Rates for SIPL Toll Roads” dated August 2014                                |

#### Conventional and General Terms or Abbreviations

| Term                         | Description                                                                                                                                                           |
|------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AGM                          | Annual General Meeting                                                                                                                                                |
| AIF                          | Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012 |
| AOP                          | Association of Person                                                                                                                                                 |
| AS / Accounting Standards    | Accounting Standards issued by the Institute of Chartered Accountants of India                                                                                        |
| BPLR                         | Benchmark Prime Lending Rate                                                                                                                                          |
| BSE                          | BSE Limited                                                                                                                                                           |
| Bn / bn                      | Billion                                                                                                                                                               |
| Bonus Act                    | Payment of Bonus Act, 1965                                                                                                                                            |
| CAGR                         | Compounded Annual Growth Rate                                                                                                                                         |
| CCI                          | Competition Commission of India                                                                                                                                       |
| CCCPs                        | Compulsorily convertible cumulative preference shares                                                                                                                 |
| CDSL                         | Central Depository Services (India) Limited                                                                                                                           |
| CENVAT                       | Central Value Added Tax                                                                                                                                               |
| CESTAT                       | Customs, Excise and Service Tax Appellate Tribunal                                                                                                                    |
| CIN                          | Corporate Identity Number                                                                                                                                             |
| CIT                          | Commissioner of Income Tax                                                                                                                                            |
| CST Act                      | Central Sales Tax Act, 1956                                                                                                                                           |
| CST Rules                    | Central Sales Tax (Registration and Turnover Rules), 1957                                                                                                             |
| Category I Foreign Portfolio | FPIs who are registered as “Category I foreign portfolio investors” under the                                                                                         |



| <b>Term</b>                              | <b>Description</b>                                                                                                                                                                                           |
|------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Investors                                | SEBI FPI Regulations                                                                                                                                                                                         |
| Category II Foreign Portfolio Investors  | FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations                                                                                                          |
| Category III Foreign Portfolio Investors | FPIs who are registered as “Category III foreign portfolio investors” under the SEBI FPI Regulations                                                                                                         |
| Companies Act                            | Companies Act, 1956 and Companies Act, 2013, as applicable                                                                                                                                                   |
| Companies Act, 1956                      | Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder |
| Companies Act, 2013                      | Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules made thereunder                                               |
| Contract Labour Act                      | Contract Labour (Regulation and Abolition) Act, 1970                                                                                                                                                         |
| DIN                                      | Director Identification Number                                                                                                                                                                               |
| DIPP                                     | Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India                                                                                                        |
| DP ID                                    | Depository Participant Identification                                                                                                                                                                        |
| DP / Depository Participant              | A depository participant as defined under the Depositories Act                                                                                                                                               |
| DSRA                                     | Debt Service Reserve Account                                                                                                                                                                                 |
| Depositories                             | NSDL and CDSL                                                                                                                                                                                                |
| Depositories Act                         | The Depositories Act, 1996                                                                                                                                                                                   |
| ECB                                      | External Commercial Borrowings                                                                                                                                                                               |
| EGM                                      | Extraordinary General Meeting                                                                                                                                                                                |
| EPF Act                                  | Employees Provident Fund and Miscellaneous Provisions Act, 1956                                                                                                                                              |
| EPS                                      | Earnings Per Share                                                                                                                                                                                           |
| ESI Act                                  | Employees State Insurance Act, 1948                                                                                                                                                                          |
| Employees’ Compensation Act              | Employees’ Compensation Act, 1923                                                                                                                                                                            |
| Equity Listing Agreement                 | Listing Agreement to be entered into with the Stock Exchanges on which the Equity Shares of our Company are to be listed                                                                                     |
| FCNR Account                             | Foreign currency non-resident account                                                                                                                                                                        |
| FDI                                      | Foreign direct investment                                                                                                                                                                                    |
| FDI Policy                               | Consolidated Foreign Direct Investment Policy notified by the DIPP under D/o IPP F. No. 5(1)/2015-FC-1 dated May 12, 2015, effective from May 12, 2015                                                       |
| FEMA                                     | Foreign Exchange Management Act, 1999, read with rules and regulations thereunder                                                                                                                            |
| FEMA Regulations                         | FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000                                                                                                                    |
| FII(s)                                   | Foreign institutional investors as defined under the SEBI FPI Regulations                                                                                                                                    |
| FPI(s)                                   | A foreign portfolio investor as defined under the SEBI FPI Regulations                                                                                                                                       |
| FIPB                                     | Foreign Investment Promotion Board                                                                                                                                                                           |
| FVCI                                     | Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations                                                                                                                  |
| Financial Year / Fiscal / FY             | Unless stated otherwise, the period of 12 months ending March 31 of that particular year                                                                                                                     |
| GAAR                                     | General Anti Avoidance Rules                                                                                                                                                                                 |

| Term              | Description                                                                                                                                                                                              |
|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| GDP               | Gross Domestic Product                                                                                                                                                                                   |
| GIR               | General Index Register                                                                                                                                                                                   |
| GoI or Government | Government of India                                                                                                                                                                                      |
| GST               | Goods and Services Tax                                                                                                                                                                                   |
| Gratuity Act      | Payment of Gratuity Act, 1972                                                                                                                                                                            |
| HUF               | Hindu Undivided Family                                                                                                                                                                                   |
| IBAR              | ICICI Bank Benchmark Advance Rate                                                                                                                                                                        |
| I-Base            | ICICI Bank Base Rate                                                                                                                                                                                     |
| IBR               | ICICI Benchmark Rate                                                                                                                                                                                     |
| ICAI              | The Institute of Chartered Accountants of India                                                                                                                                                          |
| IEC               | Import Export Code                                                                                                                                                                                       |
| IFRS              | International Financial Reporting Standards                                                                                                                                                              |
| IPC               | Indian Penal Code, 1860                                                                                                                                                                                  |
| IT Act            | The Income Tax Act, 1961                                                                                                                                                                                 |
| Ind AS            | Indian Accounting Standards                                                                                                                                                                              |
| India             | Republic of India                                                                                                                                                                                        |
| Indian GAAP       | Generally Accepted Accounting Principles in India                                                                                                                                                        |
| IPO               | Initial public offering                                                                                                                                                                                  |
| IRDAI             | Insurance Regulatory and Development Authority of India                                                                                                                                                  |
| IST               | Indian Standard Time                                                                                                                                                                                     |
| IT                | Information Technology                                                                                                                                                                                   |
| km                | Kilometres                                                                                                                                                                                               |
| LC                | Letter of Credit                                                                                                                                                                                         |
| LIBOR             | London Interbank Offered Rate                                                                                                                                                                            |
| MICR              | Magnetic Ink Character Recognition                                                                                                                                                                       |
| MW Act            | Minimum Wages Act, 1948                                                                                                                                                                                  |
| Mn                | Million                                                                                                                                                                                                  |
| Mutual Fund (s)   | Mutual Fund (s) means mutual funds registered under the SEBI (Mutual Funds) Regulations, 1996                                                                                                            |
| N.A. / NA         | Not Applicable                                                                                                                                                                                           |
| NAV               | Net Asset Value                                                                                                                                                                                          |
| NBFC              | Non-banking financial company registered with the RBI                                                                                                                                                    |
| NECS              | National Electronic Clearing Services                                                                                                                                                                    |
| NEFT              | National Electronic Fund Transfer                                                                                                                                                                        |
| NSDP              | Net State Domestic Product                                                                                                                                                                               |
| NR                | Non-resident                                                                                                                                                                                             |
| NRE Account       | Non Resident External Account                                                                                                                                                                            |
| NRI               | A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000 |
| NRO Account       | Non Resident Ordinary Account                                                                                                                                                                            |
| NSDL              | National Securities Depository Limited                                                                                                                                                                   |
| NSE               | The National Stock Exchange of India Limited                                                                                                                                                             |

| Term                        | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| OCB/Overseas Corporate Body | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue |
| p.a.                        | Per annum                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| P/E Ratio                   | Price/Earnings Ratio                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| PAN                         | Permanent Account Number                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| PAT                         | Profit After Tax                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| PLR                         | Prime Lending Rate                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Partnership Act             | Indian Partnership Act, 1932                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| R&D                         | Research and Development                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| RBI                         | The Reserve Bank of India                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| RoNW                        | Return on Net Worth                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| ₹/Rs./Rupees/INR            | Indian Rupees                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| RTGS                        | Real Time Gross Settlement                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| SCRA                        | Securities Contracts (Regulation) Act, 1956                                                                                                                                                                                                                                                                                                                                                                                                                       |
| SCRR                        | Securities Contracts (Regulation) Rules, 1957                                                                                                                                                                                                                                                                                                                                                                                                                     |
| SEBI                        | The Securities and Exchange Board of India constituted under the SEBI Act, 1992                                                                                                                                                                                                                                                                                                                                                                                   |
| SEBI Act                    | Securities and Exchange Board of India Act, 1992                                                                                                                                                                                                                                                                                                                                                                                                                  |
| SEBI AIF Regulations        | Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012                                                                                                                                                                                                                                                                                                                                                                          |
| SEBI FII Regulations        | Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995                                                                                                                                                                                                                                                                                                                                                                        |
| SEBI FPI Regulations        | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014                                                                                                                                                                                                                                                                                                                                                                            |
| SEBI FVCI Regulations       | Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000                                                                                                                                                                                                                                                                                                                                                                      |
| SEBI Regulations            | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009                                                                                                                                                                                                                                                                                                                                                           |
| SEBI VCF Regulations        | Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996                                                                                                                                                                                                                                                                                                                                                                                   |
| Securities Act              | U.S. Securities Act, 1933                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| SICA                        | Sick Industrial Companies (Special Provisions) Act, 1985                                                                                                                                                                                                                                                                                                                                                                                                          |
| SPV                         | Special Purpose Vehicle                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Sq. ft.                     | Square feet                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| STT                         | Securities Transaction Tax                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| State Government            | The government of a state in India                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Stock Exchanges             | The BSE and the NSE                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| TDS                         | Tax deducted at source                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Takeover Regulations        | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011                                                                                                                                                                                                                                                                                                                                                        |
| UK                          | United Kingdom                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| ULIP                        | Unit-linked insurance plan                                                                                                                                                                                                                                                                                                                                                                                                                                        |

| <b>Term</b>                | <b>Description</b>                                                                          |
|----------------------------|---------------------------------------------------------------------------------------------|
| U.S. / USA / United States | United States of America                                                                    |
| US GAAP                    | Generally Accepted Accounting Principles in the United States of America                    |
| USD / US\$                 | United States Dollars                                                                       |
| VAT                        | Value added tax                                                                             |
| VCFs                       | Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations |
| Wealth Tax Act             | Wealth Tax Act, 1957                                                                        |
| WPI                        | Wholesale Price Index                                                                       |

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the SEBI Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

## **CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA**

### **Certain Conventions**

All references to “India” in this Draft Red Herring Prospectus are to the Republic of India and all references to the “U.S.”, “USA” or “United States” are to the United States of America.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

### **Financial Data**

Unless stated otherwise, the financial information in this Draft Red Herring Prospectus is derived from our consolidated and unconsolidated Restated Financial Statements as of and for the fiscal years ended March 31, 2014, 2013, 2012, 2011 and 2010 and as of and for the nine month period ended December 31, 2014. The financial information pertaining to our Subsidiaries and DPTL is derived from their respective audited financial statements.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places and accordingly there may be consequential changes in this Draft Red Herring Prospectus.

Our Company’s financial year commences on April 1 and ends on March 31 of the next year; accordingly, all references to a particular financial year, unless stated otherwise, are to the 12 month period ended on March 31 of that year.

There are significant differences between Indian GAAP, U.S. GAAP and IFRS. The reconciliation of the financial information to IFRS or U.S. GAAP financial information has not been provided. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and we urge Investors to consult their own advisors regarding such differences and their impact on our Company’s financial data. For details in connection with risks involving differences between Indian GAAP and IFRS, see “Risk Factors – Public companies in India, including our Company, are required to prepare financial statements under Ind AS. The transition to Ind AS in India is very recent and still unclear and our Company may be negatively affected by such transition” on pages 49 to 50. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Indian GAAP, the Companies Act and the SEBI Regulations. Any reliance by persons not familiar with Indian accounting policies, Indian GAAP, the Companies Act, the SEBI Regulations and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in “Risk Factors”, “Business”, “Management’s Discussion and Analysis of Financial Conditional and Results of Operations” beginning on pages 21, 195 and 493 respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the consolidated and unconsolidated Restated Financial Statements of our Company.

### **Currency and Units of Presentation**

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” are to Indian Rupee, the official currency of the Republic of India; and
- “USD” or “US\$” are to United States Dollar, the official currency of the United States.

Except otherwise specified, our Company has presented certain numerical information in this Draft Red Herring Prospectus in “million” units. One million represents 1,000,000 and one billion represents 1,000,000,000.

## Exchange Rates

This Draft Red Herring Prospectus contains conversion of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and other currencies:

| (in ₹)   |                      |                      |                      |                         |                      |
|----------|----------------------|----------------------|----------------------|-------------------------|----------------------|
| Currency | As on March 31, 2012 | As on March 31, 2013 | As on March 31, 2014 | As of December 31, 2014 | As of March 31, 2015 |
| 1 USD    | 51.16 <sup>(1)</sup> | 54.39 <sup>(2)</sup> | 60.10 <sup>(3)</sup> | 63.33                   | 62.59                |

Source: RBI Reference Rate, except otherwise specified

- (1) Exchange rate as on March 30, 2012, as RBI Reference Rate is not available for March 31, 2012 being a Saturday.
- (2) Exchange rate as on March 28, 2013, as RBI Reference Rate is not available for March 31, 2013, March 30, 2013 and March 29, 2013 being a Sunday, a Saturday and a public holiday, respectively.
- (3) Exchange rate as on March 28, 2014, as RBI Reference Rate is not available for March 31, 2014, March 30, 2014 and March 29, 2014 being a public holiday, a Sunday and a Saturday, respectively.

## Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from publicly available information as well as various industry publications and sources. Further, information has also been derived from V R Tech Report and the CRISIL Report. For risks in relation to commissioned reports, see “Risk Factors – Some of the reports referred to in this Draft Red Herring Prospectus were commissioned by our Company” on pages 47 to 48 .

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made based on such information. Although we believe the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us, the Selling Shareholders or the BRLMs or any of their affiliates or advisors. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors. Accordingly, investment decisions should not be based solely on such information.

### Disclaimer of CRISIL

CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing the report (Report) based on the information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any company covered in the Report. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters / distributors of this Report. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL’s Rating Division / CRISIL Risk and Infrastructure Solutions Limited (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL’s Rating Division / CRIS. No part of the Report may be published / reproduced in any form without CRISIL’s prior written approval.

**Definitions**

For definitions, see “Definitions and Abbreviations” beginning on page 2. In “Main Provisions of Articles of Association” beginning on page 632, defined terms have the meaning given to such terms in the Articles of Association. In “Statement of Tax Benefits” beginning on page 166, defined terms have the meaning given to such terms in the Statement of Tax Benefits. In “Financial Statements” beginning on page 288, defined terms have the meaning given to such terms in the Financial Statements.

## FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “will”, “will continue”, “will pursue”, “seek to” or other words or phrases of similar import. Similarly, statements that describe our Company’s strategies, objectives, plans, prospects or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated without expectations with respect to, but not limited to, regulatory changes pertaining to the industry in India in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our Company’s exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in completion in its industry. Certain important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- Non-compliance with specific obligations under the financing agreements of our Company and certain of our Subsidiaries;
- Delays in completion of construction of current and future projects leading to termination of concession agreements or leading to cost overruns;
- Non-performance of obligations by our joint venture partners;
- Delays in acquisition of private land or eviction of encroachment from Government owned land by the Government;
- Disruption of operations of one or more of our projects and inability of our Subsidiaries to collect toll or non-payment of annuity on time or at all;
- Inability of our Company to successfully bid or acquire projects;
- Inability of SEL, our corporate Promoter, to transfer interest in projects to our Company and SEL discontinuing to provide assistance to our Company;
- Negative net cash flows from investing activities and restated losses in the past;
- Non-receipt of approvals from relevant concessioning authorities or lenders with respect to the proposed acquisitions and divestments; and
- Significant dependence on various Government entities.

For further discussion on factors that could cause the actual results to differ from the expectations, see “Risk Factors”, “Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 21, 195 and 493, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectation reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.



Neither our Company, our Directors, the Selling Shareholders, the BRLMs nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI Regulations, our Company and the BRLMs will ensure that investors in India are informed of material developments from the date of this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. The Selling Shareholders will ensure that investors are informed of material developments in relation to statements and undertakings made by the Selling Shareholders in the Red Herring Prospectus until the time of grant of listing and trading permission by the Stock Exchanges.

## SECTION II: RISK FACTORS

*An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, before making an investment in the Equity Shares. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition could suffer, the price of the Equity Shares could decline, and you may lose all or part of your investment. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. You should consult your tax, financial and legal advisors about particular consequences to you of an investment in this Issue. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the effect is not quantifiable and hence has not been disclosed in such risk factors.*

*This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. See “Forward-Looking Statements” beginning on page 19.*

*In this Section, unless the context otherwise requires, references to “our Company” or to “the Company” refers to Sadbhav Infrastructure Project Limited on a standalone basis and a reference to “we” or “us” or “our” refers to Sadbhav Infrastructure Project Limited and our Subsidiaries on a consolidated basis. Unless the context otherwise states, the financial information used in this Section is derived from our consolidated Restated Financial Statements.*

### **Internal Risk Factors**

- 1. We are subject to restrictive covenants under our financing agreements that could limit our flexibility in managing our business or to use cash or other assets. Moreover, our Company and certain of our Subsidiaries are currently not in compliance with specific obligations under their financing agreements, which have also triggered cross defaults under certain financing agreements of our Company and other Subsidiaries. Such current and any future defaults could lead to acceleration of our repayment obligations, termination of one or more of our financing agreements and concession agreements or force us to sell our assets, which may adversely affect our cash flows, business, results of operations and financial condition.***

There are certain restrictive covenants in the financing agreements that we have entered into with certain banks and financial institutions for our borrowings, including, but not limited to, requirements that we obtain consent from the lenders prior to:

- effecting any change in the nature or scope of the project or any change in the financing plan;
- effecting any change in capital structure (including shareholding pattern), or issuing shares;
- acquiring assets, shares, debentures or partnership or similar interests;
- making capital expenditures;
- making certain payments (including payment of dividend, redemption of shares, prepayment of indebtedness, payment of interest on unsecured loans and investments);
- creation of security interest in secured properties;
- incurrance of other indebtedness;
- entering into any partnership, profit-sharing or royalty agreements;
- removal of any person exercising substantial powers of management over the affairs of the Company or the Subsidiary;
- declaring dividend (interim or final);
- amending the constitutional documents of our Company or our Subsidiaries;
- undertaking new projects, making investments or taking assets on lease; and

- providing guarantees, indemnities or similar assurances in respect of indebtedness of any other person.

Further, pursuant to the terms of certain of our Company's financing agreements, the debenture holders have the right to seek early redemption of a certain percentage of the debentures held by them in certain instances, including in the event the rating of the debentures is downgraded by the relevant rating agency and any of these conditions is satisfied: (i) our Company undertakes securitization of debt of its Subsidiaries resulting in increase of total outstanding debt; (ii) our Company sells all or part of its stake held by it in any of the Subsidiaries; or (iii) our Company raises capital.

In addition, such restrictive covenants may also affect some of the rights of our shareholders and our ability to pay dividends if we are in breach of our obligations under the applicable financing agreement. Such financing agreements also require us to maintain certain financial ratios. Certain lenders of our Subsidiaries are also entitled to accelerate the repayment of the loans at any time based on the lenders' assessment of the cash flows of the relevant Subsidiary. Further, any downgrading of the credit rating of our Subsidiaries by a credit rating agency below a specified grade or any adverse comment from the statutory auditors of such Subsidiary may qualify as an event of default under the relevant financing agreements of our Subsidiaries. Certain financing agreements also provide the banks and financial institutions with the right to convert any outstanding amounts into equity shares of the company at par in the case of default. Certain of these banks and financial institutions also have a right to appoint nominee directors under these financing agreements. Pursuant to the provisions of certain loan facilities availed of by the Company, the lenders are entitled to recall the loan at any time on demand or call notice requiring the borrower to repay (either in full or in part) the amount outstanding on any particular day. Such restrictive covenants restrict our ability to conduct business and may adversely affect cash flows, our results of operations and financial condition.

*Our Company and certain of our Subsidiaries are currently not in compliance with specific obligations under their financing agreements, which have triggered defaults under such agreements and cross defaults under certain financing agreements of our Company and other Subsidiaries.*

Our Company and certain of our Subsidiaries may not be in compliance with specific financial and other covenants, which constitute events of default under the respective financing agreements and also trigger cross default provisions under certain financing agreements of our Company and other Subsidiaries. In addition, defaults under the financing agreements of SEL, our corporate Promoter, and its subsidiaries, and our Promoter, Mr. Vishnubhai Patel and group companies would trigger cross-default and cross-acceleration provisions in certain of the financing agreements of our Company and certain of our Subsidiaries.

In addition, the non-compliances and cross defaults include the following:

- Our Company was not in compliance with the following covenants under its financing agreements:
  - debt-service coverage ratio ("DSCR") for financial year 2014 under the ICICI Facility;
  - providing notice of board and shareholders' meeting after the occurrence of an event of default to the lender's agent and security trustee, routing of cash inflows through designated accounts, incurring additional debt; creation of security interests over property, revenue or assets of the Company, granting of loans and advances under the ICICI Facility; and
  - rating of lenders facilities by a credit rating agency and routing all banking business through the lender pro-rata to the lender's exposure in the aggregate credit facilities from the banking system under the KMB sanction letter.
- HYTPL was not in compliance with the DSCR for the financial year 2014, and certain information covenants provided in the HYTPL Facility for previous years. Further, the defaults under the HYTPL Facility also triggered a cross-default under the HYTPL ECB Facility. Similarly, the defaults under the HYTPL ECB Facility also triggered a cross-default under the HYTPL Facility;
- BHTPL was not in compliance with the DSCR provided in the BHTPL Facility for the financial year 2014. The defaults under the BHTPL Facility also triggered a cross-default under the BHTPL ECB Facility. The non-compliance with the DSCR provision under the BHTPL ECB Facility has

been remedied by amendment of the DSCR provision. Similarly, the other defaults under the BHTPL ECB Facility also triggered a cross-default under the BHTPL Facility;

- AJTL, BRTPL and SUTPL were not in compliance with certain information covenants, including, provision of reports to the lenders, notice to shareholders and conducting shareholders meetings under its financing agreements;
- Each of the above-mentioned non-compliances also triggered cross-defaults in the ICICI Facility and the GDA Facility. Further, the cross default in the ICICI Facility also triggered a cross-default in the BRTPL Facility and the SUTPL Facility.
- In addition to the above, certain non-compliances by SEL, our corporate Promoter (which is also listed as a sponsor/guarantor in the financing agreements of our Company, RHTPL, BRTPL and SUTPL) also triggered a cross-default in the ICICI Facility, the RHTPL Facility, BRTPL Facility and the SUTPL Facility. Further, certain non-compliances by our Company (which is also listed as a sponsor/guarantor in the financing agreements of RHTPL, BRTPL and SUTPL) have also triggered a cross-default in the ICICI Facility and GDA Facility, the RHTPL Facility, BRTPL Facility and the SUTPL Facility. Further, the cross-defaults in the RHTPL Facility, the BRTPL Facility and the SUTPL Facility have also triggered a cross-default in the ICICI Facility and the GDA Facility.

While we have received waivers for such non-compliances from the relevant lenders, these waivers are applicable as of the date of the waiver. Further, the waiver are only for past defaults and we cannot assure you that waivers under financing agreements where we may have new or additional defaults may be forthcoming. We cannot assure you that we will be in compliance with our obligations under the financing agreements including with respect to maintenance of certain financial ratios.

In addition to the other rights available under the ICICI Facility, the ICICI Facility also provides the lenders with the right to convert any outstanding amounts into equity shares of our Company at par. While we have received a confirmation from ICICI that as on April 18, 2015, there were no events of default in relation to the ICICI Facility entitling them to exercise any right in relation thereto under the ICICI Facility, we cannot assure you that ICICI will not exercise its rights under the ICICI Facility for any future event of defaults.

AJTL has informed its lenders of non-compliance with the DSCR covenant for the financial years 2014, 2013 and 2012, through a letter dated November 18, 2014. In addition, ARRIL has informed its lenders of non-compliance with the DSCR covenant for the financial year 2014, through a compliance certificate dated June 16, 2014. The relevant financing agreements provide that the lenders are entitled to issue a notice of such default and upon receipt of such notice, AJTL and ARRIL are required to remedy the breach within the cure period provided in the respective financing agreements. Neither AJTL nor ARRIL has received a notice from its lenders for such non-compliance. We cannot assure you that the lenders will not issue notices in the future or take any other action under the relevant financing agreements. In the event AJTL or ARRIL receive such notices and are unable to cure the default within the specified time period, the lenders will be entitled to exercise rights available to them as a consequence of such events of default. Such events of default will also trigger a cross default in certain of our other financing agreements and in case of ARRIL, would result in a default under its concession agreement as well.

*The inability to obtain waivers, remedy defaults, prevent non-compliance could adversely affect our cash flows, business, results of operation and financial condition.*

In the event that we are unable to remedy defaults or obtain necessary waivers for any future non-compliances, in time or at all, one or more of our lenders may accelerate our obligations under the financing agreements, convert any outstanding amounts into equity shares of our Company and Subsidiaries at par, seek to invoke or enforce their security interest in respect of such borrowings, including by way of our lenders seeking to take over and sell or transfer our assets (excluding project assets) or by requiring a reorganization of our management set-up and appointment of nominee directors on our Board or the board of directors of our Subsidiaries. We cannot assure you that we will be in compliance with any of the covenants in the future or that we will be able to obtain waivers for such non-compliances in the future. Moreover, acceleration of loans by one or more lenders may trigger cross acceleration and cross default provisions in other financing agreements. We may not be

able to meet our obligations to our lenders if our lenders accelerate the loans, which may adversely affect our cash flows, business, results of operation and financial condition.

See “Financial Indebtedness” beginning on page 448.

**2. *Delays in the completion of construction of current and future projects could lead to termination of the concession agreements or cost overruns, which could have an adverse effect on our cash flows, business, results of operations and financial condition.***

Typically, our projects are subject to specific completion schedules. We provide the concessioning authorities with performance securities, which are typically valid for a period of one year from the appointed date (i.e. the date on which conditions precedents under financing agreements for the project are fulfilled), and require us to complete the construction of our projects within a specified timeframe. The performance security provided for our AJTL, ARRIL, MBCPNL and NSEL Projects is valid for more than one year.

Additionally, our BOT projects are typically required to achieve commercial operation no later than the scheduled commercial operation dates specified under the relevant concession agreements, or by the end of the extension period, if any is granted by the concessioning authority. Subject to certain customary exceptions such as (i) occurrence and continuance of force majeure events that are not within the control of the concessionaire, or (ii) delays that are caused due to reasons solely attributable to the concessioning authority, failure to adhere to contractually agreed timelines or extended timelines could require us to pay liquidated damages as stipulated in the concession agreement or lead to encashment and appropriation of the bank guarantee or performance security. The concessioning authority may also be entitled to terminate the concession agreement in the event of delay in completion of the work if the delay is not on account of any of the agreed exceptions. With respect to some of our projects, in the event of termination for any of the aforesaid reasons, we may only receive partial payments under such agreements and such payments may be less than our estimated cash flows from such projects. For example, with respect to termination of the concession agreement entered in relation to the Solapur-Bijapur toll road project due to non-receipt of environmental, forest and wild-life clearances and problems in connection with land acquisition only received a refund of the performance security of ₹ 501.3 million. Further, we may not be able to obtain extensions for projects on which we face delays or time overruns.

The table below provides the total number of our completed and ongoing projects along with the total number of projects that have been delayed or are exceeding project milestones:

|                                                       |       |
|-------------------------------------------------------|-------|
| Total number of completed projects                    | 6     |
| Total number of delayed projects                      | 2     |
| <br>Total number of ongoing projects                  | <br>4 |
| Total number of projects exceeding project milestones | 1     |

In addition to the risk of termination by the concessioning authority, delays in completion of development may result in cost overruns, lower or no returns on capital and reduced revenue for the concessionaire thus impacting the project’s performance, as well as failure to meet scheduled debt service payment dates and increased interest costs from our financing agreements for the projects. For example, we have faced delays in receipt of provisional completion certificates from the concessioning authorities with respect to the RPTPL Project due to non-receipt of certain approvals and non-shifting of towers by the railway department, the HYTPL Project due to delay in land acquisition by the concessioning authority and certain checkpoints in the MBCPNL Project due to various reasons including delay in land acquisition by the concessioning authority and agitation, which has led to a delay in COD. In addition, eight of the check posts in the MBCPNL Project which are currently under construction have exceeded their respective construction periods as permitted under the MBCPNL concession agreement and we have not obtained any waivers or extensions of time for such non-completion of construction work. Further, we have faced delays in commencement of toll collection after COD with respect to the BHTPL Project and the MBCPNL Project due to the late issuance of general resolutions from the concessioning authority. We cannot assure you that similar delays will not occur in the future. Such delays could have adverse effects on our cash flows, business, results of

operations and financial condition.

Further, typically for projects in the development stage, the concession agreements require us to complete the financing for the project within the period specified in the relevant concession agreement. In the event of delay in completing the financing for the project, the concessionaire is typically entitled to a limited extension subject to payment of damages to the concessioning authority calculated at a specified rate of the performance security for each day of delay. Timely completion of construction of our projects is subject to various execution risks as well as other matters, including securing financing and receipt of relevant approvals for such projects. We cannot assure you that we will be able to complete the financing for future projects as may be provided in the concession agreements or complete our current and future projects within specified schedules or at all.

We cannot assure you that there will not be a delay in receipt of the letter of acceptance from the concessioning authority after the Company or SEL is declared the lowest bidder. For example, for the Karaikudi-Ramanathapuram project, the NHAI cancelled the project after the bidding was completed and we did not receive a letter of acceptance despite SEL being the lowest bidder. For the MBHPL project there was a period of approximately two years between successfully winning the bid and receiving the letter of acceptance. Such delays could have adverse effects on our cash flows, business, results of operations and financial condition.

**3. *Our joint venture partners may not perform their obligations, which could impose additional financial and performance obligations on the Company, resulting in reduced profits or in some cases, losses from the projects. Further, we may have disagreements with our joint venture partners with respect to the operation of our SPVs.***

Each of ARRIL, BHTPL, MBCPNL, NSEL and DPTL are SPVs held in partnership with joint venture partners. Further, we anticipate that certain of our future projects will be developed and maintained through joint ventures as we continue to jointly bid for contracts with acceptable joint venture partners.

Our liability in relation to the projects being executed by such SPVs under their concession and financing agreements is typically joint and several. The success of these Subsidiaries depends significantly on the satisfactory performance by our joint venture partners and fulfilment of their obligations, including obligations relating to equity financing. Delays in infusing equity or sub debt contributions on the part of our joint venture partners may potentially adversely affect our ability to subscribe to equity in our incorporated Subsidiaries as the relevant shareholding percentages may be fixed under the relevant joint venture agreements. For example, we had experienced a delay in equity infusion by our joint venture partner in HYTPL in the past (our Company now holds all of the outstanding equity interest in HYTPL). Further, in November 2014, JLI, one of the joint venture partners for the DPTL Project did not contribute to the equity in DPTL primarily due to their exercise of put option for HCC and SEL to acquire the shares of DPTL held by JLI. HCC, SEL and our Company made the required equity contribution in DPTL. While we have not experienced delays in equity infusion by our joint venture partners in our other SPVs, we cannot assure you that we will not face delays in the future.

The inability of a joint venture partner to continue to fund or execute a project due to financial or legal difficulties or its inability to bring in investment as stipulated in the joint venture agreement could result in us bearing increased or entire costs incurred for the completion of the project. In some cases, we may not be able to provide the services which our joint venture partners have failed to provide, due to our lack of experience or expertise in certain areas and we may not be successful in finding acceptable substitute partners, in a timely manner or at all.

Under most of the financing agreements of our Subsidiaries, we, along with our joint venture partners, are required to execute sponsor or promoter undertakings in relation to prescribed equity contributions and providing additional funds in the event of a shortfall in resources or cost overruns during the construction period and meeting certain obligations in the event of default of the financing agreements for all projects.

If our joint venture partners fail to perform their obligations satisfactorily, or at all, the relevant Subsidiary may be unable to perform adequately or deliver its contracted services. Further, we may be more reliant on our joint venture partners in regions where we have limited experience. In addition, we may also need the cooperation and consent of our various joint venture partners in connection with the

operations of our Subsidiaries, which we may not obtain in a timely manner or at all. We may have disagreements with our joint venture partners regarding the business and operations of the joint ventures. For example, in relation to BHTPL, our joint venture partner, MCL, has filed a petition before the Company Law Board, Mumbai bench alleging certain irregularities in relation to corporate and other matters pertaining to BHTPL including, *inter alia*, acts of oppression and mismanagement of affairs of BHTPL, non-involvement of the nominee director of MCL in the day to day affairs of BHTPL, awarding of EPC contract to SEL and payment of project fees to our Company through service, rent and O&M agreements. The matter is currently pending. See “Outstanding Litigation and Material Developments” on pages 515 and 516. We cannot assure you that we will be able to resolve such disputes in a manner that will be in our best interests or at all, or that the interests and goals of our joint venture partners will be consistent or aligned with our interests. While we have not experienced any other disputes with our joint venture partners, if we are unable to successfully manage relationships with our joint venture partners, our projects, cash flows and our profitability may suffer.

**4. *Delays in the acquisition of private land or eviction of encroachments from Government owned land by the Government may adversely affect the timely performance of our contracts leading to disputes with the Government.***

Road and highway projects are dependent on the procurement of unencumbered contiguous land. Failure to acquire unencumbered contiguous land by the Central or State Governments or other concerned agencies under the concession agreements could result in us changing, delaying or abandoning entire projects, which in turn could adversely affect our business.

Pursuant to the terms of most of our concession agreements, Government entities are required to facilitate the acquisition or license of or secure rights of way over, tracts of land or to hand over unencumbered land, free of encroachments to us. Delays in any of the foregoing may result in the delay of project implementation prescribed by the relevant concession agreement and cause consequent delays in commencement of construction or termination of the concession agreement on account of a material default by the concessioning authority. For example, our Solapur-Bijapur toll road project was terminated due to problems in connection with land acquisition and obtaining environment, forest and wildlife clearances. Further, for the NSEL Project, the project size was reduced by approximately 115 lane kms. to 110.92 lane kms. because the land was part of a reserve forest area and bordered a tiger reserve area. Such events may also lead to disputes and cross-claims for liquidated damages between us and the relevant Government entity. Additionally, a failure to acquire land may lead to a change of scope of the project or payment delays or disputes with the Government entity for claims in connection with a completed project's eligibility for an early completion bonus (if any). We will continue to face risks associated with implementation which could be due to reasons including those beyond our control which can include, among others, non availability of environmental clearances, delay in acquisition of land by the Government, or other delays from the concessioning authority or joint venture partners with whom we have entered into contractual arrangements.

Any delays or inability to complete such land acquisitions may also result in increases in the price of construction materials from original estimates, which we may not be able to pass on to the users of toll roads. Further, we may be exposed to legal proceedings or claims by landowners objecting to the acquisition of their lands for our projects. These factors could have an adverse effect on our business, results of operations and financial condition.

**5. *If the operation of one or more of our projects is disrupted and our Subsidiaries are not able to collect tolls or are not paid annuities on time or at all, or a premature termination of any of our projects occurs, this could have an adverse effect on our financial condition, cash flows and results of operations.***

Presently, our revenues are substantially derived from our operating Subsidiaries. For our NSEL Project, we receive a fixed annuity and for our MBCPNL Project, which is partially operational, we have commenced collection of revenue through service fees at nine border check posts. For our remaining five operational projects, we derive revenues from the collection of toll. For the nine months period ended December 31, 2014, 90.6% of our Company's revenue on a consolidated basis was contributed by our Subsidiaries. Further, for the nine months period ended December 31, 2014, BHTPL, RPTPL, MBCPNL and ARRIL contributed 20.5%, 16.8%, 15.1% and 15.9%, respectively to our Company's total revenue.

In the event of disruption in receipt of toll, annuity or service fees, our cash flows, business, results of operations and financial condition may be adversely affected. For example, in relation to the AJTL Project, the Chief Engineer of the PWD, Maharashtra restrained collection of toll at both of the toll booths due to non-compliance with maintenance requirements and non-completion of the railway over-bridges. Pursuant to orders of the Bombay High Court, District and Sessions Court, AJTL was permitted to resume toll collection under an interim arrangement subject to certain conditions including completion of pending work by October 31, 2014 and depositing toll amounts in a separate account to be held in escrow. AJTL was unable to utilize such amount until completion of all the requirements. While the pending work has been completed and the toll amounts held in escrow till February 25, 2015 with respect to the AJTL Project have been released, we cannot assure you that such events will not occur in the future in relation to our Subsidiaries. Any such suspension of toll, annuity or service fees will have an adverse effect on our financial condition, cash flows and results of operations.

Further, we will be unable to continue the operation of a particular road concession without the continuing concession right from the concessioning authorities. A concession may be revoked by the concessioning authority for the reasons set forth in the relevant concession agreement, including but not limited to, one or more of the following:

- failure to comply with prescribed minimum shareholding requirements;
- failure to complete pending items listed in the provisional completion certificate within the prescribed time;
- refusal or non-acceptance of any proposed augmentation of capacity of the existing toll road;
- failure to augment the capacity of the project if the average daily traffic exceeds the design capacity for which the project was designed for in an accounting year and continues to exceed for the next three accounting years;
- failure to make any payments, including negative grants, to the concessioning authority in a timely manner;
- failure to comply with operational or maintenance standards;
- temporary or permanent halt of operations;
- occurrence of an event of default under financing documents where the lenders have recalled all or a portion of the loan;
- continuation of a force majeure event, such as an act of God, act of war, expropriation or compulsory acquisition of any project assets by the Government, industrial strikes and public agitation, beyond a specified time; and
- failure by the relevant Subsidiary to comply with any other material term of the relevant concession agreement.

Under most of our concession agreements, if the concession agreement is terminated by the concessioning authority due to a default by the Subsidiary, or by the Subsidiary due to a default by the concessioning authority, such Subsidiary is entitled to receive termination payments from the concessioning authority in accordance with the terms of the relevant concession agreement. Such termination payments are computed taking into account equity and debt (senior and subordinated), of the Subsidiary in accordance with the concession agreement. There can be no assurance that the concessioning authority will pay such termination payments in time or at all. Further, there can be no assurance that the termination payments from the concessioning authority, if any, will be adequate to enable our Company to recover its investments in the Subsidiaries. If the concession agreements are terminated prematurely, our business, results of operations, cash flows and financial condition may be adversely affected.

For certain of our projects with the concessioning authority, there is a risk that they will want to increase the capacity of the project. If this is the case, we will have right of first refusal to undertake such augmentation. However, for other projects there will be a new bid process. We cannot assure you that if we are required to participate in the bidding process we will be successful. If we do not win the bid to, our cash flows, business, results of operations and financial condition may be adversely affected.



**6. Our business depends on our ability to successfully bid for or acquire projects. Our inability to successfully bid for or acquire projects could have an adverse effect on the growth of our business.**

As part of our growth strategy, we intend to acquire projects from third parties and bid for projects on an individual basis or with joint venture partners. Such future acquisitions of projects will depend on various factors such as: (i) our ability to identify projects on a cost-effective basis, (ii) our ability to integrate acquired operations into the business, (iii) our ability to outbid our competitors and (iv) other legal, tax and accounting issues. Further, such acquisitions may require consents from the lenders under the existing financing agreements and the concessioning authority. We cannot assure you that we will be able to achieve the strategic purpose of such acquisitions or operational integration or an acceptable return on such investments or successfully bid for such projects, which may adversely affect our cash flows, business, results of operations and financial condition.

**7. We had negative net cash flows from investing activities and restated losses in the past and may continue to have negative net cash flows and losses in the future.**

We had negative cash flows and restated losses for the following periods as set out below:

| Particulars Consolidated                                    | For the Financial Year |            |             |            | Nine Months ended December 31, 2014 |
|-------------------------------------------------------------|------------------------|------------|-------------|------------|-------------------------------------|
|                                                             | 2014                   | 2013       | 2012        | 2011       |                                     |
|                                                             | ( ₹ in millions)       |            |             |            |                                     |
| Net cash generated from / (used in) investing activities    | (9,392.75)             | (9,040.39) | (14,581.22) | (8,642.50) | (7,886.55)                          |
| Net cash increase / (decrease) in cash and cash equivalents | 1.18                   | (719.72)   | 718.18      | 489.48     | 716.82                              |
| Net Profit / (Loss) for the Period / Year                   | (1,559.37)             | (456.66)   | 97.99       | 98.84      | (2,231.70)                          |

Negative net cash flows from investing activities for these periods were primarily attributable to the purchase of fixed assets, including work in progress. Restated losses for these periods were primarily attributable to high total expenses. For further details in relation to the net cash flows in the preceding periods, see the section “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 288 and 493, respectively. We cannot assure you that our net cash flow will be positive in the future.

**8. The Promoter Group of our Company does not include Kanubhai Patel and Govindbhai Patel, brothers of our individual Promoter, Vishnubhai M. Patel or any entity in which they may have an interest.**

On account of informal business disassociation of Vishnubhai M. Patel from his brothers, Kanubhai Patel and Govindbhai Patel, the Promoter Group of our Company does not include Kanubhai Patel and Govindbhai Patel or any entities in which they may have an interest. Vishnubhai M. Patel has confirmed that Kanubhai Patel and Govindbhai Patel do not hold, directly or indirectly, any securities in our Company and Vishnubhai M. Patel does not hold, directly or indirectly, any securities in or have any interest in any venture that may have been promoted by Kanubhai Patel and Govindbhai Patel. Further, Kanubhai Patel, Govindbhai Patel and any entity in which they may have an interest are not included in the Promoter Group of our Company since our Company does not have access to any information pertaining to Kanubhai Patel and Govindbhai Patel or any entities in which they may have an interest.

In addition to the above, Kanubhai Patel and others have filed a company petition before the Company Law Board, Regional Bench, Bombay against the Company, SEL, Vishnubhai M. Patel and others under Sections 397 and 398 read with 399, 402 and 403 of the Companies Act, 1956. For further details, see “Outstanding Litigation and Material Developments – Litigation involving our Company – Litigation filed against our Company” on pages 515 and 516.

**9. Our Company does not have any listed peer companies for comparison of performance and therefore, investors must rely on their own examination of accounting ratios of our Company for the purposes of investment in the Issue.**

Business models of some of the listed companies which undertake certain business, which may be

considered similar to our business are not comparable to our business model based on (i) percentage of contribution made by BOT, EPC and other activities to the total revenue of these listed companies; and (ii) nature and extent of activities in diverse sectors undertaken by these listed companies. Therefore, there are no listed companies that may be considered as the peer group of our Company. Therefore, investors must rely on their own examination of accounting ratios of our Company for the purposes of investment in the Issue.

**10. *We propose to utilise a portion of Net Proceeds for investment in our subsidiary, SUTPL, and we cannot assure you that we will achieve anticipated returns. Further, there has been a delay in implementation of the SUTPL Project and we cannot assure you that there will be no delays in the implementation of the SUTPL Project in the future and which may impact our investment in the SUTPL Project.***

We propose to utilise a portion of the Net Proceeds as equity investment and advancing of sub-ordinate debt to our Subsidiary, SUTPL for part financing of the SUTPL Project. Under the terms of the loan arrangement for the SUTPL Project, our Company is required to undertake certain investments by way of *inter alia* equity investment and sub-ordinate debt in the SUTPL Project and we propose to utilise a portion of the Net Proceeds for this purpose. Since this investment is subject to certain restrictions such as restrictions under the relevant financing arrangements on charging of interest on sub-ordinate debt advanced by our Company to SUTPL and certain restrictions under the Companies Act on dividends that can be paid by SUTPL to our Company, we cannot assure you that we will achieve anticipated returns from the investments made in the SUTPL Project or that there are other better business purposes for which the Net Proceeds could have been utilised.

Further, as of February 28, 2015, the overall progress of the SUTPL Project did not meet its targets due to, among other reasons, a delay in acquisition of land and delay in approval of estimates in shifting of utilities from the concessioning authority. We cannot assure you that there will be no operational delays in the future with respect to the SUTPL Project or such delays will not adversely impact our existing and proposed investments in the SUTPL Project.

**11. *We are dependent on SEL, our corporate Promoter, for acquiring our projects, their expertise in executing BOT projects and their assistance to complete the financing for our projects. Further, the agreement between SEL and our Company pursuant to which SEL has undertaken to carry out the roads, highway and related business only through our Company and our Subsidiaries may be subject to issues relating to enforceability under Indian law.***

While our Company is pre-qualified on an annual basis to bid either directly or through joint ventures for BOT projects, subject to certain eligibility criteria, of project value up to ₹ 26,500 million by the NHAI, we may continue to be dependent on SEL for acquiring projects awarded by NHAI, which are either of a higher project value or due to the requirements of the concession, financing or other bidding documents for the project.

SEL, our corporate Promoter, is a pre-qualified bidder meeting the technical and financial qualifications stipulated by the NHAI for construction of NHAI road projects. Once SEL is declared as the selected bidder for a BOT road and highways project, it either transfers its shareholding in the relevant SPV incorporated for such purpose to our Company or incorporates the SPV with our Company as a shareholder. However, in relation to the MBHPL Project, prior to signing the concession agreement, KSHIP did not permit our Company to hold shares in MBHPL in place of our corporate Promoter, SEL, because the bid for the project was awarded to SEL. SEL has filed an application dated October 22, 2014 with KSHIP to provide consent for a transfer of 74.0% of the shareholding in MBHPL from SEL to our Company. We cannot assure you that the application will be considered favourably and that the MBHPL Project will be transferred from SEL to our Company. We cannot assure that such instances will not occur in the future and that shares of the subsidiaries incorporated by SEL will be transferred to our Company. Further, until now, the EPC work for most of our projects has been carried out by SEL through a fixed price contract with us, the terms of which include clauses on limitation of liability of SEL to the extent of its fees payable under the EPC contract. Accordingly, if there is any liability in excess of such amount, we may have to incur costs to meet such liabilities and which such costs may not be recoverable from the EPC contractor. SEL's financial strength also assists us in securing the financing for our projects.

SEL and our Company have entered into an agreement dated October 22, 2014, pursuant to which, SEL

has undertaken, among other things, to carry out the roads, highways and related business on BOT basis only through our Company and our Subsidiaries subject to certain terms and conditions as set out in the agreement. We cannot assure you that SEL, our corporate Promoter will continue to transfer interest in projects to us or continue to provide assistance on terms which are similar to terms which it has provided in the past or which are favourable to us or at all (EPC, pre-qualification or otherwise), which may restrict our ability to acquire or develop future projects. The agreement is subject to the provisions of the Indian Contract Act, 1872, as amended, with respect to certain provisions in the agreement which may be considered by a court of law in India as resulting in a restraint of trade and held to be unenforceable. Any violation, non-compliance (whether in whole or in part) or unenforceability of the agreement may have an adverse effect on our growth, the results of our operations and financial condition. See “History and other Corporate Matters” on page 232. Further, the agreement may also be subject to the provisions of the Competition Act, 2002, as amended. For additional risks in relation to the Competition Act, see “Risk Factors — External Risks — Risks Related to India — We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business.” on page 50.

**12. *Our Promoters have pledged Equity Shares of our Company, and our Company has pledged equity shares of certain Subsidiaries, in favour of their respective lenders. In the event that such lenders exercise their rights under the respective share pledge agreements in the event of default and in accordance with the respective financing agreements, our business, results of operations, cash flows and prospects may be adversely affected.***

As of February 28, 2015, our Company has pledged shares of certain Subsidiaries held by it in favour of certain lenders to secure loan facilities obtained by our Company and its Subsidiaries. For example, our Company has pledged 80.0% of the equity share capital of ARRIL, 51.2% of the equity share capital of AJTL, 20.0% of the equity share capital of BHTPL, 100.0% of the equity share capital of RPTPL, 51.0% of the equity share capital of HYTPL, 30.0% of the equity share capital of NSEL, 56.9% of the equity share capital of MBCPNL, 51.0% of the equity share capital of SUTPL, 51.0% of the equity share capital of BRTPL and 51.0% of equity share capital of RHTPL have also been pledged in favour of lenders. Further, SEL, our corporate Promoter has pledged its shareholding in certain of our Subsidiaries in favour of certain lenders. For details of equity shares of our Subsidiaries pledged by our Company as of December 31, 2014, see “Financial Statements” on pages 440 and 441.

Also, as of February 28, 2015, our Promoters have pledged Equity Shares equivalent to 25.42% of the equity share capital of the Company as security for the following loans availed of by our Company and SEL:

| <b>Name of the Lender / Trustee of the Debentures</b>      | <b>Percentage of pre-Issue capital</b> | <b>No. of Equity Shares pledged</b> |
|------------------------------------------------------------|----------------------------------------|-------------------------------------|
| <b><i>Our Company</i></b>                                  |                                        |                                     |
| IL&FS Trust Company Limited                                | 15.07                                  | 46,849,873                          |
| <b><i>SEL, our Corporate Promoter</i></b>                  |                                        |                                     |
| ICICI Bank Limited                                         | 10.00                                  | 31,096,308                          |
| <b><i>Vishnubhai M. Patel, our individual Promoter</i></b> |                                        |                                     |
| IL&FS Trust Company Limited                                | 0.35                                   | 1,100,110                           |

For details of Equity Shares pledged by our Promoters as security for the loan availed of by our Company as of December 31, 2014, see “Financial Statements” on pages 312.

Any default or breach under the financing agreements pursuant to which such securities have been pledged will entitle the lenders, among others, to enforce the pledge over such collateral and take ownership of the collateral and to sell the pledged equity shares to third parties. If these pledges are enforced, our or our Promoters’ shareholding in such Subsidiaries or the shareholding of our Promoters in our Company, as applicable, may be reduced and we may face impediments in taking decisions on certain key, strategic matters and the lenders will be entitled to attend general meetings of our Company or our Subsidiaries, and exercise voting rights in respect of the collateral. In addition, pursuant to the terms of one of our financing agreements, in the event the security has been invoked, all actions of our Company which require special resolution under law will not be taken without prior consent of the lenders. As a result, we may not be able to conduct our business or implement our

strategies as currently planned, which may adversely affect our business, results of operations, cash flows and prospects.

**13. Our business is significantly dependent on various Government entities and could be adversely affected if there are adverse changes in the policies adopted by such Government entities.**

Our business is highly dependent on projects awarded by Government entities. Any adverse change in the policies adopted by the Government regarding award of its projects or our existing relationship with the Government could adversely affect our ability to win such projects. In addition, we benefit from policies adopted by the Government in respect of infrastructure developments, including amongst other things, incentives granted, resource and budgetary allocation and concessions. Any changes in these existing policies pertaining to incentives granted, could adversely affect our existing projects and opportunities to secure new projects. For details of certain of these policies and incentives, see “Regulations and Policies” and “Statement of Tax Benefits” beginning on pages 228 and 166, respectively.

In addition, the Government entities are a critical party to the development and ongoing operations of our projects, as a result of which there may be instances when such projects are delayed or disrupted due to, among other things, extensive internal processes, policy changes, Government or external budgetary allocation and insufficiency of funds. For example, with respect to the Karaikudi-Ramanathpuram project, the NHAI cancelled the project after the bidding process was completed. To the extent that any of the projects awarded to us by the Government entities are delayed, disrupted or cancelled, our cash flows, business, results of operations and financial condition may be adversely affected. For example, recent news reports indicate that given the muted response in the public private partnership sector, the NHAI is increasingly beginning to adopt the EPC route for construction of national highways. Further, the Cabinet Committee on Economic Affairs in August 2014 permitted the Ministry of Road Transport and Highways to amend the model concession agreement as may be required from time to time and to decide the mode of delivery of projects. Recently, the Government of Maharashtra has announced exemptions for light motor vehicles from paying toll at certain toll booths in Maharashtra and may also take similar actions for other toll booths in the future. Further, on May 6, 2015, AJTL received a notice from the Government of Maharashtra exempting light commercial vehicles and buses from paying toll along the AJTL Project, with effect from June 1, 2015. We are in the process of providing details of toll collected from light commercial vehicles and buses along the AJTL Project as requested by the Government of Maharashtra. While we have not received a notice from the Government of Maharashtra with respect to any of our other projects directing us to exempt certain toll booths from collection of toll, we cannot assure you that we will not receive similar notices for our other projects for collection of toll.

Any adverse changes in Government policies may lead to our agreements being restructured or renegotiated or a decrease in the concession period or our inability to collect toll, which could adversely affect our financing, capital expenditure, asset utilization, revenues, cash flows or operations relating to our existing projects as well as our ability to participate in competitive bidding or bilateral negotiations for our future projects.

**14. Our Company has unsecured loans that may be recalled by the lenders at any time.**

As of February 28, 2015, our Company has availed the following unsecured loans which may be recalled by their respective lenders at any time. In the event that any lender seeks the accelerated repayment of any such loan, it may have a material adverse effect on our business, cash flows and financial condition.

| <b>Lender</b>                                         | <b>Amount<br/>(in ₹ million)</b> |
|-------------------------------------------------------|----------------------------------|
| SEL                                                   | 5,101.67                         |
| D Thakkar Construction Private Limited                | 110.00                           |
| Sub-ordinate debt provided by SEL to our Subsidiaries | -                                |

The above does not include unsecured loans undertaken by our Company from our Subsidiaries. Further, our Promoters and Group Companies may avail of unsecured loans which could be recalled by the respective lenders. See “Objects of the Issue” and “Financial Indebtedness” on pages 149 to

159 and 478 to 480, respectively.

**15. *Our Company proposes to utilize a portion of the Net Proceeds to repay or prepay certain loans availed by our Company, including repayment to SEL, our corporate Promoter, and accordingly, the utilization of that portion of the Net Proceeds will not result in creation of any tangible assets.***

Our Company intends to use a certain portion of the Net Proceeds for the purposes of repayment or prepayment, in full or part, of certain loans availed by our Company. The details of the loans identified to be repaid or prepaid using the Net Proceeds have been disclosed in the section titled “Objects of the Issue” on page 147 (“Identified Loans”). However, the repayment or prepayment of the Identified Loans are subject to various factors including, (i) any conditions attached to the loans restricting our ability to prepay the loans and time taken to fulfill such requirements, (ii) receipt of consents for prepayment or waiver from any conditions attached to such prepayment from our respective lenders, and (iii) terms and conditions of such consents and waivers. While we believe that utilization of Net Proceeds for repayment of loans would help us to reduce our cost of debt and enable the utilization of our funds for further investment in business growth and expansion, the repayment of loans will not result in the creation of any tangible assets for our Company.

**16. *Revenue from toll collections for our toll based projects are dependent on various factors, including, actual traffic volume as compared to our forecasted traffic volumes, traffic saturation and toll leakage.***

When preparing the tender for a toll based project, particularly to determine the bid undertaking for such toll based project or contract, we forecast the traffic volume for the road in order to arrive at our expected revenue over the concession period or the contract period, as applicable. In such instances, if the actual traffic volume is significantly less than the forecasted traffic volume, the revenue generated from the toll based project may be lower than the anticipated revenue. We forecast the traffic volume for toll based projects based on the data provided by external agencies engaged by our Company such as traffic consultants and in-house team of professionals. The forecasting of traffic volumes is based on various assumptions, and we cannot assure you that such forecasts will be accurate. While most of our toll-based concession agreements provide for an extension of the concession period if the actual traffic volumes are significantly lower than the target traffic (as per the concession agreement) projected for the project, we cannot assure you that the concession period will be actually extended.

We currently have five operational and one partially operational toll based road projects in India. For toll based projects and service fee based projects, our revenue is primarily derived from toll receipts and service fees, respectively, which are dependent on traffic volumes and traffic mix on the toll roads and toll fees. Traffic volumes are directly or indirectly affected by a number of factors, many of which are outside our control, including:

- toll fees;
- fuel prices in India;
- volume or population of automobiles;
- affordability of automobiles;
- quality, convenience and travel time on alternative routes outside of our network;
- convenience and extent of a toll road’s connections with other parts of the local and national highway networks;
- availability and cost of alternative means of transportation, including rail networks and air transport;
- level of commercial, industrial and residential development in areas served by our projects;
- adverse weather conditions; and
- seasonal holidays.

For example, factors such as the mining ban, ban on sand transportation and the Telangana agitation in the past two financial years have affected the toll revenues generated by BHTPL and HYTPL, respectively. In the event that we experience a decrease in traffic volumes or a change in traffic mix,

we would experience a corresponding decrease in our revenues, which in turn may adversely affect our business, results of operations, cash flows and financial condition. Generally, the concessioning authority that has granted the relevant BOT concession to us unilaterally determines the terms on which we may collect toll revenues (subject to annual adjustments to account for inflation as specified in the concession agreements), and we are not permitted to increase such toll rates. As a result of such restrictions, in the event of an increase in our operation and maintenance expenses, we may not be in a position to increase our revenues in the same proportion.

Toll roads that are part of projects operated by us may experience high levels of traffic and congestion at certain times of the day or days of the week. Although we may consider possible solutions and take appropriate steps to ease traffic flow and reduce congestion on such roads, there can be no guarantee that the saturation problems will be resolved under conditions that are economically satisfactory to us. This could lead to user dissatisfaction and could potentially reduce the traffic volume which may adversely affect our results of operations, cash flows, business and financial condition.

Further, our collection of toll is primarily dependent on the integrity of toll collection systems, our internal control and checks and internal audit systems and willingness to pay toll fees. While we have in place an internal audit and an integrated toll collection system, the level of revenues derived from collection of tolls may be reduced by leakage through toll evasion, theft, fraud or technical defaults in our toll systems or forced violations by users of our toll roads. If toll collection is not properly monitored, leakage may reduce our toll revenue. Further, toll collection errors may amount to a loss of revenue as there is an inherent risk of under-collection of toll fees given that most users of toll roads pay in cash. Any significant failure by us to control leakage in toll collection systems could have an adverse effect on our results of operations, cash flows, business and financial condition.

**17. *We may not receive approvals from relevant concessioning authorities or our lenders with respect to our proposed acquisitions and divestments or we may not be able to complete necessary formalities to complete our proposed acquisitions.***

We have entered into agreements to purchase the shares of DPTL on September 22, 2010 and November 3, 2014 and MBHPL on November 3, 2014 from SEL, our corporate Promoter, and have made advance payments for part of the shares of DPTL. We have also entered into a share purchase agreement to purchase additional shares of DPTL on April 16, 2015 from HCC Concessions and HCC. The transfers are pending achievement of certain conditions precedents, including receipt of approvals from the lenders and the relevant concessioning authorities. DPTL has applied to its lenders for this approval for the transfer on October 30, 2014. DPTL has received an approval from NHAI for shares proposed to be acquired, subject to fulfilment of certain conditions including submission of an undertaking from the members of the consortium to the DPTL Project and their associates that all operational and maintenance requirements of the DPTL Project will be met by itself or through its associates/subsidiaries and submission of no-objection of the senior lenders to the DPTL Project for the acquisition. Further, SEL has applied to KSHIP on October 22, 2014 for approval to transfer shares in MBHPL to our Company. SEL has not applied to MBHPL's lenders for their approval for the transfer of shares in MBHPL to our Company.

We have also entered into an agreement to purchase 10,400,000 shares of MNEL on September 22, 2010 from SEL along with a term sheet with SEL and Gammon Infrastructure Projects Limited, pursuant to which SEL has agreed to transfer 10,399,500 equity shares (19.99% of the outstanding equity interest) of MNEL to our Company, which we intend to sell to Gammon Infrastructure Projects Limited. We have made an advance payment for the share purchase from SEL. The acquisition and divestment of shares of MNEL are subject to the definitive agreements being entered into by the parties and the satisfaction of certain conditions including approvals from the lenders and the concessioning authority. We cannot assure you that the conditions such as receipt of approvals from the concessioning authorities or lenders will be satisfied or such acquisitions or divestments will be completed within the time stipulated or at all.

Further, we have entered into several agreements for transfer of shares in the SPVs, which are yet to be completed due to certain transfer formalities. For instance, we have entered into an agreement dated November 3, 2014 to purchase 2,092,000 (20.00%) equity shares of ARRIL ("ARRIL Sale Shares") from PIPL. While we have paid consideration for the equity share purchase to PIPL, the transfer of 627,600 ARRIL Sale Shares is pending replacement of pledge by our Company. Further, we are liable to pay interest at the rate of 12.45% per annum on the second tranche consideration, payable from

March 1, 2015 till the expiry of 90 days thereon. We cannot assure that we will complete the transfer formalities in a timely manner or at all. Similarly, the transfer of certain equity shares of NSEL is pending release of pledge by NSEL's lenders. Failure or delay in completing the transfer formalities may adversely affect our cash flows, business, results of operations and financial condition.

**18. *Our inability to complete the acquisitions of equity shares of DPTL successfully or any significant liability as a result of the acquisitions may adversely affect our business, results of operations and financial condition.***

Our Company has entered into agreements to purchase up to 99.0% of the equity shares of DPTL from SEL, HCC Concessions and HCC. DPTL is currently not in compliance with certain covenants, which constitute events of default under its financing agreements. Further, the NHAI has levied certain claims against DPTL for not rectifying defects and deficiencies in the DPTL Project for certain periods, relating to, among others, not maintaining emergency call boxes and repair of potholes and damaged pavements.

The share purchase agreement with HCC Concessions and HCC specifically requires, among others, that (i) all non-compliances under financing agreements be waived by the respective lenders; and (ii) the parties agree upon the statement of claim in relation to the NHAI claim, as conditions precedent to completion of the acquisition, DPTL has not yet made any applications to its lenders for the waiver of defaults under its financing agreements. We cannot assure you that DPTL will successfully address these non compliances or receive waivers for such non-compliances. Any failure in successfully acquiring DPTL, or any delays in the integration process, could adversely affect our ability to achieve the anticipated benefits of the acquisition and could adversely affect our business, results of operations and financial condition. For details of the acquisition and the DPTL Project, see "History and Certain Corporate Matters" and "Business" on pages 242 to 244 and 219 to 220, respectively.

Further, while certain representations and confirmations have been obtained from the sellers of the shareholding in DPTL, we may remain subject to various liabilities, risks and uncertainties upon completion of acquisition including existing debt obligations of DPTL, liabilities in relation to legal proceedings, claims of NHAI, non-compliances with applicable laws. For example, a writ petition has been filed by certain local residents against DPTL, the NHAI and others before the Bombay High Court challenging the allotment of the DPTL Project and seeking to prohibit DPTL from operating the toll booths at the Shirpur junction. See "Outstanding Litigation and Material Developments" on page 539.

**19. *We are required to meet specifications and standards of operation and maintenance in our projects. We may be subject to increase in operation and maintenance costs which will lead to an increase in operating expenses to comply with such specifications and standards, which may adversely affect our business, cash flows and results of operations.***

Our concession agreements typically specify certain operation and maintenance standards and specifications to be met by us while undertaking our operation and maintenance activities. These specifications and standards require us to incur operation and maintenance costs on a regular basis. Our operating expense for the financial year ended March 31, 2014 and nine months ended December 31, 2014 was ₹ 885.20 million and ₹ 1,155.96 million, respectively, representing 22.5% and 29.2%, respectively of our total revenues for the same periods. The operation and maintenance costs and operating expenses of our projects may increase due to factors beyond our control, including, among others:

- standards of maintenance or road safety applicable to our projects prescribed by the relevant regulatory authorities;
- restoration of our projects in the event of any landslides, floods, road subsidence, other natural disasters accidents or other events causing structural damage or compromising safety;
- unanticipated increases in construction material costs;
- higher axle loading, traffic volume or environmental stress leading to more extensive or more frequent heavy repairs or maintenance costs;

- increase in electricity tariff rates or other fuel costs resulting in an increase in the cost of energy;
- local disturbances;
- increase in the cost of labour; and
- adverse weather conditions.

In the event that our costs increase, we may be unable to offset such increases with higher revenues by increasing toll fees or annuity payments to be received. As such, the inability to change the terms and conditions, including the toll fees and annuity payments of the concession during the concession period may adversely affect our operational and financial flexibility. Any significant increase in operation and maintenance costs beyond the amounts budgeted for by us, or any failure to meet quality standards, may increase our operating expenses, reduce our profits, could expose us to penalties imposed by the concessioning authorities and could have an adverse effect on our cash flows, business, results of operations and financial condition.

**20. *Our ability to negotiate the standard form of contracts for our projects may be limited and certain restrictive, unusual or onerous provisions may be imposed on us.***

Concession agreements with the NHAI are based on a model concession agreement prescribed by the NHAI, which provides for a fixed term concession with no provisions for renewal of the concession agreement after the expiry of the term. Further, the concession agreements for some of our projects provide that the concessioning authority may decide to augment the capacity of the project roads prior to the completion of the concession term by way of a new bid process. We cannot assure you that we will be successful in winning any subsequent bid for such capacity augmentation and such loss may lead to a reduction in the concession period of the project. Additionally, we may be restricted in our ability to, among other things, increase toll rates, sell our interests to third parties, undertake expansions and contract with certain third parties.

Our ability to negotiate the terms of contracts with concessioning authorities is limited and certain restrictive, unusual or onerous provisions may be imposed on us, such as the requirement to seek consent prior to undertaking certain actions (including for creation of encumbrances or security interests and selection of contractors), payment of liquidated damages in certain cases, minimum shareholding requirement, restriction on transfer of equity shares, indemnifying concessioning authorities, setting up escrow arrangements for toll roads, construction of competing toll roads by the Government or the concessioning authority, change of scope of work of the projects, compliance with operation and maintenance requirements and substitution of the concessionaire by the NHAI and the senior lenders in the event of breach or default under the project documents and financing documents. The concession agreements also contain provisions that mandate substitution clauses in project agreements. Additionally, pursuant to a circular dated January 29, 2014 issued by the NHAI, the NHAI or lenders may substitute the concessionaire, the selected bidder or the consortium members of the toll road projects in the event of a “financial default” by such entity, which includes situations in which the NHAI or lenders have reasons to apprehend that such entity is likely to face financial distress and is likely to default in the compliance of the terms of the relevant concession agreement. While approving such substitutions, the NHAI may also impose a penalty on the defaulting entity, subject to a cap of 1.0% of the total project cost.

For example, in relation to some of our projects, we have not submitted project agreements such as financing agreements to the NHAI for its review prior to amending such agreements. Further, SEL received an approval dated April 2, 2013 for the transfer of shares in NSEL from SEL to our Company subject to compliance with certain conditions. The transfer of shares is pending compliance with the conditions laid out in such approval. Further, in the case of the concession agreement for AJTL, AJTL was solely responsible for acquiring land required for the construction of the AJTL Project and had to bear the risk and costs in connection with such land acquisition for the project. Further, the Government of Maharashtra has the absolute right to take over the project facility at any time after completion of the project during the concession period subject to a compensation of the unrecovered amount according to the cash flow statements of AJTL. Under the concession agreement for MBCPNL, even though the concessioning authority or the Government of Maharashtra is responsible for applying for environmental clearances specified under the concession agreement, MBCPNL is required to pursue and obtain all environmental clearances and permissions required for the MBCPNL project. We



cannot assure you that such failure or inability to obtain the necessary approvals will not constitute an event of default under the relevant concession agreements.

In relation to the HYTPL and RPTPL Projects, we were permitted to defer our premium payment obligations under the respective concession agreements subject to certain additional restrictive covenants and onerous obligations. For example, the concessionaire was not permitted to make any claim on return on equity until the outstanding deferred premium obligations along with interest are fully met and until the premium equals or exceeds the originally quoted premium for that particular year. Further, the NHAI has the authority to terminate the concession at any point if in its sole opinion, the deferred premium along with debt due is more than potential fee flows available from the project for the balance period of the concession.

In addition to toll projects, we currently operate one project on an annuity basis. Annuity projects have certain inherent risks associated with them, including fixed payments and our inability to further negotiate financial terms. Further, the annuity payment is generally payable at regular intervals as provided in the concession agreement and is subject to reduction if the assured availability of the carriageway is not available for use by traffic for each annuity payment period.

The form of the concession agreement has only evolved in the last decade and there is limited guidance available on the interpretation of a number of terms and conditions of such concession agreements. In addition, certain terms of the concession agreements are untested and accordingly, their interpretation by the NHAI or the relevant concessioning authority may be different from that of our Company. In the event that the interpretation of such concession agreements is unfavourable to us, our cash flows, business and results of operations may be adversely affected. For details of the general terms and conditions of concession agreements, see “Business” on pages 221 and 222.

If, due to unforeseen circumstances, we are required to but are unable to negotiate out of the restrictive, unusual or onerous provisions which we had previously agreed to, our cash flows, business, results of operations and financial condition may be adversely affected.

**21. *Our Company did not register with the RBI as a NBFC despite having been classified as a NBFC for the financial year 2010-11. Our Company may be subject to a penalty for non-registration as a NBFC.***

While our Company met the requirements to be classified as a NBFC for the financial year 2010-11, as provided in the Reserve Bank of India Act, 1934 (the “RBI Act”), we did not register with the RBI as a NBFC. Our Company had applied to the RBI on November 14, 2014, seeking an exemption from such registration requirements for the financial year 2010-11. The RBI, through its letter dated November 24, 2014, observed that our Company was not a NBFC as on March 31, 2014, because our Company did not meet the principal business criteria (a necessary condition to be considered as a NBFC) for the three subsequent financial years, 2011-12, 2012-13 and 2013-14. Further, while the RBI noted that our Company has violated provisions of section 45-1A of the RBI Act for the financial year 2010-11, the RBI has not taken any action. We cannot assure you that RBI will not require our Company to pay a penalty for non-registration as a NBFC for the financial year 2010-11.

In addition, while our Company does not currently qualify as a core investment company (“CIC”), we cannot assure you that our Company will not qualify as a NBFC or a CIC in the future, due to the nature of the business of our Company. In the event our Company is classified as a NBFC or a CIC, we will be required to comply with certain conditions, including those in relation to adjusted net worth and outside liabilities, as specified under the RBI Act and other applicable regulations.

**22. *Failure to provide performance security may result in forfeiture of bid security and termination of the contract thereby affecting our cash flows, business, results of operations and financial condition.***

We are required to deliver a performance security to the concessioning authority under the concession agreements. Typically, we are required to ensure that the performance security is valid and enforceable for a period of one year after the appointed date or such other period as is stipulated under the concession agreement. Under the concession agreement for MBCPNL, MBCPNL is required to provide separate performance securities for the construction period and the operations and maintenance period. This performance security will be released after one year of handing over the project to the Government of Maharashtra after completion of the concession period.

Delay or inability in providing performance security may result in termination of the concession agreement or the bid security may be encashed by the concessioning authority. As of February 28, 2015, we have outstanding performance securities of ₹ 335.00 million in aggregate for our operating projects and projects which are under various stages of development. In case of an event of default by us or failure by us to meet the conditions precedent under the relevant concession agreement, the concessioning authority is entitled to encash the relevant performance security. Upon such encashment, the concessioning authority is required to grant us a stipulated period of time to provide a new performance security or in the event of partial appropriation, replenishing the existing performance security to its original level. If the new performance security is not provided or if the existing performance security is not replenished within such period, the concessioning authority may terminate the relevant concession agreement. Further, upon furnishing of a new performance security or replenishing the existing performance security, we may be granted an additional cure period to remedy the default, and if the default is not remedied within such period, the concessioning authority may terminate the relevant concession agreement. In the event that a significant amount of performance security provided by us is required to be encashed, our cash flows will be adversely affected.

**23. *Our business requires working capital. Any failure in arranging adequate working capital for our operations may adversely affect our business, results of operations, cash flows and financial condition.***

We have working capital requirements for our projects, part of which would be met through additional borrowings in the future. Moreover, we may need working capital for project management business, particularly for the operation and maintenance of our projects. There can be no assurance that we will be successful in arranging adequate working capital for our operations and any failure in doing so may adversely affect our cash flows, business, results of operations and financial condition.

**24. *Our Company will not receive any proceeds from the Offer for Sale portion and our Company's management will have flexibility in utilising the Net Proceeds.***

This Issue includes an Offer for Sale of 12,956,639 Equity Shares by the Selling Shareholders. The entire proceeds of the Offer for Sale after deducting relevant Issue expenses from the Offer for Sale will be paid to the Selling Shareholders and our Company will not receive any such proceeds. For further details, see "Objects of the Issue" on page 147.

Our Company intends to primarily use the Net Proceeds of the Issue for the capital expenditure and repayment of certain loans as described in "Objects of the Issue" beginning from page 147. The management of our Company will have broad discretion to use the Net Proceeds, and investors will be relying on the judgment of our Company's management regarding the application of the Net Proceeds. The funding plans are in accordance with our Company's own estimates. Our Company may have to revise its management estimates from time to time and consequently its requirements may change. Additionally, various risks and uncertainties, including those set forth in this section "Risk Factors", may limit or delay our Company's efforts to use the Net Proceeds to achieve profitable growth in its business.

Further, pursuant to Section 27 of the Companies Act 2013, any variation in the objects would require a special resolution of the Shareholders and our Promoters or controlling Shareholders will be required to provide an exit opportunity to the Shareholders of our Company who do not agree to such proposal to vary the Objects, in accordance with the Articles of Association of our Company and as may otherwise be prescribed by the SEBI.

Furthermore, pending utilisation of the Net Proceeds of the Issue, our Company will have flexibility to temporarily invest the Net Proceeds in deposits with schedule commercial banks. Accordingly, the use of the Net Proceeds for purposes identified by our Company's management may not result in actual growth of its business, increased profitability or an increase in the value of your investment.

**25. *There are outstanding litigation against the Company, our Directors, our Promoters, our Subsidiaries and our Group Companies.***

We are involved in certain legal proceedings which are pending at different levels of adjudication before various courts, tribunals, enquiry officers, and appellate authorities.

We cannot provide assurance that these legal proceedings will be decided in our favour. Decisions in such proceedings adverse to our interests may have a significant adverse effect on our business, results of operations, cash flows and financial condition.

A summary of the pending civil and criminal proceedings involving the Company, our Directors, our Promoters, our Subsidiaries and our Group Companies, is provided below:

*Litigation involving the Company*

| Nature of the cases/ claims | No. of cases outstanding | Amount involved<br>(in ₹ million) |
|-----------------------------|--------------------------|-----------------------------------|
| Civil                       | 1                        | Not quantifiable                  |
| Indirect Tax                | 1                        | 43.48                             |
| Notices                     | 1                        | Not quantifiable                  |

*Litigation against our Directors*

| Nature of the cases/ claims | No. of cases outstanding | Amount involved<br>(in ₹ million) |
|-----------------------------|--------------------------|-----------------------------------|
| Civil                       | 3                        | 422.76                            |
| Direct Tax                  | 5                        | 95.06                             |

*Litigation against our Promoters*

| Nature of the cases/ claims | No. of cases outstanding | Amount involved<br>(in ₹ million) |
|-----------------------------|--------------------------|-----------------------------------|
| Criminal                    | 1                        | Not quantifiable                  |
| Civil                       | 5                        | 430.88                            |
| Labour                      | 1                        | Not quantifiable                  |
| Direct Tax                  | 19                       | 356.26                            |
| Indirect Tax                | 5                        | 176.43                            |
| Arbitration                 | 1                        | 816.00                            |
| Notices                     | 5                        | 39.07                             |

*Litigation against our Subsidiaries*

| Nature of the cases/ claims | No. of cases outstanding | Amount involved<br>(in ₹ million) |
|-----------------------------|--------------------------|-----------------------------------|
| Civil                       | 5 <sup>(1)</sup>         | 9.12                              |
| Direct Tax                  | 13                       | 137.82                            |
| Notices                     | 10                       | Not quantifiable                  |

(1) This includes the show cause notice issued to SEL by the Mining Engineer, Mines and Geology Department for imposing a penalty of ₹ 8.12 million. While SUTPL is not a party to the litigation, the case may have an adverse impact on the SUTPL Project. This also includes the order passed by the National Green Tribunal, Pune, prohibiting the Regional Transport Officer and others from undertaking any activity in relation to illegal mining and cutting of trees in the disputed area. Whilst MBCPNL has not been made a party, the litigation may have an impact on the MBCPNL Project. Further, this also includes the PIL filed by Paramjeet Singh Kalsi before the Bombay High Court against State of Maharashtra, SEL and others. Whilst MBCPNL has not yet been made a party, the litigation may have an adverse impact on the MBCPNL Project.

*Litigation against our Group Companies*

| Nature of the cases/ claims | No. of cases outstanding | Amount involved<br>(in ₹ million) |
|-----------------------------|--------------------------|-----------------------------------|
| Criminal                    | 3                        | Not quantifiable                  |
| Civil                       | 6                        | 0.25                              |
| Arbitration                 | 1                        | Non quantifiable                  |
| Motor Accidents Claims      | 2                        | 0.24                              |
| Direct Tax                  | 1                        | Not quantifiable                  |
| Notices                     | 7                        | 17.28                             |

The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current liabilities. For further details of legal proceedings involving the Company, its Subsidiaries, our Promoters and our group companies, see “Outstanding Litigation and Material Developments” beginning on page 515.

**26. *We have incurred significant indebtedness which may restrict our ability to raise the required funds in future in a timely manner, on favourable terms or at all.***

The road infrastructure sector is capital intensive and requires significant expenditure. Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows, general market conditions for infrastructure companies, economic and political conditions in the markets where we operate and our capacity to service debt in what is expected to be a rising interest rate environment. As of December 31, 2014, our total outstanding indebtedness was ₹ 59,486.67 million. Our significant indebtedness results in substantial debt service obligations which could lead to reduced availability of cash flow to pursue growth plans, increased vulnerability to economic downturn and limited flexibility in our operations. Given the nature of our business, we will continue to incur substantial indebtedness even after the Issue, and we cannot assure you that the aforementioned risks will not have an adverse effect on our cash flows, results of operations and financial condition.

Under certain of our existing financing agreements, we are required to obtain prior consent from the existing lenders for incurring any additional indebtedness, issuing debentures, any change in capital structure and accepting deposits from the public. Compliance with the various terms of our financing agreements is subject to interpretation and we cannot assure you that we have requested for or received all consents from our lenders that are required under our financing agreements. In particular, with respect to the recent restructurings of HYTPL, MBCPNL, SUTPL, BRTPL and RHTPL, the lenders may interpret the agreements such that we may require their consents for changes in memorandum and articles of association of the relevant Subsidiary, changes in existing management, modification or cancellation of project documents and transfer of pledged shares. As a result, it is possible that a lender could assert that we have not complied with all terms under our existing financing agreement. Any failure to comply with such requirements under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may lead to a termination of our credit facilities and may adversely affect our ability to conduct our business and operations.

Further, one of our financing agreements provides that loans and other funding rolled over, refinanced or obtained by us for a certain period of time from the date of the existing facility, shall not be on more economically favourable terms with respect to such existing facility. In addition, our Company has given non-disposal undertakings in respect of certain equity shares in certain of the Subsidiaries, which prohibit us from creating any security interest or encumbrance on such equity shares. Such conditions in our financing agreements may restrict our ability to obtain additional funds in a timely manner, on favourable terms or at all. Any inability to obtain sufficient financing could result in the delay or abandonment of our development and growth plans. As a result, if adequate financing is not available, there may be an adverse effect on our cash flows, business, results of operations and financial condition. For further details regarding our indebtedness, see “Financial Indebtedness” beginning on page 448.

**27. *We have not included pro forma financials in the Draft Red Herring Prospectus to give effect to the several acquisitions made by or proposed to be made by our Company. Therefore, investors must rely on their own understanding and evaluation of the impact of the acquisitions on the results of operations and financial condition of our Company.***

Since April 1, 2013 our Company has acquired significant shareholding in MBCPNL, HYTPL, SUTPL, BRTPL, RHTPL and ARRIL. As such, line items for our share of profit / loss attributable to minority interest and net profit / loss for the period in our consolidated restated profit and loss statements would be different had such acquisitions happened on April 1, 2013.

Further, our Company has entered into agreements to acquire significant shareholding in MBHPL and DPTL. Since the MBHPL Project is under development, it does not have any revenue. However, MBHPL’s assets and liabilities have not been consolidated with our consolidated Restated Financial

Statements because our Company does not yet hold any equity shares of MBHPL. Similarly, while we have provided the audited financial statements of DPTL for the financial years 2015, 2014 and 2013, our consolidated Restated Financial Statements do not consolidate DPTL's results of operations or financial condition for the equity shares we do not yet hold.

We have not included pro forma financials in the Draft Red Herring Prospectus to give effect to the several acquisitions made by or proposed to be made by our Company. Therefore, investors must rely on their own understanding and evaluation of the impact of the acquisitions on the results of operations and financial condition of our Company. In addition, our financial statements for the financial year ended 2014 and the nine months ended December 31, 2014 included beginning on page 288 would not be accurate indicators of our results of operations and financial condition subsequent to the completion of the proposed acquisitions.

Further, some of the significant accounting policies of DPTL are different from our significant accounting policies. For example, for the financial years March 31, 2014 and 2013, depreciation of intangible assets was done using straight line method by DPTL and revenue method by our Company. Accordingly, the audited financial statements of DPTL included in this Draft Red Herring Prospectus are not accurate indicators of DPTL's contribution to our consolidated financial statements. For details of the respective significant accounting policies, see "Financial statements of Dhule Palesner Tollway Limited" and "Financial Statements" on pages 108 to 110 and 301 to 306.

- 28. As indicated in the examination report of our auditors relating to our Restated Financial Statements, the Companies (Auditors Report) Order, 2003, an annexure to the auditor reports to the audited unconsolidated financial statements contains qualification that there were no internal audits carried out of our Company for the financial years 2014, 2013, 2012, 2011 and 2010 and that there were certain delays in payment of statutory dues and unpaid disputed dues. Further, the audit report also includes certain emphasis of matter paragraphs.**

For the financial years 2014, 2013, 2012, 2011 and 2010, no internal audit of our Company was carried out and therefore, the auditors were unable to comment on the internal audit system. Our auditors for each of the respective periods have qualified their report on Companies (Auditors Report) Order 2003. The absence of an internal audit system may affect procedures such as, among other things, the review of implementation of policies on timeliness and accuracy of recording, valuation and payment of taxes; verification of controls and the compliance with our contracts and laws, rules and regulations.

Following is a summary of the auditors' qualifications appearing in the auditors' report on Companies (Auditors Report) Order 2003 for the last five financial years:

| Financial Year                  | Auditors' Qualifications                                                                                                                                                                                                                                                                                                                            |
|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2014, 2013, 2012, 2011 and 2010 | No internal audit was carried out and accordingly, the auditors were unable to comment on the internal audit system.                                                                                                                                                                                                                                |
| 2014 and 2013                   | Undisputed statutory dues including provident fund, income tax, sales tax, service tax, cess and other material statutory dues were generally regularly deposited with the appropriate authorities though there had been a slight delay in a few cases.                                                                                             |
| 2014                            | Disputed service tax outstanding for the financial years 2009-10 and 2010-11 was ₹ 40.98 million.                                                                                                                                                                                                                                                   |
| 2014                            | ₹ 2,980.68 million raised on short term basis in the form of unsecured loan from related party were used for investment in equity shares and sub-ordinate debts to its subsidiaries and associate as promoter's contributions.                                                                                                                      |
| 2013                            | Disputed service tax outstanding for the financial years 2009-10 and 2010-11 was ₹ 43.48 million.                                                                                                                                                                                                                                                   |
| 2011                            | Undisputed statutory dues including provident fund, income tax, sales tax, service tax, cess and other material statutory dues were generally regularly deposited with the appropriate authorities though there had been a slight delay in a few cases and a significant delay with respect to deposit of service tax amounting to ₹ 24.20 million. |

In addition to the above, the auditors have also included certain emphasis of matter paragraphs in their audit reports. Investors should consider these qualifications in evaluating our financial position, cash flows and results of operations. For details on these qualifications, emphasis of matter and steps taken by our Company, see “Summary of Financial Information” on pages 80 to 82.

**29. *There may be potential conflicts of interest between our Company and our Promoters.***

SEL, our corporate Promoter, is in similar lines of business as our Company. While we have entered into an agreement with SEL, whereby in accordance with the overall strategy of SEL, the road and highways and related projects business on a BOT basis will be carried out by our Company and its subsidiaries and not by any other entity in the SEL group, subject to the requirements of the bid, concession and financing documents, we cannot assure you that there will not be a conflict in interest between our Company and SEL, our corporate Promoter in the future. See “History and Certain Corporate Matters – Summary of Key Agreements” on page 235 to 236.

**30. *The road BOT infrastructure sector is intensely competitive and our inability to compete effectively may adversely affect our cash flows, business, results of operations and financial condition.***

We face significant competition for the acquisition and bidding of projects from a large number of infrastructure and road development companies. The bidding of projects has been carried out by SEL and then transferred to us. For projects awarded by NHAI, if average daily traffic on roads increases beyond a certain point (i.e. 90.0% of 60,000 PCU’s in any year), the NHAI may commission a competing toll road. Further, some of our competitors may commence operations in the vicinity of our current projects and may charge toll at competitive prices, resulting in a decrease of use of our projects. While technical capacity and performance and personnel, as well as reputation and experience, are important considerations in the concessioning authority’s decision, price is a major factor in most tender awards. Once prospective bidders clear the technical requirements of the tender, the contract is usually awarded to the most competitive financial bidder.

Further, for many large road and highway BOT projects, SEL or we may not always meet the pre-qualification criteria in our own right. Thus, another key factor affecting our financial results is our ability to partner and collaborate with other companies as joint venture partners or co-sponsors. We face competition from other bidders in a similar position looking for acceptable joint venture partners for pre-qualification requirements. If SEL or we are unable to partner with other companies or lack the credentials to be the partner-of-choice for other companies, we may lose the opportunity to bid for, and therefore fail to increase or maintain our volume of new infrastructure development projects.

Further, some of our competitors are larger than us, have stronger financial resources or a more experienced management team, or have stronger engineering capabilities in executing technically complex projects. They may also benefit from greater economies of scale and operating efficiencies and may have greater experience in the infrastructure development business. Further, the premium placed on having experience may cause some of the new entrants to accept lower margins in order to be awarded a contract. The nature of the bidding process may cause us and our competitors to accept lower margins in order to be awarded the contract. We may also decide not to participate in some projects as accepting such lower margins may not be financially viable and this may adversely affect our competitiveness to bid for and win future contracts. We cannot assure you that we can continue to compete effectively with our competitors in the future, and failure to compete effectively may have an adverse effect on our cash flows, business, results of operations and financial condition.

**31. *Our ability to complete our projects in a timely manner and operate, maintain and expand our toll roads is subject to performance of our contractors.***

We engage third-party contractors and sub-contractors to perform parts of our contract or provide services or manpower. Although our contractors are qualified, we do not have control over their day to day performance. We cannot ensure that there will be no delay in performance of duties by our contractors, which may cause a delay in completion of our projects. We may also be exposed to risks relating to the ability of the contractors to obtain requisite approvals for the operation and maintenance activities as well as the quality of their services, equipment and supplies. In particular, failure to ensure the reliability and sustainability of toll collectors who are required to man the toll booths continuously may adversely affect the overall level of our net revenue. In addition, under certain of the concession

agreements, the consent of the concessioning authority is required for any selection or replacement of an operation and maintenance contractor. Further, under certain of our financing agreements, consent of the lenders is required for replacement of the engineering, procurement and construction contractor and operation and maintenance contractor for the project.

Further, while we may sub-contract our construction work and may be indemnified by the sub-contractor for any loss or damage due to their default, we may still be liable for accidents on the projects due to defects in design and quality of construction of our projects during their construction and operation. In addition, we can make no assurance that such contractors or their sub-contractors will continue to hold or renew valid registrations under the relevant labour laws in India or be able to obtain the requisite approvals for undertaking such construction and operation.

If our contractors are unable to perform in accordance with their commitments on time or meet the quality standards required, our ability to complete projects on time or at all could be impaired. Further, if a sub-contractor becomes insolvent, we may be unable to recover damages or compensation for defective work and we may incur additional expenditure as a result of correcting any defective work. This may have an adverse effect on our reputation, cash flows, business, results of operations and financial condition.

**32. *We are dependent on a number of key personnel, including our senior management, and the loss of or our inability to attract or retain such persons could adversely affect our cash flows, business, results of operations and financial condition.***

Our performance depends largely on the efforts and abilities of our senior management and other key personnel, including our present officers. The inputs and experience of our senior management and key managerial personnel are valuable for the development of business and operations and the strategic directions taken by our Company. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. In terms of our concession agreements, we are required to employ qualified and trained employees for operating the project. We may require a long period of time to hire and train replacement personnel when skilled personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting skilled employees that our business requires. Competition for qualified personnel with relevant industry expertise in India is intense due to the scarcity of qualified individuals in the toll road business. A loss of the services of our key personnel could adversely affect our cash flows, business, results of operations and financial condition.

**33. *Our inability to collect receivables from concessioning authorities or other third parties on time or at all may adversely affect our cash flows, business, results of operations and financial condition.***

There may be delays associated with the collection of receivables, such as grant and annuity, from concessioning authorities and other third parties, including Government owned, controlled or funded entities and related parties. We cannot assure you that we will be able to collect our receivables in time or at all which may have an adverse effect on our cash flows, business, results of operations and financial condition. See “Financial Statements – Restated Unconsolidated Statement of Other Current Assets” and “Financial Statements – Restated Unconsolidated Statement of Trade Receivables” on pages 331 and 327.

**34. *Our insurance coverage may not adequately protect us against all material hazards.***

We are insured against a majority of the risks associated with our business, such as equipment failure, advanced loss of profit, work accidents, loss of cash in transit, standard fire and special perils, fidelity or explosion. In addition, we have obtained separate insurance coverage for personnel related risks, public liability and special contingency and loss of movable assets risks. Under most of our concession agreements, we are required to obtain insurance for the project undertaken by us. While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business and we are in compliance with the requirements of the concession agreements, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all material losses. Further, we may not have obtained insurance cover for some of our projects that do

not require us to maintain insurance.

Notwithstanding the insurance coverage that we carry, we may not be fully insured against some business risks and the occurrence of an event that causes losses in excess of limits specified under the relevant policy, or losses arising from events not covered by insurance policies, could adversely affect our cash flows, business, results of operations and financial condition. If we are subject to litigation or claims or our operations are interrupted for a sustained period, we cannot assure you that our insurance policies will be adequate to cover the losses that may be incurred as a result of such interruption. If we suffer large uninsured losses or if any insured losses suffered by us significantly exceed our insurance coverage, it may adversely affect our cash flows, business, results of operations and financial condition.

To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance or exceeds our insurance coverage, the loss would have to be borne by us and our results of operations, cash flows and financial performance could be adversely affected. For further details on insurance arrangements, see “Business– Insurance” on page 226 to 227.

**35. *We have filed claims before the NHAI, other concessioning authorities and Government entities in relation to our projects, which are still pending.***

We have filed claims before the NHAI, other concessioning authorities and Government entities, including, in relation to the AJTL Project, ARRIL Project, NSEL Project and RPTPL Project with respect to various factors, including change of scope, change in law, loss of revenue due to delay in receipt of fee notification, loss of revenue due to octroi abolition, non payment of interest on delayed payment of annuities by NHAI and delay in release of grants. These claims are currently pending and we cannot assure you that the outcome of the proceedings will be in our favour and will not have an adverse effect on our cash flows, business, results of operations and financial condition. In the event such claims are not accepted by the authorities, we may be required to initiate legal proceedings which may involve substantial costs. Any adverse finding in such litigation would have an adverse effect on our cash flows, business, results of operations and financing condition. See “Outstanding Litigation and Material Developments” beginning on pages 519, 520 to 521, 525 and 526.

**36. *We have certain contingent liabilities that may adversely affect our financial condition.***

As of December 31, 2014, we had the following contingent liabilities as per Accounting Standard 29 outstanding on a consolidated basis:

| Particulars                                                 | As of December 31, 2014 |
|-------------------------------------------------------------|-------------------------|
|                                                             | (₹ in million)          |
| <b>Claims against the Company not acknowledged as debts</b> |                         |
| Service Tax*                                                | 43.48                   |
| Income Tax matters                                          | 15.03                   |

\* Towards service tax demand from authorities for recovery of CENVAT credit on input service availed during the financial years 2009-2010 and 2010-11. Our Company has filed an appeal against the demand. See “Outstanding Litigation and Material Developments” on pages 531 to 532.

If the aforementioned contingent liabilities materialise, our profitability and cash flows may be adversely affected. For further details of contingent liabilities as per Accounting Standard 29, see “Financial Statements” from pages 350 to 351 and pages 440 to 443.

**37. *Two of our Group Companies have incurred losses in the last preceeding financial year, based on the last audited financial statements available.***

The following Group Companies have incurred losses in the last preceeding financial year, based on the last audited financial statements available:

| Sr. No. | Name of the entity | Profit/(Loss) (Amount in ₹ million) |        |         |
|---------|--------------------|-------------------------------------|--------|---------|
|         |                    | For the Financial Year              |        |         |
|         |                    | 2014                                | 2013   | 2012    |
| 1.      | SRPL               | (1.79)                              | (5.49) | (92.07) |



| Sr. No. | Name of the entity | Profit/(Loss) (Amount in ₹ million) |        |        |
|---------|--------------------|-------------------------------------|--------|--------|
|         |                    | For the Financial Year              |        |        |
|         |                    | 2014                                | 2013   | 2012   |
| 2.      | SPCT               | (0.82)                              | (1.27) | (0.01) |

We cannot assure you that our Group Companies will not incur losses in the future. Further, some of our Group Companies maintain consolidated accounts with SEL, our corporate Promoter. As a result of such consolidation, we are unable to assess whether such Group Companies have been loss making entities in the past three years. For further details of our loss making Group Companies, see “Our Group Companies – Loss making Group Companies” on page 285.

**38. *Our Company or its Subsidiaries may be required to pay additional stamp duty if the concession agreements are subject to payment of stamp duty as deeds creating leasehold rights or as development agreements.***

Our Company or our Subsidiaries may be required to pay additional stamp duty if the concession agreements are subject to payment of stamp duty as deeds creating leasehold rights or as development agreements. News reports have indicated that the stamp duty authorities, including Gujarat, Andhra Pradesh and Haryana (where our projects are located) had alleged that since the concession agreements relate to the letting of toll to the concessionaires in the form of a lease, or as development agreements, such agreements are required to be stamped as lease agreements, or as development agreements as applicable, and accordingly, concession agreements that have not been stamped as such should be considered to be inadequately stamped. The news reports have also indicated that the NHAI had stated that it considered the land granted for construction and development of roads to concessionaires as being merely for public use and not in the form of a lease. However, stamp duty authorities may not agree with the NHAI’s view in this regard and could demand payment of stamp duty for a lease or development agreement. In addition, the High Court of Allahabad and the High Court of Madhya Pradesh have held that a concession agreement should be stamped as a lease agreement and have upheld the imposition of a higher stamp duty on such agreements. Further, although the concession agreements contain provisions for reimbursement by the concessioning authority in the event of a change in law, the imposition of additional stamp duty may not be considered to be a change in law requiring the concessioning authority to compensate the Subsidiaries for the financial burden and/or amend the concession agreements.

**39. *Compliance with, and changes in, safety, health and environmental laws and regulations may adversely affect our cash flows, business results of operations and financial condition.***

As an infrastructure development company, we are required to comply with various laws and regulations relating to the environment, health and safety. Our project operations are subject to local environmental laws and regulations including the Environment (Protection) Act, 1986, Air (Prevention and Control of Pollution) Act, 1981 and Water (Prevention and Control of Pollution) Act, 1974. We may incur substantial costs in complying with environmental laws and regulations. We cannot assure you that compliance with such laws and regulations will not result in delays in completion of construction work causing a delay in achieving COD, a material increase in our costs or otherwise have an adverse effect on our financial condition, cash flows and results of operations.

The scope and extent of any new environmental, health and safety regulations, including their effect on our operations and cash flows, cannot be predicted with certainty. The costs and management time required to comply with these requirements could be significant. The measures we implement in order to comply with these new laws and regulations may not be deemed sufficient by Government authorities and our compliance costs may significantly exceed our estimates. If we fail to meet environmental, health and safety requirements, we may also be subject to administrative, civil and criminal proceedings by Government authorities, as well as civil proceedings by environmental groups and other individuals, which could result in substantial fines and penalties against us as well as orders that could limit or halt our operations. We cannot assure you that we will not become involved in future litigation or other proceedings or be held responsible in any such future litigation or proceedings relating to safety, health and environmental matters in the future. Clean-up and remediation costs, as well as damages, payment of fines or other penalties, other liabilities and related litigation, could adversely affect our cash flows, business, prospects, financial condition and results of operations. For further details on environmental, health and safety regulations applicable to us, see “Regulations and

Policies” beginning on page 228.

**40. *Our operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees and contract labour.***

As of February 28, 2015, we employed 1,308 employees. While we consider our current labour relations to be good, we cannot assure you that we will not experience disruptions in work due to disputes or other problems with our work force, which may adversely affect our ability to perform our obligations for the projects.

The number of contract labourers employed by us varies from time to time based on the nature and extent of work contracted to independent contractors. We enter into contracts with certain independent contractors to complete specified assignments. Further, any disputes between such contractors and their employees may also result in disruptions in our operations, which may also adversely affect our ability to complete a project in a timely manner.

**41. *Our business is subject to seasonal and other fluctuations that may affect our cash flows and business operations.***

Our business and operations are affected by seasonal factors, which may require the evacuation of personnel, suspension or curtailment of operations, resulting in damage to construction sites or delays in the delivery of materials. In particular, the monsoon season in the second quarter of each financial year may restrict our ability to carry on activities related to our projects and fully utilize our resources. This may result in delays to our contract schedules and reduce our productivity. During periods of curtailed activity due to adverse weather conditions, we may continue to incur operating expenses and our project related activities may be delayed or reduced. For example, we faced delays in the completion of a railway over-bridge for the AJTL Project due to the monsoon, non-availability of certain materials and delay in receipt of permission from railway authorities for track shutdown. Additionally, traffic volumes witness a decrease during the monsoon. Such fluctuations may adversely affect our toll revenues, cash flows, results of operations and financial conditions.

**42. *We have entered into and may in the future enter into related party transactions.***

We have in the course of our business entered into, and will continue to enter into, transactions with related parties. Our Company has entered into several related party transactions with SEL, our corporate Promoter and our Subsidiaries, including in relation to acquisition of projects, construction and development of projects, management services, operations and maintenance services, inter-corporate loans and office space. For more information regarding our related party transactions, see “Related Party Transactions” beginning on page 286. We cannot assure you that we will receive similar terms in our related party transactions in the future.

While we believe that all of our related party transactions are in compliance with applicable law, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. Further, the Companies Act, 2013 has brought into effect significant changes to the Indian company law framework including specific compliance requirements such as obtaining prior approval from audit committee, board of directors and shareholders for certain related party transactions. We cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on our reputation, cash flows, business, results of operations and financial condition.

**43. *The cost of implementing new technologies for collection of tolls and monitoring our projects could be significant and could adversely affect our results of operations, cash flows and financial condition.***

Our future success will depend in part on our ability to respond to technological advances and emerging standards and practices on a cost effective and timely basis. In addition, rapid and frequent technology and market demand changes can often render existing technologies and equipment obsolete, requiring substantial new capital expenditures or write-down of assets. Our failure to successfully adopt such technologies in a cost effective and a timely manner could increase our costs (in comparison to our competitors who are able to successfully implement such technologies) and lead to us bidding at

lower margins or loss of bidding opportunities vis-à-vis such competitors. Additionally, Government authorities may require adherence with certain technologies in the execution of projects and we cannot assure you that we would be able to implement the same in a timely manner, or at all. For example, as part of the approval for deferment of premium, certain Subsidiaries are required to install electronic toll collection systems. Further, implementation of such technology may not be cost effective, thereby negatively impacting our profitability. Any of the above events may adversely affect our future prospects, cash flows, business, results of operations and financial condition.

**44. *We require certain approvals or licenses in the ordinary course of business and the failure to obtain or retain them in a timely manner, or at all, may adversely affect our operations.***

Under the concession agreements entered into by us for a majority of our projects, we are required to obtain and maintain most of the approvals. While we have obtained a number of required approvals for our operations, certain approvals for which we have submitted applications are still pending. For some of the approvals which may have expired, we may have either made or are in the process of making an application for obtaining the approval or its renewal.

We cannot assure you that we will receive these approvals in time or at all. We have faced delays in receipt of environment, forest and wildlife clearances for our projects in the past and in the case of SBTPL, we were required to terminate our concession agreement due to such delay. Further, in relation to the RPTPL Project, we faced a delay in completion of the project due to non-receipt of the approval from the Commission of Railway Safety for laying of girders on railway over bridges. In the event that we do not receive these approvals, our cash flows, business, prospects and results of operations may be adversely affected. For details of the applications that we have made and are pending receipt of approval, and which are required but have not yet been applied for, see “Government and Other Approvals” beginning on page 546. Further, we cannot assure that the approvals, licenses, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action.

Furthermore, our Government approvals and licenses are subject to numerous conditions, some of which are onerous and require us to make substantial expenditure. If we fail to comply, or a regulator claims that we have not complied, with these conditions, our cash flows, business, results of operations and financial condition would be adversely affected.

**45. *We will be controlled by our Promoters so long as they control a majority of the Equity Shares.***

After the completion of this Issue, our Promoters will control, directly or indirectly, approximately [●]% of our Company’s outstanding Equity Shares. As a result, our Promoters will continue to exercise significant control over us. Our Promoters may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders, such as actions which delay, defer or cause a change of our control or a change in our capital structure, merger, consolidation, takeover or other business combination involving us, or which discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us. We cannot assure you that our Promoters and members of our Promoter Group will act in our interest while exercising their rights in such entities.

**46. *Our Company’s performance depends on the financial performance of our Subsidiaries and their ability to declare and pay dividends.***

All our projects are operated through our Subsidiaries. Except with respect to our advisory, project and toll management services, our Company’s only material sources of revenue are and are expected to be dividends, distributions and payments pursuant to unsecured loans to the Subsidiaries. The ability of these Subsidiaries to make dividend payments is subject to applicable laws and regulations in India relating to payment of dividends. In addition, loans obtained by these Subsidiaries contain restrictions on the payment of dividends, including, among others, financial covenants being met and certain debt service accounts being adequately funded prior to the declaration and/or payment of dividends by these Subsidiaries.

In the event of a bankruptcy, liquidation or reorganisation of a Subsidiary, the Company’s claim in the assets of such Subsidiary as a shareholder in the Subsidiary remains sub-ordinated to the claims of

lenders and other creditors. Lenders to the Subsidiaries also typically have a floating charge, including dividend payments by, and all cash of, these Subsidiaries, effectively providing the lenders to the Subsidiary a first priority lien over any distribution upon the occurrence of an event of default under the financing arrangements.

**47. *An inability to manage our growth could disrupt our business and reduce our profitability.***

We have experienced high growth in recent years and expect our business to grow significantly as a result of our expanded operations. We expect this growth to place significant demands on us and require us to continuously evolve and improve our operational, financial and internal controls across the organization. In particular, continued expansion increases the challenges involved in:

- maintaining high levels of concessioning authority satisfaction;
- recruiting, training and retaining sufficient skilled management, technical, execution and marketing personnel;
- increasing the strength and depth of our management personnel to address future growth;
- adhering to health, safety and environment and quality and process execution standards that meet requirements under the concession agreements and industry practice;
- preserving a uniform culture, values and work environment in operations across India; and
- developing and improving our internal administrative infrastructure, particularly our financial, operational, communications and other internal systems.

Further, in the future, we may consider making strategic acquisitions of other infrastructure development and construction companies whose resources, capabilities and strategies are complementary to and likely to enhance our business operations. If such an opportunity arises, we may not be able to complete the acquisition on terms commercially acceptable to us, or at all. The inability to identify acceptable acquisition targets or investments or the inability to complete such transactions may adversely affect our competitiveness and our growth prospects.

Our ability to successfully implement our business plan requires adequate information systems and resources and oversight from senior management. We will need to continuously develop and improve our financial, internal accounting and management controls, reporting systems and procedures as we continue to grow and expand our business. An inability to manage our growth may have an adverse effect on our cash flows, business and results of operations.

**48. *Certain properties, including our registered office are not owned by us and we have only leave and license rights over it. In the event we lose such rights, our cash flows, business, financial condition and results of operations could be adversely affected.***

The premises on which our registered office is situated has been licensed to us by SEL, our corporate Promoter. We are required to pay a license fee of ₹ 75,000.00 per month net of taxes and such arrangement may be terminated by SEL. If SEL decides to terminate such arrangement, we may suffer a disruption in our operations.

**49. *We do not own all of the intellectual property rights used by us.***

We do not own all of the intellectual property rights in the trade name and logo used by us. Our Company has entered into an agreement with SEL for use of the “Sadbhav” trade name and logo on a license basis for a consideration of ₹ 10,000.00. If any of the intellectual property used by us becomes unavailable, we could face disruptions in our operations, which may adversely affect our business and reputation.

**50. *Some of the reports referred to in this Draft Red Herring Prospectus were commissioned by our Company.***

We have obtained certain market data, industry forecasts and data used throughout this Draft Red Herring Prospectus from internal surveys, market research and publicly-available industry, Government and research information, publications and websites. We have also commissioned certain reports which may not be publicly available. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of the information is not guaranteed. Similarly, while we believe these industry forecasts and market research to be reliable, we have not independently verified this information and do not make any representation as to the accuracy of this information.

## **External Risks**

### **Risks Related to India**

**51. *Changing laws, rules and regulations and legal uncertainties may adversely affect our business and financial performance.***

Our business and financial performance could be adversely affected by any change in laws or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. We cannot assure you that the Central Government or state Governments in India will not implement new regulations and policies which will require us to obtain additional approvals and licenses from the Government and other regulatory bodies or impose onerous requirements and conditions on our operations. We cannot predict the terms of any new policy, and we cannot assure you that such policy will not be onerous. For example, the Ministry of Road Transport and Highways has prepared a draft legislation to establish an industry regulator with both enforcement and advisory functions. The Government is seeking the views of the concerned ministries on the draft Regulatory Authority for Highways in India Bill, 2013. The draft Bill proposes to, *inter alia*, give adjudicatory powers to a proposed regulator (independent of the NHAI) in areas such as contract dispute resolution, enforcement of contractual provisions and renegotiation of future contracts.

Further, the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (the “Land Acquisition Act, 2013”) came into force with effect from January 1, 2014. However, the rules related to its implementation are yet to be notified. The provisions of the Land Acquisition Act, 2013 cover various aspects related to the acquisition of land which may affect us, including provisions stipulating (i) restrictions on land acquisition (e.g., certain types of agricultural land) and (ii) compensation, rehabilitation and resettlement of affected people residing on such acquired land. The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (Amendment) Bill, 2015 passed by the lower house of the Indian Parliament, seeks to amend the provisions of the Land Acquisition Act to make the provisions in relation to determination of compensation, rehabilitation and resettlement and infrastructure amenities of the Land Acquisition Act applicable to the NH Act with effect from January 1, 2015. Further, it exempts certain categories of land use, including infrastructure projects under public-private ownership where ownership of land continues to vest in the Government, from requirements to obtain consents from affected families where land is being acquired. Any changes and related uncertainties with respect to the implementation of new regulations may have an adverse effect on our business, financial condition and results of operations, including delays in commissioning schedule of our projects.

**52. *Significant increases in the price or shortages in supply of crude oil could adversely affect the volume of traffic at the projects operated by us and the Indian economy in general, including the infrastructure sector, which could have an adverse effect on our business and results of operations.***

India imports a significant majority of its requirements of crude oil. Crude oil prices are volatile and are subject to a number of factors, including the level of global production and political factors, such as war and other conflicts, particularly in the Middle East, where a substantial proportion of the world’s oil reserves are located. Any significant increase in the price of or shortages in the supply of crude oil could adversely affect the volume of traffic at the projects operated by us and adversely affect the Indian economy in general, including the infrastructure sector, which could have an adverse effect on our business and results of operations.

**53. *The Companies Act, 2013 has effected significant changes to the existing Indian company law framework and the SEBI has introduced changes to the listing agreement, which are effective from***

***October 1, 2014, which may subject us to greater compliance requirements and increase our compliance costs.***

A majority of the provisions and rules under the Companies Act, 2013 have been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital (including provisions in relation to issue of securities on a private placement basis), disclosures in an offer document, corporate governance norms, accounting policies and audit matters, specific compliance requirements such as obtaining prior approval from audit committee, board of directors and shareholders for certain related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors, insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. Pursuant to the Companies Act, we are required to spend, in each financial year, at least two percent of our average net profits during the three immediately preceding financial years towards corporate social responsibility activities. As a result of the changes brought about by the Companies Act, 2013 to the provisions relating to accounting policies, going forward, we may also be required to apply a different rate of depreciation. Further, the Companies Act, 2013 imposes greater monetary and other liability on the Company and Directors for any non-compliance. To ensure compliance with the requirements of the Companies Act, 2013, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention.

The Companies Act, 2013 has introduced certain additional requirements which do not have corresponding provisions under the Companies Act, 1956. Accordingly, we may face challenges in interpreting and complying with such requirements due to limited jurisprudence in respect of the relevant provisions. In the event our interpretation of such provisions of the Companies Act, 2013 differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps. Additionally, some of the provisions of the Companies Act, 2013 overlap with other existing laws and regulations (such as the corporate governance norms and insider trading regulations issued by the SEBI). The SEBI issued revised corporate governance guidelines effective from October 1, 2014, pursuant to which, we are required to, *inter alia*, appoint independent directors subject to terms and conditions as prescribed, establish a vigilance mechanism for directors and employees and constitute or reconstitute certain committees in accordance with the revised guidelines by April 1, 2015. We may face difficulties in complying with any such overlapping requirements. Further, we cannot currently determine the impact of provisions of the Companies Act, 2013 or the revised SEBI corporate governance norms, which are yet to come in force. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.

***54. Public companies in India, including our Company, are required to prepare financial statements under Ind AS. The transition to Ind AS in India is very recent and still unclear and our Company may be negatively affected by such transition.***

Our financial statements, including the Restated Financial Statements included in this Draft Red Herring Prospectus are prepared in accordance with Indian GAAP and restated in accordance with the Companies Act, 2013 and the SEBI Regulations. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Indian GAAP.

Public companies in India, including our Company, are required to prepare annual and interim financial statements under Indian Accounting Standard 101 “First-time Adoption of Indian Accounting Standards” (“Ind AS”). On January 2, 2015, the Ministry of Corporate Affairs, Government of India (the “MCA”) announced the revised roadmap for the implementation of Ind AS for companies other than banking companies, insurance companies and non-banking finance companies through a press release. On February 16, 2015, the MCA issued the Companies (Indian Accounting Standards) Rules, 2015 (the “Indian Accounting Standard Rules”) to be effective from April 1, 2015. The Indian Accounting Standard Rules provide for voluntary adoption of Ind AS by companies in financial year

2015 and, implementation of Ind AS will be applicable from April 1, 2016 to companies with a net worth of ₹ 5,000 million or more. Accordingly, our Company may have to convert its opening balance sheet as on April 1, 2016 in accordance with Ind AS. Further, our Company may also be required to convert its balance sheet as of April 1, 2015 in accordance with Ind AS for preparing comparable financial statements for the previous year. Further, in addition, any holding, subsidiary, joint venture or associate companies of the companies specified above shall also comply with such requirements from the respective periods specified above.

Additionally, Ind AS differs in certain respects from IFRS and therefore financial statements prepared under Ind AS may be substantially different from financial statements prepared under IFRS. There can be no assurance that our Company's financial condition, results of operation, cash flow or changes in shareholders' equity will not be presented differently under Ind AS than under Indian GAAP or IFRS. When our Company adopts Ind AS reporting, it may encounter difficulties in the ongoing process of implementing and enhancing its management information systems. Our management may also have to divert its time and other resources for successful and timely implementation of Ind AS. There can be no assurance that the adoption of Ind AS by our Company will not adversely affect its results of operation or financial condition. Any failure to successfully adopt Ind AS in accordance with the prescribed timelines may have an adverse effect on the financial position and results of operation of our Company.

**55. *We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business.***

The Competition Act, 2002, as amended (the "Competition Act"), regulates practices having an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and results in the imposition of substantial monetary penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise.

On March 4, 2011, the Government issued and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India (the "CCI"). Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India. The Competition Act aims to, among others, prohibit all agreements and transactions which may have an appreciable adverse effect on competition in India. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India.

The applicability or interpretation of the Competition Act to any merger, amalgamation or acquisition proposed or undertaken by us, or any enforcement proceedings initiated by CCI for alleged violation of provisions of the Competition Act may adversely affect our business, financial condition or results of operation.

**56. *Changes in legislation or the rules relating to tax regimes could adversely affect our business, prospects and results of operations.***

The Government has proposed to alter the implementation of direct taxes by way of introduction of the Direct Taxes Code, 2013. The Direct Taxes Code, 2013 proposes to consolidate and amend laws relating to income tax and wealth tax. The Government has indicated in the union budget for the financial year 2016 that Direct Tax Code shall not be pursued further.

Additionally, the Government has proposed a comprehensive national goods and services tax ("GST")

regime that will combine taxes and levies by the Central and state Governments into a unified rate structure, which is proposed to be effective from April 1, 2016. Given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to the tax regime following implementation of the GST. The implementation of this new structure may be affected by any disagreement between certain state Governments, which could create uncertainty. Any such future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

Further, the General Anti Avoidance Rules (GAAR) are proposed to be effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.

We have not determined the impact of such proposed legislations on our business. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

**57. *Our business is dependent on economic growth in India.***

Our performance is dependent on the health of the overall Indian economy. There have been periods of slowdown in the economic growth of India. India's economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. The GDP growth rate of India has declined to 4.5% in financial year 2013 and 4.7% in financial year 2014 (Source: *Indian Economic Survey 2013-14, Ministry of Finance, Government of India*). In the past, economic slowdowns have harmed industries including the road infrastructure sector. Any future slowdown in the Indian economy could harm our business, results of operations and financial condition.

**58. *If the rate of Indian price inflation increases, our results of operations and financial condition may be adversely affected.***

In recent years, India's wholesale price inflation index has indicated an increasing inflation trend compared to prior periods. An increase in inflation in India could cause a rise in the cost of transportation, wages, raw materials or any other expenses. If this trend continues, we may be unable to reduce our costs or pass our increased costs on to our customers and our results of operations and financial condition may be adversely affected.

**59. *Our performance is linked to the stability of policies and the political situation in India.***

The Central Government and state Governments have traditionally exercised, and continue to exercise, a significant influence over many aspects of the economy. Our business, and the market price and liquidity of the Equity Shares, may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

Since 1991, successive Governments have pursued policies of economic liberalisation and financial sector reforms. The current Government has announced its general intention to continue India's current economic and financial sector liberalisation and deregulation policies. However, we cannot assure you that such policies will be continued and a significant change in the Government's policies in the future could affect business and economic conditions in India and could also adversely affect our business, financial condition and results of operations.

Any political instability in India may adversely affect the Indian securities markets in general, which could also adversely affect the trading price of the Equity Shares. Any political instability could delay the reform of the Indian economy and could have an adverse effect on the market for the Equity Shares.



Protests against privatization could slow down the pace of liberalisation and deregulation. The rate of economic liberalisation could change, and specific laws and policies affecting companies in the road infrastructure sector, foreign investment, currency exchange rates and other matters affecting investment in our securities could change as well. A significant change in India's economic liberalisation and deregulation policies could disrupt business and economic conditions in India and thereby affect our business.

**60. *Fluctuation in the value of the Rupee against foreign currencies may have an adverse effect on our results of operations.***

While all of our revenues and most of our expenses are denominated in Rupees, we have and may enter into agreements in the future, including financing agreements and agreements to acquire components and capital equipment, which are denominated in foreign currencies and require us to bear the cost of adverse exchange rate movements. Four of our Subsidiaries have entered into financing agreements with foreign lenders and such loans are denominated in foreign currencies. Depreciation of the Indian Rupee and foreign currency fluctuations in the past have had an adverse impact on foreign currency loans availed of by one of the Subsidiaries. Accordingly, any fluctuation in the value of the Rupee against these currencies has and will affect the Rupee cost to us of servicing and repaying any obligations we may incur that expose us to exchange rate risk.

**61. *Financial instability in Indian financial markets could adversely affect our results of operations and financial condition.***

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any global financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

**62. *Our ability to raise foreign capital may be constrained by Indian law.***

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

**63. *Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely impact the trading price of the Equity Shares.***

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions), if they comply with the valuation and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and does not fall under any of the exceptions specified by the RBI, then the RBI's prior approval is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

**64. *Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our business.***

India's sovereign debt rating could be downgraded due to various factors, including changes in tax or

fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of the Equity Shares.

**65. *The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition.***

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations or financial condition, including in the following respects:

- A natural or man-made disaster, could result in damage to our assets or losses in our projects, or the failure of our counterparties to perform, or cause significant volatility in global financial markets.
- Pandemic disease, caused by a virus such as H5N1, the "avian flu" virus, the Ebola virus, or H1N1, the "swine flu" virus, could have a severe adverse effect on our business.
- Political tension, civil unrest, riots, acts of violence, situations of war or terrorist activities may result in disruption of services and may potentially lead to an economic recession and/or impact investor confidence.

**Risks Related to the Issue**

**66. *The Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.***

The Issue Price of the Equity Shares will be determined by the Company in consultation with the BRLMs through the Book Building Process. This price will be based on numerous factors, as described under "Basis for Issue Price" beginning on page 162 and may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that the investor will be able to resell their Equity Shares at or above the Issue Price

**67. *The price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Issue Price.***

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the Indian Stock Exchanges may not develop or be sustained after the Issue. The Issue Price of the Equity Shares may bear no relationship to the market price of the Equity Shares after the Issue. The market price of the Equity Shares after the Issue may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the road infrastructure sector in India, developments relating to India and volatility in the BSE and the NSE and securities markets elsewhere in the world.

**68. *There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.***

Following the Issue, our listed Equity Shares will be subject to a daily "circuit breaker" imposed on listed companies by all stock exchanges in India, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breakers will be set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares.

The stock exchanges may change the percentage limit of the circuit breaker in effect from time to time. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance can be given regarding your ability to sell the Equity Shares or the price at which you may be able to sell the Equity Shares at any particular time.

- 69. *There is no guarantee that the Equity Shares will be listed on the BSE and the NSE in a timely manner or at all, and any trading closures at the BSE and the NSE may adversely affect a shareholder's ability to sell the Equity Shares.***

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after those Equity Shares have been issued and allotted. Approval requires all other relevant documents authorising the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the BSE and the NSE. Any delay in obtaining the approval would restrict your ability to dispose of the Equity Shares.

The regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in Europe and the U.S. A trading stoppage on, either of the BSE and the NSE, due to the circuit breaker, or otherwise could adversely affect your ability to sell the Equity Shares.

- 70. *Any future issuance of Equity Shares by us may dilute your shareholding and adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares or securities linked to the Equity Shares by us may dilute your shareholding in the Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. No assurance may be given that we will not issue additional Equity Shares.

- 71. *Future sales of Equity Shares by our Promoters and significant shareholders may adversely affect the market price of the Equity Shares.***

After the completion of the Issue, our Promoters and significant shareholders will own, directly and indirectly, approximately [●]% of our outstanding Equity Shares. Sales of a large number of the Equity Shares by our Promoters and/or significant shareholders could adversely affect the market price of the Equity Shares. Similarly, the perception that any such primary or secondary sale may occur could adversely affect the market price of the Equity Shares. No assurance may be given that our significant shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

- 72. *You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of Equity Shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax ("STT") has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realized on the sale of equity shares held for more than 12 months, which are sold other than on a recognized stock exchange and on which no STT has been paid to an Indian resident, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

- 73. *Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.***

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and

shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

**74. *Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.***

Under the Companies Act, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in the Company may be reduced.

**75. *There may be less information available about companies listed on the Indian securities markets compared to information that would be available if we were listed on securities markets in certain other countries.***

There may be differences between the level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants and that of the markets in the U.S. and certain other countries. SEBI governs the Indian capital market (along with the Indian stock exchanges, which also govern the companies whose securities are listed with them) and has issued regulations and guidelines on disclosure requirements, insider trading, substantial acquisitions and takeovers of listed companies and other matters. There may, however, be less publicly available information about companies listed on an Indian stock exchange compared to information that would be available if that company was listed on a securities market in certain other jurisdictions.

**Prominent Notes**

1. Issue of [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share), aggregating up to ₹ [●] million comprising of a Fresh Issue of [●] Equity Shares aggregating up to ₹ 4,250 million by our Company and an Offer for Sale of up to 12,956,639 Equity Shares aggregating to ₹ [●] million by the Selling Shareholders. The Issue will constitute [●]% of the fully diluted post issue paid-up Equity Share capital of the Company. The Issue also includes a reservation of [●] Equity Shares of ₹ 10 each aggregating up to ₹ 250.00 million for subscription by the Eligible Employees. The Net Issue will constitute [●]% of the post-Issue paid up Equity Share capital of our Company.
2. The Issue is being made through the Book Building Process wherein at least 75% of the Net Issue shall be Allotted on a proportionate basis to QIBs, provided that our Company and the Selling Shareholders may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. If at least 75% of the Net Issue cannot be Allotted to QIBs, then the entire application money shall be refunded forthwith. Further, not more than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with SEBI Regulations to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

3. There has been no change in the Company's name since incorporation. The Company was incorporated as Sadbhav Infrastructure Project Limited on January 18, 2007, at Ahmedabad, Gujarat, as a public limited company under the Companies Act, 1956. For details of change in the Registered Office, see "History and Certain Corporate Matters" on page 232.
4. As of December 31, 2014, the Company's net worth (excluding preference share capital) was ₹ 8,629.80 million as per the Company's unconsolidated Restated Financial Statements and ₹ 7,970.48 million as per the Company's consolidated Restated Financial Statements.
5. As of December 31, 2014, the net asset value per Equity Share was ₹ 27.75 as per the Company's unconsolidated Restated Financial Statements and was ₹ 25.63 as per the Company's consolidated Restated Financial Statements.
6. As of December 31, 2014, the EPS, RoNW and net asset value per Equity Share as adjusted for issue of bonus shares and conversion of the CCPS was ₹ (7.22), (28.00)% and ₹ 25.63 on a consolidated basis and was ₹ (1.35), (4.84)% and ₹ 27.75 on an unconsolidated basis.
7. The average cost of acquisition of Equity Shares by SEL, our corporate Promoter, is ₹ 19.10 and by Vishnubhai M. Patel is ₹ 0.91. The average cost of acquisition of Equity Shares by Xander, one of the Selling Shareholders, is ₹ 61.81 and by Norwest, one of the Selling Shareholders, is ₹ 61.81. For details, see "Capital Structure" on pages 137 to 138 and 140. The average cost of acquisition per Equity Share by our Promoters and Selling Shareholders has been calculated by taking the average of the amounts paid by each of our Promoters and Selling Shareholders to acquire Equity Shares.
8. For details of related party transactions entered into by the Company with our Promoters, Group Companies and Subsidiaries in the last financial year, including nature and cumulative value of the transaction, see "Related Party Transactions" beginning on page 286.
9. There has been no financing arrangement whereby our Promoter Group, directors of our corporate Promoter, our Directors and their relatives have financed the purchase by any other person of securities of the Company other than in normal course of the business of the financing entity during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.
10. Except as disclosed in the section "Our Group Companies" and section "Related Party Transactions" beginning on pages 279 and 286, none of our Group Companies have business interest or other interests in our Company.
11. For any complaints, information or clarifications pertaining to the Issue, investors may contact the BRLMs who have submitted the due diligence certificate to the SEBI.

## SECTION III: INTRODUCTION

### SUMMARY OF INDUSTRY

The information contained in this section is derived from CRISIL Report, a V R Techniche Report and other publicly available sources. Moreover, the VR Techniche Report “Traffic Growth Rates for SIPL Toll Roads, August 2014” and the CRISIL Report dated November 13, 2014 were commissioned by the Company. Neither we, the BRLMs nor any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should not be based on such information.

#### Overview of the Indian Economy

The Indian economy is the fourth largest economy by purchasing power parity. (Source: <https://www.cia.gov/library/publications/the-world-factbook/geos/in.html>) For 2013, India’s gross domestic product (“GDP”) per capita on a purchasing power parity basis was approximately US\$ 5,449.82. (Source: International Monetary Fund, World Economic Outlook Database, October 2014) The GDP growth rates, in terms of percentage, for certain developed and developing economies for each of the calendar years 2012, 2013 and 2014 are set out below:

| Countries<br>(in percentage) | 2012       | 2013       | 2014 (est.) |
|------------------------------|------------|------------|-------------|
| China .....                  | 7.7        | 7.7        | 7.4         |
| <b>India .....</b>           | <b>4.7</b> | <b>5.0</b> | <b>5.6</b>  |
| Russia .....                 | 2.5        | 1.9        | 1.4         |
| Brazil .....                 | 1.0        | 2.5        | 0.3         |
| South Africa .....           | 2.5        | 1.9        | 1.4         |
| United States.....           | 2.3        | 2.2        | 2.2         |
| Japan.....                   | 1.5        | 1.5        | 0.9         |
| United Kingdom.....          | 0.3        | 1.7        | 3.2         |

(Source: International Monetary Fund, World Economic Outlook Database, October 2014)

In the first quarter of 2015, India’s GDP grew by 5.7%, the highest growth rate in ten quarters. Industrial GDP increased by 4.2%, showing signs of revival following approximately 0.4% growth in the financial year 2014. An increase in investment demand and exports is also apparent. Steps announced by the Government, such as higher sectoral limits for foreign direct investment (defence, railways and insurance), the launch of an online portal for environmental and forest clearance to increase transparency, budgetary support towards encouraging labor-intensive sector growth, push towards easing labor laws and budgetary allocation to infrastructure in addition to facilitating infrastructure financing, which aim to improve business processes are lifting investor sentiment. In addition, the Government’s aim to increase fiscal discipline is expected to positively change the attitude of investors. The quicker implementation of stalled projects will also encourage investment. (Source: CRISIL Report, dated September 1, 2014)

#### Overview of the Infrastructure Sector in India

As the growth of the economy in general and the manufacturing sector in particular is largely dependent on creation of suitable infrastructure, the policy focus in India has been on infrastructure investment. Such investment has increased manifold over time with increased private-sector participation in the country. The Twelfth Five Year Plan has also laid special emphasis on infrastructure development as quality infrastructure is important not only for sustaining high growth but also ensuring that the growth is inclusive. Large infrastructure investment during the last decade or so has helped India emerge as one of the fastest growing economies in the world.

(Source: Economic Survey 2013-14, available at: <http://www.indiabudget.nic.in/es2013-14/echap-11.pdf>)

The table below illustrates the projected investment in infrastructure for the twelfth five year plan:

(₹ Crore at Current Prices)

| Sectors                          | Total Eleventh Plan | Twelfth Plan Projections |                |                  |                  |                  | Total Twelfth Plan |
|----------------------------------|---------------------|--------------------------|----------------|------------------|------------------|------------------|--------------------|
|                                  |                     | 2012-13                  | 2013-14        | 2014-15          | 2015-16          | 2016-17          |                    |
| Electricity                      | 728,494             | 228,405                  | 259,273        | 294,274          | 333,470          | 386,244          | 1,501,666          |
| Renewable Energy                 | 89,220              | 31,199                   | 42,590         | 58,125           | 79,075           | 107,637          | 318,626            |
| Roads and Bridges                | 453,121             | 150,466                  | 164,490        | 180,415          | 198,166          | 221,000          | 914,536            |
| Telecommunications               | 384,962             | 105,949                  | 136,090        | 176,489          | 230,557          | 294,814          | 943,899            |
| Railways                         | 201,237             | 64,713                   | 78,750         | 96,884           | 121,699          | 157,355          | 519,221            |
| MRTs                             | 41,669              | 13,555                   | 17,148         | 22,298           | 29,836           | 41,322           | 124,158            |
| Irrigation (including Watershed) | 243,497             | 77,113                   | 87,386         | 99,178           | 112,506          | 128,186          | 504,371            |
| Water Supply and Sanitation      | 120,774             | 36,569                   | 42,605         | 49,728           | 58,084           | 68,333           | 255,319            |
| Ports (+ILW)                     | 44,536              | 18,661                   | 25,537         | 35,260           | 49,066           | 69,256           | 197,781            |
| Airports                         | 36,311              | 7,691                    | 10,716         | 15,233           | 21,959           | 32,116           | 87,714             |
| Oil and Gas Pipelines            | 62,534              | 12,211                   | 16,604         | 23,833           | 36,440           | 59,845           | 148,933            |
| Storage                          | 17,921              | 4,480                    | 6,444          | 9,599            | 14,716           | 23,202           | 58,441             |
| <b>Grand Total</b>               | <b>2,424,277</b>    | <b>751,012</b>           | <b>887,454</b> | <b>1,061,316</b> | <b>1,285,573</b> | <b>1,589,308</b> | <b>5,574,663</b>   |
| Centre                           | 856,717             | 250,758                  | 280,662        | 315,217          | 354,296          | 400,129          | 1,601,061          |
| States                           | 680,056             | 206,944                  | 230,045        | 255,645          | 283,201          | 313,928          | 1,289,762          |
| Private                          | 887,504             | 293,310                  | 376,747        | 490,455          | 648,077          | 875,251          | 2,683,840          |
| <b>Grand Total</b>               | <b>2,424,277</b>    | <b>751,012</b>           | <b>887,454</b> | <b>1,061,316</b> | <b>1,285,573</b> | <b>1,589,308</b> | <b>5,574,663</b>   |

(Source: Planning Commission, available at: [http://www.planningcommission.nic.in/plans/planrel/five\\_yr/12th/pdf/12fyp\\_vol1.pdf](http://www.planningcommission.nic.in/plans/planrel/five_yr/12th/pdf/12fyp_vol1.pdf))

The total investment in infrastructure for the Twelfth Plan is expected to be ₹ 55.7 lakh crore. The share of private investment in the total investment in infrastructure increased from 22% in the Tenth Plan to 36.61% in the Eleventh Plan. If the infrastructure target is to be met, the share of private investment in the infrastructure sectors will have to increase to approximately 48.14%. (Source: Planning Commission, available at: [http://www.planningcommission.nic.in/plans/planrel/five\\_yr/12th/pdf/12fyp\\_vol1.pdf](http://www.planningcommission.nic.in/plans/planrel/five_yr/12th/pdf/12fyp_vol1.pdf))

The key proposals of the Union Budget for 2014-15 and initiatives to be taken for infrastructure development are set out below:

**Roads:** ₹ 143.89 billion is to be provided towards Pradhan Mantri Gram Sadak Yojana, and ₹ 378.8 billion for national highways and state roads. Also, ₹ 5 billion will be set aside by the NHAI for project preparation for select expressways in parallel to the development of industrial corridors. (Source: FY14-15 Union Budget Speech, July 10, 2014)

**Urban Infrastructure and Irrigation:** ₹ 70.6 billion for developing smart cities, ₹ 36 billion under National Rural Drinking Water Programme, ₹ 10 billion for a new irrigation scheme, namely, Pradhan Mantri Krishi Sinchayee Yojana, ₹ 20.37 billion for cleaning up of the river Ganga and ₹ 1 billion viability gap funding for metro rail projects in Lucknow and Ahmedabad. (Source: FY14-15 Union Budget Speech)

**Railways:** Plan to introduce bullet train on the Mumbai-Ahmedabad sector, a diamond quadrilateral for high speed trains, and exploring foreign direct investment in railway projects. (Source: FY14-15 Railway Budget, Indian Railways)

**Ports:** 16 new port projects to be awarded this year, development of inland waterway project, and special economic zones at Kandla and JNPT ports. (Source: FY14-15 Union Budget Speech)

The corpus for Pooled Municipal Debt Obligation Facility proposed to be increased tenfold to fund urban infrastructure projects. (Source: FY14-15 Union Budget Speech)

**Other measures:** Proposal to set up an institution called '3P India' with a corpus of ₹ 5 billion to ensure the quick dispute resolution for PPP projects. (Source: FY14-15 Union Budget Speech)

## Overview of the India Road Sector

India has the second largest road network in the world, with approximately 4.8 million kilometres (km) of roads. Roads are the most common mode of transportation and account for 85% of passenger traffic and approximately 60% of freight traffic. National highways in India constitute 2% of the road network but carry approximately 40% of the total road traffic. State roads and major district roads are the secondary system of roads and they carry another 60% of traffic and account for 98% of road length. The table provides key details of the road network in India for 2013-14:

| Road Network     | Length (km)      | Percentage of Total |              |
|------------------|------------------|---------------------|--------------|
|                  |                  | Length              | Traffic      |
| National Highway | 92,851           | 2                   | 40.0         |
| State Highway    | 142,687          | 3                   | 60.0         |
| Other Roads      | 4,629,462        | 95                  |              |
| <b>Total</b>     | <b>4,865,000</b> | <b>100.0</b>        | <b>100.0</b> |

(Source: CRISIL Report, dated August 19, 2014)

## Overview of National Highways in India

National highways facilitate trade and allow convenient movement of traffic across states. National highways constitute approximately 2% of the total road network but carry approximately 40% of total road traffic. The National Highways Authority of India (“NHAI”) is the nodal agency under the Ministry of Road Transport and Highways (“MoRTH”). The NHAI is responsible for the building, maintenance and upgrading of national highways. In December 2000, NHDP was launched by the NHAI to develop the national highway network in India.

The number of lanes on national highways has also increased from single or double lane to four lane. Single lane roads decreased from 30% in 2008-09 to 24% in 2012-13. Double lane roads decreased from 53% in 2008-09 to 51% in 2012-13. For the same periods, four or more lane roads have increased from 17% to 24%. (Source: CRISIL Report, dated August 19, 2014)

The table below illustrates details of national highways for the periods indicated:

|                      | National Highway Length |       | National Highway Length |       |
|----------------------|-------------------------|-------|-------------------------|-------|
|                      | 2008-09                 |       | 2012-13                 |       |
|                      | (km)                    | (%)   | (km)                    | (%)   |
| Four/Six/ Eight Lane | 12,053                  | 17.1  | 19,128                  | 24.2  |
| Two Lane             | 37,646                  | 53.4  | 40,658                  | 51.4  |
| One Lane             | 20,849                  | 29.6  | 19,330                  | 24.4  |
| Total                | 70,548                  | 100.0 | 79,116                  | 100.0 |

(Source: CRISIL Report, dated August 19, 2014)

## The National Highway Development Programme

The NHDP involves the building, upgrading, rehabilitation and widening of existing national highways. The programme is executed by the NHAI, in coordination with the Public Works Department of the various states. The NHAI also collaborates with the Border Roads Organisation for the development of certain stretches of road. The NHDP is being implemented in seven phases. These phases are outlined in the table below:

| Phases |                                                 | Description                                                                    | Implementing Agencies |
|--------|-------------------------------------------------|--------------------------------------------------------------------------------|-----------------------|
| I      | Golden Quadrilateral                            | Connecting Delhi-Kolkata Chennai                                               | NHAI                  |
|        | Port Connectivity                               | Connectivity for 10 major ports                                                | NHAI                  |
|        | Others                                          | -                                                                              | NHAI                  |
| II     | North-South and East-West Corridor              | Shrinagar to Kanyakumari (North -South) and Silchar to Porbander (East – West) | NHAI                  |
| III    | Phase                                           | Connecting state capitals and places of economic and tourist importance        | NHAI                  |
| IV     | Improve two lane standards with paved shoulders | -                                                                              | MoRTH                 |



| Phases |                                            | Description                              | Implementing Agencies |
|--------|--------------------------------------------|------------------------------------------|-----------------------|
| V      | Six – laning of existing national highways | Phase involves 5,700 km stretch under GQ | NHAI                  |
| VI     | Expressways                                | -                                        | NHAI                  |
| VII    | Ring roads                                 | -                                        | NHAI                  |

(Source: CRISIL Report, dated October 21, 2014)

Phase I is almost complete and approximately 5% of Phase II is left to be awarded. Phase III involves converting two-lane roads into four-lane roads. The criteria for identification of stretches under this phase include high-density traffic corridors not included in Phases I and II, providing connectivity of state capitals with the NHDP (Phases I and II) and connecting centres of tourism and places of economic importance. In 2011-12, projects with a total length of 1,871 km were awarded. However, project awarding decreased to 153 km in 2012-13. Out of the total length of 12,109 km under this Phase, approximately 52% was complete as of August 31, 2014. This involved a cost of ₹ 836 billion. (Source: CRISIL Report, dated October 21, 2014)

Under Phase IV, approximately 20,000 km of national highways are planned to be improved to two-lane standards with paved shoulders. The NHAI has identified a total of 14,799 km of road under this phase. Implementation has started with more than 4% of the length executed with a total expenditure of ₹ 86 billion as of August 31, 2014. Further, as of August 31, 2014, approximately 36% of the identified road length was under implementation and approximately 60% was yet to be awarded. In 2013-14, around 928 km of projects were awarded under this phase compared to only about 644 km being awarded during 2012-13. In 2014-15, nine projects with a total length of 1,013 km were awarded till October 14, 2014. Of these two projects with an aggregate length of 356 km were awarded on BOT basis. (Source: CRISIL Report, dated October 21, 2014)

Phase V involves six-laning of 6,500 kms of selected stretches of existing four-lane national highway on a design-build-finance-operate (“DBFO”) basis. This includes approximately 5,700 kms of the GQ and other selected stretches at a total cost of ₹ 412 billion (2006 prices). As of August 31, 2014, approximately 29% of Phase V was completed. Further, as of August 31, 2014, approximately 34% of the total length under this phase was under implementation and approximately 37% was left to be awarded. A sum of ₹ 299 billion has been incurred on this phase. In 2013-14, two projects with a total length of 130 km were awarded under this phase and projects with a total length of 265 km were awarded in 2012-13. This was much lower than the 1,689 km length of project awarding in 2011-12. Also, both these projects were re-awards of projects awarded in the previous two years. (Source: CRISIL Report, dated October 21, 2014)

Phase VI includes the development of approximately 1,000 km of access-controlled four or six-lane divided carriageway expressways. Although this phase has been approved by the government, it is yet to see any awarding. Phase VII proposes the construction of ring roads, flyovers and by-passes on selected stretches of national highways at an estimated cost of ₹ 167 billion. The government approved this phase in December 2007. While 700 km of stretches have been identified, approximately 3% of the project length was completed as of August 31, 2014. As of August 31, 2014, approximately 3% of the project was under implementation and approximately 94% was yet to be awarded. As of August 31, 2014, a sum of ₹ 16 billion had been spent on this phase. (Source: CRISIL Report, dated October 21, 2014)

NHDP projects are awarded to private companies either in a cash contract or on a build-operate-transfer (“BOT”) basis. NHDP cash contracts are mainly financed through budget allocations from the Central Road Fund, negative grants or premium received and toll revenues. These projects may also be funded by loans and grants received from the World Bank and the Asian Development Bank. (Source: CRISIL Report, dated October 21, 2014)

As of August 31, 2014, approximately 45% of the total length of the NHDP was complete. The execution rate has decreased in comparison to 2013. The table below illustrates the NHDP as on August 31, 2014:

|                                               | Unit | Phase |       |        |        |       |       |     | Total  |
|-----------------------------------------------|------|-------|-------|--------|--------|-------|-------|-----|--------|
|                                               |      | I     | II    | III    | IV     | V     | VI    | VII |        |
| Total length                                  | Km   | 7,980 | 7,142 | 12,109 | 14,799 | 6,500 | 1,000 | 700 | 50,230 |
| Completed till date                           | Km   | 7,626 | 6,314 | 6,254  | 696    | 1,896 | -     | 22  | 22,808 |
| Completion rate as % of total                 | %    | 95.6  | 88.4  | 51.6   | 4.7    | 29.2  | -     | 3.1 | 45.4   |
| Completion from April 1, 2014 to May 31, 2014 | Km   | 53    | 32    | 156    | 213    | 77    | -     | 0   | 531    |

|                                        | Unit      | Phase |     |       |       |       |       |      | Total  |
|----------------------------------------|-----------|-------|-----|-------|-------|-------|-------|------|--------|
|                                        |           | I     | II  | III   | IV    | V     | VI    | VII  |        |
| Under implementation                   | Km        | 354   | 411 | 4,170 | 5,322 | 2,185 | -     | 19   | 12,461 |
| Under implementation as % of total     | %         | 4.4   | 5.8 | 34.4  | 36.0  | 33.6  | 0.0   | 2.7  | 24.8   |
| Balance length for award               | Km        | 0     | 417 | 1,685 | 8,781 | 2,419 | 1,000 | 659  | 14,961 |
| Balance length for award as % of total | %         | 0.0   | 5.8 | 13.9  | 59.3  | 37.2  | 100.0 | 94.1 | 29.8   |
| Cost incurred so far                   | ₹ billion | 428   | 649 | 836   | 86    | 299   | 1     | 16   | 2,316  |

(Source: CRISIL Report, dated October 21, 2014)

The cost per kilometre under each phase of the NHDP is illustrated in the table below:

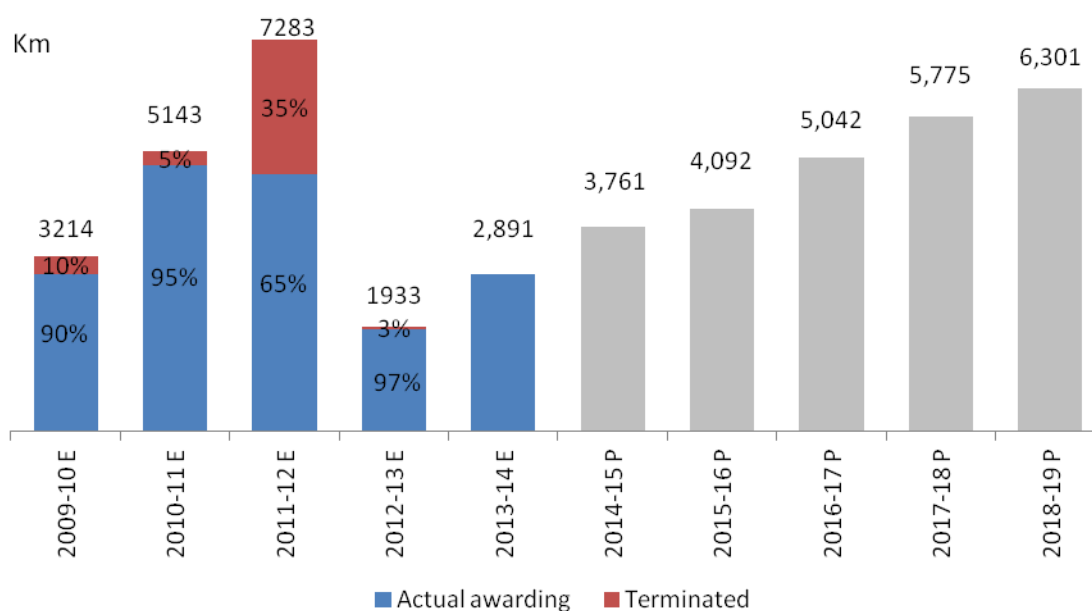
|                | Average cost per km<br>(2014-15 to 2018-19) |
|----------------|---------------------------------------------|
| NHDP Phase I   | 6.8                                         |
| NHDP Phase II  | 9.5                                         |
| NHDP Phase III | 12.7                                        |
| NHDP Phase IV  | 7.6                                         |
| NHDP Phase V   | 15.0                                        |
| NHDP Phase VI  | 54.4                                        |
| NHDP Phase VII | 20.4                                        |
| SARDP          | 12.2                                        |
| Other Projects | 8.0                                         |

*Note: The cost per km of various phases under NHDP is based on the actual cost of projects awarded in 2011-12. Going forward, an annual increase in accordance with CRISIL's estimated inflation is assumed.*

#### **National Highways Authority of India - Awarding Activity**

Over the last few years, National Highway projects have been awarded at an extremely slow pace, despite pick-up seen towards the second half of 2013-14. Issues related to clearances, low traffic density stretches on offer and the weak financial condition of players continued to impact the sector. However, the awarding of national highway projects has gathered momentum during the first quarter of 2014-15, with NHAI awarding 800 km of total length, the highest since 2011-12. An additional 300 kms is estimated to have been awarded by the MoRTH, during the same period.

Over the next five years, over 24,972 km of national highway projects are expected to be awarded. Interest in BOT projects is expected to be low initially as only four or five developers will have the desire to apply for such projects. However, scenario is expected to gradually improve. The chart below illustrates the year wise break-up of the total length of roads awarded and terminated for the periods indicated:



(Source: CRISIL Report, dated September 4, 2014)

The NHAI has invited Requests For Qualification (“RFQ”) and Request for Project (“RFP”) for 20 different projects for the period from October 2014 to December 2014, the details are set out below:

|                                | Length (km)  | Indicative Project cost (₹ In Million) |
|--------------------------------|--------------|----------------------------------------|
| Projects under RFQ             | 932          | 127,420                                |
| Projects under RFP             | 832          | 111,670                                |
| <b>Projects under RFQ/ RFP</b> | <b>230</b>   | <b>53.670</b>                          |
| <b>Total</b>                   | <b>1,994</b> | <b>292,760</b>                         |

(Source: National Highway Authority of India, as of November 4, 2014, data available at [http://www.nhai.org/procurement\\_current.asp](http://www.nhai.org/procurement_current.asp))

## SUMMARY OF BUSINESS

*The ability of our Company to successfully implement its business strategy, growth and expansion plans may be affected by various factors. Our Company's business overview, strengths and strategies must be read along with the risk factors provided in the "Risk Factors" beginning on page 21.*

### Overview

We are one of the leading road BOT companies in India that specialises in the development, operation and maintenance of highways, roads and related projects. (Source: CRISIL Report dated November 13, 2014) Our Company, a subsidiary of Sadbhav Engineering Limited, was incorporated in 2007 as a developer and operator for highways, road and related projects on a BOT basis. All of our projects are implemented and held through special purpose vehicles, including joint venture entities.

We are pre-qualified on an annual basis to bid either directly or through joint ventures for DBFOT projects, subject to certain eligibility criteria, of project values up to ₹ 26,500.00 million by the NHAI up to December 31, 2015. We are involved in the development, operation and maintenance of national and state highways and roads in several states in India including Maharashtra, Gujarat, Rajasthan, Karnataka, Haryana, Madhya Pradesh and Telangana and border check posts in the state of Maharashtra.

We have a project portfolio consisting of ten BOT projects of which six road projects are fully operational, one is the partially operational border check posts and the remaining three projects are in various stages of development. Nine of the ten BOT projects are toll projects (including service fee for the border check posts in Maharashtra), while the remaining one is an annuity project. Our operational projects cover approximately 1,534.44 lane kms and the projects under development cover approximately 1,061.48 lane kms. In addition, as of March 31, 2015, our Subsidiary MBCPNL completed 13 check posts and is developing 9 more check posts for our MBCPNL Project.

In addition to the above projects, our Company has initiated the process to acquire from SEL, our corporate Promoter, 74.00% of the outstanding equity interest in MBHPL and 39.00% of the outstanding equity interest in DPTL. This restructuring is in accordance with our overall growth strategy to consolidate all BOT road projects to be developed by our Company, in which SEL, our corporate Promoter, has shareholding. Our Company has also agreed to acquire 60.00% of the outstanding equity interest in DPTL from HCC Concessions and HCC. If these acquisitions are completed, our project portfolio will increase to 12 BOT projects, with seven fully operational projects, one partially operational border check posts project and four projects in various stages of development.

We believe we benefit significantly from the experience of and relationships established by SEL, our Corporate Promoter. SEL has an established track record of executing projects with over 25 years of experience in construction activities in the transport, mining and irrigation sectors since its incorporation in 1988.

We generate revenues primarily from toll collection, service fee and annuity receipts. Our Company also provides operation and maintenance and advisory and project management services to our projects. For the financial year ended March 31, 2014, our consolidated revenue from operations and net loss amounted to ₹ 3,710.71 million and ₹ 1,559.37 million, respectively. For the nine months ended December 31, 2014, our consolidated revenue from operations and net loss amounted to ₹ 3,745.19 million and ₹ 2,231.70 million, respectively.

### Our Projects

#### Operational and Partially Operational Projects

| Concessionaire                        | Our equity interest as of date of this Draft Red Herring Prospectus (in %) | Approximate length (in lane kms) | Type of project | Residual concession life as of March 31, 2015* |
|---------------------------------------|----------------------------------------------------------------------------|----------------------------------|-----------------|------------------------------------------------|
| Maharashtra Border Check Post Network | 77.82 <sup>1</sup>                                                         | 22 Check                         | Service         | 18 years and 7 months <sup>2</sup>             |

| Concessionaire                             | Our equity interest as of date of this Draft Red Herring Prospectus (in %) | Approximate length (in lane kms) | Type of project | Residual concession life as of March 31, 2015* |
|--------------------------------------------|----------------------------------------------------------------------------|----------------------------------|-----------------|------------------------------------------------|
| Limited                                    |                                                                            | posts                            | Fee             |                                                |
| Rohtak Panipat Tollway Private Limited     | 99.99                                                                      | 323.43                           | Toll            | 21 years and 1 month                           |
| Bijapur-Hungund Tollway Private Limited    | 76.99                                                                      | 388.88                           | Toll            | 15 years and 5 months                          |
| Ahmedabad Ring Road Infrastructure Limited | 93.99 <sup>3</sup>                                                         | 305.40                           | Toll            | 11 years and 9 months                          |
| Aurangabad Jalna Tollway Limited           | 99.99                                                                      | 263.20                           | Toll            | 15 years and 4 months                          |
| Hyderabad Yadgiri Tollway Private Limited  | 99.99                                                                      | 142.60                           | Toll            | 18 years and 4 months                          |
| Nagpur Seoni Express Way Limited           | 69.99 <sup>4</sup>                                                         | 110.92                           | Annuity         | 12 years and 8 months                          |

\* Does not include extension, if any, granted by the concessioning authority.

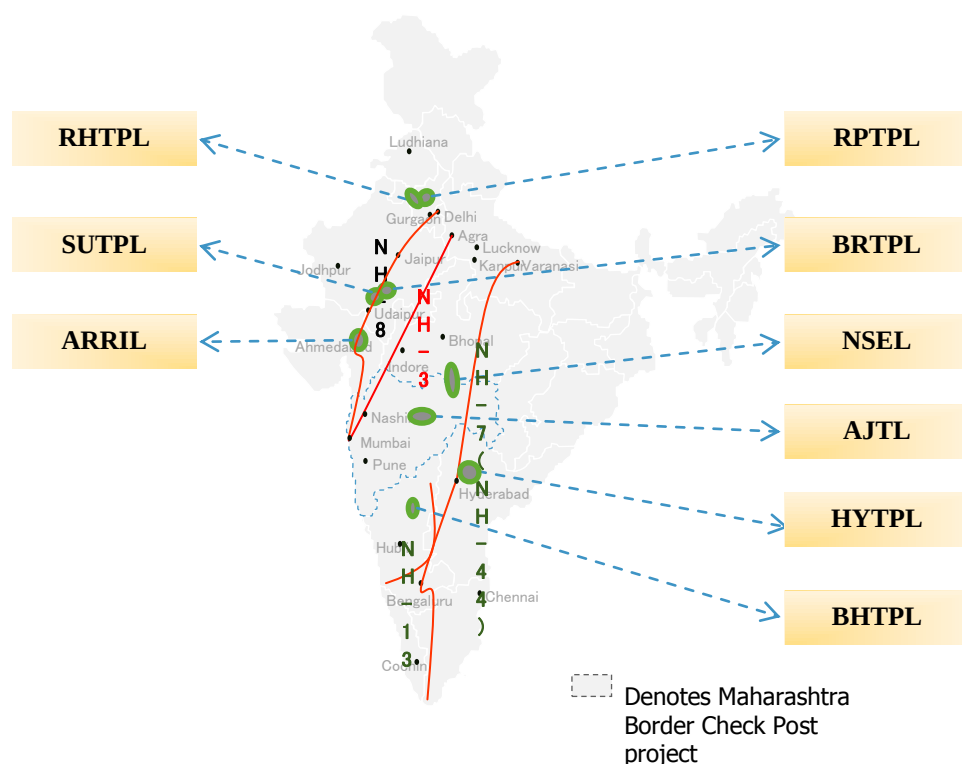
- 1 Our Company has entered into share purchase-cum-shareholders' cum sub-ordinated debt agreement dated September 18, 2013, to sell 4,963 equity shares (9.93% of the outstanding equity interest) of MBCPNL to D. Thakkar Construction Private Limited. Further, our Company has also entered into a share purchase agreement dated November 4, 2014 to acquire 5,000 equity shares (10.00% of the outstanding equity interest) of MBCPNL from SEL. For further details, see "History and Certain Corporate Matters" on page 240.
- 2 Subject to increase in the concession period based on the date of completion of the last check post and the total cost of the project. Indicates PCOD for operational check posts.
- 3 Our Company has entered into a share purchase agreement dated November 3, 2014 to acquire 20,92,000 equity shares (20.00% of the outstanding equity interest) of ARRIL, a part of which have already been acquired and the remaining equity shares will be acquired upon completion of certain transfer formalities. For further details, see "History and Certain Corporate Matters" on page 238.
- 4 Our Company has entered into a share purchase agreement dated September 22, 2010 to purchase 24,479,940 equity shares (51.00% of the outstanding equity interest) of NSEL from SEL, a part of which have already been acquired and the remaining equity shares will be transferred upon release of pledge by NSEL's lenders. For further details, see "History and Certain Corporate Matters" on page 241.

#### **Projects under Development**

| Concessionaire                              | Our equity interest as of date of this Draft Red Herring Prospectus (in %) | Approximate Length (in lane kms) | Type of project | Residual concession life as of March 31, 2015* |
|---------------------------------------------|----------------------------------------------------------------------------|----------------------------------|-----------------|------------------------------------------------|
| Shreenathji-Udaipur Tollway Private Limited | 99.99                                                                      | 317.24                           | Toll            | 25 years and 1 month                           |
| Bhilwara-Rajsamand Tollway Private Limited  | 99.99                                                                      | 349.00                           | Toll            | 28 years and 6 months                          |
| Rohtak- Hissar Tollway Private Limited      | 99.99                                                                      | 395.24                           | Toll            | 20 years and 9 months                          |

\* Does not include extension, if any, granted by the concessioning authority.

Our Company has recently restructured its shareholding in some of its Subsidiaries. For details, see "History and Certain Corporate Matters" from pages 235 to 242. Following is a map showing the location of each of our 10 projects.



### Our Proposed Acquisitions

In addition to the above projects, our Company is in the process of acquiring shareholding in MBHPL and DPTL. The following tables set out details of the projects developed by MBHPL and DPTL:

| Concessionaire                         | Status of the project | Our equity interest as of date of this Draft Red Herring Prospectus (in %) | Approximate Length (in lane kms) | Type of project | Residual concession life as of March 31, 2015* |
|----------------------------------------|-----------------------|----------------------------------------------------------------------------|----------------------------------|-----------------|------------------------------------------------|
| Mysore-Bellary Highway Private Limited | Under development     | 0.0 <sup>1</sup>                                                           | 386.68                           | Annuity         | 9 years and 8 months                           |
| Dhule Palesner Tollway Limited         | Operational           | 0.9 <sup>2</sup>                                                           | 355.20                           | Toll            | 12 years and 9 months                          |

\* Does not include extension, if any, granted by the concessioning authority.

- 1 In accordance with the share purchase agreement dated November 3, 2014 to acquire 33,699,560 equity shares (74.00% of the outstanding equity interest) from SEL. For further details, see “History and Certain Corporate Matters” on pages 244.
- 2 In accordance with the share purchase agreement dated September 22, 2010, our Company has agreed to acquire 18,692,000 equity shares (27.18% of the outstanding equity interest) of DPTL from SEL and in accordance with the share purchase agreement dated November 3, 2014, our Company has agreed to acquire 8,190,000 equity shares (11.9% of the outstanding equity interest) of DPTL from SEL. In addition, our Company and SEL have entered into a share purchase agreement dated April 16, 2015 with HCC Concessions and HCC to acquire 41,267,836 equity shares (60.00% of the outstanding equity share capital) of DPTL. For further details, see “History and Certain Corporate Matters” from pages 242 to 245.

For further details on the projects and status of acquisition, see “Business – Proposed Acquisitions” beginning on page 197.

## **Our Competitive Strengths**

### ***Sizeable and diverse portfolio of projects in several states in India***

We are one of India's leading road BOT companies in India that specialises in the development, operation and maintenance of highways and road projects. (Source: CRISIL Report dated November 13, 2014) We have a project portfolio consisting of ten projects of which six road projects are fully operational, one project is partially operational and the remaining three road projects are in various stages of development. We believe that our project portfolio is well distributed to cover both urban and rural vehicular traffic and includes national and state highways.

All of our projects are implemented through special purpose vehicles formed for the respective projects and we have a controlling interest in all Subsidiaries. These Subsidiaries enter into concession agreements with government agencies and generate revenue from toll receipts, service fee and annuities. The concession agreements are for periods ranging from 20 to 30 years. The average term for our projects is approximately 23 years and six months, thereby ensuring sustained future cash flows and growth for us. As of March 31, 2015, the average residual term for our projects is approximately 18 years and nine months.

In addition, our projects are distributed in seven states of India, a majority of which we believe are economically stable, and have a NSDP growth rate that is higher than that of India for the period between 1993-94 to 2012-2013. For details, see "Industry" beginning on page 170. We therefore believe that the industrial activities in these regions will continue to grow substantially which will lead to an increase in the traffic, and our business will be able to benefit from it. We also believe that the strategic locations of our projects in high economic growth areas strengthen the stability of our revenue and our ability to close financing arrangements for the projects.

### ***Strong support from our corporate Promoter***

SEL, our listed Promoter, which currently holds 77.42% of the issued and paid-up share capital of our Company, has an established track record of executing projects with over 25 years of experience in construction activities of transport, mining and irrigation sectors since its incorporation in 1988. Due to SEL's financial strength and experience in executing several infrastructure projects, SEL is a pre-qualified bidder for NHAI with respect to large public infrastructure projects for developing and operating road assets up to a value of ₹ 34,000 million up to December 31, 2015 and will continue to support our Company in bidding for new projects. Further, SEL has been the EPC contractor for a majority of our projects and we have completed a number of them prior to scheduled completion dates due to its experience in executing large road projects. SEL has an established track record in executing projects. Further, we believe that SEL enjoys strong brand recognition, long-standing relationships with lenders and investors and we benefit from its brand, experience, relationships and support. We believe that our relationship with SEL is a complementary one, and that this relationship strengthens our position when we approach lenders regarding the financing options for our projects. Our Company has entered into an agreement dated October 22, 2014 with SEL, whereby in accordance with the overall strategy of SEL, the road and highways and related projects business on a BOT basis will be carried out by our Company and its subsidiaries and not by any other entity in the SEL group, subject to the requirements of the bid, concession and financing documents. For further details, see "History and Certain Corporate Matters" on pages 236 to 237.

### ***Effective toll collection and toll management systems***

We believe we have a robust toll collections system to manage critical day-to-day toll collection and toll management of our projects. Classification of vehicles at our toll plazas is done both manually by the toll collector and also automatically using weight in motion technology and AVC cameras. Further, the entire process is monitored by supervisors using pan-tilt-zoom camera surveillance. Since a significant portion of the toll fees are paid in cash, we closely monitor the collection of toll fees in order to reduce toll collection leakage. In order to improve the efficiency and integrity of our toll projects, we continuously attempt to improve the internal processes and upgrade technology to manage any leakages, and to streamline toll collection, route operations and maintenance processes. As a result of this continuous focus on efficiency and integrity in the maintenance and operation of the toll roads, we believe we are able to reduce operational costs and improve our operating efficiency.

### ***Management and an integrated in-house project team with strong execution capabilities and extensive industry experience***

Our management team has experience in the Indian road infrastructure sector. Led by the Chairman of our Board and our Promoter, Vishnubhai Patel (who has extensive experience in the infrastructure construction business), we consider the strength of our management team to be fundamental to our success. We believe the stability of our management team and the industry experience brought on by our employees will enable us to continue to take advantage of future market opportunities and expand into new markets.

We have qualified in-house teams who are responsible for different aspects of our projects starting from identifying prospective projects to the collection of tolls and the operation and maintenance of the projects. We are able to undertake a significant number of activities related to the project in-house, thereby ensuring timely completion of our projects, reducing our reliance on third parties and decreasing our costs. Our integrated structure also allows us to control our budget and maximize returns for the project, including developer returns and operation and maintenance margins.

For further details of the roles and experience of our Board and Key Managerial Personnel, refer to “Our Management” from pages 255 to 260 and from 272 to 273. For further details on our employees, see “Business–Employees” below.

### ***A focused roads and highways and related BOT player and the timely execution of projects***

We are a company focused on roads and highways and related BOT projects. As of March 31, 2015, we have completed 4 out of six of our fully operational BOT projects on time or prior to the scheduled completion date (including any extensions, if granted). For example, we completed development of the BHTPL Project approximately 11 months before scheduled COD. Further, the NHAI and other concessioning authorities are required to regularly conduct inspections on the progress of development in accordance with the concession agreement. We believe that constant liaisoning with the regulatory and local authorities and thorough diligence before the bidding of the project assists us in completion of the project in a timely manner. Further, we appoint known contractors as well as periodically monitor the performance of our contractors to ensure none of our projects are stalled due to non-availability of clearances, non-availability of land and other instances of cost-overrun. We have not suffered any cost over-run in our fixed price contract with our contractors. As a result of the foregoing, we are able to complete our projects on a timely basis and minimize costs overrun.

### ***Our Strategies***

#### ***Maintain and strengthen our market position in execution of roads and border check posts BOT projects***

Our primary focus is to maintain and strengthen our market position in India among other companies developing and executing road and related BOT projects. Over the next few years, we will continue to focus on the operations, maintenance and development of our existing projects while seeking opportunities to expand our portfolio of projects. We are pre-qualified on an annual basis to bid either directly or through joint ventures for BOT projects, subject to certain eligibility criteria, of project values up to ₹ 26,500.00 million by the NHAI up to December 31, 2015. Further, we intend to bid for projects either individually or jointly with SEL. Additionally, we may also consider acquiring existing projects, developed or under development by other companies. We intend to draw on our experience, effectively use our assets, market position and our ability to execute and manage multiple projects across geographies, to grow our portfolio of road projects. We may also explore opportunities to monetise our operational BOT projects, including by way of stake sale or securitisation or transfer our operational BOT projects to another entity, which will be the primary developer of the project with us having shareholding in such entity. The Central Government has recently approved an exit policy permitting divestment of equity stake in project companies, two years after completion of the construction period for all BOT projects. We believe that monetising our operational BOT projects will improve our financial strength and provide us with the resources to pursue our planned expansion and growth strategies without external support. Further, we will continue to focus on our execution skills to complete projects in a timely manner.

#### ***Selectively expand into states with stable growth***

Given our track record in Gujarat, Maharashtra, Rajasthan, Karnataka, Madhya Pradesh, Telangana and Haryana, we intend to expand into states which are economically and politically stable and which are expected



to have NSDP growth rate that is higher than the NSDP growth rate than that of India for the period between 1993-94 to 2012-2013 to reduce tolling risks. We believe that such geographical diversification of our projects will reduce our reliance on specific states and allow us to capitalize on different growth trends in the different states. We believe our strategy in focusing both on further developing our existing markets and expanding into new markets with high growth potential will enable us to effectively capture growth opportunities in different parts of India, broaden our revenue base and reduce risks of volatility of market conditions and price fluctuations which may result from concentrating our resources in any geographical region in India.

In addition to our focus on road BOT projects, we also intend to bid for border check post projects on a BOT basis in other states. Additionally, we intend to strategically bid for new projects which are located near our existing projects so that we can reduce costs of EPC, operating and maintaining our projects and improve our operating efficiency. For example, bidding for projects in adjoining areas such as SUTPL and BRTPL Projects in Rajasthan and RPTPL and RHTPL Projects in Haryana has assisted us in achieving better operational efficiency with lower costs, since we are able to share equipment and manpower across projects as and when required.

#### ***Continue to build on relationship with our Promoter***

SEL has an established track record and industry expertise in managing road infrastructure projects. We expect that we will benefit from SEL's strategy of vertical integration which gives us greater control over development of road projects. We intend to leverage our and our corporate Promoters' experience, track record, commercial relationships and brand recognition to expand our operations and to carry out activities related to roads and highways.

#### ***Improve performance and enhance returns from our core business***

We will continue to focus on maximizing returns from each of our projects. In order to continue to improve performance and enhance returns from our BOT projects, we intend to:

- adopt the best of the evolving technologies in collection of tolls and other business processes,
- continue to improve checks and balances to reduce toll leakages, and
- continue to complete road BOT projects on or before time to increase revenues.

#### ***Reduction of funding costs***

We source funding for our projects primarily through loans from banks and other financial institutions. We intend to continue to evaluate various funding mechanisms which will enable us to enhance our credit rating and in turn reduce our borrowing cost and improve our liquidity position. In the past, we have availed ECB loans for some of our projects which has helped us in reducing the overall cost of funding. Further, we have in the past explored and will continue to explore options for refinancing certain of our loans to lower our borrowing cost and improve cash flows.

## SUMMARY OF FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from:

- a. The unconsolidated Restated Financial Statements as of and for the years ended March 31, 2010, 2011, 2012, 2013 and 2014 and as of and for the nine months ended December 31, 2014; and
- b. The consolidated Restated Financial Statements as of and for the years ended March 31, 2011, 2012, 2013 and 2014 and as of and for the nine months ended December 31, 2014.

The financial statements referred to above are presented under the section "Financial Statements" beginning on page 288. The summary financial information presented below should be read in conjunction with these financial statements, the notes thereto and the sections "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 288 and 493, respectively.

### Unconsolidated Restated Financial Information of Assets and Liabilities

|            |                                    | (₹ in Million)   |                  |                  |                 |                 |               |
|------------|------------------------------------|------------------|------------------|------------------|-----------------|-----------------|---------------|
|            |                                    | As at            | As at            | As at            | As at           | As at           | As at         |
|            |                                    | December         | March            | March            | March           | March           | March         |
|            |                                    | 31,2014          | 31,2014          | 31,2013          | 31,2012         | 31,2011         | 31,2010       |
| <b>I</b>   | <b>Equity and Liabilities</b>      |                  |                  |                  |                 |                 |               |
| <b>(1)</b> | <b>Shareholders' Funds</b>         |                  |                  |                  |                 |                 |               |
|            | (a) Share Capital                  | 3 109.63         | 282.58           | 282.58           | 264.23          | 264.23          | 0.50          |
|            | (b) Reserves and Surplus           | 5 520.17         | 8 014.71         | 8 006.61         | 6 659.71        | 6 400.44        | 8.61          |
|            |                                    | <b>8 629.80</b>  | <b>8 297.29</b>  | <b>8 289.19</b>  | <b>6 923.94</b> | <b>6 664.67</b> | <b>9.11</b>   |
| <b>(2)</b> | <b>Non-Current Liabilities</b>     |                  |                  |                  |                 |                 |               |
|            | (a) Long-Term Borrowings           | 5 632.48         | 2 550.00         | 2 550.00         | 650.00          | -               | -             |
|            | (b) Deferred Tax Liabilities (net) | -                | -                | -                | -               | -               | 0.27          |
|            | (c) Long-term Provisions           | 0.70             | 0.49             | 0.39             | 0.63            | 0.47            | -             |
|            |                                    | <b>5 633.18</b>  | <b>2 550.49</b>  | <b>2 550.39</b>  | <b>650.63</b>   | <b>0.47</b>     | <b>0.27</b>   |
| <b>(3)</b> | <b>Current Liabilities</b>         |                  |                  |                  |                 |                 |               |
|            | (a) Short-Term Borrowings          | 5 230.68         | 4 163.06         | 925.61           | 597.88          | -               | 336.32        |
|            | (b) Trade Payables                 | 306.88           | 216.97           | 175.39           | 111.68          | 1.72            | 47.78         |
|            | (c) Other Current Liabilities      | 517.69           | 675.70           | 353.14           | 554.34          | 514.07          | 515.12        |
|            | (d) Short-Term Provisions          | 0.03             | 0.03             | -                | 16.73           | 11.19           | -             |
|            |                                    | <b>6 055.28</b>  | <b>5 055.76</b>  | <b>1 454.14</b>  | <b>1 280.63</b> | <b>526.98</b>   | <b>899.22</b> |
|            | <b>Total</b>                       | <b>20 318.26</b> | <b>15 903.54</b> | <b>12 293.72</b> | <b>8 855.20</b> | <b>7 192.12</b> | <b>908.60</b> |
| <b>II</b>  | <b>Assets</b>                      |                  |                  |                  |                 |                 |               |
| <b>(1)</b> | <b>Non-current assets</b>          |                  |                  |                  |                 |                 |               |
|            | (a) Fixed Assets                   | 13.15            | 14.07            | 15.21            | 16.50           | 0.13            | -             |
|            | (b) Non-Current Investments        | 3 513.93         | 3 133.16         | 2 100.00         | 1 944.02        | 1 092.84        | 0.05          |
|            | (c) Deferred Tax Assets (net)      | -                | 0.22             | 0.15             | 0.09            | -               | -             |
|            | (d) Long-Term Loans and Advances   | 13 137.81        | 10 354.72        | 8 269.61         | 5 650.86        | 3 677.20        | 813.46        |
|            | (e) Other Non-Current Assets       | 460.13           | 329.05           | 211.63           | 103.76          | 39.40           | -             |
|            |                                    | <b>17 125.02</b> | <b>13 831.22</b> | <b>10 596.60</b> | <b>7 715.23</b> | <b>4 809.57</b> | <b>813.51</b> |
| <b>(2)</b> | <b>Current assets</b>              |                  |                  |                  |                 |                 |               |
|            | (a) Current investments            | -                | -                | 10.03            | 0.08            | 45.74           | 0.81          |

|  |                                      | As at               | As at            | As at            | As at            | As at            | As at            |
|--|--------------------------------------|---------------------|------------------|------------------|------------------|------------------|------------------|
|  |                                      | December<br>31,2014 | March<br>31,2014 | March<br>31,2013 | March<br>31,2012 | March<br>31,2011 | March<br>31,2010 |
|  | (b) Trade Receivables                | 507.77              | 597.79           | 114.33           | 76.43            | 34.25            | -                |
|  | (c) Cash and Bank<br>Balances        | 41.34               | 10.81            | 0.22             | 4.75             | 1.35             | 0.66             |
|  | (d) Short-term loans and<br>advances | 2 271.41            | 1 411.15         | 1 268.86         | 1 058.71         | 2 257.61         | 50.02            |
|  | (e) Other Current Assets             | 372.72              | 52.57            | 303.68           | -                | 43.60            | 43.60            |
|  |                                      | <b>3 193.24</b>     | <b>2 072.32</b>  | <b>1 697.12</b>  | <b>1 139.97</b>  | <b>2 382.55</b>  | <b>95.09</b>     |
|  | <b>Total</b>                         | <b>20 318.26</b>    | <b>15 903.54</b> | <b>12 293.72</b> | <b>8 855.20</b>  | <b>7 192.12</b>  | <b>908.60</b>    |

**Unconsolidated Restated Financial Information of Profits and Losses**

(₹ in Million)

|                                                                                                     | Nine months period ended | Year ended      | Year ended      | Year ended    | Year ended    | Year ended    |
|-----------------------------------------------------------------------------------------------------|--------------------------|-----------------|-----------------|---------------|---------------|---------------|
|                                                                                                     | December 31,2014         | March 31,2014   | March 31,2013   | March 31,2012 | March 31,2011 | March 31,2010 |
| Revenue from Operations                                                                             | 554.88                   | 911.75          | 899.22          | 739.11        | 153.39        | 126.41        |
| Other income                                                                                        | 248.87                   | 246.57          | 267.62          | 215.50        | 183.57        | 2.53          |
| <b>Total Revenue</b>                                                                                | <b>803.75</b>            | <b>1 158.32</b> | <b>1 166.84</b> | <b>954.61</b> | <b>336.96</b> | <b>128.94</b> |
| <b>Expenses</b>                                                                                     |                          |                 |                 |               |               |               |
| Operating Expenses                                                                                  | 429.26                   | 461.45          | 741.05          | 417.29        | -             | 7.21          |
| Employee benefits expense                                                                           | 28.20                    | 29.57           | 12.01           | 6.49          | 5.65          | 2.03          |
| Other expenses                                                                                      | 76.90                    | 106.09          | 31.64           | 100.58        | 65.31         | 1.32          |
|                                                                                                     | <b>534.36</b>            | <b>597.11</b>   | <b>784.70</b>   | <b>524.36</b> | <b>70.96</b>  | <b>10.56</b>  |
| <b>Restated Profit / (Loss) before Finance costs, depreciation and amortisation and tax expense</b> | <b>269.39</b>            | <b>561.21</b>   | <b>382.14</b>   | <b>430.25</b> | <b>266.00</b> | <b>118.38</b> |
| Finance costs                                                                                       | 685.68                   | 526.77          | 214.22          | 42.45         | 34.89         | 87.58         |
| Depreciation                                                                                        | 0.98                     | 1.14            | 1.29            | 0.55          | -             | -             |
|                                                                                                     |                          |                 |                 |               |               |               |
| <b>Restated Profit / (Loss) before tax</b>                                                          | <b>( 417.27)</b>         | <b>33.30</b>    | <b>166.63</b>   | <b>387.25</b> | <b>231.11</b> | <b>30.80</b>  |
| <b>Tax expense:</b>                                                                                 |                          |                 |                 |               |               |               |
| (a) Current Tax                                                                                     | -                        | 25.28           | 50.36           | 127.89        | 77.16         | 17.15         |
| (b) Deferred Tax - Charge/ (Credit)                                                                 | 0.22                     | (0.08)          | (0.05)          | (0.09)        | (0.27)        | 0.27          |
| <b>Total Tax Expense</b>                                                                            | <b>0.22</b>              | <b>25.20</b>    | <b>50.31</b>    | <b>127.80</b> | <b>76.89</b>  | <b>17.42</b>  |
| <b>Restated Net Profit/(Loss) after tax</b>                                                         | <b>( 417.49)</b>         | <b>8.10</b>     | <b>116.32</b>   | <b>259.45</b> | <b>154.22</b> | <b>13.38</b>  |

**Unconsolidated Restated Financial Information of Cash Flows**

(₹ in Million)

| Particulars |                                                                                        | Nine Month<br>Period ended | Year<br>ended    | Year<br>ended    | Year<br>ended    | Year<br>ended    | Year<br>ended    |
|-------------|----------------------------------------------------------------------------------------|----------------------------|------------------|------------------|------------------|------------------|------------------|
|             |                                                                                        | December<br>31,2014        | March<br>31,2014 | March<br>31,2013 | March<br>31,2012 | March<br>31,2011 | March<br>31,2010 |
| <b>(A)</b>  | <b>Cash flows from operating activities</b>                                            |                            |                  |                  |                  |                  |                  |
|             | <b>Restated Profit / (Loss) before tax</b>                                             | <b>( 417.27)</b>           | <b>33.30</b>     | <b>166.63</b>    | <b>387.25</b>    | <b>231.11</b>    | <b>30.80</b>     |
|             | <b>Adjustments for:</b>                                                                |                            |                  |                  |                  |                  |                  |
|             | Depreciation and amortisation                                                          | 0.98                       | 1.14             | 1.29             | 0.55             | -                | -                |
|             | Finance Costs                                                                          | 685.68                     | 526.77           | 214.22           | 42.45            | 34.89            | 87.58            |
|             | Dividend income                                                                        | -                          | ( 0.03)          | ( 11.87)         | ( 3.22)          | ( 8.21)          | -                |
|             | Gain on sale of Investments (net)                                                      | ( 0.02)                    | ( 0.26)          | ( 4.71)          | ( 0.37)          | ( 0.04)          | ( 0.01)          |
|             | Interest income                                                                        | ( 248.85)                  | ( 246.28)        | ( 250.80)        | ( 211.86)        | ( 175.32)        | ( 2.52)          |
|             | Provision for Dimunition in value of Non-Current Investments                           | -                          | 0.37             | -                | -                | -                | -                |
|             | Trade Receivables written off                                                          | -                          | -                | 0.41             | 10.92            | -                | -                |
|             | <b>Operating Profit before working capital changes</b>                                 | <b>20.52</b>               | <b>315.01</b>    | <b>115.17</b>    | <b>225.72</b>    | <b>82.43</b>     | <b>115.85</b>    |
|             | <b>Adjustments for:</b>                                                                |                            |                  |                  |                  |                  |                  |
|             | Decrease/(Increase) in trade receivables                                               | 90.02                      | ( 483.46)        | ( 38.30)         | ( 53.11)         | ( 34.25)         | 0.67             |
|             | Decrease/(Increase) in Long term Loans and Advances                                    | -                          | ( 62.23)         | -                | -                | -                | -                |
|             | Decrease/(Increase) in Short term Loans and Advances                                   | 20.35                      | 2.52             | 70.88            | ( 129.65)        | 38.42            | ( 43.48)         |
|             | Decrease/(Increase) in other current assets                                            | ( 91.22)                   | 289.02           | ( 301.38)        | 43.60            | -                | ( 43.60)         |
|             | Increase/(Decrease) in trade payables                                                  | 89.91                      | 41.58            | 63.71            | 109.96           | ( 46.06)         | 47.68            |
|             | Increase/(Decrease) in other liabilities                                               | ( 68.67)                   | 111.29           | ( 199.61)        | 11.60            | ( 1.05)          | 514.86           |
|             | Increase/(Decrease) in long term provisions                                            | 0.21                       | 0.10             | ( 0.24)          | 0.16             | 0.47             | -                |
|             | Increase/(Decrease) in short term provisions                                           | -                          | 0.03             | -                | -                | -                | -                |
|             | <b>Cash generated/ (used) from/in operations</b>                                       | <b>61.12</b>               | <b>213.86</b>    | <b>( 289.77)</b> | <b>208.28</b>    | <b>39.96</b>     | <b>591.98</b>    |
|             | Direct taxes paid (net)                                                                | (22.49)                    | (21.03)          | (83.43)          | (126.29)         | (59.44)          | (23.69)          |
|             | <b>Net cash generated / (used) from / in operating activities</b>                      | <b>38.63</b>               | <b>192.83</b>    | <b>( 373.20)</b> | <b>81.99</b>     | <b>( 19.48)</b>  | <b>568.29</b>    |
| <b>(B)</b>  | <b>Cash flows from investing activities</b>                                            |                            |                  |                  |                  |                  |                  |
|             | Purchase of tangible assets, Increase in Capital Work-in-Progress and Capital Advances | ( 0.06)                    | ( 0.13)          | ( 3.32)          | ( 1.68)          | ( 11.95)         | -                |
|             | Purchase of Units of Mutual Fund                                                       | ( 7.50)                    | ( 244.24)        | (3 580.57)       | (1 144.80)       | (3 588.03)       | ( 0.80)          |
|             | Proceeds from sale of Units of Mutual Fund                                             | 7.52                       | 254.54           | 3 575.33         | 1 190.83         | 3 543.14         | -                |
|             | Dividend received                                                                      |                            | 0.03             | 11.87            | 3.22             | 8.21             | -                |
|             | Loans Given to third parties                                                           | ( 248.80)                  | ( 170.00)        | -                | -                | -                | -                |
|             | Loans given to related parties                                                         | (1,558.02)                 | (1,748.89)       | (3,275.06)       | (1,672.07)       | (4,653.27)       | -                |

| Particulars |                                                                                                                    | Nine Month<br>Period ended | Year<br>ended     | Year<br>ended     | Year<br>ended     | Year<br>ended     | Year<br>ended    |
|-------------|--------------------------------------------------------------------------------------------------------------------|----------------------------|-------------------|-------------------|-------------------|-------------------|------------------|
|             |                                                                                                                    | December<br>31,2014        | March<br>31,2014  | March<br>31,2013  | March<br>31,2012  | March<br>31,2011  | March<br>31,2010 |
|             | Loans received back from related parties                                                                           | 120.38                     | 1 769.83          | 3 010.53          | 2 762.21          | 2 505.75          | -                |
|             | Sub-Ordinate Debt Given                                                                                            | (3 414.02)                 | (2 828.21)        | (3 523.69)        | (1 900.72)        | (2 136.60)        | ( 811.02)        |
|             | Sub-Ordinate Debt received back                                                                                    | 1 584.22                   | 545.85            | 950.00            | -                 | -                 | -                |
|             | Investment in share of subsidiary companies                                                                        | ( 196.33)                  | (1 033.53)        | ( 154.19)         | ( 791.87)         | (1 090.35)        | -                |
|             | Investment in share of associate companies                                                                         | -                          | -                 | -                 | ( 57.28)          | -                 | -                |
|             | Purchase /refund of non-current investments (including share application money and advance against share purchase) | ( 309.41)                  | 259.49            | ( 46.85)          | 155.40            | ( 822.79)         | ( 2.44)          |
|             | Interest received                                                                                                  | 35.39                      | 90.96             | 140.62            | 147.49            | 135.93            | 2.52             |
|             | <b>Net cash used in investing activities</b>                                                                       | <b>(3 986.63)</b>          | <b>(3 104.30)</b> | <b>(2 895.33)</b> | <b>(1 309.27)</b> | <b>(6 109.96)</b> | <b>( 811.74)</b> |
| <b>(C)</b>  | <b>Cash Flows from financing activities</b>                                                                        |                            |                   |                   |                   |                   |                  |
|             | Proceeds from issuance of share capital                                                                            | -                          | -                 | 18.35             | -                 | 263.73            | -                |
|             | Proceeds from securities premium on issuance of share capital                                                      | -                          | -                 | 1 231.65          | -                 | 6 338.08          | -                |
|             | Share issue expenses/ Initial Public Offer Expenses                                                                | ( 53.23)                   | -                 | ( 1.25)           | -                 | ( 100.47)         | -                |
|             | Proceeds from long-term borrowings                                                                                 | 2 900.00                   | -                 | 1 900.00          | 650.00            | -                 | -                |
|             | Proceeds from short-term borrowings                                                                                | 5 029.53                   | 5 038.93          | 327.73            | 1 432.48          | 1 387.53          | 330.07           |
|             | Repayments of short-term borrowings                                                                                | (3 182.27)                 | (1 801.47)        | -                 | ( 834.60)         | (1 723.85)        | -                |
|             | Finance Costs                                                                                                      | ( 715.50)                  | ( 315.40)         | ( 212.48)         | ( 17.20)          | ( 34.89)          | ( 87.58)         |
|             | <b>Net cash generated from financing activities</b>                                                                | <b>3 978.53</b>            | <b>2 922.06</b>   | <b>3 264.00</b>   | <b>1 230.68</b>   | <b>6 130.13</b>   | <b>242.49</b>    |
|             | <b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>                                                | <b>30.53</b>               | <b>10.59</b>      | <b>( 4.53)</b>    | <b>3.40</b>       | <b>0.69</b>       | <b>( 0.96)</b>   |
|             | Cash and cash equivalents at beginning of the year / period                                                        | 10.81                      | 0.22              | 4.75              | 1.35              | 0.66              | 1.62             |
|             | <b>Cash and cash equivalents at end of the year / period</b>                                                       | <b>41.34</b>               | <b>10.81</b>      | <b>0.22</b>       | <b>4.75</b>       | <b>1.35</b>       | <b>0.66</b>      |

**Consolidated Restated Financial Information of Assets and Liabilities**

**(₹ in Million)**

|            |                                          | As at               | As at            | As at            | As at            | As at            |
|------------|------------------------------------------|---------------------|------------------|------------------|------------------|------------------|
|            |                                          | December<br>31,2014 | March<br>31,2014 | March<br>31,2013 | March<br>31,2012 | March<br>31,2011 |
| <b>I</b>   | <b>Equity and Liabilities</b>            |                     |                  |                  |                  |                  |
| <b>(1)</b> | <b>Shareholders' Funds</b>               |                     |                  |                  |                  |                  |
|            | (a) Share Capital                        | 3,109.63            | 282.58           | 282.58           | 264.23           | 264.23           |
|            | (b) Reserves and Surplus                 | 4,860.85            | 7,950.70         | 9,456.43         | 8,234.14         | 6,786.37         |
|            |                                          | <b>7,970.48</b>     | <b>8,233.28</b>  | <b>9,739.01</b>  | <b>8,498.37</b>  | <b>7,050.60</b>  |
| <b>(2)</b> | <b>Minority Interest</b>                 | <b>676.98</b>       | <b>1,872.06</b>  | <b>1,593.09</b>  | <b>1,269.30</b>  | <b>984.27</b>    |
| <b>(3)</b> | <b>Non-Current Liabilities</b>           |                     |                  |                  |                  |                  |
|            | (a) Long-Term Borrowings                 | 53,162.19           | 45,010.40        | 35,778.38        | 27,614.71        | 13,143.69        |
|            | (b) Other Long Term Liabilities          | 22,318.81           | 22,414.90        | 4,180.58         | 0.73             | 0.87             |
|            | (c) Long-Term Provisions                 | 786.40              | 411.77           | 114.98           | 390.98           | 270.67           |
|            |                                          | <b>76,267.40</b>    | <b>67,837.07</b> | <b>40,073.94</b> | <b>28,006.42</b> | <b>13,415.23</b> |
| <b>(4)</b> | <b>Current Liabilities</b>               |                     |                  |                  |                  |                  |
|            | (a) Short-Term Borrowings                | 5,320.30            | 4,007.30         | 651.79           | 297.88           | -                |
|            | (b) Trade Payables                       | 439.22              | 425.88           | 235.21           | 125.51           | 12.69            |
|            | (c) Other Current Liabilities            | 4,181.02            | 3,525.34         | 1,147.16         | 1,717.80         | 1,538.76         |
|            | (d) Short-Term Provisions                | 222.51              | 317.49           | 405.69           | 17.65            | 12.13            |
|            |                                          | <b>10,163.05</b>    | <b>8,276.01</b>  | <b>2,439.85</b>  | <b>2,158.84</b>  | <b>1,563.58</b>  |
|            | <b>Total</b>                             | <b>95,077.91</b>    | <b>86,218.42</b> | <b>53,845.89</b> | <b>39,932.93</b> | <b>23,013.68</b> |
| <b>II</b>  | <b>Assets</b>                            |                     |                  |                  |                  |                  |
| <b>(1)</b> | <b>Non-current assets</b>                |                     |                  |                  |                  |                  |
|            | (a) Fixed Assets                         |                     |                  |                  |                  |                  |
|            | (i) Tangible Assets                      | 230.23              | 248.26           | 248.17           | 235.66           | 203.18           |
|            | (ii) Intangible Assets                   | 70,945.45           | 69,791.03        | 30,531.00        | 6,733.54         | 6,914.80         |
|            | (iii) Capital Work-in-Progress           | 6.68                | 7.18             | 8.77             | 1.08             | -                |
|            | (iv) Intangible Assets under Development | 14,983.95           | 7,761.58         | 16,652.60        | 26,216.89        | 9,681.71         |
|            |                                          | <b>86,166.31</b>    | <b>77,808.05</b> | <b>47,440.54</b> | <b>33,187.17</b> | <b>16,799.69</b> |
|            | (b) Goodwill on Consolidation            | 612.93              | 449.10           | 475.65           | 498.93           | 153.83           |
|            | (c) Non-Current Investments              | 24.73               | 23.41            | 11.70            | 49.02            | 4.47             |
|            | (d) Deferred Tax Assets (net)            | -                   | 0.22             | 0.15             | 0.09             | -                |
|            | (e) Long-Term Loans and Advances         | 4,489.57            | 5,239.92         | 3,565.17         | 3,484.47         | 4,213.75         |
|            | (f) Other Non-Current Assets             | 517.82              | 401.24           | 303.09           | 214.48           | 39.40            |

|            |                                   | As at               | As at            | As at            | As at            | As at            |
|------------|-----------------------------------|---------------------|------------------|------------------|------------------|------------------|
|            |                                   | December<br>31,2014 | March<br>31,2014 | March<br>31,2013 | March<br>31,2012 | March<br>31,2011 |
|            |                                   | <b>91,811.36</b>    | <b>83,921.94</b> | <b>51,796.30</b> | <b>37,434.16</b> | <b>21,211.14</b> |
| <b>(2)</b> | <b>Current assets</b>             |                     |                  |                  |                  |                  |
|            | (a) Current Investments           | 51.07               | 1,028.61         | 81.85            | 117.47           | 60.75            |
|            | (b) Trade Receivables             | 46.98               | 143.22           | 5.42             | 4.21             | 14.93            |
|            | (c) Cash and Bank Balances        | 1,235.17            | 518.35           | 516.67           | 1,236.39         | 518.21           |
|            | (d) Short-Term Loans and Advances | 763.51              | 464.37           | 1,003.73         | 1,042.69         | 696.72           |
|            | (e) Other Current Assets          | 1,169.82            | 141.93           | 441.92           | 98.01            | 511.93           |
|            |                                   | <b>3,266.55</b>     | <b>2,296.48</b>  | <b>2,049.59</b>  | <b>2,498.77</b>  | <b>1,802.54</b>  |
|            | <b>Total</b>                      | <b>95,077.91</b>    | <b>86,218.42</b> | <b>53,845.89</b> | <b>39,932.93</b> | <b>23,013.68</b> |



**Consolidated Restated Financial Information of Profit and Loss**

(₹ in Million)

|                                                                                                                      | Nine months<br>Period ended | Year ended        | Year ended       | Year ended       | Year<br>ended    |
|----------------------------------------------------------------------------------------------------------------------|-----------------------------|-------------------|------------------|------------------|------------------|
|                                                                                                                      | December<br>31,2014         | March<br>31,2014  | March<br>31,2013 | March<br>31,2012 | March<br>31,2011 |
| Revenue from Operations                                                                                              | 3,745.19                    | 3,710.71          | 2,872.15         | 1,759.57         | 694.90           |
| Other income                                                                                                         | 212.91                      | 215.89            | 282.10           | 227.91           | 201.75           |
| <b>Total Revenue</b>                                                                                                 | <b>3,958.10</b>             | <b>3,926.60</b>   | <b>3,154.25</b>  | <b>1,987.48</b>  | <b>896.65</b>    |
| <b>Expenses</b>                                                                                                      |                             |                   |                  |                  |                  |
| Operating Expenses                                                                                                   | 1,155.96                    | 885.20            | 970.94           | 646.72           | 120.00           |
| Employee benefits expense                                                                                            | 171.26                      | 163.52            | 102.84           | 61.51            | 33.13            |
| Other expenses                                                                                                       | 195.41                      | 246.15            | 102.56           | 120.01           | 93.85            |
|                                                                                                                      | <b>1,522.63</b>             | <b>1,294.87</b>   | <b>1,176.34</b>  | <b>828.24</b>    | <b>246.98</b>    |
| <b>Earnings before interest, tax and depreciation and amortisation</b>                                               | <b>2,435.47</b>             | <b>2,631.73</b>   | <b>1,977.91</b>  | <b>1,159.24</b>  | <b>649.67</b>    |
| Finance costs                                                                                                        | 3,861.09                    | 3,552.44          | 1,951.76         | 718.44           | 399.02           |
| Depreciation and Amortisation                                                                                        | 1,030.74                    | 915.01            | 498.95           | 215.04           | 102.61           |
| <b>Profit / (Loss) before tax</b>                                                                                    | <b>(2,456.36)</b>           | <b>(1,835.72)</b> | <b>(472.80)</b>  | <b>225.76</b>    | <b>148.04</b>    |
| <b>Tax expense:</b>                                                                                                  |                             |                   |                  |                  |                  |
| (a) Current Tax                                                                                                      | -                           | 121.74            | 50.36            | 127.89           | 77.84            |
| (b) Deferred Tax - Charge/(Credit)                                                                                   | 0.22                        | (0.08)            | (0.05)           | (0.09)           | (0.27)           |
| <b>Total Tax Expense</b>                                                                                             | <b>0.22</b>                 | <b>121.66</b>     | <b>50.31</b>     | <b>127.80</b>    | <b>77.57</b>     |
| <b>Profit / (Loss) after tax for the period/ year and before share of losses of minority interest and associates</b> | <b>(2,456.58)</b>           | <b>(1,957.38)</b> | <b>(523.11)</b>  | <b>97.96</b>     | <b>70.47</b>     |
| Share of (Profit)/Loss attributable to Minority Interest                                                             | 224.88                      | 398.01            | 133.55           | 18.22            | 28.37            |
| Share of Profit/(Loss) from Associate Company                                                                        | -                           | -                 | (67.09)          | (18.19)          | -                |
| <b>Net Profit / (Loss) for the period / year</b>                                                                     | <b>(2,231.70)</b>           | <b>(1,559.37)</b> | <b>(456.66)</b>  | <b>97.99</b>     | <b>98.84</b>     |

**Consolidated Restated Summary Statement of Cash Flows**

(₹ in Million)

| Particulars |                                                        |            | Nine months<br>Period<br>ended | Year<br>ended    | Year<br>ended    | Year ended       | Year<br>ended    |
|-------------|--------------------------------------------------------|------------|--------------------------------|------------------|------------------|------------------|------------------|
|             |                                                        |            | December<br>31,2014            | March<br>31,2014 | March<br>31,2013 | March<br>31,2012 | March<br>31,2011 |
| (A)         | Cash flows from operating activities                   |            |                                |                  |                  |                  |                  |
|             | Profit/(Loss) before tax                               |            | (2,456.36)                     | (1,835.72)       | (472.80)         | 225.76           | 148.04           |
|             | Adjustments for:                                       |            |                                |                  |                  |                  |                  |
|             | Depreciation and amortisation                          |            | 1,030.74                       | 915.01           | 498.95           | 215.04           | 102.61           |
|             | (Profit)/Loss on sale of tangible assets               |            | (0.12)                         | (0.03)           | 8.32             | -                | -                |
|             | Finance Costs                                          |            | 3,861.08                       | 3,552.44         | 1,951.76         | 718.44           | 399.02           |
|             | Dividend income                                        |            | (0.62)                         | (0.74)           | (22.97)          | (3.40)           | -                |
|             | Gain on sale of investments (net)                      |            | (68.55)                        | (41.82)          | (26.48)          | (11.49)          | (30.02)          |
|             | Interest income                                        |            | (141.17)                       | (148.16)         | (232.34)         | (212.86)         | (171.50)         |
|             | Sundry balances written back                           |            | (1.69)                         | (23.49)          | (0.31)           | (0.01)           | -                |
|             | Trade receivables written off                          |            | -                              | 0.48             | 0.41             | 0.03             | -                |
|             | Provision for doubtful debt                            |            | 1.10                           | -                | -                | -                | -                |
|             | Interest receivable written off                        |            | -                              | -                | -                | 10.92            | -                |
|             | Assets under construction written off                  |            | -                              | 82.01            | -                | -                | -                |
|             | <b>Operating Profit before working capital changes</b> |            | <b>2,224.41</b>                | <b>2,499.98</b>  | <b>1,704.54</b>  | <b>942.43</b>    | <b>448.15</b>    |
|             | Adjustments for:                                       |            |                                |                  |                  |                  |                  |
|             | Decrease/(Increase) in trade receivables               |            | 95.14                          | 231.21           | (1.62)           | (0.23)           | (5.77)           |
|             | Decrease/(Increase) in short-term loans and advances   |            | 7.65                           | (28.15)          | (15.17)          | (140.04)         | (77.07)          |
|             | Decrease/(Increase) in long-term loans and advances    |            | (3.00)                         | (0.74)           | (0.61)           | (0.09)           | 448.50           |
|             | Decrease/(Increase) in other assets                    |            | (90.93)                        | 309.01           | (357.73)         | 43.60            | (3.52)           |
|             | Increase/(Decrease) in trade payables                  |            | 15.03                          | (40.85)          | 109.97           | 112.79           | (546.09)         |
|             | Increase/(Decrease) in other long- term liabilities    |            | 0.45                           | (0.63)           | 0.78             | (0.13)           | (3.07)           |
|             | Increase/(Decrease) in other current liabilities       |            | (68.68)                        | 290.65           | (125.34)         | 121.34           | (139.89)         |
|             | Increase/(Decrease) in provisions                      |            | 298.31                         | 93.53            | 128.76           | 120.82           | 271.08           |
|             | <b>Cash generated from operations</b>                  |            | <b>2478.38</b>                 | <b>3,354.01</b>  | <b>1,443.58</b>  | <b>1,200.49</b>  | <b>392.32</b>    |
|             | Direct taxes paid (net)                                |            | (37.54)                        | (107.88)         | (105.03)         | (133.47)         | (68.91)          |
|             | <b>Net cash generated from operating activities</b>    | <b>(A)</b> | <b>2,440.84</b>                | <b>3,246.13</b>  | <b>1,338.55</b>  | <b>1,067.02</b>  | <b>323.41</b>    |

| Particulars |                                                               |            | Nine months<br>Period<br>ended | Year<br>ended     | Year<br>ended     | Year ended         | Year<br>ended     |
|-------------|---------------------------------------------------------------|------------|--------------------------------|-------------------|-------------------|--------------------|-------------------|
|             |                                                               |            | December<br>31,2014            | March<br>31,2014  | March<br>31,2013  | March<br>31,2012   | March<br>31,2011  |
| <b>(B)</b>  | <b>Cash flows from investing activities</b>                   |            |                                |                   |                   |                    |                   |
|             | Purchase of Fixed Assets (including Work-in-Progress)         |            | (7,369.98)                     | (8,865.44)        | (9,186.41)        | (13,227.88)        | (6,861.76)        |
|             | Proceeds from sale of tangible assets                         |            | 0.25                           | 3.01              | 10.18             | -                  | 0.16              |
|             | Payment of Additional Concession Fees                         |            | (96.53)                        | (186.45)          | (29.25)           | -                  | -                 |
|             | Proceeds from sale of / (Purchase of) mutual funds (Net)      |            | 1,046.09                       | (904.93)          | 62.10             | (45.23)            | 230.83            |
|             | Dividend received                                             |            | 0.62                           | 0.74              | 22.97             | 3.40               | -                 |
|             | Sub-Ordinate Debt Given                                       |            | -                              | (21.31)           | (124.00)          | (450.80)           | (64.52)           |
|             | Unsecured Loans Given                                         |            | (286.08)                       | (170.00)          | (273.15)          | (444.66)           | (520.31)          |
|             | Proceeds from Repayment of Unsecured Loan Given               |            | -                              | 737.99            | 349.52            | 5.85               | 7.60              |
|             | Payment towards acquisition of Subsidiary/ Minority Interest  |            | (896.95)                       | -                 | -                 | (556.25)           | (807.29)          |
|             | Advance towards Purchase of Shares                            |            | (308.09)                       | -                 | (45.11)           | (68.77)            | (596.54)          |
|             | Share Application money given                                 |            | -                              | -                 | -                 | (32.18)            | (154.99)          |
|             | Share Application money received back                         |            | -                              | -                 | -                 | 137.16             | -                 |
|             | Payment towards Purchase of Non-Current Investments           |            | (1.32)                         | (11.72)           | (1.72)            | (62.74)            | (4.41)            |
|             | Interest received                                             |            | 25.44                          | 25.36             | 174.48            | 160.88             | 128.73            |
|             | <b>Net cash used in investing activities</b>                  | <b>(B)</b> | <b>(7,886.55)</b>              | <b>(9,392.75)</b> | <b>(9,040.39)</b> | <b>(14,581.22)</b> | <b>(8,642.50)</b> |
|             |                                                               |            |                                |                   |                   |                    |                   |
| <b>(C)</b>  | <b>Cash Flows from financing activities</b>                   |            |                                |                   |                   |                    |                   |
|             | Proceeds from issuance of share capital                       |            | -                              | -                 | 18.35             | -                  | 263.73            |
|             | Proceeds from securities premium on issuance of share capital |            | -                              | -                 | 1,231.65          | -                  | 6,341.60          |
|             | Share issue expenses                                          |            | (53.23)                        | -                 | (1.25)            | -                  | (100.47)          |
|             | Proceeds from Issue of share capital to Minority Shareholders |            | -                              | 242.14            | 54.23             | 45.26              | 80.63             |
|             | Grant received during the year                                |            | 337.40                         | -                 | 582.30            | 2,153.69           | -                 |
|             | Proceeds from Sub-ordinate from Minority Shareholders         |            | -                              | 434.78            | 269.15            | 181.28             | 348.08            |
|             | Repayment of Sub-Ordinate debt to Minority Shareholders       |            | -                              | -                 | -                 | (135.45)           | (441.95)          |
|             | Proceeds from long-term borrowings                            |            | 8,709.59                       | 8,447.66          | 8,510.85          | 14,606.52          | 10,080.19         |

| Particulars |                                                              |                 | Nine months<br>Period ended | Year ended      | Year ended      | Year ended       | Year ended      |
|-------------|--------------------------------------------------------------|-----------------|-----------------------------|-----------------|-----------------|------------------|-----------------|
|             |                                                              |                 | December 31,2014            | March 31,2014   | March 31,2013   | March 31,2012    | March 31,2011   |
|             | Repayment of long- term borrowings                           |                 | (714.79)                    | (696.59)        | (173.46)        | (103.98)         | (5,833.10)      |
|             | Proceeds from short-term borrowings                          |                 | 5,542.71                    | 4,766.31        | 701.64          | 1,026.36         | 1,684.57        |
|             | Repayment of short-term borrowings                           |                 | (3,450.14)                  | (2,148.79)      | (347.73)        | (728.48)         | (2,648.03)      |
|             | Finance Costs                                                |                 | (4,209.01)                  | (4,897.71)      | (3,863.61)      | (2,812.82)       | (966.68)        |
|             | <b>Net cash from financing activities</b>                    | <b>(C)</b>      | <b>6,162.53</b>             | <b>6,147.80</b> | <b>6,982.12</b> | <b>14,232.38</b> | <b>8,808.57</b> |
|             |                                                              |                 |                             |                 |                 |                  |                 |
|             | <b>Net increase/(decrease) in cash and cash equivalents</b>  | <b>( A+B+C)</b> | <b>716.82</b>               | <b>1.18</b>     | <b>(719.72)</b> | <b>718.18</b>    | <b>489.48</b>   |
|             | Cash and cash equivalents at beginning of the year / period  |                 | 518.35                      | 516.67          | 1,236.39        | 518.21           | 0.66            |
|             | Cash and cash equivalents on Acquisition of Subsidiary       |                 | -                           | 0.50            | -               | -                | 28.07           |
|             | <b>Cash and cash equivalents at end of the year / period</b> |                 | <b>1,235.17</b>             | <b>518.35</b>   | <b>516.67</b>   | <b>1,236.39</b>  | <b>518.21</b>   |
| Notes:      |                                                              |                 |                             |                 |                 |                  |                 |
| (i)         | Components of cash and cash equivalents:                     |                 |                             |                 |                 |                  |                 |
|             | Cash on hand                                                 |                 | 21.53                       | 28.50           | 14.01           | 5.17             | 4.43            |
|             | Balances with scheduled banks:                               |                 |                             |                 |                 |                  |                 |
|             | - In current accounts                                        |                 | 905.83                      | 489.82          | 135.17          | 225.32           | 263.78          |
|             | - In deposit accounts                                        |                 | 307.81                      | 0.03            | 367.49          | 1,005.90         | 250.00          |
|             | <b>Cash and cash equivalents (Refer Annexure XXIV)</b>       |                 | <b>1,235.17</b>             | <b>518.35</b>   | <b>516.67</b>   | <b>1,236.39</b>  | <b>518.21</b>   |

## Auditor Qualifications

Our auditors have included qualifications with respect to matters specified in the Companies (Auditors Report) Order, 2003, as amended, in the annexure to its report on our unconsolidated Restated Financial Statements as of and for the financial years provided below. These qualifications do not require any corrective material adjustments in our unconsolidated restated summary statements. We provide below, these qualifications as well as the Company's corrective steps in connection with these remarks:

### Annexure to the auditor's report for the Financial Year ended March 31, 2014

- *No internal audit was carried out and accordingly, the auditors were unable to comment on the internal audit system.*

Our Company has established and maintains adequate internal measures commensurate with the size of our Company and complexity of operations. Comprehensive processes have been established to ensure that all facets of our Company's operations are subjected to scrutiny. In addition to this, our Company has recently appointed an external firm of Chartered Accountants as an internal auditor from the financial year 2014-15 onwards.

- *Undisputed statutory dues including provident fund, income tax, sales tax, service tax, cess and other material statutory dues were generally regularly deposited with the appropriate authorities though there had been a slight delay in a few cases.*

Our Company has instituted a system to address such delays, which includes the tracking of due dates for payment of statutory dues, ensuring a daily check on payments due, monitoring of the payments made, and periodic training of the accounting staff on the various statutory requirements and due dates applicable to our Company.

- *Disputed service tax outstanding for the financial years 2009-10 and 2010-11 was ₹40.98 million.*

Our Company has filed an appeal before the Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad. The Company has deposited an amount of ₹ 2.5 million. For further details, see "Litigation – Litigation involving our Company – Litigation filed against our Company – Indirect tax proceedings" on page 516.

- *₹2,980.68 million raised on short term basis in the form of unsecured loan from related party were used for investment in equity shares and sub-ordinate debts to its subsidiaries and associate as promoter's contributions.*

Our Company is in the process of raising long term finance to meet the requirement of long term investment. Approximately ₹ 2,400.00 million is to be repaid from the Issue proceeds and an agreement for ₹ 779.56 million has already been entered into where the repayment term shall be for 11 years. Our Company proposes to amend the existing arrangement to a five year loan repayment period and put option with our Company.

### Annexure to the auditor's report for the Financial Year ended March 31, 2013

- *No internal audit was carried out and accordingly, the auditors were unable to comment on the internal audit system.*

Our Company has established and maintains adequate internal measures commensurate with the size of our Company and complexity of operations. Comprehensive processes have been established to ensure that all facets of our Company's operations are subjected to scrutiny. In addition to this, our Company has recently appointed an external firm of Chartered Accountants as an internal auditor from the financial year 2014-15 onwards.

- *Undisputed statutory dues including provident fund, income tax, sales tax, service tax, cess and other material statutory dues were generally regularly deposited with the appropriate authorities though there had been a slight delay in a few cases.*

Our Company has instituted a system to address such delays, which includes the tracking of due dates for payment of statutory dues, ensuring a daily check on payments due, monitoring of the payments

made, and periodic training of the accounting staff on the various statutory requirements and due dates applicable to the Company.

- *Disputed service tax outstanding for the financial years 2009-10 and 2010-11 was ₹43.48 million.*

Our Company has filed an appeal before the Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad. Our Company has deposited an amount of ₹ 2.5 million. For further details, see “Litigation – Litigation involving our Company – Litigation filed against our Company – Indirect tax proceedings” on page 516.

#### **Annexure to the auditor’s report for the Financial Year ended March 31, 2012**

- *No internal audit was carried out and accordingly, the auditors were unable to comment on the internal audit system.*

Our Company has established and maintains adequate internal measures commensurate with the size of our Company and complexity of operations. Comprehensive processes have been established to ensure that all facets of our Company’s operations are subjected to scrutiny. In addition to this, our Company has recently appointed an external firm of Chartered Accountants as an internal auditor from the financial year 2014-15 onwards.

#### **Annexure to the auditor’s report for the Financial Year ended March 31, 2011**

- *No internal audit was carried out and accordingly, the auditors were unable to comment on the internal audit system.*

Our Company has established and maintains adequate internal measures commensurate with the size of our Company and complexity of operations. Comprehensive processes have been established to ensure that all facets of our Company’s operations are subjected to scrutiny. In addition to this, our Company has recently appointed an external firm of Chartered Accountants as an internal auditor from the financial year 2014-15 onwards.

- *Undisputed statutory dues including provident fund, income tax, sales tax, service tax, cess and other material statutory dues were generally regularly deposited with the appropriate authorities though there has been delay in deposit of service tax amounting to ₹ 24.20 million, which has been deposited along with interest after significant period of delay.*

Our Company has instituted a system to address such delays, which includes the tracking of due dates for payment of statutory dues, ensuring a daily check on payments due, monitoring of the payments made, and periodic training of the accounting staff on the various statutory requirements and due dates applicable to our Company.

#### **Annexure to the auditor’s report for the Financial Year ended March 31, 2010**

- *No internal audit was carried out and accordingly, the Company is unable to comment on the internal audit system.*

Our Company has established and maintains adequate internal measures commensurate with the size of our Company and complexity of operations. Comprehensive processes have been established to ensure that all facets of our Company’s operations are subjected to scrutiny. In addition to this, our Company has recently appointed an external firm of Chartered Accountants as an internal auditor from the financial year 2014-15 onwards.

#### **Emphasis of matter**

In addition to the above qualifications, the auditors have also included the following emphasis of matter paragraphs, without qualifying their opinion:

- *For the financial year ended March 31, 2013, the auditors have drawn attention to the note relating to amortization of intangible assets on straight line basis.*

The accumulated amount of amortization under straight line method is higher than the amortization

computed in terms of Notification no. GSR 298(E) dated April 17, 2012 issued by the Ministry of Corporate Affairs. Therefore, the accounting policy adopted by our Company was in compliance with applicable laws and guidelines.

However, considering the current industry practice, method adopted by peer companies in the industry, during the year ended March 31, 2014, our Company has retrospectively revised the method of amortisation of its toll collection rights from straight line basis to amortisation based on proportion of actual revenue received during the accounting year to the total projected revenue till the end of the concession period, in terms of notification dated April 17, 2012 issued by the Ministry of Corporate Affairs.

- *For the financial year ended March 31, 2014, the auditors have drawn attention to the foreclosure of the concession agreement with NHAI by SBTPL, subsidiary of our Company and the fact that the financial statements of the said subsidiary have been prepared on the basis that it is no longer a 'going concern'.*

Up to December 23, 2013, SBTPL was handed over with 65.22% of total land requirement for the project. In addition, a forest diversion proposal and certain environment clearances were also pending. Due to these reasons, SBTPL decided to issue a termination notice to NHAI, which has since been terminated. For further details, see "Risk Factors - We require certain approvals or licenses in the ordinary course of business and the failure to obtain or retain them in a timely manner, or at all, may adversely affect our operations" on page 46. Our Company was in the process of liquidating SBTPL and SBTPL had filed an application dated October 11, 2014 with the RoC for striking off its name under the fast track exit mode. Subsequently, the RoC, through its letter dated March 11, 2015, gave a notice pursuant to Section 560(3) of the Companies Act, 1956 that at the expiration of thirty days from the date of the letter the name of SBTPL would be struck off from the Register and SBTPL would be dissolved, unless cause is shown to the contrary. The RoC, through its letter dated May 12, 2015, gave notice pursuant to sub section (5) of section 560 of the Companies Act, 1956 that the name of SBTPL has been struck off the Register and that SBTPL stands dissolved from the date of the letter.

- *For the nine months period ended December 31, 2014, the Joint Auditors have drawn attention to the accounting of the CENVAT credit and service tax charge on user fee collected by MBCPNL under the concession agreement. During the aforesaid period, MBCPNL has recorded service tax liability on user services income rendered since commencement of collection of user fees, i.e. April 2013 and have also accounted CENVAT credit of service tax paid on input services / materials availed since financial year ended 2010, pending revision of tax returns filed with government authorities.*

Till June 30, 2014, MBCPNL has not recorded the service tax liability on user fee income as our Company has made the representations in the matter to various excise and customs authorities to seek clarifications/ applicability of the amendment for the purpose of concluding its liability to pay service tax. Our Company also did not account CENVAT credit on input services and materials utilized towards construction of the check posts infrastructure. MBCPNL has now decided to recognize service tax liability of ₹ 107.27 million (on the user fee income earned since April 2013) and also recorded CENVAT credit of ₹ 205.37 million (including ₹ 71.98 million on works contract towards services for construction of building and civil infrastructure) on project input services/materials, as applicable. CENVAT credit of ₹ 16.07 million on services availed during operations of the checkposts since April 2013 was also accounted in books of account. MBCPNL is in process of filling the service tax return with statutory authorities to give effect of above.

## **FINANCIAL STATEMENTS OF DHULE PALESNER TOLLWAY LIMITED**

### **INDEPENDENT AUDITOR'S REPORT**

#### **TO THE MEMBERS OF DHULE PALESNER TOLL WAY LIMITED**

#### **REPORT ON FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of **DHULE PALESNER TOLL WAY LIMITED** which comprise the Balance Sheet as at 31<sup>st</sup> March 2015, the statement of Profit and Loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

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

#### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

#### **OPINION:**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2015,
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and



- c) In case of the Cash flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 we enclose in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has no pending litigations so as to effect its financial position
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred by the Company to the Investor Education and Protection Fund.

For Gianender & Associates  
Chartered Accountants  
Firm Regn. No. 004661N

Place:  
Date: April 27, 2015

Manju Agrawal  
Partner  
M. No. 083878

**Balance Sheet as at 31<sup>st</sup> March, 2015**

| Particulars                                                      | Note No. | As at 31st Mar 2015<br>₹ | As at 31st Mar 2014<br>₹ |
|------------------------------------------------------------------|----------|--------------------------|--------------------------|
| <b>Equity and liabilities</b>                                    |          |                          |                          |
| <b>Shareholders' funds</b>                                       |          |                          |                          |
| Share capital                                                    | 3        | 687,800,000              | 630,000,000              |
| Reserves and surplus                                             | 4        | (2,485,460,960)          | (2,996,756,970)          |
|                                                                  |          | <b>(1,797,660,960)</b>   | <b>(2,366,756,970)</b>   |
| <b>Non-current liabilities</b>                                   |          |                          |                          |
| Long-term borrowings                                             | 5        | 12,795,644,823           | 12,618,960,974           |
| Other long term liabilities                                      | 6        | 1,069,144,237            | 785,990,136              |
| Long-term Provisions                                             | 7        | 153,200,000              |                          |
|                                                                  |          | <b>14,017,989,061</b>    | <b>13,404,951,110</b>    |
| <b>Current liabilities</b>                                       |          |                          |                          |
| Other current liabilities                                        | 8        | 547,554,312              | 741,999,479              |
| Short-term provisions                                            | 9        | 20,343,919               | 1,833,776                |
|                                                                  |          | <b>567,898,231</b>       | <b>743,833,255</b>       |
| <b>TOTAL</b>                                                     |          | <b>12,788,226,331</b>    | <b>11,782,027,395</b>    |
| <b>Assets</b>                                                    |          |                          |                          |
| <b>Non-current assets</b>                                        |          |                          |                          |
| Fixed assets                                                     | 10       |                          |                          |
| Tangible assets                                                  |          | 24,107,283               | 23,476,913               |
| Intangible assets                                                |          | 12,705,876,278           | 11,706,570,453           |
|                                                                  |          | <b>12,729,983,561</b>    | <b>11,730,047,366</b>    |
| Long-term loans and advances                                     | 11       | 529,080                  | 943,090                  |
|                                                                  |          | <b>529,080</b>           | <b>943,090</b>           |
| <b>Current assets</b>                                            |          |                          |                          |
| Cash and bank balances                                           | 12       | 32,687,260               | 30,389,941               |
| Short-term loans and advances                                    | 13       | 25,018,540               | 20,060,334               |
| Other current assets                                             | 14       | 7,890                    | 586,664                  |
|                                                                  |          | <b>57,713,690</b>        | <b>51,036,939</b>        |
| <b>TOTAL</b>                                                     |          | <b>12,788,226,331</b>    | <b>11,782,027,395</b>    |
| Significant accounting policies and notes on financial statement | 2        |                          |                          |

The accompanying notes (Note No. 1 to 29 ) are an integral part of the financial statements.

As per our report of even date attached

For Gianender & Associates

Chartered Accountants

ICAI Registration No. 04661N

Arjun Dhawan

Director

Nitin Patel

Director

Vasistha Patel

Director

Manju Agrawal

Partner

Membership No. 083878

Nand Kumar Bisure  
Manager

Nirav Joshi  
Company Secretary

Mahesh Gaikwad  
Director

Ravindra Singh  
Director

Place:

Date: April 27, 2015

Place: Mumbai

Date: April 27, 2015

**Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2015**

| Particulars                                                      | Note No. | Year ended 31st<br>March 2015<br>₹ | Year ended 31st<br>March 2014<br>₹ |
|------------------------------------------------------------------|----------|------------------------------------|------------------------------------|
| <b>Income</b>                                                    |          |                                    |                                    |
| Revenue from operation                                           | 15       | 1,340,235,580                      | 1,115,765,755                      |
| Other income                                                     | 16       | 751,833                            | 4,653,850                          |
| <b>Total revenue</b>                                             |          | <b>1,340,987,413</b>               | <b>1,120,419,605</b>               |
| <b>Expenses</b>                                                  |          |                                    |                                    |
| Finance costs                                                    | 17       | 1,476,470,467                      | 1,402,702,166                      |
| Depreciation and amortization expense                            | 18       | 304,993,379                        | 859,255,599                        |
| Other expenses                                                   | 19       | 352,811,327                        | 184,496,907                        |
| <b>Total Expenses</b>                                            |          | <b>2,134,275,173</b>               | <b>2,446,454,672</b>               |
| <b>Profit before exceptional and extraordinary items and tax</b> |          | <b>(793,287,759)</b>               | <b>(1,326,035,067)</b>             |
| Exceptional items                                                |          | 1,304,583,769                      | -                                  |
| Profit before extraordinary items and tax                        |          | 511,296,010                        | (1,326,035,067)                    |
| Extraordinary items                                              |          | -                                  | -                                  |
| <b>Profit/(loss) before tax</b>                                  |          | <b>511,296,010</b>                 | <b>(1,326,035,067)</b>             |
| <b>Tax expenses</b>                                              |          |                                    |                                    |
| Current tax                                                      |          | -                                  | -                                  |
| Deferred tax                                                     |          | -                                  | -                                  |
| Total tax expense                                                |          | -                                  | -                                  |
| <b>Profit/(loss) for the period</b>                              |          | <b>511,296,010</b>                 | <b>(1,326,035,067)</b>             |
| <b>Earnings per Equity share</b>                                 | 20       |                                    |                                    |
| Basic                                                            |          | <b>7.97</b>                        | <b>(21.05)</b>                     |
| Significant accounting policies and notes on financial statement | 2        |                                    |                                    |

The accompanying notes (Note No. 1 to 29 ) are an integral part of the financial statements.

As per our report of even date attached

For **Gianender & Associates**

Arjun Dhawan  
Director

Chartered Accountants  
ICAI Registration No. 04661N

Nitin Patel  
Director

Vasistha Patel  
Director

Manju Agrawal  
Partner  
Membership No. 083878

Nand Kumar Bisure  
Manager

Ravindra Singh  
Director

Nirav Joshi  
Company Secretary

Mahesh Gaikwad  
Director

Place: Mumbai  
Date: April 27, 2015

Place: Mumbai  
Date: April 27, 2015

**Cash Flow Statement for the year ended 31<sup>st</sup> March, 2015**

| Particulars                                                                                                                                                                       | Note No. | Year ended 31st<br>March 2015<br>₹ | Year ended 31st<br>March 2014<br>₹ |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------------------------------|------------------------------------|
| <b>Cash flow from operating activities</b>                                                                                                                                        |          |                                    |                                    |
| <b>Profit before tax</b>                                                                                                                                                          |          | 511,296,010                        | (1,326,035,067)                    |
| Non-cash adjustment to reconcile profit before tax to net cash flows                                                                                                              |          |                                    |                                    |
| Depreciation/ amortization                                                                                                                                                        |          | 304,993,379                        | 859,255,599                        |
| Exceptional items                                                                                                                                                                 |          |                                    | (1,304,583,769)                    |
| Interest expense                                                                                                                                                                  |          | 1,475,794,424                      | 1,401,087,848                      |
| Interest income                                                                                                                                                                   |          | (310,084)                          | (2,330,040)                        |
| (Profit) / Loss on sale of Investments                                                                                                                                            |          |                                    | (441,749)                          |
| Dividend income                                                                                                                                                                   |          | -                                  | (1,749,212)                        |
|                                                                                                                                                                                   |          | <b>986,748,210</b>                 | <b>930,229,129</b>                 |
| <b>Adjustment for :</b>                                                                                                                                                           |          |                                    |                                    |
| Changes in liabilities                                                                                                                                                            |          | 88,708,934                         | 397,183,841                        |
| Short term provisions                                                                                                                                                             |          | 18,510,143                         | (29,148,375)                       |
| Long term provisions                                                                                                                                                              |          |                                    | 153,200,000                        |
| Changes in loans and advances including long term                                                                                                                                 |          | (4,544,196)                        | 8,455,595                          |
| Other current assets                                                                                                                                                              |          | 578,774                            | (392,787)                          |
| Cash generated from /(used in) operations                                                                                                                                         |          | <b>1,243,201,865</b>               | <b>1,306,327,403</b>               |
| Direct taxes paid (net of refunds)                                                                                                                                                |          | -                                  | -                                  |
| <b>Net cash flow from/ (used in) operating activities (A)</b>                                                                                                                     |          | <b>1,243,201,865</b>               | <b>1,306,327,403</b>               |
| <b>Cash flows from investing activities</b>                                                                                                                                       |          |                                    |                                    |
| Addition to fixed assts including CWIP/AUD                                                                                                                                        |          | (345,804)                          | (1,080,207,789)                    |
| (Purchase) / redemption of investments                                                                                                                                            |          |                                    | 17,731,578                         |
| (Profit) / Loss on sale of Investments                                                                                                                                            |          |                                    | 441,749                            |
| Dividend income                                                                                                                                                                   |          | -                                  | 1,749,212                          |
| Interest income                                                                                                                                                                   |          | 310,084                            | 2,330,040                          |
| <b>Net cash flow from/ (used in) investing activities (B)</b>                                                                                                                     |          | <b>406,029</b>                     | <b>(1,058,396,960)</b>             |
| <b>Cash flows from financing activities</b>                                                                                                                                       |          |                                    |                                    |
| Issue of equity Shares                                                                                                                                                            |          | 57,800,000                         | -                                  |
| Proceeds from long-term borrowings (Net)                                                                                                                                          |          | 176,683,849                        | 797,709,356                        |
| Interest paid                                                                                                                                                                     |          | (1,475,794,424)                    | (1,138,121,113)                    |
| <b>Net cash flow from/ (used in) in financing activities (C)</b>                                                                                                                  |          | <b>(1,241,310,575)</b>             | <b>(340,411,757)</b>               |
| <b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>                                                                                                           |          | <b>2,297,319</b>                   | <b>(92,481,314)</b>                |
| Cash and cash equivalents at the beginning of the period                                                                                                                          |          | 30,389,941                         | 122,871,255                        |
| Cash and cash equivalents at the end of the period                                                                                                                                |          | 32,687,260                         | 30,389,941                         |
| <b>Components of cash and cash equivalents</b>                                                                                                                                    |          |                                    |                                    |
| Cash on hand                                                                                                                                                                      |          | 9,343,491                          | 15,956,907                         |
| Balances with banks                                                                                                                                                               |          | 23,343,769                         | 14,433,034                         |
| <b>Total cash and cash equivalents (note 12)</b>                                                                                                                                  |          | <b>32,687,260</b>                  | <b>30,389,941</b>                  |
| Significant accounting policies and notes on financial statement                                                                                                                  | 2        |                                    |                                    |
| Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less. |          |                                    |                                    |

The accompanying notes (Note No. 1 to 29) are an integral part of the financial statements.

As per our report of even date attached

For **Gianender & Associates**

Arjun Dhawan  
Director

Chartered Accountants

ICAI Registration No. 04661N

Nitin Patel  
Director

Vasistha Patel  
Director

Manju Agrawal

Partner

Membership No. 083878

Nand Kumar Bisure  
Manager

Nirav Joshi  
Company Secretary

Mahesh Gaikwad  
Director

Ravindra Singh  
Director

Place: Mumbai

Date: April 27, 2015

Place: Mumbai

Date: April 27, 2015

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED AS ON 31<sup>ST</sup> MARCH 2015

### 1. **Corporate information**

Dhule Palesner Tollway Limited was incorporated under the Companies Act, 1956, on 25th March, 2009 as a Special Purpose Vehicle for Design, Engineering, Finance, Construction, Operation & Maintenance of 4 Laning of Maharashtra Border-Dhule section of NH -3 from kms 168.500 to 265.000 in the state of Maharashtra under NHDP Phase III on DBFOT basis awarded by National Highway Authority of India (NHAI).

NHAI has granted concession period of 18 years to the company for the above project, of which 3 years of construction and 15 years of Operations and Maintenance. The Company has executed a Concession Agreement with NHAI on 24th June, 2009. The date of commencement of commercial operation for the project is 23rd January 2012. The company has received the tolling rights for the entire stretch as on 5th September, 2013 except the two lanes of 13 kms held by an existing concessionaire.

The Company is a joint venture among Hindustan Construction Company Limited, HCC Concessions Limited (Formerly, HCC Infrastructure Limited), John Laing Investments Ltd., John Laing Investments Mauritius (No.1) Ltd., Sadbhav Engineering Ltd. and Sadbhav Infrastructure Project Ltd.

### 2. **Significant accounting policies**

#### (i) **Basis of preparation**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The Company operates in the infrastructure business sector which involves huge capital investments. The company's net worth has been eroded. However the loss incurred so far is start up in nature and the management expects that the Company's revenue for the subsequent financial years will be sufficient to meet the expenditure and recoup the losses incurred thereby strengthening the financial position of the company. Accordingly, the financial statements have been prepared ongoing concern basis.

#### (ii) **Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

#### (iii) **Fixed assets**

##### **Tangible Assets**

Fixed assets are stated at cost less accumulated depreciation / amortization. Cost include purchase price and all other attributable costs of bringing the assets to working condition for intended use.

##### **Intangible Assets**

Intangible assets are recognized as per the criteria specified in Accounting Standard (AS) 26 "Intangible Assets" issued by the Institute of Chartered Accountants of India and are amortized as follows :

Carriageways representing toll collection right are obtained in consideration for rendering construction, operation and maintenance services in relation to building and maintenance of the project on Build, Operate and Transfer basis . The Cost of such Carriageways comprises construction cost and other pre-operative costs incurred during the implementation phase.

Pre-operative expenses incurred up to date of commencement of commercial operation are capitalized.

#### (iv) **Depreciation & Amortisation on tangible fixed assets**

Depreciation is charged on Straight Line Method (SLM) {pro rata on additions and deletions of the year} as per schedule II of Companies Act, 2013.

In respect of intangible fixed assets amortization of cost has been made on the basis of projected and actual revenue over the concession period as per Companies Act, 2013 with effect from 1st April 2014.

**(v) Borrowing Cost**

Borrowing Costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets, till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which they are incurred.

**(vi) Provisions and Contingent Liabilities**

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if :

- a) the Company has a present obligation as a result of past event;
- b) a probable outflow of resources is expected to settle the obligations, and;
- c) the amount of the obligation can be reliably estimated.

The reimbursement expected in respect of the expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in the case of :

- a) a present obligation arising from a past event, when it is not probable that an outflow of resources will happen to settle the obligation
- b) a possible obligation, unless the probability of outflow of resources is remote.

Contingent assets are neither recognized nor disclosed.

Provisions and Contingent liabilities are reviewed at each Balance Sheet date.

**(vii) Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**(viii) Claims**

- (a) Claims against the Company are accounted for as and when accepted
- (b) Claims by the Company are recognised and accounted for as and when received.

**(ix) Commitments**

Commitments are future liabilities for contractual expenditure. They are classified and disclosed as follows:

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for;
- b) Uncalled liability on shares and other investments partly paid;
- c) Funding related commitments to subsidiary, associate and joint venture companies.

**(x) Revenue recognition :**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

- (a) Fee collection from users of the facility are accounted for as and when the amount is due and recovery is certain. Income from sale of smart cards is recognized as and when the amount is received from the users of the cards.
- (b) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.
- (c) Dividend income is recognized when the right to receive is established.
- (d) Other items of income are accounted as and when the right to receive arises and recovery thereof is certain.

**(xi) Taxes**

Tax on income for the year is determined on the basis of taxable income and tax credits computed in accordance with the provisions of Income Tax Act, 1961.

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year, and quantified using the tax rates and laws enacted to or substantially enacted as on the balance sheet date.

Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

**3 Share Capital**

|                                                                      | As at 31st Mar 2015<br>₹ | As at 31st Mar 2014<br>₹ |
|----------------------------------------------------------------------|--------------------------|--------------------------|
| <b>Authorized share Capital</b>                                      |                          |                          |
| 72,000,000 (31 March 2014: 72,000,000) equity shares of ₹ 10/- each  | 720,000,000              | 720,000,000              |
|                                                                      | <b>720,000,000</b>       | <b>720,000,000</b>       |
| <b>Issued, subscribed and fully paid-up share</b>                    |                          |                          |
| 68,780,000 (31 March 2014: 63,000,000) equity shares of ₹ 10/- each. | 687,800,000              | 630,000,000              |
| <b>Total issued, subscribed and fully paid-up share capital</b>      | <b>687,800,000</b>       | <b>630,000,000</b>       |

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

**Equity shares**

| Particulars                                | As at 31st Mar 2015 |                    | As at 31st Mar 2014 |                    |
|--------------------------------------------|---------------------|--------------------|---------------------|--------------------|
|                                            | Nos                 | ₹                  | Nos                 | ₹                  |
| At the beginning of the period             | 63,000,000          | 630,000,000        | 63,000,000          | 630,000,000        |
| Issued during the period – Issue of Shares | 5,780,000           | 57,800,000         | -                   | -                  |
| Outstanding at the end                     | <b>68,780,000</b>   | <b>687,800,000</b> | <b>63,000,000</b>   | <b>630,000,000</b> |



|               |  |  |  |  |
|---------------|--|--|--|--|
| of the period |  |  |  |  |
|---------------|--|--|--|--|

**(ii) Terms/ rights attached to equity shares**

The company has only one class of equity shares having par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share.

During the period ended 31st Mar,2015, the amount of per share dividend recognized as distributions to equity shareholders is `Nil (31 March 2014: ₹`Nil).

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(iii) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates**

Out of equity shares issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below: Nil

**(iv) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: Nil**

**(vi) Details of shareholders holding more than 5% shares in the company**

|                                                      | As at 31st Mar 2015 |           | As at 31st Mar 2014 |           |
|------------------------------------------------------|---------------------|-----------|---------------------|-----------|
|                                                      | Nos                 | % holding | Nos                 | % holding |
| <b>Equity shares of ₹.10 each fully paid</b>         |                     |           |                     |           |
| Hindustan Construction Company Limited               | 17,882,800          | 26%       | 16,380,000          | 26%       |
| HCC Concessions Limited and its Nominees             | 8,895,200           | 13%       | 6,930,000           | 11%       |
| John Laing Investments Ltd.                          | 16,380,000          | 24%       | 16,380,000          | 26%       |
| John Laing Investments Mauritius (No.1) Ltd.         | 6,300,000           | 9%        | 6,300,000           | 10%       |
| Sadbhav Engineering Ltd                              | 17,882,800          | 26%       | 16,380,000          | 26%       |
| Sadbhav Infrastructure Project Ltd. and its Nominees | 1,439,200           | 2%        | 630,000             | 1%        |

**(vii) Shares reserved for issue under options - Nil**

**4. Reserves and surplus**

|                                                                    | As at 31st Mar 2015<br>₹ | As at 31st Mar 2014<br>₹ |
|--------------------------------------------------------------------|--------------------------|--------------------------|
| <b>Surplus/ (deficit) in the statement of profit and loss</b>      |                          |                          |
| Balance as per last financial statements                           | (2,996,756,970)          | (1,670,721,903)          |
| Profit / (Loss) for the period                                     | 511,296,010              | (1,326,035,067)          |
| <b>Net surplus / (deficit) in the statement of profit and loss</b> | <b>(2,485,460,960)</b>   | <b>(2,996,756,970)</b>   |
| <b>Total reserves and surplus</b>                                  | <b>(2,485,460,960)</b>   | <b>(2,996,756,970)</b>   |

**5. Long-term borrowings**

|                            | As at 31st Mar 2015<br>₹ | As at 31st Mar 2014<br>₹ |
|----------------------------|--------------------------|--------------------------|
| <b>Term Loans -Secured</b> |                          |                          |
| Term loans from Banks      | 8,912,013,334            | 8,785,516,017            |
| Term loans from Others     | 1,132,599,740            | 1,116,516,207            |
|                            | <b>10,044,613,073</b>    | <b>9,902,032,224</b>     |

“Above loans taken under Common Loan Agreement are secured by way of pari-passu first charge on all assets both present and future, excluding the project assets as defined in the Concession Agreement & pledge of 30.23% shareholding of the promoters in the Company.

Terms of Repayment : Repayable in 46 consecutive quarterly installments commencing from 30th Sept -2013 to 31 Mar 2025 ranging from ₹ 8,875,000/- to ₹ 650,000,000/- on the repayment dates and in the percentages as mentioned in the amortization schedule as set forth in Schedule V of the Common Loan Agreement executed on 18th December,2009. Current rate of Interest is 11.65% pa.

The land is under lien by way of mortgage to SBICap Trustee Company Limited.

Current maturities of above loans are shown under Note No 7.

“There is no continuing default in repayment of Term Loans & Interest thereon as on the balance sheet date.

However, during the year there were delays ranging from 0 to 30 days in payment of interest totalling to ₹ 77 crores”

|                                                        | As at 31st Mar 2015<br>₹ | As at 31st Mar 2014<br>₹ |
|--------------------------------------------------------|--------------------------|--------------------------|
| <b>Unsecured subordinate debt from related parties</b> |                          |                          |
| HCC Concessions Limited                                | 1,627,031,750            | 1,592,928,750            |
| Sadbhav infrastructure Projects Limited                | 1,124,000,000            | 1,124,000,000            |
| Subordinate loans carry interest @11% pa.              | <b>2,751,031,750</b>     | <b>2,716,928,750</b>     |
|                                                        | <b>12,795,644,823</b>    | <b>12,618,960,974</b>    |

#### 6. Other long term liabilities

|                                                | As at 31st Mar 2015<br>₹ | As at 31st Mar 2014<br>₹ |
|------------------------------------------------|--------------------------|--------------------------|
| Interest accrued but not due on unsecured loan | 1,069,144,237            | 785,990,136              |
|                                                |                          | -                        |
|                                                | <b>1,069,144,237</b>     | <b>785,990,136</b>       |

#### 7. Long Term Provisions

|                                 | As at 31st Mar 2015<br>₹ | As at 31st Mar 2014<br>₹ |
|---------------------------------|--------------------------|--------------------------|
| Provision for Major Maintenance | 153,200,000              | -                        |
|                                 | <b>153,200,000</b>       | -                        |

#### 8. Other current liabilities

|                                                          | As at 31st Mar 2015<br>₹ | As at 31st Mar 2014<br>₹ |
|----------------------------------------------------------|--------------------------|--------------------------|
| Current maturities of long term loans ( refer Note No 5) | 159,750,000              | 115,374,632              |
| Interest accrued and due                                 | 102,907,425              | 38,114,012               |
| Others Payable                                           | 284,896,887              | 588,510,835              |
|                                                          | <b>547,554,312</b>       | <b>741,999,479</b>       |

\* Includes payable due to related Party Hindustan Construction Company ₹ 152,882,997/-

#### 9.. Short term provisions

|                                         | As at 31st Mar 2015<br>₹ | As at 31st Mar 2014<br>₹ |
|-----------------------------------------|--------------------------|--------------------------|
| Provisions for Others ( for expenses) * | 20,343,919               | 1,833,776                |
|                                         | <b>20,343,919</b>        | <b>1,833,776</b>         |

\* Includes Toll Plaza Expenses Shirpur & Songir

## 10 Fixed Assets

| Particulars                                                        | Gross Block           |                        |                             |                       | Accumulated Depreciation |              |                        |                       | Net Carrying Value    |                       |                        |
|--------------------------------------------------------------------|-----------------------|------------------------|-----------------------------|-----------------------|--------------------------|--------------|------------------------|-----------------------|-----------------------|-----------------------|------------------------|
|                                                                    | As at 1st April, 2014 | Additions/ (Disposals) | Revaluations/ (Impairments) | As at 31 st Mar, 2015 | As at 1st April, 2014    | Adjustment # | Adjustment #           | Charge for the period | As at 31 st Mar, 2015 | As at 31st Mar, 2015  | As at 31st March, 2014 |
| <b>Tangible Assets</b>                                             |                       |                        |                             |                       |                          |              |                        |                       |                       |                       |                        |
| Land                                                               | 9,720,500             | -                      | -                           | 9,720,500             | -                        |              |                        | -                     | -                     | 9,720,500             | 9,720,500              |
| Vehicles                                                           | 22,892,532            | -                      | -                           | 22,892,532            | 10,576,116               | -            | (4,460,988)            | 2,869,408             | 8,984,536             | 13,907,996            | 12,316,416             |
| Computers                                                          | 1,851,694             | 178,225                | -                           | 2,029,919             | 1,222,238                |              | 98,467                 | 652,567               | 1,973,273             | 56,646                | 629,455                |
| Office Equipments                                                  | 1,064,964             | 167,579                | -                           | 1,232,543             | 254,422                  |              | 155,771                | 400,209               | 810,402               | 422,141               | 810,542                |
| <b>Sub Total</b>                                                   | <b>35,529,690</b>     | <b>345,804</b>         | <b>-</b>                    | <b>35,875,494</b>     | <b>12,052,776</b>        | <b>-</b>     | <b>(4,206,750)</b>     | <b>3,922,185</b>      | <b>11,768,211</b>     | <b>24,107,283</b>     | <b>23,476,913</b>      |
| <b>Intangible assets</b>                                           |                       |                        |                             |                       |                          |              |                        |                       |                       |                       |                        |
| Toll collection Rights                                             | 13,438,645,356        | -                      | -                           | 13,438,645,356        | 1,732,074,903            | -            | (1,300,377,019)        | 301,071,195           | 732,769,078           | 12,705,876,277        | 11,706,570,453         |
| <b>Sub Total</b>                                                   | <b>13,438,645,356</b> | <b>-</b>               | <b>-</b>                    | <b>13,438,645,356</b> | <b>1,732,074,903</b>     | <b>-</b>     | <b>(1,300,377,019)</b> | <b>301,071,195</b>    | <b>732,769,078</b>    | <b>12,705,876,277</b> | <b>11,706,570,453</b>  |
| <b>Intangible assets under development (for developed section)</b> | <b>-</b>              | <b>-</b>               | <b>-</b>                    | <b>-</b>              | <b>-</b>                 |              |                        | <b>-</b>              | <b>-</b>              | <b>-</b>              | <b>-</b>               |
| <b>Total</b>                                                       | <b>13,474,175,045</b> | <b>345,804</b>         | <b>-</b>                    | <b>13,474,520,849</b> | <b>1,744,127,679</b>     | <b>-</b>     | <b>(1,304,583,769)</b> | <b>304,993,379</b>    | <b>744,537,289</b>    | <b>12,729,983,560</b> | <b>11,730,047,366</b>  |
| <i>Previous Year</i>                                               | <i>12,393,967,256</i> | <i>1,080,207,789</i>   |                             | <i>13,474,175,045</i> | <i>884,872,080</i>       |              |                        | <i>859,255,599</i>    | <i>1,744,127,679</i>  | <i>11,730,047,366</i> | <i>11,509,095,176</i>  |

### Note

# Depreciation on assets has been reworked as prescribed in Schedule-II of the Companies Act 2013, for the period ended on 31st March 2015 and effect thereof has been accounted to the Statement of Profit and Loss. Change in method of depreciation has resulted in decrease of Depreciation Expense by ₹ 1,304,583,769/- and also increase in Fixed Assets by ₹ 1,304,583,769/-

**11. Long term loans and advances**

|                            | As at 31st Mar 2015<br>₹ | As at 31st Mar 2014<br>₹ |
|----------------------------|--------------------------|--------------------------|
| Unsecured, Considered good |                          |                          |
| Security Deposits          | 529,080                  | 943,090                  |
|                            | <b>529,080</b>           | <b>943,090</b>           |

**12. Cash and bank balances**

|                                  | As at 31st Mar 2015<br>₹ | As at 31st Mar 2014<br>₹ |
|----------------------------------|--------------------------|--------------------------|
| <b>Cash and cash equivalents</b> |                          |                          |
| Balances with banks              | 23,343,769               | 14,433,034               |
| Cash on hand                     | 9,343,491                | 15,956,907               |
|                                  | <b>32,687,260</b>        | <b>30,389,941</b>        |

**13. Short term loans and advances**

|                                            | As at 31st Mar 2015<br>₹ | As at 31st Mar 2014<br>₹ |
|--------------------------------------------|--------------------------|--------------------------|
| Unsecured, Considered good                 |                          |                          |
| Others short term loans and advances *     | 25,018,540               | 20,060,334               |
| (* Incl Advances to Vendors ₹ 40,91,762/-) | <b>25,018,540</b>        | <b>20,060,334</b>        |

**14. Other current assets**

|              | As at 31st Mar 2015<br>₹ | As at 31st Mar 2014<br>₹ |
|--------------|--------------------------|--------------------------|
| Other Assets | 7,890                    | 586,664                  |
|              | <b>7,890</b>             | <b>586,664</b>           |

**15. Revenue from operations**

|              | Year ended 31st<br>March 2015<br>₹ | Year ended 31st<br>March 2014<br>₹ |
|--------------|------------------------------------|------------------------------------|
| Toll Revenue | 1,340,235,580                      | 1,115,765,755                      |
|              | <b>1,340,235,580</b>               | <b>1,115,765,755</b>               |

**16. Other income**

|                 | Year ended 31st<br>March 2015<br>₹ | Year ended 31st<br>March 2014<br>₹ |
|-----------------|------------------------------------|------------------------------------|
| Interest Income | 310,084                            | 2,330,040                          |
| Dividend Income | -                                  | 1,749,212                          |
| Other Income    | 441,749                            | 574,599                            |
|                 | <b>751,833</b>                     | <b>4,653,851</b>                   |

**17. Finance costs**

|                        | Year ended 31st<br>March 2015<br>₹ | Year ended 31st<br>March 2014<br>₹ |
|------------------------|------------------------------------|------------------------------------|
| Interest expenses      | 1,475,794,424                      | 1,401,087,848                      |
| Others Borrowing costs | 676,043                            | 1,614,318                          |
|                        | <b>1,476,470,467</b>               | <b>1,402,702,166</b>               |

**18. Depreciation and amortization expense**

|                       | Year ended 31st<br>March 2015<br>₹ | Year ended 31st<br>March 2014<br>₹ |
|-----------------------|------------------------------------|------------------------------------|
| Depreciation Expenses | 3,922,185                          | 8,437,287                          |
| Amortization Expenses | 301,071,195                        | 850,818,312                        |
|                       | <b>304,993,379</b>                 | <b>859,255,599</b>                 |

**19. Other expenses**

|                                                                | Year ended 31st<br>March 2015<br>₹ | Year ended 31st<br>March 2014<br>₹ |
|----------------------------------------------------------------|------------------------------------|------------------------------------|
| Payment to auditor (refer footnote - 1 )                       | 308,990                            | 292,136                            |
| Legal, Professional & Consultancy Fees ( incl of SPv Mgt Fees) | 34,124,313                         | 32,347,245                         |
| Travelling /Conveyance                                         | 4,953,303                          | 4,654,920                          |
| Common Service Charges                                         | 16,100,589                         | 17,655,059                         |
| Communication Expenses                                         | 538,217                            | 522,430                            |
| Printing & Stationery                                          | 681,758                            | 850,603                            |
| Rates & Taxes                                                  | 204,928                            | 110,157                            |
| Repair and Maintenance                                         | 23,179,051                         | 25,373,238                         |
| Electricity Charges                                            | 14,124,650                         | 15,198,116                         |
| Rent                                                           | 95,166                             | 85,150                             |
| Insurance Charges                                              | 9,261,287                          | 10,194,158                         |
| Security Services                                              | 11,016,078                         | 8,201,589                          |
| O&M Expenses                                                   | 78,561,946                         | 62,600,471                         |
| Major Maintenance Exp                                          | 153,200,000                        | -                                  |
| Other Expenses                                                 | 6,461,052                          | 6,411,636                          |
|                                                                | <b>352,811,327</b>                 | <b>184,496,907</b>                 |

Footnote - 1 - Payment to Auditor

|                                     | Year ended 31st<br>March 2015<br>₹ | Year ended 31st<br>March 2014<br>₹ |
|-------------------------------------|------------------------------------|------------------------------------|
| <b>As auditor:</b>                  |                                    |                                    |
| Audit fee                           | 225,000                            | 200,000                            |
| Tax audit fee                       | 50,000                             | 25,000                             |
| <b>In other capacity:</b>           |                                    |                                    |
| Other services (certification fees) | 302,249                            | 35,000                             |
|                                     | <b>577,249</b>                     | <b>260,000</b>                     |
| Add: Service Tax                    | 71,348                             | 32,136                             |
|                                     | <b>648,597</b>                     | <b>292,136</b>                     |

**20. Earnings per share (EPS)**

The following reflects the profit and share data used in the basic EPS (Diluted not applicable) computations:

|                                                        | As at 31st Mar 2015<br>₹ | As at 31st Mar 2014<br>₹ |
|--------------------------------------------------------|--------------------------|--------------------------|
| <b>Net profit/ (loss) for calculation of basic EPS</b> | 511,296,010              | (1,326,035,067)          |
| Number of equity shares in calculating basic EPS       | 68,780,000               | 63,000,000               |
| Basic EPS                                              | 7.97                     | (21.05)                  |

**21. Segment reporting**

The Company being engaged in design, operation, development and maintenance of Road on build, Operate and Transfer (BOT) basis, does not have more than one segment reportable. Further, the Company is carrying its business only in one geographical segment.

**22. Employee benefits**

Company has no employees on its payroll during the year.

**23. Provisions for Deferred Tax**

The Company does not have taxable income and hence no provision for current tax has been made. The Company is eligible for deduction under Section 80- IA of the Income Tax Act, 1961 and the concession period of the Company's project falls within the tax holiday period as defined in Section 80-IA. Since deferred tax on timing differences between Accounting income and Taxable income that arise during the year is reversing during such tax holiday period, no deferred tax asset or liability arises and accordingly no provision is made in the accounts.

**24. Related Party Transactions**

**A. Name of Related Party with which the Company has transactions during the period ended and Nature of Relationship**

|                                              |                              |
|----------------------------------------------|------------------------------|
| Hindustan Construction Company Limited       | Joint venturer               |
| HCC Concessions Limited                      | Joint venturer               |
| John Laing Investments Ltd.                  | Joint venturer               |
| John Laing Investments Mauritius (No.1) Ltd. | Joint venturer               |
| Sadbhav Engineering Ltd.                     | Joint venturer               |
| Sadbhav Infrastructure Project Ltd.          | Joint venture                |
| Key Management Personnel                     | Mr Arjun Dhawan - Director   |
|                                              | Mr Nitin Patel - Director    |
|                                              | Mr Vasistha Patel - Director |
|                                              | Mr Ravindra Singh - Director |

**B. Transactions with Related Parties**

| Nature of Transaction                        | Hindustan Construction Company Limited | HCC Concessions Limited                 | John Laing Investments Limited      | John Laing Investment Mauritius (No 1) Limited |
|----------------------------------------------|----------------------------------------|-----------------------------------------|-------------------------------------|------------------------------------------------|
| Subscription of Equity                       | <b>178,828,000</b><br>(163,800,000)    | <b>88,952,000</b><br>(69,300,000)       | <b>163,800,000</b><br>(163,800,000) | <b>63,000,000</b><br>(63,000,000)              |
| Unsecured Loan Outstanding                   | -                                      | <b>1,627,031,750</b><br>(1,592,928,750) | -                                   | -                                              |
| Unsecured Loan Recived during the year       |                                        | <b>537,550,000</b><br>(136,413,750)     |                                     |                                                |
| Outstanding due to/ (from) incl of Retention | <b>152,882,998</b><br>(408,593,886)    |                                         | <b>100</b><br>(100)                 | -                                              |
| Outstanding Recievables                      |                                        | <b>908,408</b><br>-                     |                                     |                                                |
| Current Liability outstanding                | -                                      | -                                       | -                                   | <b>1,348,320</b><br>(1,348,320)                |
| Sub contracting expenses incurred EPC        | (648,004,972)                          | -                                       | -                                   | -                                              |
| Expenses Incurred SPV                        | -                                      | <b>17,528,160</b>                       | -                                   | <b>1,348,320</b>                               |

| Nature of Transaction                                                                        | Hindustan Construction Company Limited | HCC Concessions Limited | John Laing Investments Limited | John Laing Investment Mauritius (No 1) Limited |
|----------------------------------------------------------------------------------------------|----------------------------------------|-------------------------|--------------------------------|------------------------------------------------|
| Management Fees                                                                              | -                                      | (17,528,160)            | -                              | (1,348,320)                                    |
| O& M Charges                                                                                 |                                        |                         |                                |                                                |
| Expenses Incurred Common Service Charge (Reimbursement of Expenses )                         |                                        | 7,410,935               |                                |                                                |
| IT services                                                                                  |                                        | (9,056,242)             |                                |                                                |
| Interest Accrued but not due on Subordinate Debt                                             |                                        | 649,632,794             |                                |                                                |
| Interest expense on Unsecured loan incurred during the period ( ROI @ 11% on Unsecured Loan) | -                                      | (477,285,635)           |                                |                                                |
|                                                                                              | -                                      | 176,830,177             |                                |                                                |
|                                                                                              | -                                      | (157,186,111)           | -                              | -                                              |

(Figures in brackets represents previous year figures)

## 25. Contingent liabilities and commitments

|                                 | As at 31st Mar 2015<br>₹ | As at 31st Mar 2014<br>₹ |
|---------------------------------|--------------------------|--------------------------|
| <b>i) Contingent liability</b>  |                          |                          |
| Income tax demand ( AY 2010-11) | 2,202,500                | 2,202,500                |
| <b>ii) Commitments</b>          |                          |                          |
| Capital commitments             | 520,000,000              | 520,000,000              |
| Other commitments               | Nil                      | Nil                      |

## 26. Foreign Currency Transactions

|                                 | As at 31st Mar 2015<br>₹ | As at 31st Mar 2014<br>₹ |
|---------------------------------|--------------------------|--------------------------|
| a) CIF value of Imports         | Nil                      | Nil                      |
| b) Expenses in foreign currency | Nil                      | Nil                      |
| c) Earning in foreign currency  | Nil                      | Nil                      |

## 27. Details of dues to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006

There have been no claimed transactions during the year with Micro, Small & Medium Enterprises covered under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. Hence, reporting details of Principal and Interest does not arise.

## 28. Previous years figures

Figures for the previous year have been regrouped/ reclassified wherever necessary.

## 29 Note No 1 to 29 are an integral part of the financial statements

The accompanying notes (Note No. 1 to 29) are an integral part of the financial statements.

As per our report of even date attached  
For **Gianender & Associates**

Arjun Dhawan  
Director

Chartered Accountants

Nitin Patel



ICAI Registration No. 04661N

Director

Vasistha Patel  
Director

Manju Agrawal  
Partner  
Membership No. 083878

Nand Kumar Bisure  
Manager

Mahesh Gaikwad  
Director

Nirav Joshi  
Company Secretary

Ravindra Singh  
Director

Place: Mumbai  
Date: April 27, 2015

Place: Mumbai  
Date: April 27, 2015

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF DHULE PALESNER TOLLWAY LIMITED**

#### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of **DHULE PALESNER TOLLWAY LIMITED**, which comprise the Balance Sheet as at 31<sup>st</sup> March 2014, the statement of Profit and Loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with accounting standards notified under the Companies Act, 1956 read with the general circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

#### **OPINION:**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2014,
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) in case of the Cash flow Statement, of the cash flows for the year ended on that date.

#### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

- 1. As required by the Companies (Auditor's Report) Order, 2003 (as amended) ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we enclose in the Annexure a statement on the matters specified in paragraphs 4 of the Order.
- 2. As required by section 227(3) of the Act, we report that :
  - a) We have 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 appears from our examination of those books.
- c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
- e) On the basis of written representations received from the directors as on 31st March 2014, and taken on record by the Board of Directors, none of the director is disqualified as on 31st March 2014, from being appointed as a director in terms of Para (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For Gianender & Associates  
Chartered Accountants  
Firm Regn. No. 004661N**

**Place: New Delhi**

**Partner: Manju Agrawal  
M. NO. 083878  
Date: April 29, 2014**

**Annexure referred to in paragraph 1 under the heading “Report on Other legal and regulatory requirements” of our report on even date**

**Re: DHULE PALESNER TOLLWAY LIMITED**

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) We are informed that the management of the Company has physically verified during the year all its fixed assets and no material discrepancies were noticed on such verification.
- (c) The Company has not disposed of its fixed assets so as to affect the going concern status.
- (ii) The Company is engaged in the business of operation of toll road and maintenance and hence the Para 4 (ii) (a), (b) & (c) of the Companies (Auditor’s Report) Order 2003 relating to inventory are not applicable.
- (iii) According to the information & explanation given to us, the Company has not granted or taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Hence reporting under Para-4 (iii) (b) to (g) of the Companies (Auditor’s Report) Order 2003 does not arise.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for purchase of fixed assets and for toll collection. During the course of our audit, we have not observed any major weakness in internal control system. Further, the provision of Paragraph 4(iv) with respect to sale of goods and purchase of inventory are not applicable to the company.
- (v) Based on our verification and according to the information and explanations provided by management, there are no transactions that need to be entered into the register in pursuance of Section 301 of the Companies Act, 1956 and hence reporting under Para 4 (v)(b) of the Companies (Auditor’s Report) Order 2003 does not arise .
- (vi) According to the information and explanations provided to us, the Company has not accepted deposits from the public within the meaning of Section 58A, 58AA or any other relevant provisions of the Companies Act 1956. Hence Para 4 (vi) of the Companies (Auditor’s Report) Order 2003 is not applicable to the Company.
- (vii) In our Opinion, the Company has an internal audit system commensurate with its size and nature of business.
- (viii) We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) The company is generally regular in depositing all undisputed statutory dues relating to Income tax deducted at source, service tax and value added tax. We are informed that the provision of Provident Fund, Investor Education Protection Fund, Employee’s State Insurance, Wealth Tax, Custom duty, Excise Duty, Cess is not applicable to the Company. As per records produced before us, there are no undisputed dues which were outstanding as on 31st March, 2014 for a period over six month from the date of same become payable.
- (b) According to information and explanation given to us, there are no statutory dues pending in respect of income-tax, sales tax, Value Added Tax, service tax, custom duty, wealth tax, excise duty and cess on account of any dispute.
- (x) The Company has accumulated losses which are more than fifty percent of the net worth of the company. Moreover the company has incurred cash losses during the year as well as in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not

defaulted in repayment of dues to financial institution or bank.

- (xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of Para 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures. However, the surplus funds have been invested in mutual funds. Proper records have been maintained for the transactions and contracts for the investment in mutual funds and are updated on a timely basis. The investments have been held by the Company in its own name.
- (xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) According to the information and explanations given to us, and on the basis of books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that the term loan have been utilized for the purposes for which the loan were obtained.
- (xvii) According to the information and explanation given to us, the Company has not raised funds on short term basis. Hence, the provisions of Paragraph 4 (xvii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- (xviii) Based on the audit procedures performed and the information and explanations given to us by the management, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956, during the year.
- (xix) According to the information and explanations given to us, the Company has not issued debentures during the year. Accordingly, no security or charge needs to be created.
- (xx) According to the information and explanations given to us, the Company has not raised any money by way of public issue during the year.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

**For Gianender & Associates**  
**Chartered Accountants**  
**Firm Regn. No. 004661N**

**Place: New Delhi**

**Partner: Manju Agrawal**  
**M. NO. 083878**  
**Date: April 29, 2014**

**Dhule Palesner Tollway Limited**

**Balance sheet as at 31st March, 2014**

| Particulars                                | Note | 31-Mar-2014             | 31-Mar-2013             |
|--------------------------------------------|------|-------------------------|-------------------------|
|                                            | No.  | ₹                       | ₹                       |
| <b>Equity and liabilities</b>              |      |                         |                         |
| <b>Shareholders' funds</b>                 |      |                         |                         |
| Share capital                              | 3    | 63,00,00,000            | 63,00,00,000            |
| Reserves and surplus                       | 4    | (2,99,67,56,970)        | (1,67,07,21,903)        |
|                                            |      | <b>(2,36,67,56,970)</b> | <b>(1,04,07,21,903)</b> |
| <b>Non-current liabilities</b>             |      |                         |                         |
| Long-term borrowings                       | 5    | 12,61,89,60,974         | 11,82,12,51,618         |
| Other long term liabilities                | 6    | 78,59,90,136            | 52,30,23,401            |
|                                            |      | <b>13,40,49,51,110</b>  | <b>12,34,42,75,019</b>  |
| <b>Current liabilities</b>                 |      |                         |                         |
| Other current liabilities                  | 7    | 74,19,99,479            | 34,48,15,638            |
| Short-term provisions                      | 8    | 18,33,776               | 3,09,82,150             |
|                                            |      | <b>74,38,33,255</b>     | <b>37,57,97,788</b>     |
| <b>TOTAL</b>                               |      | <b>11,78,20,27,395</b>  | <b>11,67,93,50,905</b>  |
| <b>Assets</b>                              |      |                         |                         |
| <b>Non-current assets</b>                  |      |                         |                         |
| Fixed assets                               | 9    |                         |                         |
| Tangible assets                            |      | 2,34,76,913             | 3,17,14,699             |
| Intangible assets                          |      | 11,70,65,70,453         | 11,47,73,80,477         |
|                                            |      | <b>11,73,00,47,366</b>  | <b>11,50,90,95,176</b>  |
| Long-term loans and advances               | 10   | 9,43,090                | 6,53,650                |
|                                            |      | <b>9,43,090</b>         | <b>6,53,650</b>         |
| <b>Current assets</b>                      |      |                         |                         |
| Current investments                        | 11   | -                       | 1,77,31,578             |
| Cash and bank balances                     | 12   | 3,03,89,941             | 12,28,71,255            |
| Short-term loans and advances              | 13   | 2,00,60,334             | 2,88,05,369             |
| Other current assets                       | 14   | 5,86,664                | 1,93,877                |
|                                            |      | <b>5,10,36,939</b>      | <b>16,96,02,079</b>     |
| <b>TOTAL</b>                               |      | <b>11,78,20,27,395</b>  | <b>11,67,93,50,905</b>  |
| Summary of significant accounting policies | 2.1  |                         |                         |

The accompanying notes (Note No. 1 to 29 ) form an integral part of the financial statements.

As per our report of even date attached

For **Gianender & Associates**  
Chartered Accountants  
ICAI Registration No. 04661N

Arjun Dhawan  
Director

Nitin Patel  
Director

Manju Agrawal  
Partner  
Membership No. 083878

Nand Kumar Bisure  
Manager

Nirav Joshi  
Company Secretary

Vasistha Patel  
Director

Ravindra Singh  
Director

Mahesh Gaikwad  
Director

Place: Mumbai  
Date: 29<sup>th</sup> April, 2014

Place: Mumbai  
Date: 29<sup>th</sup> April, 2014

**Dhule Palesner Tollway Limited**

**Statement of Profit and Loss for the year ended on 31st March,2014**

| Particulars                                                      | Note       | 31-Mar-2014             | 31-Mar-2013             |
|------------------------------------------------------------------|------------|-------------------------|-------------------------|
|                                                                  | No.        | ₹                       | ₹                       |
| <b>Income</b>                                                    |            |                         |                         |
| Revenue from operation                                           | 15         | 1,11,57,65,755          | 76,62,79,703            |
| Other income                                                     | 16         | 46,53,850               | 1,58,66,018             |
| <b>Total revenue</b>                                             |            | <b>1,12,04,19,605</b>   | <b>78,21,45,721</b>     |
| <b>Expenses</b>                                                  |            |                         |                         |
| Finance costs                                                    | 17         | 1,40,27,02,166          | 1,33,17,23,467          |
| Depreciation and amortization expense                            | 18         | 85,92,55,599            | 80,11,29,533            |
| Other expenses                                                   | 19         | 18,44,96,907            | 17,18,53,125            |
| <b>Total Expenses</b>                                            |            | <b>2,44,64,54,672</b>   | <b>2,30,47,06,125</b>   |
| <b>Profit before exceptional and extraordinary items and tax</b> |            | <b>(1,32,60,35,067)</b> | <b>(1,52,25,60,404)</b> |
| Exceptional items                                                |            | -                       | -                       |
| Profit before extraordinary items and tax                        |            | (1,32,60,35,067)        | (1,52,25,60,404)        |
| Extraordinary items                                              |            | -                       | -                       |
| <b>Profit/(loss) before tax</b>                                  |            | <b>(1,32,60,35,067)</b> | <b>(1,52,25,60,404)</b> |
| <b>Tax expenses</b>                                              |            |                         |                         |
| Current tax                                                      |            | -                       | -                       |
| Deferred tax                                                     |            | -                       | -                       |
| Total tax expense                                                |            | -                       | -                       |
| <b>Profit/(loss) for the year</b>                                |            | <b>(1,32,60,35,067)</b> | <b>(1,52,25,60,404)</b> |
| <b>Earnings per Equity share</b>                                 | <b>20</b>  |                         |                         |
| Basic & Diluted                                                  |            | <b>(21)</b>             | <b>(30)</b>             |
| Summary of significant accounting policies                       | <b>2.1</b> |                         |                         |

The accompanying notes (Note No. 1 to 29 ) form an integral part of the financial statements.

As per our report of even date attached

For **Gianender & Associates**  
Chartered Accountants  
ICAI Registration No. 04661N

Arjun Dhawan  
Director

Nitin Patel  
Director

Manju Agrawal  
Partner  
Membership No. 083878

Nand Kumar Bisure  
Manager

Nirav Joshi  
Company Secretary

Vasistha Patel  
Director

Ravindra Singh  
Director

Mahesh Gaikwad  
Director

Place: Mumbai  
Date: 29<sup>th</sup> April, 2014

Place: Mumbai  
Date: 29th April, 2014

**Dhule Palesner Tollway Limited**

**Cash Flow Statement for the year ended on 31st March 2014**

| Particulars                                                             | Note | 31-Mar-2014             | 31-Mar-2013           |
|-------------------------------------------------------------------------|------|-------------------------|-----------------------|
|                                                                         | No.  | ₹                       | ₹                     |
| <b>Cash flow from operating activities</b>                              |      |                         |                       |
| <b>Profit before tax</b>                                                |      | (1,32,60,35,067)        | (1,52,25,60,404)      |
| Non-cash adjustment to reconcile profit before tax to net cash flows    |      |                         |                       |
| Depreciation/ amortization                                              |      | 85,92,55,599            | 80,11,29,533          |
| Interest expense                                                        |      | 1,40,10,87,848          | 1,02,82,91,158        |
| Interest income                                                         |      | (23,30,040)             | -                     |
| Dividend income                                                         |      | (17,49,212)             | (1,58,66,018)         |
|                                                                         |      | <b>93,02,29,129</b>     | <b>29,09,94,269</b>   |
| <b>Adjustment for :</b>                                                 |      |                         |                       |
| Changes in liabilities                                                  |      | 39,71,83,841            | (76,20,66,735)        |
| Short term provisions                                                   |      | (2,91,48,375)           | 16,05,781             |
| Changes in loans and advances including long term                       |      | 84,55,595               | (1,23,65,645)         |
| Other current assets                                                    |      | (3,92,787)              | 18,03,031             |
| Cash generated from /(used in) operations                               |      | <b>1,30,63,27,403</b>   | <b>(48,00,29,299)</b> |
| Direct taxes paid (net of refunds)                                      |      | -                       | -                     |
| <b>Net cash flow from/ (used in) operating activities (A)</b>           |      | <b>1,30,63,27,403</b>   | <b>(48,00,29,299)</b> |
| <b>Cash flows from investing activities</b>                             |      |                         |                       |
| Addition to fixed assts including CWIP/AUD                              |      | (1,08,02,07,789)        | (42,18,08,657)        |
| (Purchase) / redemption of investments                                  |      | 1,77,31,578             | 12,21,58,964          |
| Dividend income                                                         |      | 17,49,212               | 1,58,66,018           |
| Interest income                                                         |      | 23,30,040               | -                     |
| <b>Net cash flow from/ (used in) investing activities (B)</b>           |      | <b>(1,05,83,96,960)</b> | <b>(28,37,83,675)</b> |
| <b>Cash flows from financing activities</b>                             |      |                         |                       |
| Issue of equity Shares                                                  |      | -                       | 17,85,00,000          |
| Share application money received                                        |      | -                       | (50,00,000)           |
| Proceeds from long-term borrowings (Net)                                |      | 79,77,09,356            | 1,72,86,48,094        |
| Interest paid                                                           |      | (1,13,81,21,113)        | (1,02,82,91,158)      |
| <b>Net cash flow from/ (used in) in financing activities (C)</b>        |      | <b>(34,04,11,757)</b>   | <b>87,38,56,936</b>   |
| <b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b> |      | <b>(9,24,81,313)</b>    | <b>11,00,43,963</b>   |
| Cash and cash equivalents at the beginning of the year                  |      | 12,28,71,255            | 1,28,27,291           |
| Cash and cash equivalents at the end of the year                        |      | 3,03,89,941             | 12,28,71,255          |
| <b>Components of cash and cash equivalents</b>                          |      |                         |                       |
| Cash on hand                                                            |      | 1,59,56,907             | 84,11,500             |
| Balances with banks                                                     |      | 1,44,33,034             | 11,44,59,755          |
| <b>Total cash and cash equivalents (note 12)</b>                        |      | <b>3,03,89,941</b>      | <b>12,28,71,255</b>   |
| Summary of significant accounting policies                              | 2.1  |                         |                       |

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

As per our report of even date attached

For **Gianender & Associates**  
Chartered Accountants  
ICAI Registration No. 04661N

Arjun Dhawan  
Director

Nitin Patel  
Director

Nand Kumar Bisure  
Manager

Vasistha Patel



Manju Agrawal  
Partner  
Membership No. 083878

Director

Nirav Joshi  
Company Secretary

Ravindra Singh  
Director

Mahesh Gaikwad  
Director

Place: Mumbai  
Date: 29<sup>th</sup> April 2014

Place: Mumbai  
Date: 29th April, 2014

## **Dhule Palesner Tollway Limited**

### **Notes to financial statements for the year ended on 31st March, 2014**

#### **1. Corporate information**

Dhule Palesner Tollway Limited was incorporated under the Companies Act, 1956, on 25th March, 2009 as a Special Purpose Vehicle for Design, Engineering, Finance, Construction, Operation & Maintenance of 4 Laning of Maharashtra Border-Dhule section of NH -3 from kms 168.500 to 265.000 in the state of Maharashtra under NHDP Phase III on DBFOT basis awarded by National Highway Authority of India (NHAI).

NHAI has granted concession period of 18 years to the company for the above project, of which 3 years of construction and 15 years of Operations and Maintenance. The Company has executed a Concession Agreement with NHAI on 24th June, 2009. The date of commencement of commercial operation for the project is 23rd January 2012. The company has received the tolling rights for the entire stretch as on 5th September, 2013 except the two lanes of 13 kms held by an existing concessionaire.

The Company is a joint venture among Hindustan Construction Company Limited, HCC Concessions Limited (Formerly, HCC Infrastructure Limited), John Laing Investments Ltd., John Laing Investments Mauritius (No.1) Ltd., Sadbhav Engineering Ltd. and Sadbhav Infrastructure Project Ltd.

#### **2. Basis of preparation**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

#### **2.1 Summary of significant accounting policies**

##### **(i) Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

##### **ii) Fixed assets**

###### **Tangible Assets**

Fixed assets are stated at cost less accumulated depreciation / amortization. Cost include purchase price and all other attributable costs of bringing the assets to working condition for intended use.

###### **Intangible Assets**

Intangible assets are recognized as per the criteria specified in Accounting Standard (AS) 26 "Intangible Assets" issued by the Institute of Chartered Accountants of India and are amortized as follows :

Carriageways representing toll collection right are obtained in consideration for rendering construction, operation and maintenance services in relation to building and maintenance of the project on Build, Operate and Transfer basis . The Cost of such Carriageways comprises construction cost and other pre-operative costs incurred during the implementation phase.

Pre-operative expenses incurred up to date of commencement of commercial operation are capitalized.

**iii) Depreciation :-**

**on tangible fixed assets**

Depreciation on fixed assets is calculated on a written down basis using the rates prescribed under the Schedule XIV to the Companies Act, 1956.

**on intangible fixed assets**

As per para 63 of Accounting Standard-26 “Intangible Assets”, presently the Company amortizes the Toll Collection rights (“TCR”), on a Straight line basis (SLM) over the concession period. The amortization computed above, is higher than amortization computed in terms of the Notification no. G.S.R. 298(E) dated April 17, 2012 issued by the Ministry of Corporate Affairs (on amortization of Intangible assets created under Build Operate and Transfer, Build, Own, Operate and Transfer and other forms of Public Private Partnership Route). Accordingly the Company has amortized the Toll Collection Rights on a straight line basis over the Concession period.

**iv) Borrowing Cost**

Borrowing Costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets, till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which they are incurred.

**v) Provisions and Contingent Liabilities**

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if :

- a) the Company has a present obligation as a result of past event;
- b) a probable outflow of resources is expected to settle the obligations, and;
- c) the amount of the obligation can be reliably estimated.

The reimbursement expected in respect of the expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in the case of :

- a) a present obligation arising from a past event, when it is not probable that an outflow of resources will happen to settle the obligation
- b) a possible obligation, unless the probability of outflow of resources is remote.

Contingent assets are neither recognized nor disclosed.

Provisions and Contingent liabilities are reviewed at each Balance Sheet date.

**vi) Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the

acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**vii) Revenue recognition :**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

- a) Fee collection from users of the facility are accounted for as and when the amount is due and recovery is certain. Income from sale of smart cards is recognized as and when the amount is received from the users of the cards.
- b) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.
- c) Dividend income is recognized when the right to receive is established.
- d) Other items of income are accounted as and when the right to receive arises.

**viii) Taxes**

Tax on income for the year is determined on the basis of taxable income and tax credits computed in accordance with the provisions of Income Tax Act, 1961.

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year, and quantified using the tax rates and laws enacted to or substantially enacted as on the balance sheet date.

Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

**3 Share Capital**

|                                                                      | <b>31-Mar-2014</b>  | <b>31-Mar-2013</b>  |
|----------------------------------------------------------------------|---------------------|---------------------|
|                                                                      | <b>₹</b>            | <b>₹</b>            |
| <b>Authorized share Capital</b>                                      |                     |                     |
| 72,000,000 (31 March 2013: 72,000,000) equity shares of ₹ 10/- each  | 72,00,00,000        | 72,00,00,000        |
|                                                                      | 72,00,00,000        | 72,00,00,000        |
| <b>Issued, subscribed and fully paid-up share</b>                    |                     |                     |
| 63,000,000 (31 March 2013: 63,000,000) equity shares of ₹ 10/- each. | 63,00,00,000        | 63,00,00,000        |
| <b>Total issued, subscribed and fully paid-up share capital</b>      | <b>63,00,00,000</b> | <b>45,15,00,000</b> |

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

***Equity shares***

| Particulars                                | 31-Mar-14          |                     | 31-Mar-13          |                     |
|--------------------------------------------|--------------------|---------------------|--------------------|---------------------|
|                                            | Nos                | ₹                   | Nos                | ₹                   |
| At the beginning of the period             | 6,30,00,000        | 63,00,00,000        | 4,51,50,000        | 45,15,00,000        |
| Issued during the period – Issue of Shares | -                  | -                   | 1,78,50,000        | 17,85,00,000        |
| Outstanding at the end of the period       | <b>6,30,00,000</b> | <b>63,00,00,000</b> | <b>6,30,00,000</b> | <b>63,00,00,000</b> |

**(ii) Terms/ rights attached to equity shares**

The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

During the year ended 31st March, 2014, the amount of per share dividend recognized as distributions to equity shareholders is ₹Nil (31 March 2013: ₹Nil).

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(iii) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates**

Out of equity shares issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below: **Nil**

**(iv) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: **Nil****

**(vi) Details of shareholders holding more than 5% shares in the company**

|                                                      | 31-Mar-14   |           | 31-Mar-13   |           |
|------------------------------------------------------|-------------|-----------|-------------|-----------|
|                                                      | Nos         | % holding | Nos         | % holding |
| <b>Equity shares of ₹ 10 each fully paid</b>         |             |           |             |           |
| Hindustan Construction Company Limited               | 1,63,80,000 | 26%       | 1,63,80,000 | 26%       |
| HCC Concessions Limited and its Nominees             | 69,30,000   | 11%       | 69,30,000   | 11%       |
| John Laing Investments Ltd.                          | 1,63,80,000 | 26%       | 1,63,80,000 | 26%       |
| John Laing Investments Mauritius (No.1) Ltd.         | 63,00,000   | 10%       | 63,00,000   | 10%       |
| Sadbhav Engineering Ltd                              | 1,63,80,000 | 26%       | 1,63,80,000 | 26%       |
| Sadbhav Infrastructure Project Ltd. and its Nominees | 6,30,000    | 1%        | 6,30,000    | 1%        |

**(vii) Shares reserved for issue under options - **Nil****

**4. Reserves and surplus**

|                                                                    | 31-Mar-2014             | 31-Mar-2013             |
|--------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                    | ₹                       | ₹                       |
| <b>Surplus/ (deficit) in the statement of profit and loss</b>      |                         |                         |
| Balance as per last financial statements                           | (1,67,07,21,903)        | (14,81,61,499)          |
| Profit / (Loss) for the year                                       | (1,32,60,35,067)        | (1,52,25,60,404)        |
| <b>Net surplus / (deficit) in the statement of profit and loss</b> | <b>(2,99,67,56,970)</b> | <b>(1,67,07,21,903)</b> |

|                                   | 31-Mar-2014             | 31-Mar-2013             |
|-----------------------------------|-------------------------|-------------------------|
|                                   | ₹                       | ₹                       |
| <b>Total reserves and surplus</b> | <b>(2,99,67,56,970)</b> | <b>(1,67,07,21,903)</b> |

5. **Long-term borrowings**

|                                                                                                                                                                                                                                                                                                                                                                                             | 31-Mar-2014            | 31-Mar-2013            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                             | ₹                      | ₹                      |
| <b>Term Loans -Secured</b>                                                                                                                                                                                                                                                                                                                                                                  |                        |                        |
| Term loans from Banks                                                                                                                                                                                                                                                                                                                                                                       | 8,78,55,16,017         | 8,31,63,69,833         |
| Term loans from Others                                                                                                                                                                                                                                                                                                                                                                      | 1,11,65,16,207         | 1,06,39,66,785         |
|                                                                                                                                                                                                                                                                                                                                                                                             | <b>9,90,20,32,224</b>  | <b>9,38,03,36,618</b>  |
| Above loans taken under Common Loan Agreement are secured by way of pari-passu first charge on all assets both present and future, excluding the project assets as defined in the Concession Agreement & pledge of 33% shareholding of the promoters in the Company.                                                                                                                        |                        |                        |
| Terms of Repayment : Repayable in 46 consecutive quarterly installments commencing from 30th Sept -2013 to 31 Mar 2025 ranging from ₹ 8,875,000/- to ₹ 650,000,000/- on the repayment dates and in the percentages as mentioned in the amortization schedule as set forth in Schedule V of the Common Loan Agreement executed on 18th December,2009. Current rate of Interest is 11.65% pa. |                        |                        |
| The land is under lien by way of mortgage to SBICap Trustee Company Limited.                                                                                                                                                                                                                                                                                                                |                        |                        |
| Current maturities of above loans are shown under Note No 7.                                                                                                                                                                                                                                                                                                                                |                        |                        |
| <b>Unsecured subordinate debt from related parties</b>                                                                                                                                                                                                                                                                                                                                      |                        |                        |
| HCC Concessions Limited                                                                                                                                                                                                                                                                                                                                                                     | 1,59,29,28,750         | 1,45,65,15,000         |
| Sadbhav infrastructure Projects Limited                                                                                                                                                                                                                                                                                                                                                     | 1,12,40,00,000         | 98,44,00,000           |
| Subordinate loans carry interest @11% pa.                                                                                                                                                                                                                                                                                                                                                   | <b>2,71,69,28,750</b>  | <b>2,44,09,15,000</b>  |
|                                                                                                                                                                                                                                                                                                                                                                                             |                        |                        |
|                                                                                                                                                                                                                                                                                                                                                                                             | <b>12,61,89,60,974</b> | <b>11,82,12,51,618</b> |

6. **Other long term liabilities**

|                                                | 31-Mar-2014         | 31-Mar-2013         |
|------------------------------------------------|---------------------|---------------------|
|                                                | ₹                   | ₹                   |
| Interest accrued but not due on unsecured loan | 78,59,90,136        | 52,30,23,401        |
|                                                | <b>78,59,90,136</b> | <b>52,30,23,401</b> |

7. **Other current liabilities**

|                                                          | 31-Mar-2014         | 31-Mar-2013         |
|----------------------------------------------------------|---------------------|---------------------|
|                                                          | ₹                   | ₹                   |
| Current maturities of long term loans ( refer Note No 5) | 11,53,74,632        | 2,66,24,908         |
| Interest accrued and due                                 | 3,81,14,012         | -                   |
| Others (Includes taxes & other payables )                | 58,85,10,835        | 31,81,90,730        |
|                                                          | <b>74,19,99,478</b> | <b>34,48,15,638</b> |

**8. Short term provisions**

|                                         | <b>31-Mar-2014</b> | <b>31-Mar-2013</b> |
|-----------------------------------------|--------------------|--------------------|
|                                         | <b>₹</b>           | <b>₹</b>           |
| Provisions for Others ( for expenses) * | 18,33,776          | 3,09,82,150        |
| * Includes Toll Plaza Expenses          | <b>18,33,776</b>   | <b>3,09,82,150</b> |

**Dhule Palesner Tollway Limited**

**Statement of Fixed Assets for the year ended on 31st March,2014**

**Note 9 : Fixed Assets**

(Amount in ₹ )

| Particulars                                                        | Gross Block            |                        |                        | Accumulated Depreciation |                       |                        | Net Carrying Value     |                        |
|--------------------------------------------------------------------|------------------------|------------------------|------------------------|--------------------------|-----------------------|------------------------|------------------------|------------------------|
|                                                                    | As at 1st April, 2013  | Additions/ (Disposals) | As at 31st March, 2014 | As at 1st April, 2013    | Charge for the period | As at 31st March, 2014 | As at 31st March, 2014 | As at 31st March, 2013 |
| <b>Tangible Assets</b>                                             |                        |                        |                        |                          |                       |                        |                        |                        |
| Land                                                               | 97,20,500              | -                      | <b>97,20,500</b>       | -                        | -                     | -                      | 97,20,500              | 97,20,500              |
| Vehicles                                                           | 2,28,92,532            | -                      | <b>2,28,92,532</b>     | 23,68,867                | 82,07,249             | 1,05,76,116            | 1,23,16,416            | 2,05,23,665            |
| Computers                                                          | 18,51,694              | -                      | <b>18,51,694</b>       | 8,23,189                 | 3,99,049              | 12,22,238              | 6,29,455               | 10,28,505              |
| Office Equipments                                                  | 8,65,462               | 1,99,502               | <b>10,64,964</b>       | 4,23,433                 | (1,69,011)            | 2,54,422               | 8,10,542               | 4,42,029               |
| <b>Sub Total</b>                                                   | <b>3,53,30,188</b>     | <b>1,99,502</b>        | <b>3,55,29,689</b>     | <b>36,15,489</b>         | <b>84,37,287</b>      | <b>1,20,52,776</b>     | <b>2,34,76,913</b>     | <b>3,17,14,699</b>     |
| <b>Intangible assets</b>                                           |                        |                        |                        |                          |                       |                        |                        |                        |
| Toll collection Rights                                             | 12,35,86,37,069        | 1,08,00,08,287         | 13,43,86,45,356        | 88,12,56,591             | 85,08,18,312          | 1,73,20,74,903         | 11,70,65,70,453        | 11,47,73,80,477        |
| <b>Sub Total</b>                                                   | <b>12,35,86,37,069</b> | <b>1,08,00,08,287</b>  | <b>13,43,86,45,356</b> | <b>88,12,56,591</b>      | <b>85,08,18,312</b>   | <b>1,73,20,74,903</b>  | <b>11,70,65,70,453</b> | <b>11,47,73,80,477</b> |
| <b>Intangible assets under development (for developed section)</b> | -                      | -                      | -                      | -                        | -                     | -                      | -                      | -                      |
| <b>Total</b>                                                       | <b>12,39,39,67,256</b> | <b>1,08,02,07,789</b>  | <b>13,47,41,75,045</b> | <b>88,48,72,080</b>      | <b>85,92,55,599</b>   | <b>1,74,41,27,679</b>  | <b>11,73,00,47,366</b> | <b>11,50,90,95,176</b> |
| Previous Year                                                      | 11,97,21,58,602.00     | 42,18,08,655.00        | 12,39,39,67,257.00     | 8,37,42,547.00           | 80,11,29,533.00       | 88,48,72,080.00        | 11,50,90,95,176.00     | 11,88,84,16,054.00     |



**10. Long term loans and advances**

|                            | 31-Mar-2014     | 31-Mar-2013     |
|----------------------------|-----------------|-----------------|
|                            | ₹               | ₹               |
| Unsecured, Considered good |                 |                 |
| Security Deposits          | 9,43,090        | 6,53,650        |
|                            | <b>9,43,090</b> | <b>6,53,650</b> |

**11. Current investments**

|                                                                                       | 31-Mar-2014 | 31-Mar-2013        |
|---------------------------------------------------------------------------------------|-------------|--------------------|
|                                                                                       | ₹           | ₹                  |
| Current investments (valued at lower of cost and fair value, unless stated otherwise) |             |                    |
| Investment in mutual Funds                                                            | -           | 1,77,31,578        |
|                                                                                       | -           | <b>1,77,31,578</b> |
| Aggregate amount of quoted investments                                                | -           | -                  |
| Aggregate amount of unquoted investments                                              | -           | 1,77,31,578        |
| Aggregate provision made for diminution in value of investments.                      | -           | -                  |

**12. Cash and bank balances**

|                                  | 31-Mar-2014        | 31-Mar-2013         |
|----------------------------------|--------------------|---------------------|
|                                  | ₹                  | ₹                   |
| <b>Cash and cash equivalents</b> |                    |                     |
| Balances with banks              | 1,44,33,034        | 11,44,59,755        |
| Cash on hand                     | 1,59,56,907        | 84,11,500           |
|                                  | <b>3,03,89,941</b> | <b>12,28,71,255</b> |

**13. Short term loans and advances**

|                                        | 31-Mar-2014        | 31-Mar-2013        |
|----------------------------------------|--------------------|--------------------|
|                                        | ₹                  | ₹                  |
| Unsecured, Considered good             |                    |                    |
| Others short term loans and advances * | 2,00,60,334        | 2,88,05,369        |
|                                        | <b>2,00,60,334</b> | <b>2,88,05,369</b> |

\* Includes taxes, advance to vendors, prepaid expenses.

**14. Other current assets**

|                                       | 31-Mar-2014     | 31-Mar-2013     |
|---------------------------------------|-----------------|-----------------|
|                                       | ₹               | ₹               |
| Other Assets ( Receivable from NHAI ) | 5,86,664        | 1,93,877        |
|                                       | <b>5,86,664</b> | <b>1,93,877</b> |

**15. Revenue from operations**

|              | 31-Mar-2014           | 31-Mar-2013         |
|--------------|-----------------------|---------------------|
|              | ₹                     | ₹                   |
| Toll Revenue | 1,11,57,65,755        | 76,62,79,703        |
|              | <b>1,11,57,65,755</b> | <b>76,62,79,703</b> |

**16. Other income**

|                 | 31-Mar-2014      | 31-Mar-2013        |
|-----------------|------------------|--------------------|
|                 | ₹                | ₹                  |
| Interest Income | 23,30,040        | 7,94,274           |
| Dividend Income | 17,49,212        | 1,49,51,744        |
| Other Income    | 5,74,599         | 1,20,000           |
|                 | <b>46,53,850</b> | <b>1,58,66,018</b> |

**17. Finance costs**

|                        | 31-Mar-2014    | 31-Mar-2013    |
|------------------------|----------------|----------------|
|                        | ₹              | ₹              |
| Interest expenses      | 1,40,10,87,848 | 1,28,71,42,275 |
| Others Borrowing costs | 16,14,318      | 4,45,81,192    |
|                        | 1,40,27,02,166 | 1,33,17,23,467 |

**18. Depreciation and amortization expense**

|                                   | 31-Mar-2014         | 31-Mar-2013         |
|-----------------------------------|---------------------|---------------------|
|                                   | ₹                   | ₹                   |
| Depreciation of tangible assets   | 84,37,287           | 29,33,379           |
| Amortization of Intangible assets | 85,08,18,312        | 79,81,96,154        |
|                                   | <b>85,92,55,599</b> | <b>80,11,29,533</b> |

**19. Other expenses**

|                                          | 31-Mar-2014  | 31-Mar-2013  |
|------------------------------------------|--------------|--------------|
|                                          | ₹            | ₹            |
| Payment to auditor (refer footnote - 1 ) | 2,80,900     | 1,67,911     |
| Legal, Professional & Consultancy Fees   | 6,12,50,952  | 6,47,23,252  |
| Travelling & Conveyance                  | 46,54,920    | 46,35,744    |
| Common Service Charges                   | 1,76,55,059  | 1,72,25,450  |
| Communication Expenses                   | 5,22,430     | 4,63,301     |
| Printing & Stationery                    | 8,50,603     | 9,40,180     |
| Rates & Taxes                            | 1,10,157     | 3,44,730     |
| Repair and Maintenance                   | 2,53,73,238  | 1,70,56,033  |
| Electricity Charges                      | 1,51,98,116  | 1,45,06,440  |
| Rent                                     | 85,150       | 76,603       |
| Insurance Charges                        | 1,01,94,158  | 75,64,652    |
| Security Services                        | 82,01,589    | 82,49,306    |
| Operation and maintenance fees           | 3,37,08,000  | 3,37,08,000  |
| Misc. Expenses                           | 64,11,636    | 21,91,522    |
|                                          | 18,44,96,907 | 17,18,53,125 |

**Footnote - 1 - Payment to Auditor**

|                                     | 31-Mar-2014     | 31-Mar-2013     |
|-------------------------------------|-----------------|-----------------|
|                                     | ₹               | ₹               |
| <b>As auditor:</b>                  |                 |                 |
| Audit fee                           | 2,00,000        | 1,25,000        |
| Tax audit fee                       | 25,000          | 25,000          |
| <b>In other capacity:</b>           |                 |                 |
| Other services (certification fees) | 35,000          | 2,575           |
|                                     | <b>2,60,000</b> | <b>1,52,575</b> |
| Add: Service Tax                    | 32,136          | 18,540          |

|                     | 31-Mar-2014 | 31-Mar-2013 |
|---------------------|-------------|-------------|
|                     | ₹           | ₹           |
|                     | 2,92,136    | 1,71,115    |
| Less :- Capitalized | -           | 3,204       |
|                     | 2,92,136    | 1,67,911    |

## 20. Earnings per share (EPS)

The following reflects the profit and share data used in the basic computations:

|                                                        | 31-Mar-2014      | 31-Mar-2013      |
|--------------------------------------------------------|------------------|------------------|
|                                                        | ₹                | ₹                |
| <b>Net profit/ (loss) for calculation of basic EPS</b> | (1,32,60,35,067) | (1,52,25,60,404) |
| Number of equity shares in calculating basic EPS       | 6,30,00,000      | 5,10,15,205      |
| Basic EPS                                              | (21.05)          | (29.85)          |

## 21 Segment reporting

The Company being engaged in design, operation, development and maintenance of Road on build, Operate and Transfer ( BOT) basis, does not have more than one segment reportable. Further, the Company is carrying its business only in one geographical segment.

## 22. Employee benefits

Company has no employees on its payroll during the year.

## 23. Provisions for Deferred Tax

The Company does not have taxable income and hence no provision for current tax has been made. The Company is eligible for deduction under Section 80- IA of the Income Tax Act, 1961 and the concession period of the Company's project falls within the tax holiday period as defined in Section 80-IA. Since deferred tax on timing differences between Accounting income and Taxable income that arise during the year is reversing during such tax holiday period, no deferred tax asset or liability arises and accordingly no provision is made in the accounts.

## 24. Related Party Transactions

### A. Name of Related Party with which the Company has transactions during the year and Nature of Relationship

|                                              |                              |
|----------------------------------------------|------------------------------|
| Hindustan Construction Company Limited       | Joint venturer               |
| HCC Concessions Limited                      | Joint venturer               |
| John Laing Investments Ltd.                  | Joint venturer               |
| John Laing Investments Mauritius (No.1) Ltd. | Joint venturer               |
| Sadbhav Engineering Ltd.                     | Joint venturer               |
| Sadbhav Infrastructure Project Ltd.          | Joint venturer               |
| Key Management Personnel                     | Mr Arjun Dhawan - Director   |
|                                              | Mr Nitin Patel - Director    |
|                                              | Mr Vasistha Patel - Director |
|                                              | Mr Ravindra Singh - Director |

**B. Transactions with Related Parties**

(Amount in rupees)

| Nature of Transaction                                                                        | Hindustan Construction Company Limited | HCC Concessions Limited | John Laing Investments Limited | John Laing Investment Mauritius (No 1) Limited | Sadbhav Engineering Limited | Sadbhav Infrastructure Projects Limited |
|----------------------------------------------------------------------------------------------|----------------------------------------|-------------------------|--------------------------------|------------------------------------------------|-----------------------------|-----------------------------------------|
| Subscription of Equity                                                                       | 16,38,00,000                           | 6,93,00,000             | 16,38,00,000                   | 6,30,00,000                                    | 16,38,00,000                | 63,00,000                               |
|                                                                                              | (16,38,00,000)                         | (6,93,00,000)           | (16,38,00,000)                 | (6,30,00,000)                                  | (16,38,00,000)              | (63,00,000)                             |
| Unsecured Loan Outstanding                                                                   | -                                      | 1,59,29,28,750          | -                              | -                                              | -                           | 1,12,40,00,000                          |
|                                                                                              | -                                      | (1,45,65,15,000)        | -                              | -                                              | -                           | (98,44,00,000)                          |
| Unsecured Loans received during the year                                                     | -                                      | 13,64,13,750            | -                              | -                                              | -                           | 13,96,00,000                            |
| Outstanding due to/ (from) incl of Retention                                                 | 40,85,93,886                           | 6,47,908                | 100                            | -                                              | 14,95,48,120                | -                                       |
|                                                                                              | (10,86,63,496)                         | (6,97,05,219)           | (100)                          | -                                              | (7,95,59,218)               | -                                       |
| Current Liability outstanding                                                                | -                                      | -                       | -                              | 13,48,320                                      | -                           | 13,48,320                               |
|                                                                                              | -                                      | -                       | -                              | (13,48,320)                                    | -                           | (13,48,320)                             |
| Sub contracting expenses incurred EPC                                                        | 64,80,04,972                           | -                       | -                              | -                                              | 43,72,95,315                | -                                       |
|                                                                                              | (10,52,27,585)                         | -                       | -                              | -                                              | (7,01,51,723)               | -                                       |
| Payment towards Running Bills                                                                | 39,93,09,682                           | -                       | -                              | -                                              | 38,81,50,052                | -                                       |
|                                                                                              | (79,46,12,825)                         | -                       | -                              | -                                              | (92,17,69,943)              | -                                       |
| Utility expenses incurred                                                                    | -                                      | -                       | -                              | -                                              | -                           | -                                       |
|                                                                                              | -                                      | -                       | -                              | -                                              | (38,50,64,266)              | -                                       |
| Utility expenses paid                                                                        | -                                      | -                       | -                              | -                                              | -                           | -                                       |
|                                                                                              | -                                      | -                       | -                              | -                                              | (38,50,64,266)              | -                                       |
| Expenses Incurred SPV Management Fees                                                        | -                                      | 1,75,28,160             | -                              | -                                              | -                           | -                                       |
|                                                                                              | -                                      | (1,75,28,160)           | -                              | -                                              | -                           | -                                       |
| Expenses Incurred Common Service Charge (Reimbursement of Expenses )                         | -                                      | 89,97,058               | -                              | -                                              | -                           | -                                       |
|                                                                                              | -                                      | (1,79,13,335)           | -                              | -                                              | -                           | -                                       |
| Interest Accrued but not due on Subordinate Debt                                             | -                                      | 47,72,85,635            | -                              | -                                              | -                           | 30,87,04,501                            |
|                                                                                              | -                                      | (31,90,07,087)          | -                              | -                                              | -                           | (20,40,16,315)                          |
| Interest expense on Unsecured loan incurred during the period ( ROI @ 11% on Unsecured Loan) | -                                      | 16,69,48,667            | -                              | -                                              | -                           | 11,63,20,209                            |
|                                                                                              | -                                      | (15,71,86,118)          | -                              | -                                              | -                           | (10,60,63,878)                          |

(Figures in brackets represents previous year figures)

**25. Contingent liabilities and commitments**

|                                                                                                                                                                                                                                                                                                                                 | 31-Mar-2014  | 31-Mar-2013    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|----------------|
|                                                                                                                                                                                                                                                                                                                                 | ₹            | ₹              |
| <b>i) Contingent liability</b>                                                                                                                                                                                                                                                                                                  |              |                |
| Income tax demand*                                                                                                                                                                                                                                                                                                              | 30,17,160    | -              |
| * Utility shifting activity was given back to back basis to EPC Contractor and Assessing Officer has erroneously added TDS under Income tax and WCT under sales tax decocted by NHA1 as deemed income and imposed penalty treating this activity as Sales turnover. Company has preferred appeal against this order is awaited. |              |                |
| <b>ii) Commitments</b>                                                                                                                                                                                                                                                                                                          |              |                |
| Capital commitments                                                                                                                                                                                                                                                                                                             | 52,00,00,000 | 1,60,00,00,000 |
| Other commitments                                                                                                                                                                                                                                                                                                               | Nil          | Nil            |

**26. Foreign Currency Transactions**

|                                 | 31-Mar-2014 | 31-Mar-2013 |
|---------------------------------|-------------|-------------|
|                                 | ₹           | ₹           |
| a) CIF value of Imports         | Nil         | Nil         |
| b) Expenses in foreign currency | Nil         | Nil         |

|                                | 31-Mar-2014 | 31-Mar-2013 |
|--------------------------------|-------------|-------------|
|                                | ₹           | ₹           |
| c) Earning in foreign currency | Nil         | Nil         |
|                                |             |             |

**27. Details of dues to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006**

There have been no claimed transactions during the year with Micro, Small & Medium Enterprises covered under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. Hence, reporting details of Principal and Interest does not arise.

**28. Previous years figures**

Figures for the previous year have been regrouped/ reclassified wherever necessary.

**29. Note No 1 to 29 form an integral part of the financial statements**

As per our report of even date attached

For **Gianender & Associates**  
Chartered Accountants  
ICAI Registration No. 04661N

Arjun Dhawan  
Director

Nitin Patel  
Director

Manju Agrawal  
Partner  
Membership No. 083878

Nand Kumar Bisure  
Manager

Vasistha Patel  
Director

Nirav Joshi  
Company Secretary

Ravindra Singh  
Director

Mahesh Gaikwad  
Director

Place: Mumbai  
Date: 29<sup>th</sup> April 2014

Place: Mumbai  
Date: 29th April, 2014

## THE ISSUE

The following table summarizes the Issue details:

|                                                                                                                             |                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| Issue <sup>(1)</sup>                                                                                                        | Up to [●] Equity Shares aggregating up to ₹ [●] million                                                         |
| <i>of which:</i>                                                                                                            |                                                                                                                 |
| (i) Fresh Issue <sup>(1)</sup>                                                                                              | Up to [●] Equity Shares aggregating up to ₹ 4,250 million                                                       |
| (ii) Offer for Sale <sup>(2)</sup>                                                                                          | Up to 12,956,639 Equity Shares                                                                                  |
| <i>of which:</i>                                                                                                            |                                                                                                                 |
| Offer for Sale by Xander                                                                                                    | Up to 8,102,996 Equity Shares                                                                                   |
| Offer for Sale by Norwest                                                                                                   | Up to 4,853,643 Equity Shares                                                                                   |
| <i>of which:</i>                                                                                                            |                                                                                                                 |
| Employee Reservation Portion <sup>(3)</sup>                                                                                 | Up to [●] Equity Shares aggregating up to ₹ 250 million                                                         |
| <b>Net Offer to the Public</b>                                                                                              | Up to [●] Equity Shares                                                                                         |
| A) QIB Portion <sup>(4)</sup>                                                                                               | At least [●] Equity Shares                                                                                      |
| <i>of which</i>                                                                                                             |                                                                                                                 |
| Anchor Investor Portion <sup>(5)</sup>                                                                                      | Not more than [●] Equity Shares                                                                                 |
| Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed) | [●] Equity Shares                                                                                               |
| <i>of which:</i>                                                                                                            |                                                                                                                 |
| Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding the Anchor Investor Portion))               | [●] Equity Shares                                                                                               |
| Balance of QIB Portion for all QIBs including Mutual Funds                                                                  | [●] Equity Shares                                                                                               |
| B) Non-Institutional Portion <sup>(3)</sup>                                                                                 | Not more than [●] Equity Shares                                                                                 |
| C) Retail Portion <sup>(3)</sup>                                                                                            | Not more than [●] Equity Shares                                                                                 |
| <b>Pre and post Issue Equity Shares</b>                                                                                     |                                                                                                                 |
| Equity Shares outstanding prior to the Issue                                                                                | 310,963,081 Equity Shares                                                                                       |
| Equity Shares outstanding after the Issue                                                                                   | [●] Equity Shares                                                                                               |
| <b>Utilisation of Net Proceeds</b>                                                                                          | See “Objects of the Issue” on page 147<br><br>Our Company will not receive any proceeds from the Offer for Sale |

Allocation to investors in all categories, except the Retail Portion and the Anchor Investor Portion, if any, shall be made on a proportionate basis.

<sup>(1)</sup> The Fresh Issue has been authorised by the Board of our Company pursuant to its resolution passed on

*October 22, 2014, April 14, 2015 and May 20, 2015 and the Shareholders pursuant to the resolution passed on October 22, 2014 and April 15, 2015.*

- (2) Except certain Equity Shares allotted pursuant to (i) the conversion of Investor CCCPS in accordance with the Investor Subscription Agreement; and (ii) the bonus issue undertaken through the capitalisation of the general reserve and securities premium account of our Company in the ratio of 1:10 authorised by our Shareholders through a resolution passed on October 22, 2014, the Equity Shares offered by the Selling Shareholders in the Issue have been held by them for a period of at least one year as on the date of this Draft Red Herring Prospectus. The Offer for Sale has been authorised by (a) Xander pursuant to resolution passed by its board of directors on May 20, 2015; and (b) Norwest pursuant to resolution passed by its board of directors on May 20, 2015. By consent letters dated May 20, 2015 and May 21, 2015, respectively, Xander and Norwest have provided their consent to offer up to 8,102,996 Equity Shares and up to 4,853,643 Equity Shares, respectively.*
- (3) Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category except in the QIB category, would be allowed to be met with spill over from any other category or combination of categories (including the Employee Reservation Portion) at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.*
- (4) If at least 75% of the Net Issue cannot be Allotted to QIBs, the entire application money will be refunded forthwith.*
- (5) Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60 % of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. For details, see "Issue Procedure" beginning on page 578.*

## GENERAL INFORMATION

Our Company was incorporated as Sadbhav Infrastructure Project Limited on January 18, 2007 at Ahmedabad as a public limited company under the Companies Act, 1956. Our Company obtained a certificate of commencement of business on February 7, 2007. For details of the business of our Company, see “Business” beginning on page 195.

### Registered Office and Registration Number of our Company

Sadbhav House  
Opposite Law Garden, Police Chowki  
Ellisbridge, Ahmedabad 380 006  
Tel: (91 79) 2646 3384  
Fax: (91 79) 2640 0210  
Website: [www.sadbhavinfra.co.in](http://www.sadbhavinfra.co.in)  
Corporate Identity Number: U45202GJ2007PLC049808  
Registration Number: 049808

### Address of the RoC

Our Company is registered with the RoC, Gujarat at Ahmedabad situated at the following address:

### Registrar of Companies

ROC Bhavan  
Opposite Rupal Park Society  
Behind Ankur Bus Stop, Naranpura  
Ahmedabad 380 013

### Board of Directors

The Board of Directors consists of:

| Name                | Designation                                | DIN      | Address                                                                                           |
|---------------------|--------------------------------------------|----------|---------------------------------------------------------------------------------------------------|
| Vishnubhai M. Patel | Chairman and Non-Executive Director        | 00048287 | “Shashin”, 11 Hindu Colony, Opposite Sardar Patel Stadium, Navrangpura, Ahmedabad 380 009         |
| Vasistha Patel      | Managing Director                          | 00048324 | 27, Shashwat Bungalows, S.G. Highway, B/H Rajpath Club, Bodakdev, Ahmedabad 380 059               |
| Shashin V. Patel    | Non-Independent and Non-Executive Director | 00048328 | “Shashin”, 11 Hindu Colony, Opposite Sardar Patel Stadium, Navrangpura, Ahmedabad 380 009         |
| Nitinkumar R. Patel | Non-Independent and Non-Executive Director | 00466330 | Keshavlaxmi, opposite Everbella Flats, near Jain Temple, Ankur Road, Naranpura, Ahmedabad 380 013 |
| Sandip V. Patel     | Independent and Non-Executive Director     | 00449028 | D-302, Arjun Greens, Near Menarav Hall, Nilkanth Mahadev Road, Naranpura, Ahmedabad 380 013       |
| Mirat N. Bhadlawala | Independent and Non-Executive Director     | 01027984 | 202, Dream Heritage, 51, Haribhakti Colony, Racecourse, Vadodara 390 007                          |
| Arunbhai S. Patel   | Independent and Non-Executive Director     | 06365699 | 19, Panna Park Society, near Vijay Nagar Society, Navrangpura<br>Ahmedabad 380 009                |



| <b>Name</b>              | <b>Designation</b>                     | <b>DIN</b> | <b>Address</b>                                                                                             |
|--------------------------|----------------------------------------|------------|------------------------------------------------------------------------------------------------------------|
| Atul N. Ruparel          | Independent and Non-Executive Director | 00485470   | 1 Aryaman Bungalows, 10 Hira Baug Society, opposite Ambawadi Municipal School, Ambavadi, Ahmedabad 380 006 |
| Daksha N. Shah           | Independent and Non-Executive Director | 00376899   | "VIVA" Bungalow 31, Bodakdev, behind Ranjit Petrol Pump, opposite Hotel Grand Bhagwati, Ahmedabad 380 059  |
| Dr. Jagdish P. Joshipura | Independent and Non-Executive Director | 00260590   | 16, Sharda Nagar, Opp Bhimnath Mahadev, New Sharda Mandir Road, Paldi, Ahmedabad 380 007.                  |

For further details of our Directors, see "Management" on pages 255 to 260.

### **Company Secretary and Compliance Officer**

Gaurav Vesasi is the Company Secretary and the Compliance Officer of our Company. His contact details are as follows:

#### **Gaurav Vesasi**

Sadbhav House  
Opposite Law Garden, Police Chowki  
Ellisbridge  
Ahmedabad 380 006  
Tel: (91 79) 2646 3384  
Fax: (91 79) 2640 0210  
Email: investor@sadbhavinfra.co.in

**Investors can contact the Company Secretary and Compliance Officer or the BRLMs or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice, credit of Allotted Equity Shares in the respective beneficiary account and refund orders.**

### **Chief Financial Officer**

Varun Mehta is the chief financial officer of our Company. His contact details are as follows:

#### **Varun Mehta**

Sadbhav House  
Opposite Law Garden, Police Chowki  
Ellisbridge  
Ahmedabad 380 006  
Tel: (91 79) 2646 3384  
Fax: (91 79) 2640 0210

### **Book Running Lead Managers**

#### **Kotak Mahindra Capital Company Limited**

1<sup>st</sup> Floor, 27 BKC, Plot No. 27  
G Block, Bandra Kurla Complex  
Bandra (East)  
Mumbai 400 051  
Tel: (91 22) 4336 0000  
Fax: (91 22) 6713 2447  
E-mail: sipl.ipo@kotak.com  
Investor grievance e-mail:

#### **Inga Capital Private Limited**

Naman Midtown, 'A' wing, 21<sup>st</sup> floor  
Senapati Bapat Marg  
Elphinstone (West)  
Mumbai 400 013  
Tel: (91 22) 4031 3489  
Fax: (91 22) 4031 3379  
E-mail: sipl.ipo@ingacapital.com  
Investor grievance e-mail:

kmccredressal@kotak.com  
Website: <http://investmentbank.kotak.com>  
Contact Person: Ganesh Rane  
SEBI Registration No.: INM000008704

#### **Edelweiss Financial Services Limited**

14<sup>th</sup> Floor, Edelweiss House  
Off CST Road  
Kalina  
Mumbai 400 098  
Tel: (91 22) 4009 4400  
Fax: (91 22) 4086 3610  
E-mail: [sipl.ipo@edelweissfin.com](mailto:sipl.ipo@edelweissfin.com)  
Investor grievance e-mail:  
[customerservice.mb@edelweissfin.com](mailto:customerservice.mb@edelweissfin.com)  
Website: [www.edelweissfin.com](http://www.edelweissfin.com)  
Contact Person: Hardik Kampani / Sameer Gaud  
SEBI Registration No.: INM0000010650

#### **Macquarie Capital Securities (India) Private Limited\***

92, Level 9, 2 North Avenue  
Maker Maxity  
Bandra Kurla Complex,  
Bandra East, Mumbai 400 051  
Tel: (91 22) 6720 4000  
Fax: (91 22) 6720 4301  
E-mail: [sipl.ipo@macquarie.com](mailto:sipl.ipo@macquarie.com)  
Investor grievance e-mail:  
[investor.complaints@macquarie.com](mailto:investor.complaints@macquarie.com)  
Website: <http://www.macquarie.com/in/corporate>  
Contact Person: Anupam Misra  
SEBI Registration No.: INM000010932  
\* *formerly Macquarie Capital (India) Private Limited*

#### **Syndicate Members**

[●]

#### **Selling Shareholders**

#### **Xander Investment Holding XVII Limited**

The Xander Group Inc. is an institutional value investment firm focused in the real estate, infrastructure, hospitality, entertainment, and retail sectors in emerging markets. Xander Group Inc. operates from a network of offices in London, Boston, Mauritius, India and its headquarters in Singapore. Its portfolio comprises of assets such as toll roads, industrial assets, multi-family housing, integrated townships, income-yielding office buildings and complexes, urban mixed-use projects. In 2007, Xander Group Inc. sponsored and established Virtuous Retail, a pan-India retail real estate development and operating platform. Later in 2010, Xander Group Inc. set up Xander Finance, its credit platform focussed on high-coupon, senior-secured debt instruments.

1<sup>st</sup> Floor, Les Cascades  
Edith Cavell Street

investors@ingacapital.com  
Website: [www.ingacapital.com](http://www.ingacapital.com)  
Contact Person: Ashwani Tandon  
SEBI Registration No.: INM000010924

#### **ICICI Securities Limited**

ICICI Centre, H.T. Parekh Marg  
Churchgate  
Mumbai 400 020  
Tel : (91 22) 2288 2460  
Fax : (91 22) 2282 6580  
Email: [sipl.ipo@icicisecurities.com](mailto:sipl.ipo@icicisecurities.com)  
Investor Grievance Email:  
[customercare@icicisecurities.com](mailto:customercare@icicisecurities.com)  
Website: [www.icicisecurities.com](http://www.icicisecurities.com)  
Contact Person: Anurag Byas  
SEBI Registration No.: INM000011179

Port Louis, Mauritius  
Tel: (230) 212 9800  
Fax: (230) 212 9833  
Email: xanderfunds.admin@cimglobalbusiness.com  
Website: www.thexandergroup.com  
Contact Person: Jay Pertab

#### **Norwest Venture Partners VII – A – Mauritius**

Norwest Venture Partners VII-A-Mauritius is a company registered under the laws of the Republic of Mauritius having its principal office at IFS Court, TwentyEight, Cybercity, Ebene, Mauritius.

Norwest Venture Partners VII-A-Mauritius is part of the Norwest Venture Partners Group, which is a multistage investment firm having investments in both listed and unlisted companies in United States of America, India, Israel and China across various sectors including consumer goods, education, financial services, healthcare, infrastructure, industrials, manufacturing, media, retail technology and telecommunications.

IFS Court  
TwentyEight Cybercity  
Ebene, Mauritius  
Tel: (230) 467 3170  
Fax: (230) 467 4000  
Email: YSookhur@ifsmauritius.com  
Website: www.nvp.com  
Contact Person: Yashveen Sookhur

#### **Legal Advisors to the Issue**

##### **Indian Legal Counsel to our Company**

##### **Cyril Amarchand Mangaldas**

5<sup>th</sup> Floor, Peninsula Chambers  
Peninsula Corporate Park  
Ganpatrao Kadam Marg  
Lower Parel  
Mumbai 400 013  
Tel: (91 22) 2496 4455  
Fax: (91 22) 2496 3666

##### **Indian Legal Counsel to the Underwriters**

##### **S&R Associates**

One Indiabulls Centre  
1403, Tower 2, B Wing  
841, Senapati Bapat Marg  
Lower Parel  
Mumbai 400 013  
Tel: (91 22) 4302 8000  
Fax: (91 22) 4302 8001

##### **International Legal Counsel to the Underwriters**

##### **Jones Day**

138, Market Street

Level 28, Capitagreen  
Singapore 048946  
Tel: (00 65) 6538 3939  
Fax: (00 65) 6536 3939

**Joint Auditors to our Company**

**M/s. Manubhai & Shah**

Chartered Accountants  
2<sup>nd</sup> floor, B wing  
Premium House, Navrangpura  
Ahmedabad 380 009  
Tel: (91 79) 2658 0956  
Fax: (91 79) 2658 3573  
Email: info@msglobal.co.in  
Firm Registration No.: 106041W

**M/s S.R.B.C & Co. LLP**

Chartered Accountants  
2<sup>nd</sup> Floor, Shivalik Ishan  
Near C.N. Vidhyalaya  
Ambavadi  
Ahmedabad 380 015  
Tel: (91 79) 6608 3800  
Fax: (91 22) 6608 3900  
Email: srbc.co@in.ey.com  
Firm Registration No.: 324982E

**Registrar to the Issue**

**Link Intime India Private Limited**

C-13, Pannalal Silk Mills Compound  
L.B.S. Marg, Bhandup (West)  
Mumbai 400 078  
Tel: (91 22) 2596 7878  
Fax: (91 22) 2596 0329  
E-mail: mumbai@linkintime.co.in  
Website: www.linkintime.co.in  
Contact Person: Sachin Achar  
SEBI Registration No.: INR000004058

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, application number, address of the Bidder, number of the Equity Shares applied for, the Bid Amount paid on submission of the Bid cum Application Form and the entity and centre where the Bid cum Application Form was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB and the Syndicate Members at the Specified Locations or the Registered Broker at the Broker Centres with whom the Bid cum Application Form was submitted. In addition to the information indicated above, the ASBA Bidder should also specify the Designated Branch or the collection centre of the SCSB or the address of the centre of the Syndicate Member at the Specified Locations and if applicable, the Registered Broker at the Broker Centre where the Bid cum Application Form was submitted by the ASBA Bidder.

Further, with respect to the Bid cum Application Forms submitted with the Registered Brokers, the investor shall also enclose the acknowledgment from the Registered Broker in addition to the documents/information

mentioned hereinabove.

### **Bankers to the Issue and Escrow Collection Banks**

[●]

### **Refund Bank**

[●]

### **Bankers to our Company**

#### **Punjab National Bank**

"Neel Kamal" Building  
Opposite Sales India  
Ashram Road  
Ahmedabad 380 006  
Tel: (91 79) 2754 1622  
Fax: (91 79) 2754 0004 / 2754 1538  
Email: bo4441@pnb.co.in  
Website: www.pnb.co.in  
Contact Person: H.S. Lamba

#### **YES Bank Limited**

102/103, C.G. Centre  
C.G. Road, Panchwati  
Ahmedabad 380 009  
Tel: (91 79) 3045 9128 / (91 79) 3045 9129  
Fax: (91 79) 6631 8430  
Email: saumil.parikh@yesbank.in  
piyush.ranjan@yesbank.in  
Website: www.yesbank.in  
Contact Person: Saumil Parikh / Piyush Ranjan

#### **ICICI Bank Limited**

PFG, N5W, ICICI Bank Towers  
Bandra Kurla Complex  
Bandra (East)  
Mumbai 400 051  
Tel: (91 22) 2653 7510  
Fax: (91 22) 2653 1368  
Email: Roshni.daruwala@icicibank.com  
Website: www.icicibank.com  
Contact Person: Omprakash Chandak

### **Lenders to our Company**

#### **ICICI Bank Limited**

PFG, N5W, ICICI Bank Towers  
Bandra Kurla Complex  
Bandra (East)  
Mumbai 400 051

#### **Oriental Bank of Commerce**

"Neel Kamal" Building  
Opposite Sales India  
Ashram Road  
Ahmedabad 380 006  
Tel: (91 79) 2754 2029  
Fax: (91 79) 2754 1113  
Email: bm0170@obc.co.in  
Website: www.obcindia.co.in  
Contact Person: Sunil Chugh

#### **ICICI Bank Limited**

JMC House, Opposite Parimal Gardens  
Off C.G.Road, Ambavadi  
Ahmedabad 380 006  
Tel: (91 79) 6652 3767  
Fax: (91 79) 6652 3735  
Email: Sanjay.Tanna@icicibank.com  
Website: www.icicibank.com  
Contact Person: Sanjay Tanna

#### **Kotak Mahindra Bank**

503, Sakar II  
Ellisbridge Corner  
Ashram Road  
Ahmedabad 380 006  
Tel: (91 79) 6610 5882  
Fax: (91 79) 2658 7275  
Email: Maulik.tejani@kotak.com  
Website: www.kotak.com  
Contact Person: Maulik Tejani

#### **Kotak Mahindra Bank**

503, Sakar II  
Ellisbridge Corner  
Ashram Road  
Ahmedabad 380 006

Tel: (91 22) 2653 7510  
Fax: (91 22) 2653 1368  
Email: Roshni.daruwala@icicibank.com  
Website: www.icicibank.com  
Contact Person: Omprakash Chandak

Tel: (91 79) 6610 5882  
Fax: (91 79) 2658 7275  
Email: Maulik.tejani@kotak.com  
Website: www.kotak.com  
Contact Person: Maulik Tejani

### **Debenture Trustee to our Company**

#### **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  
Website: www.itclindia.com  
Contact Person: Sapna Choksi

#### **GDA Trusteeship Limited**

GDA House, Plot No.85  
Bhusari Colony (Right)  
Kothrud  
Pune 411 038  
Tel: (91 22) 4922 0555  
Fax: (91 22) 4922 0505  
Email: sarita.iyer@gdatrustee.com  
Website: www.gdatrustee.com  
Contact Person: Sarita Iyer

#### **IDBI Trusteeship Services Limited**

Asian Building, Ground Floor  
17, R. Kamani Marg, Ballard Estate  
Mumbai 400 001  
Tel: (91 22) 4080 7000  
Fax: (91 22) 6631 1776  
Email: itsl@idbitrustee.com/ pratik.gala@idbitrustee.com  
Website: http://www.idbitrustee.com  
Contact Person: Pratik Gala

### **Self Certified Syndicate Banks**

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries> as updated from time to time. For details of the Designated Branches which shall collect Bid cum Application Forms from the ASBA Bidders, refer to the above-mentioned link. Further, the branches of the SCSBs where the Syndicate at the Specified Locations could submit the Bid cum Application Form are provided on the aforementioned website of SEBI.

### **Registered Brokers**

Bidders can submit Bid cum Application Forms in the Issue using the stock broker network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at [http://www.bseindia.com/Markets/PublicIssues/brokercentres\\_new.aspx?expandable=3](http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3) and [http://www.nseindia.com/products/content/equities/ipos/ipo\\_mem\\_terminal.htm](http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm), respectively as updated from time to time. In relation to ASBA Bids submitted to the Registered Brokers at the Broker Centres, the list of branches of the SCSBs at the Broker Centres named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Registered Brokers will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

### **Monitoring Agency**

There is no requirement to appoint a monitoring agency for the Issue, as the Fresh Issue is for an amount less than ₹ 5,000 million.

### **Credit Rating**

As this is an issue of Equity Shares, there is no credit rating required for the Issue.

### **Appraising Entity**

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

### **Experts**

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Joint Auditors namely, M/s. Manubhai & Shah, Chartered Accountants and M/s S.R.B.C & Co. LLP, Chartered Accountants, to include their names as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as “expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the reports of the Joint Auditors on the consolidated Restated Financial Statements and unconsolidated Restated Financial Statements, each dated April 14, 2015 and the statement of tax benefits dated May 23, 2015 included in this Draft Red Herring Prospectus and such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the Securities Act.

V R Tech has given its written consent to be named as an expert under Section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus and to the inclusion of its report in the form and in the context it appears in this Draft Red Herring Prospectus and such consent and report has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated May 23, 2015 from the auditors of DPTL namely, M/s Gianender & Associates, Chartered Accountants, to include their names as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as “expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the report of the auditor on the audited financial statements included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

### **Trustees**

As this is an Issue of Equity Shares, the appointment of trustees is not required.

### **Inter-se allocation of responsibilities between the BRLMs**

| <b>Sr. No.</b> | <b>Activity</b>                                                                                                                                                                                                                                                                                              | <b>Responsibility</b> | <b>Co-ordinator</b> |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------------|
| 1.             | Capital structuring, positioning strategy and due diligence of the Company including its operations/ management/business plans/legal etc.                                                                                                                                                                    | BRLMs                 | Kotak               |
| 2.             | Drafting and designing of the Draft Red Herring Prospectus including a memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with Stock Exchanges, SEBI including finalization of the Prospectus | BRLMs                 | Kotak               |
| 3.             | Drafting and approval of all statutory advertisements                                                                                                                                                                                                                                                        | BRLMs                 | Edelweiss           |
| 4.             | Drafting and approving of all publicity material other than statutory advertisements as mentioned above, including corporate advertisements, brochures etc.                                                                                                                                                  | BRLMs                 | Edelweiss           |
| 5.             | Appointment of advertising agency and Bankers to the Issue and coordinating their respective Agreements                                                                                                                                                                                                      | BRLMs                 | Inga                |

| Sr. No. | Activity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Responsibility | Co-ordinator |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|--------------|
| 6.      | Appointment of Registrar to the Issue, Printers, International Legal Counsel, etc if applicable and coordinating their respective Agreements                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | BRLMs          | Inga         |
| 7.      | International institutional marketing strategy, including <ul style="list-style-type: none"> <li>finalising the list and allocation of investors for one to one meetings,</li> <li>finalizing the International road show schedule and investor meeting schedules,</li> <li>preparation of road show presentation and FAQs.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | BRLMs          | Macquarie    |
| 8.      | Domestic institutional marketing strategy including, <ul style="list-style-type: none"> <li>finalization of the list and division of investors for one to one meetings,</li> <li>institutional allocation</li> <li>finalizing the list and division of investors for one to one meetings, and finalizing investor meeting schedules.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | BRLMs          | Kotak        |
| 9.      | Retail and Non-institutional marketing which will cover, <i>inter alia</i> , <ul style="list-style-type: none"> <li>formulating marketing strategies,</li> <li>preparation of publicity budget,</li> <li>finalizing media and public relations strategy,</li> <li>finalizing centre for holding conferences for press and brokers,</li> <li>distribution of publicity and Issue material</li> <li>deciding on the quantum of Issue material including forms, the Prospectus and, and finalizing collection centres.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | BRLMs          | Edelweiss    |
| 10.     | Finalization of pricing in consultation with the Company and managing the book.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | BRLMs          | Edelweiss    |
| 11.     | Co-ordination with Stock Exchanges for Book Building software, bidding terminals and mock trading.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | BRLMs          | Inga         |
| 12.     | The post Bidding & post Issue activities, including management of escrow accounts, co-ordination of non-institutional allocation (including Anchor Investor Portion), intimation of allocation and dispatch of refunds to Bidders etc. The post Issue activities for the Issue involving essential follow up steps, which include follow-up with bankers to the Issue and Self Certified Syndicate Banks to get quick estimates of collection and advising the Company about the closure of the Issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, the finalization of trading and dealing of instruments and demat delivery of Equity Shares, with the various agencies connected with the work such as the Registrar to the Issue, Escrow Collection Banks and the bank(s) handling refund business. The merchant banker shall be responsible for ensuring that these agencies fulfil their functions and enable it to discharge this responsibility through suitable agreements with the Company. | BRLMs          | Inga         |

### Book Building Process

The book building, in the context of the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band, which will be decided by our Company and the Selling Shareholders in consultation with the BRLMs, and advertised in [●] editions of the English national newspaper [●], [●] editions of the Hindi national newspaper [●], and [●] edition of the Gujarati newspaper [●] (Gujarati being the regional language of Gujarat, where our registered office is located), each with wide circulation at least five Working Days prior to the Bid/ Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of upload on its website. The Issue Price shall be determined by our Company in consultation with the



BRLMs after the Bid/ Issue Closing Date. The principal parties involved in the Book Building Process are:

- our Company;
- the Selling Shareholders;
- the BRLMs;
- the Syndicate Members;
- the SCSBs;
- the Registered Brokers;
- the Registrar to the Issue; and
- the Escrow Collection Bank(s).

In terms of Rule 19 (2)(b)(iii) of the SCRR, the Issue is being made through the Book Building Process wherein at least 75% of the Net Issue shall be Allotted on a proportionate basis to QIBs, provided that our Company and the Selling Shareholders may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. In the event the post-Issue Equity Share capital of our Company calculated at the Issue Price is lower than ₹ 40,000 million, then the Issue will be deemed to be undertaken in terms of Rule 19(2)(b)(ii) of the SCRR where the minimum offer to public will be at least such percentage which will be equivalent to ₹ 4,000 million calculated at the Issue Price. Further, 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not more than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price. Further, [●] Equity Shares aggregating up to ₹ 250 million shall be made available for allocation on a proportionate basis to the Eligible Employees bidding in the Employee Reservation Portion, subject to valid bids being received at or above Issue Price. Under subscription if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or a combination of categories (including the Employee Reservation Portion) at the discretion of our Company in consultation with the Selling Shareholders, the BRLMs and the Designated Stock Exchange.

**QIBs (excluding Anchor Investors) and Non-Institutional Bidders can participate in the Issue only through the ASBA process and Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion have the option to participate through the ASBA process. Anchor Investors are not permitted to participate through the ASBA process.**

**In accordance with the SEBI Regulations, QIBs bidding in the QIB category and Non-Institutional Bidders bidding in the Non-Institutional Category are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion can revise their Bids during the Bid/ Issue Period and withdraw their Bids until finalisation of the Basis of Allotment. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/ Issue Period. Allocation to the Anchor Investors will be on a discretionary basis.** For further details, see “Issue Structure” and “Issue Procedure” beginning on pages 571 and 578, respectively.

Our Company and the Selling Shareholders will comply with the SEBI Regulations and any other ancillary directions issued by SEBI for the Issue. In this regard, our Company and the Selling Shareholders have appointed the BRLMs to manage the Issue and procure subscriptions to the Issue.

**The process of Book Building under the SEBI Regulations is subject to change from time to time and the**

**investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.**

#### **Illustration of Book Building Process and Price Discovery Process**

*Investors should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes bidding by Anchor Investors.*

Bidders can bid at any price within the price band. For instance, assume a price band of ₹ 20 to ₹ 24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at bidding centres during the bidding period. The illustrative book given below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

| <b>Bid Quantity</b> | <b>Bid Amount (₹)</b> | <b>Cumulative Quantity</b> | <b>Subscription</b> |
|---------------------|-----------------------|----------------------------|---------------------|
| 500                 | 24                    | 500                        | 16.67%              |
| 1,000               | 23                    | 1,500                      | 50.00%              |
| 1,500               | 22                    | 3,000                      | 100.00%             |
| 2,000               | 21                    | 5,000                      | 166.67%             |
| 2,500               | 20                    | 7,500                      | 250.00%             |

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of equity shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The issuer, in consultation with the book running lead managers, will finalise the issue price at or below such cut-off price, i.e., at or below ₹ 22.00. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Steps to be taken by Bidders for Bidding:

1. Check eligibility for making a Bid (see “Issue Procedure – Who Can Bid?” from page 579);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
3. Except for Bids (i) on behalf of the Central or the State Governments and the officials appointed by courts, who, in terms of the circular dated June 30, 2008 issued by SEBI, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of the circular dated July 20, 2006 issued by SEBI, may be exempted from specifying their PAN for transacting in the securities market, for Bids of all values, ensure that you have mentioned your PAN allotted under the IT Act in the Bid cum Application Form. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction (see “Issue Procedure- Field Number 2: PAN number of Sole/First Bidder/Applicant” from pages 598 to 599);
4. Ensure that the Bid cum Application Form is duly completed as per the instructions given in the Red Herring Prospectus and in the Bid cum Application Form;
5. Bids by QIBs (except Anchor Investors) and the Non-Institutional Bidders shall be submitted only through the ASBA process;
6. Bids by non-ASBA Bidders will have to be submitted to the Syndicate (or their authorised agents) at the bidding centers or the Registered Brokers at the Broker Centers; and
7. Bids by ASBA Bidders will have to be submitted to the Designated Branches or the Syndicate at the Specified Locations or the Registered Brokers at the Broker Centres in physical form. It may also be submitted in electronic form to the Designated Branches of the SCSBs only. ASBA Bidders should ensure that the ASBA Accounts have adequate credit balance at the time of submission to the SCSB or

the Syndicate or the Broker to ensure that the Bid cum Application Form submitted by the ASBA Bidders is not rejected. In relation to ASBA Bids submitted to the Registered Brokers at the Broker Centres, the list of branches of the SCSBs at the Broker Centres named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Registered Brokers will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

For further details for the method and procedure for Bidding, see “Issue Procedure” beginning from page 578.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment.

### Underwriting Agreement

After determination of the Issue Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs will be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

*This portion has been intentionally left blank and will be completed before filing the Prospectus with the RoC.*

| Name, address, telephone number, fax number and e-mail address of the Underwriters | Indicative number of Equity Shares to be underwritten | Amount underwritten (₹ in million) |
|------------------------------------------------------------------------------------|-------------------------------------------------------|------------------------------------|
| [●]                                                                                | [●]                                                   | [●]                                |
| [●]                                                                                | [●]                                                   | [●]                                |

The above mentioned is indicative underwriting and will be finalised after pricing and actual allocation and subject to the provisions of the SEBI Regulations.

In the opinion of the Board of Directors (based on certificates provided by the Underwriters), resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). The Board of Directors / Committee of Directors, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscription for or subscribe to of the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as of the date of this Draft Red Herring Prospectus.

## CAPITAL STRUCTURE

The Equity Share capital of our Company as at the date of this Draft Red Herring Prospectus is set forth below:

(in ₹)

|          |                                                                                         | Aggregate value at face value | Aggregate value at Issue Price |
|----------|-----------------------------------------------------------------------------------------|-------------------------------|--------------------------------|
| <b>A</b> | <b>AUTHORIZED SHARE CAPITAL</b>                                                         |                               |                                |
|          | 403,000,000 Equity Shares                                                               | 4,030,000,000                 |                                |
| <b>B</b> | <b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE</b>                          |                               |                                |
|          | 310,963,081 Equity Shares                                                               | 3,109,630,810                 |                                |
| <b>C</b> | <b>PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS</b>                      |                               |                                |
|          | [●] Equity Shares aggregating up to ₹ [●] million                                       |                               |                                |
|          | of which                                                                                |                               |                                |
|          | Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 4,250 million <sup>(1)</sup> | [●]                           | [●]                            |
|          | Offer for Sale of up to 12,956,639 Equity Shares <sup>(2)</sup>                         | 129,566,390                   | [●]                            |
|          | of which                                                                                |                               |                                |
|          | Employee Reservation Portion of up to [●] Equity Shares aggregating up to ₹ 250 million | [●]                           | [●]                            |
|          | Net Issue to the public of up to [●] Equity Shares                                      | [●]                           | [●]                            |
| <b>E</b> | <b>SECURITIES PREMIUM ACCOUNT</b>                                                       |                               |                                |
|          | Before the Issue                                                                        | 5,387,443,356                 |                                |
|          | After the Issue                                                                         | [●]                           |                                |
| <b>F</b> | <b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE</b>                           |                               |                                |
|          | [●] Equity Shares                                                                       | [●]                           |                                |

(1) The Fresh Issue has been authorised by the Board of Directors pursuant to its resolution passed on October 22, 2014, April 14, 2015 and May 20, 2015 and the Shareholders pursuant to their resolution passed on October 22, 2014 and April 15, 2015.

(2) Except certain Equity Shares allotted pursuant to (i) the conversion of Investor CCCPS in accordance with the Investor Subscription Agreement; and (ii) the bonus issue undertaken through the capitalisation of the general reserve and securities premium account of our Company in the ratio of 1:10 authorised by our Shareholders through a resolution passed on October 22, 2014, the Equity Shares offered by the Selling Shareholders in the Issue have been held by them for a period of at least one year as on the date of this Draft Red Herring Prospectus. The Offer for Sale has been authorised by (a) Xander pursuant to resolution passed by its board of directors on May 20, 2015; and (b) Norwest pursuant to resolution passed by its board of directors on May 20, 2015. By consent letters dated May 20, 2015 and May 21, 2015, Xander and Norwest have provided their consent to offer up to 8,102,996 Equity Shares and up to 4,853,643 Equity Shares, respectively.

### Changes in the Authorised Capital

- The initial authorised share capital of ₹ 500,000 divided into 50,000 Equity Shares of face value of ₹ 10 each was increased to ₹ 330,000,000 divided into 30,000,000 Equity Shares of ₹ 10 each and 3,000,000 preference shares of face value of ₹ 10 each pursuant to a resolution of our Shareholders passed on August 27, 2010.
- The authorised share capital of ₹ 330,000,000 divided into 30,000,000 Equity Shares of ₹ 10 each and 3,000,000 preference shares of face value of ₹ 10 each was re-classified to ₹ 330,000,000 divided into 33,000,000 Equity Shares of ₹ 10 each pursuant to a resolution of our Shareholders passed on October 22, 2014.

3. The authorised share capital of ₹ 330,000,000 divided into 33,000,000 Equity Shares of ₹ 10 each was increased to ₹ 4,030,000,000 divided into 403,000,000 Equity Shares of ₹ 10 each pursuant to a resolution of our Shareholders passed on October 22, 2014.

## Notes to the Capital Structure

### 1. Share Capital History of our Company

- (a) The history of the equity share capital and the securities premium account of our Company is provided in the following table:

| Date of Allotment  | No. of Equity Shares Allotted | Face Value (₹) | Issue price per Equity Share (₹) | Consideration   | Reason for allotment                                                | Cumulative Number of Equity Shares | Cumulative Paid-up Equity Share Capital (₹) | Cumulative Share Premium <sup>(1)</sup> (₹) |
|--------------------|-------------------------------|----------------|----------------------------------|-----------------|---------------------------------------------------------------------|------------------------------------|---------------------------------------------|---------------------------------------------|
| Upon incorporation | 50,000                        | 10             | 10                               | Cash            | Initial subscribers to the Memorandum of Association <sup>(2)</sup> | 50,000                             | 500,000                                     | -                                           |
| September 18, 2010 | 501,250                       | 10             | 10                               | Cash            | Preferential allotment <sup>(3)</sup>                               | 551,250                            | 5,512,500                                   | -                                           |
|                    | 20,000,000                    | 10             | 129.84 <sup>(4)</sup>            | Cash            | Preferential allotment to SEL                                       | 20,551,250                         | 205,512,500                                 | 2,396,800,000                               |
| September 23, 2010 | 3,621,004                     | 10             | 828.50                           | Cash            | Preferential allotment <sup>(5)</sup>                               | 24,172,254                         | 241,722,540                                 | 5,360,591,774                               |
| October 25, 2012   | 1,834,916                     | 10             | 681.23                           | Cash            | Preferential allotment to SEL                                       | 26,007,170                         | 260,071,700                                 | 7,465,744,558                               |
| October 22, 2014   | 2,262,200                     | 10             | -                                | -               | Conversion of Investor CCCPS <sup>(6)</sup>                         | 28,269,370                         | 282,693,700                                 | 7,464,380,298                               |
| October 22, 2014   | 1                             | 10             | -                                | Other than Cash | Conversion of SEL CCDs <sup>(7)</sup>                               | 28,269,371                         | 282,693,710                                 | 8,214,380,456                               |
| October 29, 2014   | 282,693,710                   | 10             | -                                | Other than Cash | Bonus issue <sup>(8)</sup>                                          | 310,963,081                        | 3,109,630,810                               | 5,387,443,356                               |

(1) During financial years 2011 and 2013, certain share issue expenses and pre-operative expenditure aggregating to ₹103,986,523 and ₹1,250,000, respectively have been adjusted to the share premium account.

(2) 49,940 Equity Shares were allotted to SEL, 10 Equity Shares were allotted to Vishnubhai M. Patel, 10 Equity Shares were allotted to Shashin V. Patel, 10 Equity Shares were allotted to Nitinkumar R. Patel, 10 Equity Shares were allotted to Girish N. Patel, 10 Equity Shares were allotted to Narendra M. Patel and 10 Equity Shares were allotted to Girish D. Patel.

(3) 100,000 Equity Shares were allotted to Vishnubhai M. Patel, 61,000 Equity Shares were allotted to Shashin V. Patel, 50,000 Equity Shares were allotted to Vikram R. Patel jointly with Bhavnaben V. Patel and Vishnubhai M. Patel, 50,000 Equity Shares were allotted to Vasistha Patel jointly with Rekha V. Patel and Vishnubhai M. Patel, 40,000 Equity Shares were allotted to Girish N. Patel, 36,000 Equity Shares were allotted to Nitinkumar R. Patel, 30,000 Equity Shares were allotted to Rajeshree Vishnubhai Patel jointly with Vishnubhai M. Patel, 21,500 Equity Shares were allotted to Narendrakumar M. Patel jointly with Raksha N. Patel, 10,000 Equity Shares were allotted to Pradeepkumar Dosi, 9,000 Equity Shares were allotted to Girishbhai D. Patel jointly with Meenaben G. Patel, 8,000 Equity Shares were allotted to Chandrakant D. Patel, 7,000 Equity Shares were allotted to Vishwanathan R, 7,000 Equity Shares were allotted to Parulbhai R. Shah, 5,000 Equity Shares were allotted to Vipul H. Patel jointly with Vishnubhai M. Patel, 5,000 Equity Shares were allotted to Manojkumar K. Agola, 5,000 Equity Shares were allotted to Anant N. Batavi jointly with Girish Batavi, 4,000 Equity Shares were allotted to Rahul Kumar, 4,000 Equity Shares were allotted to Darshan H. Bhatt, 4,000 Equity Shares were allotted to Ajay H. Kadia, 3,000 Equity Shares were allotted to Mahesh B. Bhavsar, 3,000 Equity Shares each were allotted to Kishorkumar C. Patel jointly with Anandi K. Patel, 2,500 Equity Shares were allotted to Siddappa Bhavanappa, 2,250 Equity Shares were allotted to Mittal D. Shah, 2,000 Equity Shares were allotted to Daxesh R. Bhavsar jointly with Geeta D. Bhavsar, 2,000 Equity Shares were allotted to Ashvinbhai K. Patel, 2,000 Equity Shares were allotted to Ketan V. Gandhi, 2,000 Equity Shares were allotted to Umesh Dani, 2,000 Equity Shares were allotted to Vishnubhai S. Patel, 2,000 Equity Shares were allotted to Vidhan T. Surana, 2,000 Equity Shares were allotted to Srikant Mishra, 2,000

Equity Shares were allotted to Ravi Kapoor jointly with Nisha Kapoor, 2,000 Equity Shares were allotted to Kalpesh H. Shah jointly with Sonal K. Shah, 2,000 Equity Shares were allotted to Rambhai S. Patel, 2,000 Equity Shares were allotted to Amit M. Mehta, 2,000 Equity Shares were allotted to Ranveersinh S. Bhati, 1,500 Equity Shares were allotted to Sharmil K. Nanavati, 1,500 Equity Shares were allotted to Kapil Bokadia, 1,500 Equity Shares were allotted to Vijay J. Kalyani jointly with Geeta V. Kalyani, 1,000 Equity Shares were allotted to Niketan V. Patel, 1,000 Equity Shares were allotted to Kamlesh J. Shah jointly with Bharati K. Shah, 1,000 Equity Shares were allotted to Laljibhai L. Vora, 1,000 Equity Shares were allotted to Anand U. Solanki, 500 Equity Shares were allotted to Sejal U. Shah jointly with Udayan Vasanthbai Shah, 500 Equity Shares were allotted to Sarojben A. Bhavsar and 500 Equity Shares were allotted to Deepakumar P. Shah.

- (4) Due to a typographical error, the Issue price per Equity Share is reflected as ₹129.94 in the list of allottees annexed to Form 2 filed with the RoC.
- (5) 1,810,502 Equity Shares were allotted to Xander and Norwest each pursuant to the Investor Subscription Agreement.
- (6) Upon conversion of 2,250,774 CCCPS, 1,131,100 Equity Shares were allotted to each of Xander and Norwest in accordance with the Investor Subscription Agreement, our Company considered a nominal value of ₹10 for each such Equity Share so issued on conversion and accordingly accounted for a share premium of ₹432.05 per Equity Share aggregating to ₹977,383,510.
- (7) 1 Equity Share was allotted to SEL pursuant to conversion of SEL CCDs.
- (8) Bonus issue in the ratio of 1:10 authorised by our Shareholders through a resolution passed on October 22, 2014, undertaken through the capitalisation of the general reserve and securities premium account.

(b) The history of the preference share capital of our Company is provided in the following table:

| Date of Allotment  | No. of Preference Shares Allotted | Face Value (₹) | Issue price per Preference Share (₹) | Consideration | Reason for allotment                  | Cumulative Number of Preference Shares | Cumulative Paid-up Preference Share Capital (₹) | Cumulative Share Premium (₹) |
|--------------------|-----------------------------------|----------------|--------------------------------------|---------------|---------------------------------------|----------------------------------------|-------------------------------------------------|------------------------------|
| September 23, 2010 | 2,250,774 <sup>(2)</sup>          | 10             | 444.29                               | Cash          | Preferential allotment <sup>(1)</sup> | 2,250,774                              | 22,507,740                                      | 6,338,080,414                |

(1) 1,125,387 CCCPS were allotted to Xander and 1,125,387 CCCPS were allotted to Norwest.

(2) Upon conversion of 2,250,774 CCCPS, 1,131,100 Equity Shares were allotted to each of Xander and Norwest in accordance with the Investor Subscription Agreement, our Company considered a nominal value of ₹10 for each such Equity Share so issued on conversion and accordingly accounted for a share premium of ₹432.05 per Equity Share aggregating to ₹977,383,510.

## 2. Issue of Equity Shares for consideration other than cash

The details of Equity Shares allotted for consideration other than cash are set out below:

| Date of allotment of the Equity Shares | Name of the allottee               | Number of the Equity Shares | Face value (₹) | Issue price (₹) | Reasons for allotment                       | Benefits accrued to our Company |
|----------------------------------------|------------------------------------|-----------------------------|----------------|-----------------|---------------------------------------------|---------------------------------|
| October 22, 2014                       | Xander and Norwest                 | 2,262,200                   | 10             | -               | Conversion of Investor CCCPS <sup>(1)</sup> | -                               |
| October 22, 2014                       | SEL                                | 1                           | 10             | -               | Conversion of SEL CCDs <sup>(2)</sup>       | -                               |
| October 29, 2014                       | Equity Shareholders of our Company | 282,693,710                 | 10             | -               | Bonus issue <sup>(3)</sup>                  | -                               |

(1) Upon conversion of 2,250,774 CCCPS, 1,131,100 Equity Shares were allotted to each of Xander and Norwest in accordance with the Investor Subscription Agreement, our Company considered a nominal value of ₹10 for each such Equity Share so issued on conversion and accordingly accounted for a share premium of ₹432.05 per Equity Share aggregating to ₹977,383,510.

(2) 1 Equity Share was allotted to SEL pursuant to conversion of SEL CCDs.

(3) Bonus issue in the ratio of 1:10 authorised by our Shareholders through a resolution passed on October 22, 2014, undertaken through the capitalisation of the general reserve and securities premium account.

### 3. Issue of Shares in the last two preceding years

For details of issue of Equity Shares and Preference Shares by our Company in the last two preceding years, see “Capital Structure – Share Capital History of our Company” from pages 135 to 136.

### 4. History of the Equity Share Capital held by our Promoters

As on the date of this Draft Red Herring Prospectus, our Promoters hold 241,833,537 Equity Shares, constituting 77.77% of the issued, subscribed and paid-up Equity Share capital of our Company.

#### (a) Build-up of our Promoters' shareholding in our Company

Set forth below is the build-up of the shareholding of our Promoters since incorporation of our Company:

| Name of the Promoter | Date of allotment/ Transfer | Nature of allotment                                 | No. of Equity Shares               | Nature of consideration | Face value per Equity Share (₹) | Issue Price /Transfer Price per Equity Share (₹) | Percentage of the pre-Issue capital (%) | Percentage of the post-Issue capital (%) |
|----------------------|-----------------------------|-----------------------------------------------------|------------------------------------|-------------------------|---------------------------------|--------------------------------------------------|-----------------------------------------|------------------------------------------|
| Vishnubhai M. Patel  | Upon incorporation          | Initial subscriber to the Memorandum of Association | 10                                 | Cash                    | 10                              | 10                                               | 0.00                                    | [●]                                      |
|                      | September 18, 2010          | Preferential allotment                              | 100,000                            | Cash                    | 10                              | 10                                               | 0.03                                    | [●]                                      |
|                      | October 29, 2014            | Bonus Issue <sup>(2)</sup>                          | 1,000,100                          | Other than Cash         | 10                              | -                                                | 0.32                                    | [●]                                      |
| <b>Total</b>         |                             |                                                     | <b>1,100,110<sup>(3) (4)</sup></b> |                         |                                 |                                                  | <b>0.35</b>                             | <b>[●]</b>                               |
| SEL                  | Upon incorporation          | Initial subscriber to Memorandum of Association     | 49,940                             | Cash                    | 10                              | 10                                               | 0.02                                    | [●]                                      |
|                      | September 18, 2010          | Preferential allotment                              | 20,000,000                         | Cash                    | 10                              | 129.84 <sup>(5)</sup>                            | 6.43                                    | [●]                                      |
|                      | October 25, 2012            | Preferential allotment                              | 1,834,916                          | Cash                    | 10                              | 681.23                                           | 0.59                                    | [●]                                      |
|                      | October 22, 2014            | Conversion of SEL CCDs <sup>(6)</sup>               | 1                                  | Other than Cash         | 10                              | -                                                | 0.00                                    | [●]                                      |
|                      | October 29, 2014            | Bonus Issue <sup>(2)</sup>                          | 218,848,570                        | Other than Cash         | 10                              | -                                                | 70.38                                   | [●]                                      |
| <b>Total</b>         |                             |                                                     | <b>240,733,427<sup>(1)</sup></b>   |                         |                                 |                                                  | <b>77.42</b>                            | <b>[●]</b>                               |

(1) Out of the total Equity Shares held by SEL, 77,946,181 Equity Shares constituting 25.07% of pre-Issue capital have been pledged as security for certain loans availed by our Company and SEL. The pledge created in favour of ICICI will be released prior to Allotment in the Issue and the Equity Shares shall be locked-in in accordance with Regulation 36 of the SEBI Regulations. Such Equity Shares will be re-pledged immediately after the Allotment in the Issue in accordance with Regulation 39 of the SEBI Regulations and the requirements of the relevant financing documents. The pledge created in favour of ITCL will be released prior to allotment of Equity Shares in the Issue and shall be locked-in in accordance with Regulation 36 of the SEBI Regulations. Such Equity Shares will be re-pledged in accordance with applicable law, the regulations prescribed by SEBI from time to time.

(2) Bonus issue in the ratio of 1:10 authorised by our Shareholders through a resolution passed on October 22, 2014, undertaken through the capitalisation of the general reserve and securities premium account.

(3) This does not include shares jointly held by Vishnubhai M. Patel, where he is not the first holder.

(4) Out of the total Equity Shares held by Vishnubhai M. Patel, 1,100,110 Equity Shares constituting 0.35% of pre-Issue Capital have been pledged as security for certain loans availed by our Company. The pledge created in favour of

ITCL will be released prior to allotment of Equity Shares in the Issue and the Equity Shares shall be locked-in in accordance with Regulation 36 of the SEBI Regulations. Such Equity Shares will be re-pledged in accordance with applicable law, the regulations prescribed by SEBI from time to time.

(5) Due to a typographical error, the Issue price per Equity Share reflected as ₹ 129.94 in the list of allottees annexed to Form 2 filed with the RoC.

(6) 1 Equity Share was allotted to SEL pursuant to conversion of SEL CCDs.

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares.

(b) *Shareholding of our Promoters and Promoter Group and the directors of SEL<sup>(1)</sup>*

| Sr. No. | Name of the Shareholder                   | Pre-Issue            |       | Post-Issue           |     |
|---------|-------------------------------------------|----------------------|-------|----------------------|-----|
|         |                                           | No. of Equity Shares | %     | No. of Equity Shares | %   |
| 1.      | SEL                                       | 240,733,427          | 77.42 | [●]                  | [●] |
| 2.      | Vishnubhai M. Patel                       | 1,100,110            | 0.35  | [●]                  | [●] |
| 3.      | Shashin V. Patel                          | 704,110              | 0.23  | [●]                  | [●] |
| 4.      | Vikram Rasiklal Patel <sup>(2)</sup>      | 550,000              | 0.18  | [●]                  | [●] |
| 5.      | Vasistha Patel <sup>(3)</sup>             | 550,000              | 0.18  | [●]                  | [●] |
| 6.      | Nitinkumar R. Patel                       | 396,110              | 0.13  | [●]                  | [●] |
| 7.      | Rajeshree Vishnubhai Patel <sup>(4)</sup> | 330,000              | 0.11  | [●]                  | [●] |

(1) This does not include joint shareholding where the Promoters or members of the Promoter Group are not first holders.

(2) Jointly held with Bhavnaben V. Patel / Vishnubhai M. Patel.

(3) Jointly held with Rekhaben V. Patel / Vishnubhai M. Patel.

(4) Jointly held with Vishnubhai M. Patel.

(c) *Details of Promoter's contribution and lock-in:*

Pursuant to the SEBI Regulations, an aggregate of 20% of the fully diluted post-Issue Equity Share capital of our Company held by our Promoters shall be locked in for a period of three years from the date of Allotment and our Promoters' shareholding in excess of 20% shall be locked in for a period of one year from the date of Allotment.

Details of the Equity Shares to be locked-in for three years from the date of Allotment are as follows:

| Name                | Date of Allotment / Transfer and when made fully paid-up | Nature of Transaction | No. of Equity Shares | Face Value (₹) | Issue/acquisition price per Equity Share (₹) | No. of Equity Shares locked-in | Percentage of post-Issue paid-up capital (%) | Date up to which the Equity shares are subject to lock-in |
|---------------------|----------------------------------------------------------|-----------------------|----------------------|----------------|----------------------------------------------|--------------------------------|----------------------------------------------|-----------------------------------------------------------|
| SEL                 | [●]                                                      | [●]                   | [●]                  | [●]            | [●]                                          | [●]                            | [●]                                          | [●]                                                       |
| Vishnubhai M. Patel | [●]                                                      | [●]                   | [●]                  | [●]            | [●]                                          | [●]                            | [●]                                          | [●]                                                       |
| <b>Total</b>        |                                                          |                       |                      |                |                                              | [●]                            |                                              |                                                           |

Our Promoters have confirmed to our Company and the BRLMs that acquisition of the Equity Shares held by our Promoters and which will be locked in as promoters' contribution have been financed from their personal funds, its internal accruals and no loans or financial assistance from any bank or financial institution has been availed for such purpose.



The minimum Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as 'promoter' under the SEBI Regulations. Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution in terms of Regulation 33 of the SEBI Regulations. In this connection, we confirm the following:

- (i) The Equity Shares offered for Promoters' contribution (a) have not been acquired in the last three years for consideration other than cash and revaluation of assets or capitalisation of intangible assets; or (b) bonus shares out of revaluation reserves or unrealised profits of our Company or bonus shares issued against Equity Shares which are otherwise ineligible for computation of Promoter's contribution;
- (ii) The Promoter's contribution does not include any Equity Shares acquired during the preceding one year and at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;
- (iii) The Company has not been formed by the conversion of a partnership firm into a Company;
- (iv) The Equity Shares held by the Promoter and offered for Promoter's contribution are not subject to any pledge; and
- (v) All the Equity Shares of our Company held by the Promoter are held in dematerialised form.

*Other requirements in respect of lock-in:*

In addition to 20% of the fully diluted post-Issue shareholding of our Company held by our Promoters and locked-in for three years as specified above, the entire pre-Issue equity share capital of our Company, except the Equity Shares subscribed to and Allotted pursuant to the Offer for Sale, will be locked-in for a period of one year from the date of Allotment.

SEL, our corporate Promoter, has pledged 77,946,181 Equity Shares of our Company as security for certain loans availed of by our Company and SEL. Pursuant to Regulation 36 of the SEBI Regulations, the entire pre-Issue shareholding of the Promoters in excess of the minimum promoters' contribution is required to be locked-in for a period of one year from the date of the Allotment. The pledge created in favour of ICICI will be released prior to Allotment in the Issue and shall be locked-in in accordance with Regulation 36 of the SEBI Regulations. Such Equity Shares will be re-pledged immediately after the Allotment in the Issue in accordance with Regulation 39 of the SEBI Regulations and the requirements of the relevant financing documents. The pledge created in favour of ITCL will be released prior to allotment of Equity Shares in the Issue and the Equity Shares shall be locked-in in accordance with Regulation 36 of the SEBI Regulations. Such Equity Shares will be re-pledged in accordance with applicable law, the regulations prescribed by SEBI from time to time.

Vishnubhai M. Patel has pledged 1,100,110 Equity Shares of our Company as security for certain loans availed of by our Company. Pursuant to Regulation 36 of the SEBI Regulations, the entire pre-Issue shareholding of the Promoters in excess of the minimum promoters' contribution is required to be locked-in for a period of one year from the date of the Allotment. The pledge created in favour of ITCL will be released prior to allotment of Equity Shares in the Issue and the Equity Shares shall be locked-in in accordance with Regulation 36 of the SEBI Regulations. Such Equity Shares will be re-pledged in accordance with applicable law, the regulations prescribed by SEBI from time to time.

The Equity Shares held by our Promoters which are locked-in for a period of one year from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans. Accordingly, the Equity Shares required to be pledged with the lenders in terms of certain loans availed of by our Company and

SEL will be re-pledged after the Allotment.

The Equity Shares held by our Promoters which are locked-in may be transferred to and among the Promoter Group or to any new promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Regulations, as applicable.

The Equity Shares held by persons other than our Promoters and locked-in for a period of one year from the date of Allotment in the Issue may be transferred to any other person holding the Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Regulations.

Any Equity Shares allotted to Anchor Investors in the Anchor Investor Portion, if any, shall be locked-in for a period of 30 days from the date of Allotment.

#### 5. Details of the build-up of equity share capital held by the Selling Shareholders in our Company

As on the date of this Draft Red Herring Prospectus, the Selling Shareholders hold 64,715,244 Equity Shares, constituting 20.81% of the issued, subscribed and paid-up Equity Share capital of our Company.

The table below represents the build up of equity shareholding of the Selling Shareholders in our Company:

| Name of the Selling Shareholder | Date of allotment  | Nature of allotment                                                    | No. of Equity Shares | Nature of consideration | Face value per Equity Share (₹) | Issue Price per Equity Share | Percentage of the pre-Issue capital (%) | Percentage of the post-Issue capital (%) |
|---------------------------------|--------------------|------------------------------------------------------------------------|----------------------|-------------------------|---------------------------------|------------------------------|-----------------------------------------|------------------------------------------|
| Xander                          | September 23, 2010 | Preferential allotment pursuant to the Investor Subscription Agreement | 1,810,502            | Cash                    | 10                              | 828.50                       | 0.58                                    | [●]                                      |
|                                 | October 22, 2014   | Conversion of Investor CCCPS <sup>(1)</sup>                            | 1,131,100            | -                       | 10                              | -                            | 0.36                                    | [●]                                      |
|                                 | October 29, 2014   | Bonus Issue <sup>(2)</sup>                                             | 29,416,020           | Other than Cash         | 10                              | -                            | 9.46                                    | [●]                                      |
|                                 | <b>Total</b>       |                                                                        | 32,357,622           |                         |                                 |                              | 10.41                                   | [●]                                      |
| Norwest                         | September 23, 2010 | Preferential allotment pursuant to the Investor Subscription Agreement | 1,810,502            | Cash                    | 10                              | 828.50                       | 0.58                                    | [●]                                      |
|                                 | October 22, 2014   | Conversion of Investor CCCPS <sup>(1)</sup>                            | 1,131,100            | -                       | 10                              | -                            | 0.36                                    | [●]                                      |
|                                 | October 29, 2014   | Bonus Issue <sup>(2)</sup>                                             | 29,416,020           | Other than Cash         | 10                              | -                            | 9.46                                    | [●]                                      |
|                                 | <b>Total</b>       |                                                                        | 32,357,622           |                         |                                 |                              | 10.41                                   | [●]                                      |

(1) Upon conversion of 2,250,774 CCCPS, 1,131,100 Equity Shares were allotted to each of Xander and Norwest in accordance with the Investor Subscription Agreement. Our Company considered a nominal value of ₹ 10 for each such Equity Share so issued on conversion and accordingly accounted for a share premium of ₹ 432.05 per Equity Share aggregating to ₹ 977,383,510.

(2) Bonus issue in the ratio of 1:10 authorised by our Shareholders through a resolution passed on October 22, 2014, undertaken through the capitalisation of the general reserve and securities premium account.

## 6. Shareholding Pattern of our Company

The table below presents the shareholding pattern of our Company as on the date of filing of this Draft Red Herring Prospectus and as adjusted for the Issue:

| Category Code | Category of Shareholder                                               | Number of Shareholders | Pre-Issue              |                                              |                                                               |                            | Post-Issue             |                                              |                                                              |                            | Pre-Issue                              |                              | Post-Issue    |                 |
|---------------|-----------------------------------------------------------------------|------------------------|------------------------|----------------------------------------------|---------------------------------------------------------------|----------------------------|------------------------|----------------------------------------------|--------------------------------------------------------------|----------------------------|----------------------------------------|------------------------------|---------------|-----------------|
|               |                                                                       |                        | Total Number of Shares | Number of Shares held in Dematerialised form | Total Shareholding as a percentage of total number of shares* |                            | Total Number of Shares | Number of Shares held in Dematerialised form | Total Shareholding as a percentage of total number of shares |                            | Shares Pledged or otherwise encumbered |                              |               |                 |
|               |                                                                       |                        |                        |                                              | As a Percentage of (A+B)                                      | As a Percentage of (A+B+C) |                        |                                              | As a Percentage of (A+B)                                     | As a Percentage of (A+B+C) | No. of Shares                          | As a Percentage              | No. of Shares | As a Percentage |
| (I)           | (II)                                                                  | (III)                  | (IV)                   | (V)                                          | (VI)                                                          | (VII)                      |                        |                                              |                                                              |                            | (VIII)                                 | (IX)=<br>(VIII)/(I<br>V)*100 |               |                 |
| (A)           | Promoter and Promoter Group                                           |                        |                        |                                              |                                                               |                            |                        |                                              |                                                              |                            |                                        |                              |               |                 |
| 1             | Indian                                                                |                        |                        |                                              |                                                               |                            |                        |                                              |                                                              |                            |                                        |                              |               |                 |
| (a)           | Individual / HUF <sup>(1)</sup>                                       | 3                      | 2,134,220              | 2,134,220                                    | 0.69                                                          | 0.69                       | •                      | •                                            | •                                                            | •                          | 1,804,220                              | 0.58                         | •             | •               |
| (b)           | Central / State Government(s)                                         | Nil                    | Nil                    | Nil                                          | Nil                                                           | Nil                        | •                      | •                                            | •                                                            | •                          | -                                      | -                            | •             | •               |
| (c)           | Bodies Corporate                                                      | 1                      | 240,733,427            | 240,733,427                                  | 77.42                                                         | 77.42                      | •                      | •                                            | •                                                            | •                          | 7,79,46,181                            | 25.066                       |               |                 |
| (d)           | Financial Institutions / Banks                                        | Nil                    | Nil                    | Nil                                          | Nil                                                           | Nil                        | •                      | •                                            | •                                                            | •                          | -                                      | -                            | •             | •               |
| (e)           | Any Others (Specify)                                                  | Nil                    | Nil                    | Nil                                          | Nil                                                           | Nil                        | •                      | •                                            | •                                                            | •                          | -                                      | -                            | •             | •               |
|               | Sub Total (A)(1):                                                     | 4                      | 242,867,647            | 242,867,647                                  | 78.10                                                         | 78.10                      | •                      | •                                            | •                                                            | •                          | 79,750,401                             | 25.65                        | •             | •               |
| 2             | Foreign                                                               |                        |                        |                                              |                                                               |                            |                        |                                              |                                                              |                            |                                        |                              |               |                 |
| (a)           | Individual(Non-Resident Individuals / Foreign Individuals)            | Nil                    | Nil                    | Nil                                          | Nil                                                           | Nil                        | •                      | •                                            | •                                                            | •                          | -                                      | -                            | •             | •               |
| (b)           | Bodies Corporate                                                      | Nil                    | Nil                    | Nil                                          | Nil                                                           | Nil                        | •                      | •                                            | •                                                            | •                          | -                                      | -                            | •             | •               |
| (c)           | Institutions                                                          | Nil                    | Nil                    | Nil                                          | Nil                                                           | Nil                        | •                      | •                                            | •                                                            | •                          | -                                      | -                            | •             | •               |
| (d)           | Qualified Foreign Investor                                            | Nil                    | Nil                    | Nil                                          | Nil                                                           | Nil                        | •                      | •                                            | •                                                            | •                          | -                                      | -                            |               |                 |
| (e)           | Any Others (Specify)                                                  | Nil                    | Nil                    | Nil                                          | Nil                                                           | Nil                        | •                      | •                                            | •                                                            | •                          | -                                      | -                            |               |                 |
|               | Sub Total (A)(2):                                                     | Nil                    | Nil                    | Nil                                          | Nil                                                           | Nil                        | •                      | •                                            | •                                                            | •                          | -                                      | -                            | •             | •               |
|               | Total Shareholding of Promoter and Promoter Group (A)=(A)(1) + (A)(2) | 4                      | 242,867,647            | 242,867,647                                  | 78.10                                                         | 78.10                      | •                      | •                                            | •                                                            | •                          | 79,750,401                             | 25.65                        | •             | •               |
| (B)           | Public shareholding                                                   |                        |                        |                                              |                                                               |                            |                        |                                              |                                                              |                            |                                        |                              |               |                 |
| 1             | Institutions                                                          |                        |                        |                                              |                                                               |                            |                        |                                              |                                                              |                            |                                        |                              |               |                 |
| (a)           | Mutual Funds / UTI                                                    | Nil                    | Nil                    | Nil                                          | Nil                                                           | Nil                        | •                      | •                                            | •                                                            | •                          | -                                      | -                            | •             | •               |
| (b)           | Financial Institutions / Banks                                        | Nil                    | Nil                    | Nil                                          | Nil                                                           | Nil                        | •                      | •                                            | •                                                            | •                          | -                                      | -                            | •             | •               |
| (c)           | Central / State Government(s)                                         | Nil                    | Nil                    | Nil                                          | Nil                                                           | Nil                        | •                      | •                                            | •                                                            | •                          | -                                      | -                            | •             | •               |
| (d)           | Venture Capital Funds                                                 | Nil                    | Nil                    | Nil                                          | Nil                                                           | Nil                        | •                      | •                                            | •                                                            | •                          | -                                      | -                            | •             | •               |
| (e)           | Insurance Companies                                                   | Nil                    | Nil                    | Nil                                          | Nil                                                           | Nil                        | •                      | •                                            | •                                                            | •                          | -                                      | -                            | •             | •               |
| (f)           | Foreign Institutional Investors                                       | Nil                    | Nil                    | Nil                                          | Nil                                                           | Nil                        | •                      | •                                            | •                                                            | •                          | -                                      | -                            | •             | •               |
| (g)           | Foreign Venture Capital Investors                                     | Nil                    | Nil                    | Nil                                          | Nil                                                           | Nil                        | •                      | •                                            | •                                                            | •                          | -                                      | -                            |               |                 |
| (h)           | Qualified Foreign Investor                                            | Nil                    | Nil                    | Nil                                          | Nil                                                           | Nil                        | •                      | •                                            | •                                                            | •                          | -                                      | -                            | •             | •               |
| (i)           | Others (Specify)                                                      | Nil                    | Nil                    | Nil                                          | Nil                                                           | Nil                        | •                      | •                                            | •                                                            | •                          | -                                      | -                            |               |                 |
|               | Sub Total (B)(1):                                                     | Nil                    | Nil                    | Nil                                          | Nil                                                           | Nil                        | •                      | •                                            | •                                                            | •                          | -                                      | -                            | •             | •               |
| B 2:          | Non-Institutions                                                      |                        |                        |                                              |                                                               |                            |                        |                                              |                                                              |                            |                                        |                              |               |                 |
| (a)           | Bodies Corporate                                                      | 2                      | 64,715,244             | 64,715,244                                   | 20.81                                                         | 20.81                      | •                      | •                                            | •                                                            | •                          | -                                      | -                            | •             | •               |
| (b)           | Individual                                                            |                        |                        |                                              |                                                               |                            |                        |                                              |                                                              |                            |                                        |                              |               |                 |
| (i)           | Individual Shareholders Holding Nominal Share Capital up to ₹ 1 lakh  | 4                      | 26,000                 | 26,000                                       | 0.01                                                          | 0.01                       | •                      | •                                            | •                                                            | •                          | -                                      | -                            | •             | •               |
| (ii)          | Individual Shareholders Holding Nominal                               | 41                     | 3,354,190              | 3,255,180                                    | 1.08                                                          | 1.08                       | •                      | •                                            | •                                                            | •                          | 1,100,000                              | 0.35                         | •             | •               |

| Category Code | Category of Shareholder                                                          | Number of Shareholders | Pre-Issue              |                                              |                                                               |                            | Post-Issue             |                                              |                                                              |                            | Pre-Issue                              |                       | Post-Issue    |                 |
|---------------|----------------------------------------------------------------------------------|------------------------|------------------------|----------------------------------------------|---------------------------------------------------------------|----------------------------|------------------------|----------------------------------------------|--------------------------------------------------------------|----------------------------|----------------------------------------|-----------------------|---------------|-----------------|
|               |                                                                                  |                        | Total Number of Shares | Number of Shares held in Dematerialised form | Total Shareholding as a percentage of total number of shares* |                            | Total Number of Shares | Number of Shares held in Dematerialised form | Total Shareholding as a percentage of total number of shares |                            | Shares Pledged or otherwise encumbered |                       |               |                 |
|               |                                                                                  |                        |                        |                                              | As a Percentage of (A+B)                                      | As a Percentage of (A+B+C) |                        |                                              | As a Percentage of (A+B)                                     | As a Percentage of (A+B+C) | No. of Shares                          | As a Percentage       | No. of Shares | As a Percentage |
| (I)           | (II)                                                                             | (III)                  | (IV)                   | (V)                                          | (VI)                                                          | (VII)                      |                        |                                              |                                                              |                            | (VIII)                                 | (IX)=(VIII)/(I V)*100 |               |                 |
|               | Share Capital in excess of ₹ 1 lakh                                              |                        |                        |                                              |                                                               |                            |                        |                                              |                                                              |                            |                                        |                       |               |                 |
| (c)           | Qualified Foreign Investor                                                       | Nil                    | Nil                    | Nil                                          | Nil                                                           | Nil                        | [•]                    | [•]                                          | [•]                                                          | [•]                        | -                                      | -                     | [•]           | [•]             |
| (d)           | Any Others (Specify)                                                             | Nil                    | Nil                    | Nil                                          | Nil                                                           | Nil                        | [•]                    | [•]                                          | [•]                                                          | [•]                        | -                                      | -                     | [•]           | [•]             |
|               | Sub Total (B)(2):                                                                | 47                     | 68,095,434             | 67,996,424                                   | 21.90                                                         | 21.90                      | [•]                    | [•]                                          | [•]                                                          | [•]                        | 1,100,000                              | 0.35                  | [•]           | [•]             |
|               | Total (B)=(B)(1) + (B)(2)                                                        | 47                     | 68,095,434             | 67,996,424                                   | 21.90                                                         | 21.90                      | [•]                    | [•]                                          | [•]                                                          | [•]                        | 1,100,000                              | 0.35                  | [•]           | [•]             |
|               | Total (A) + (B)                                                                  | 51                     | 310,963,081            | 310,864,071                                  | 100.00                                                        | 100.00                     | [•]                    | [•]                                          | [•]                                                          | [•]                        | 80,850,401                             | 25.99                 | [•]           | [•]             |
| (C)           | Shares held by Custodians and against which Depository Receipts have been issued | Nil                    | Nil                    | Nil                                          | Nil                                                           | Nil                        | [•]                    | [•]                                          | [•]                                                          | [•]                        | -                                      | -                     | [•]           | [•]             |
|               |                                                                                  |                        |                        |                                              |                                                               |                            |                        |                                              |                                                              |                            |                                        |                       |               |                 |
| (i)           | Promoter and Promoter Group                                                      | Nil                    | Nil                    | Nil                                          | Nil                                                           | Nil                        | [•]                    | [•]                                          | [•]                                                          | [•]                        | Nil                                    | Nil                   | [•]           | [•]             |
| (ii)          | Public                                                                           | Nil                    | Nil                    | Nil                                          | Nil                                                           | Nil                        | [•]                    | [•]                                          | [•]                                                          | [•]                        | Nil                                    | Nil                   | [•]           | [•]             |
|               | Total (A) + (B) + (C)                                                            | 51                     | 310,963,081            | 310,864,071                                  | 100.00                                                        | 100.00                     | [•]                    | [•]                                          | [•]                                                          | [•]                        | 80,850,401                             | 25.99                 | [•]           | [•]             |
| (D)           | Public pursuant to the Issue                                                     | Nil                    | Nil                    | Nil                                          | Nil                                                           | Nil                        | [•]                    | [•]                                          | [•]                                                          | [•]                        | Nil                                    | Nil                   | [•]           | [•]             |
|               | Grand Total (A)+(B)+(C)+(D)                                                      | 51                     | 310,963,081            | 310,864,071                                  | 100.00                                                        | 100.00                     | [•]                    | [•]                                          | [•]                                                          | [•]                        | 80,850,401                             | 25.99                 | [•]           | [•]             |

(1) This does not include joint shareholding where the Promoter or members of the Promoter Group are not first holders.

7. The list of public shareholders of our Company holding more than 1% of the pre-Issue paid up capital of our Company is as follows:

| S. No.       | Name of the Shareholder | Pre-Issue            |                | Post-Issue           |                |
|--------------|-------------------------|----------------------|----------------|----------------------|----------------|
|              |                         | No. of Equity Shares | Percentage (%) | No. of Equity Shares | Percentage (%) |
| 1.           | Xander                  | 32,357,622           | 10.41          | [•]                  | [•]            |
| 2.           | Norwest                 | 32,357,622           | 10.41          | [•]                  | [•]            |
| <b>Total</b> |                         | <b>64,715,244</b>    | <b>20.81</b>   | <b>[•]</b>           | <b>[•]</b>     |

8. The list of top 10 shareholders of our Company and the number of Equity Shares held by them as on the date of filing, 10 days before the date of filing and two years prior the date of filing of this Draft Red Herring Prospectus are set forth below:

- (a) The top 10 shareholders of our Company as on the date of filing of this Draft Red Herring Prospectus are as follows:

| S. No. | Name of the Shareholder            | Pre-Issue            |                | Post-Issue           |                |
|--------|------------------------------------|----------------------|----------------|----------------------|----------------|
|        |                                    | No. of Equity Shares | Percentage (%) | No. of Equity Shares | Percentage (%) |
| 1.     | SEL                                | 240,733,427          | 77.42          | [•]                  | [•]            |
| 2.     | Xander                             | 32,357,622           | 10.41          | [•]                  | [•]            |
| 3.     | Norwest                            | 32,357,622           | 10.41          | [•]                  | [•]            |
| 4.     | Vishnubhai M. Patel <sup>(1)</sup> | 1,100,110            | 0.35           | [•]                  | [•]            |
| 5.     | Shashin V. Patel                   | 704,110              | 0.23           | [•]                  | [•]            |
| 6.     | Vikram Rasiklal                    | 550,000              | 0.18           | [•]                  | [•]            |

| S. No.       | Name of the Shareholder                   | Pre-Issue            |                | Post-Issue           |                |
|--------------|-------------------------------------------|----------------------|----------------|----------------------|----------------|
|              |                                           | No. of Equity Shares | Percentage (%) | No. of Equity Shares | Percentage (%) |
|              | Patel <sup>(2)</sup>                      |                      |                |                      |                |
| 7.           | Vasistha Patel <sup>(3)</sup>             | 550,000              | 0.18           | [●]                  | [●]            |
| 8.           | Girish N. Patel                           | 440,110              | 0.14           | [●]                  | [●]            |
| 9.           | Nitinkumar R. Patel                       | 396,110              | 0.13           | [●]                  | [●]            |
| 10.          | Rajeshree Vishnubhai Patel <sup>(4)</sup> | 330,000              | 0.11           | [●]                  | [●]            |
| <b>Total</b> |                                           | <b>309,519,111</b>   | <b>99.54</b>   | <b>[●]</b>           | <b>[●]</b>     |

(1) This does not include shares jointly held by Vishnubhai M. Patel, where he is not the first holder.

(2) Jointly held with Bhavnaben V. Patel / Vishnubhai M. Patel.

(3) Jointly held with Rekhaben V. Patel / Vishnubhai M. Patel.

(4) Jointly held with Vishnubhai M. Patel.

(b) The top 10 shareholders of our Company 10 days prior to the date of filing of this Draft Red Herring Prospectus are as follows:

| S. No.       | Name of the Shareholder                   | No. of Equity Shares | Percentage (%) |
|--------------|-------------------------------------------|----------------------|----------------|
| 1.           | SEL                                       | 240,733,427          | 77.42          |
| 2.           | Xander                                    | 32,357,622           | 10.41          |
| 3.           | Norwest                                   | 32,357,622           | 10.41          |
| 4.           | Vishnubhai M. Patel <sup>(1)</sup>        | 1,100,110            | 0.35           |
| 5.           | Shashin V. Patel                          | 704,110              | 0.23           |
| 6.           | Vikram Rasiklal Patel <sup>(2)</sup>      | 550,000              | 0.18           |
| 7.           | Vasistha Patel <sup>(3)</sup>             | 550,000              | 0.18           |
| 8.           | Girish N. Patel                           | 440,110              | 0.14           |
| 9.           | Nitinkumar R. Patel                       | 396,110              | 0.13           |
| 10.          | Rajeshree Vishnubhai Patel <sup>(4)</sup> | 330,000              | 0.11           |
| <b>Total</b> |                                           | <b>309,519,111</b>   | <b>99.54</b>   |

(1) This does not include shares jointly held by Vishnubhai M. Patel, where he is not the first holder.

(2) Jointly held with Bhavnaben V. Patel / Vishnubhai M. Patel.

(3) Jointly held with Rekhaben V. Patel / Vishnubhai M. Patel.

(4) Jointly held with Vishnubhai M. Patel.

(c) The top 10 shareholders of our Company two years prior to the date of filing of this Draft Red Herring Prospectus are as follows:

| S. No. | Name of the Shareholder              | No. of Equity Shares | Percentage (%) |
|--------|--------------------------------------|----------------------|----------------|
| 1.     | SEL                                  | 21,884,856           | 84.15          |
| 2.     | Xander                               | 1,810,502            | 6.96           |
| 3.     | Norwest                              | 1,810,502            | 6.96           |
| 4.     | Vishnubhai M. Patel <sup>(1)</sup>   | 100,010              | 0.38           |
| 5.     | Shashin V. Patel                     | 64,010               | 0.25           |
| 6.     | Vikram Rasiklal Patel <sup>(2)</sup> | 50,000               | 0.19           |

| S. No.       | Name of the Shareholder                   | No. of Equity Shares | Percentage (%) |
|--------------|-------------------------------------------|----------------------|----------------|
| 7.           | Vasistha Patel <sup>(3)</sup>             | 50,000               | 0.19           |
| 8.           | Girish N. Patel                           | 40,010               | 0.15           |
| 9.           | Nitinkumar R. Patel                       | 36,010               | 0.14           |
| 10.          | Rajeshree Vishnubhai Patel <sup>(4)</sup> | 30,000               | 0.12           |
| <b>Total</b> |                                           | <b>25,875,900</b>    | <b>99.50</b>   |

(1) This does not include shares jointly held by Vishnubhai M. Patel, where he is not the first holder.

(2) Jointly held with Bhavnaben V. Patel / Vishnubhai M. Patel.

(3) Jointly held with Rekhaben V. Patel / Vishnubhai M. Patel.

(4) Jointly held with Vishnubhai M. Patel.

## 9. Details of the Equity Shares held by our Directors

Set out below are details of the Equity Shares held by our Directors in our Company:

| S. No. | Name                               | No. of Equity Shares | Pre-Issue (%) | Post-Issue (%) |
|--------|------------------------------------|----------------------|---------------|----------------|
| 1.     | Vishnubhai M. Patel <sup>(1)</sup> | 1,100,110            | 0.35          | [●]            |
| 2.     | Shashin V. Patel                   | 704,110              | 0.27          | [●]            |
| 3.     | Vasistha Patel <sup>(2)</sup>      | 550,000              | 0.18          | [●]            |
| 4.     | Nitinkumar R. Patel                | 396,110              | 0.13          | [●]            |

(1) This does not include shares jointly held by Vishnubhai M. Patel, where he is not the first holder.

(2) Jointly held with Rekhaben V. Patel / Vishnubhai M. Patel.

10. Other than the preferential allotment made to SEL on October 25, 2012 and allotment made pursuant to the bonus issue to SEL on October 29, 2014, none of our Promoters, Promoter Group or Directors have purchased/subscribed or sold any securities of our Company within three years immediately preceding the date of filing this Draft Red Herring Prospectus with the SEBI which in aggregate is equal to or greater than 1% of pre-Issue capital of our Company.
11. [●] Equity Shares aggregating up to ₹ 250 million constituting [●]% of the Issue, have been reserved for allocation to Eligible Employees bidding in the Employee Reservation Portion, subject to valid Bids being received at or above Issue Price and subject to a maximum Bid Amount by each Eligible Employee not exceeding ₹ 200,000. Only Eligible Employees bidding in the Employee Reservation Portion are eligible to apply in the Issue under the Employee Reservation Portion on a competitive basis. Bids by Eligible Employees bidding in the Employee Reservation Portion could also be made in the Net Issue and such Bids would not be treated as multiple Bids. The Employee Reservation Portion would not exceed 5% of the post-Issue capital of our Company.
12. Our Company does not have an employee stock option plan.
13. As on the date of this Draft Red Herring Prospectus, the BRLMs and their respective associates do not hold any Equity Shares in our Company.
14. As on the date of this Draft Red Herring Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956.
15. **Details of the Equity Shares held by the directors of SEL**

Set out below are details of the Equity Shares held by the directors of SEL, our corporate Promoter:

| S. No. | Name                               | No. of Equity Shares | Pre-Issue (%) | Post-Issue (%) |
|--------|------------------------------------|----------------------|---------------|----------------|
| 1.     | Vishnubhai M. Patel <sup>(1)</sup> | 1,100,110            | 0.35          | [●]            |

| S. No. | Name                                 | No. of Equity Shares | Pre-Issue (%) | Post-Issue (%) |
|--------|--------------------------------------|----------------------|---------------|----------------|
| 2.     | Shashin V. Patel                     | 704,110              | 0.27          | [●]            |
| 3.     | Vikram Rasiklal Patel <sup>(2)</sup> | 550,000              | 0.18          | [●]            |
| 4.     | Vasistha Patel <sup>(3)</sup>        | 550,000              | 0.18          | [●]            |
| 5.     | Nitinkumar R. Patel                  | 396,110              | 0.13          | [●]            |

(1) This does not include shares jointly held by Vishnubhai M. Patel, where he is not the first holder.

(2) Jointly held with Bhavnaben V. Patel / Vishnubhai M. Patel.

(3) Jointly held with Rekhaben V. Patel / Vishnubhai M. Patel.

16. As of the date of this Draft Red Herring Prospectus, other than the allotments made on (i) October 22, 2014 pursuant to conversion of the Investor CCCPS and SEL CCDs; and (ii) October 29, 2014 pursuant to bonus issue, no Equity Shares have been issued by our Company at a price that may be lower than the Issue Price during the last one year:

| Name of allottee                                                                             | Date of allotment | No. of equity shares | Issue price (₹) | Reason                                                                                                                                                          |
|----------------------------------------------------------------------------------------------|-------------------|----------------------|-----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Xander                                                                                       | October 22, 2014  | 1,131,100            | -               | Upon conversion of 2,250,774 CCCPS, 1,131,100 Equity Shares were allotted to each of Xander and Norwest in accordance with the Investor Subscription Agreement. |
| Norwest                                                                                      | October 22, 2014  | 1,131,100            | -               |                                                                                                                                                                 |
| SEL                                                                                          | October 22, 2014  | 1                    | -               | Conversion of SEL CCDs.                                                                                                                                         |
| Shareholders of our Company including the Promoter and certain members of the Promoter Group | October 29, 2014  | 282,693,710          | -               | Bonus issue in the ratio of 1:10 authorised by our Shareholders, undertaken through the capitalisation of the general reserve and securities premium account.   |

17. None of the members of the Promoter Group, or our Directors or the Directors of our Corporate Promoter and their relatives have purchased or sold any Equity Shares of our Company or the equity shares of any our Subsidiaries, during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus, except for the following:

| Company/ Subsidiary | Transferor  | Transferee                         | Date              | Number of Securities | Price per Security |
|---------------------|-------------|------------------------------------|-------------------|----------------------|--------------------|
| Our Company         | Rahul Kumar | Girish N. Patel and Mamtaben Patel | November 28, 2014 | 11,000               | 2.27*              |

\* Total consideration is ₹ 25,000.

18. As of the date of the filing of this Draft Red Herring Prospectus, the total number of Shareholders of our Company is 51.
19. Neither our Company nor any of our Directors have entered into any buy-back and/or standby arrangements or any safety net facility for purchase of Equity Shares from any person. Further, the BRLMs have not made any buy-back and/or standby arrangements or any safety net facility for purchase of Equity Shares from any person.
20. Our Company shall Allot at least 75% of the Issue to QIBs on a proportionate basis, provided that our Company may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a

proportionate basis to Mutual Funds only and the remaining QIB Portion shall be available for allocation on a proportionate basis to the QIB Bidders (other than Anchor Investors) including Mutual Funds subject to valid Bids being received at or above the Issue Price. Further, not more than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Issue will be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received from them at or above the Issue Price. Under-subscription, if any, in any category, except in the QIB category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange. At least 75% of the Issue shall be Allotted to QIBs, and in the event that at least 75% of the Issue cannot be Allotted to QIBs, the entire application money shall be refunded forthwith. Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue portion.

21. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into the Equity Shares as on the date of this Draft Red Herring Prospectus.
22. Our Company has not issued any Equity Shares out of revaluation reserves.
23. All Equity Shares issued pursuant to the Issue will be fully paid up at the time of Allotment and there are no partly paid up Equity Shares as on the date of this Draft Red Herring Prospectus.
24. Any oversubscription to the extent of 10% of the Net Issue can be retained for the purposes of rounding off to the nearer multiple of minimum allotment lot.
25. Our Promoters, Promoter Group and Subsidiaries will not participate in the Issue.
26. There have been no financial arrangements whereby our Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity during a period of six months preceding the date of filing of this Draft Red Herring Prospectus.
27. Our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use of Equity Shares as consideration for acquisitions or participations in such joint ventures.
28. There will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges.
29. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.



## OBJECTS OF THE ISSUE

The Issue comprises of a Fresh Issue and an Offer for Sale.

### Offer for Sale

The Selling Shareholders will be entitled to the proceeds of the Offer for Sale net of their proportion of Issue related expenses. Our Company will not receive any proceeds from the Offer for Sale. Other than the listing fees which shall be borne by our Company, the expenses in relation to the Issue will be borne by our Company and the Selling Shareholders in proportion to the Equity Shares contributed to the Issue.

### Fresh Issue

Our Company proposes to utilise the Net Proceeds from the Fresh Issue towards funding of the following objects:

1. Repayment/pre-payment, in full or part, of certain loans availed by our Company from ICICI Bank Limited and SEL, our corporate Promoter;
2. Equity investment and advancing of sub-ordinate debt to our subsidiary, SUTPL, for part financing of the SUTPL Project; and
3. General corporate purposes.

The main objects set out in the Memorandum of Association enable us to undertake our existing activities. The loans availed by our Company which are proposed to be repaid / pre-paid, in full or part, and equity investment and advancing of sub-ordinate debt to our subsidiary from Net Proceeds of the Issue, are for activities carried out as enabled by the objects clause of the memorandum of association of our Company and of our relevant Subsidiaries.

### Fresh Issue Proceeds

The details of the Fresh Issue proceeds are set forth in the following table:

| Particulars                          | Amount (in ₹ million) |
|--------------------------------------|-----------------------|
| Gross proceeds of the Fresh Issue    | Up to 4,250.00        |
| (Less) Fresh Issue related expenses* | [•]                   |
| Net Proceeds of the Fresh Issue*     | [•]                   |

\* To be finalised upon determination of the Issue Price.

### Requirement of Funds and Utilisation of Net Proceeds

The proposed utilisation of the Net Proceeds is set forth in the table below:

| Particulars                                                                                                            | Amount (in ₹ million) |
|------------------------------------------------------------------------------------------------------------------------|-----------------------|
| Repayment / pre-payment, in full or part, of certain loans availed by our Company                                      |                       |
| (i) Repayment of rupee loan facility from ICICI Bank Limited                                                           | 1,800.00              |
| (ii) Part repayment of unsecured loans from SEL, our corporate Promoter                                                | 848.40                |
| <b>Sub-Total</b>                                                                                                       | <b>2,648.40</b>       |
| Equity investment and advancing of sub-ordinate debt to our subsidiary, SUTPL, for part financing of the SUTPL Project | 1,001.60              |
| General corporate purposes*                                                                                            | [•]                   |
| <b>Total</b>                                                                                                           | <b>[•]</b>            |

\* To be finalised upon determination of the Issue Price.

The fund requirements for the objects are based on internal management estimates and have not been appraised by any bank or financial institution.

## Schedule of Deployment

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below.

(in ₹ million)

| Particulars                                                                                                            | Amount proposed to be funded from the Net Proceeds to be utilized in the Financial Year 2016 |
|------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| Repayment / pre-payment, in full or part, of certain loans availed by our Company                                      |                                                                                              |
| (i) Repayment of rupee loan facility from ICICI Bank Limited                                                           | 1,800.00                                                                                     |
| (ii) Part repayment / pre-payment of unsecured loans from SEL, our corporate Promoter                                  | 848.40                                                                                       |
| Equity investment and advancing of sub-ordinate debt to our subsidiary, SUTPL, for part financing of the SUTPL Project | 1,001.60                                                                                     |
| General corporate purposes <sup>(2)</sup>                                                                              | [●]                                                                                          |
| <b>Total</b>                                                                                                           | [●]                                                                                          |

<sup>(1)</sup> To be determined on the basis of reset date under the terms of the ICICI Facility (as defined hereinafter) to ensure that the pre-payment premium under the ICICI Facility is not applicable on pre-payment of outstanding amount under the ICICI Facility (as defined hereinafter).

<sup>(2)</sup> To be finalised upon determination of the Issue Price.

As indicated above, our Company proposes to deploy the entire Net Proceeds towards the objects as described herein during Financial Year 2016. However, if the Net Proceeds are not completely utilised for the objects stated above by the Financial Year 2016 due to factors such as (i) economic and business conditions; (ii) increased competition; (iii) delay in completion of construction of the project; (iv) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfill, or obtain waivers for fulfillment of, such requirements, (v) terms and conditions of consents and waivers received from lenders for pre-payment, (vi) levy of any pre-payment penalties or premiums and the quantum thereof, (vii) timely completion of the Issue, market conditions outside the control of our Company or SUTPL and its management; and (viii) other commercial considerations such as interest rate, tenor of the debt and availability of alternate financial resources; the same would be utilised (in part or full) in the Financial Year 2017 or a subsequent period as may be determined by our Company in accordance with applicable law.

The funds deployment described herein is based on management estimates, current circumstances of our business and the prevailing market conditions. The funds deployment described herein has not been appraised by any bank or financial institution. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial condition, business and strategy, including external factors which may not be within the control of our management. This may entail rescheduling and revising the planned funding requirements and deployment and increasing or decreasing the funding requirements from the planned funding requirements at the discretion of our management. For further details, see “Risk Factors – Our Company will not receive any proceeds from the Offer for Sale portion and our Company’s management will have the flexibility in utilising the Net Proceeds” on page 37.

## Details of the Objects of the Issue

The details in relation to objects of the Issue are set forth below.

### 1. Repayment / pre-payment, in full or part, of certain loans availed by our Company

Our Company has entered into certain financing arrangements with, *inter alia*, various banks/ financial institutions and SEL, our corporate Promoter. For details of our debt financing arrangements, see “Financial Indebtedness” on pages 448 to 456.

Our Company proposes to utilize an estimated amount of ₹ 2,648.40 million from the Net Proceeds towards repayment / pre-payment, of certain loans availed by our Company. We believe that such repayment / pre-payment will help reduce our outstanding indebtedness and debt servicing costs and enable utilization of our accruals for further investment in our business growth and expansion. In addition, we believe that this would improve our ability to raise further resources in the future to fund our potential business development opportunities. The details of the outstanding loans proposed to be repaid/pre-paid from the Net Proceeds are set out below:

**(a) Rupee loan facility from ICICI Bank Limited:**

Our Company has availed a Rupee loan facility of ₹ 1,800.00 million from ICICI Bank Limited (“ICICI”) pursuant to the Rupee loan agreement dated September 26, 2009 (the “ICICI Facility”) for the purpose of (i) subscription to optionally convertible redeemable preference shares and/or redeemable preference shares issued by certain of the project companies including ARRIL, AJTL, DPTL, MBCPNL, MNEL, NSEL and other infrastructure projects won by our Company and/or SEL and designated as project company by the agent of ICICI; (ii) infusing sub-debt in the project companies of our Company for part financing of the cost of projects undertaken by the project companies of our Company; and / or (iii) meeting other requirements of our Company such as operation and maintenance costs, margin for purchasing of capital equipment, investment in setting up of operation and maintenance base, and cash deposits for projects and / or the project companies.

As of February 28, 2015, our Company had utilised entire facility of ₹ 1,800.00 million availed under the ICICI Facility. The details of the utilisation of the ICICI Facility by our Company as of February 28, 2015 have been set out below\*:

| Name of the Company | Purpose                                                  | Amount utilised (in ₹ million) |
|---------------------|----------------------------------------------------------|--------------------------------|
| MBCPNL              | Subordinated debt advanced by our Company <sup>(1)</sup> | 950.00                         |
| DPTL                | Subordinated debt advanced by our Company <sup>(2)</sup> | 850.00                         |

\* As certified by A.D. Brahmhatt & Co., Chartered Accountants vide its certificate dated May 20, 2015.

<sup>(1)</sup> In terms of the Sponsor Support and Equity Contribution Agreement dated February 3, 2010 between SEL, our Company, MBCPNL, ITS and ICICI subordinate debt has been provided on terms and conditions including, inter alia, that SEL and our Company prior to initial drawdown date (as defined in the Sponsor Support and Equity Contribution Agreement) shall contribute an aggregate amount of ₹855.8 million to MBCPNL by way of subscription of shares, subscription to equity like instruments or subordinate debt. Prior to the drawdown under the facility, SEL and our Company are required to ensure that debt to equity does not exceed 80:20 and SEL and our Company shall bring in equity upon issue of notice by lenders or MBCPNL for the purposes of maintaining this ratio. SEL and our Company are also required to contribute equity in MBCPNL until COD upon receipt of notice of cost overrun. SEL and our Company shall comply with their obligation until the final settlement date

<sup>(2)</sup> In terms of the Common Loan Agreement dated December 18, 2009 between DPTL, AB, BOB, CorpB, IIFCL, DB, IOB, OBC, PNB, State Bank of Bikaner and Jaipur, State Bank of Indore, State Bank of Patiala, Syndicate Bank and SBICap Trustee Company Limited and the Equity Subscription and Subordinated Loan Agreement dated December 18, 2009 between SEL, our Company, DPTL, HCC, JLI, HCC Infrastructure and JLIM subordinate loan has been provided on the terms including inter alia that the total subordinated loan requirement of ₹ 2,840 million (being 80 per cent of the total DPTL project equity of ₹ 3,550 million) shall be contributed in the proportion of 60 per cent for HCC and HCC Infrastructure, 40 per cent for SEL and our Company as set out in Clause 4.1 of the Equity Subscription and Subordination Loan Agreement; HCC, JLI and SEL shall ensure that the debt to equity ratio of DPTL does not exceed 3:1; Additional subordinate loan shall be provided to DPTL to meet any shortfall arising as a result of cost overrun and/or any other shortfall for completion of the construction of the Project Highway (as defined in Equity Subscription and Subordination Loan Agreement); the repayment/ redemption of subordinate loan provided by HCC, JLI and SEL shall be subordinate to all principal amounts outstanding under the Equity Subscription and Subordination Loan Agreement; terms and conditions of the subordinate debt may be mutually agreed upon between parties subject to compliance with financing documents and applicable laws. For details in relation to interest accrued by DPTL for subordinate loans, during nine months ended December 31, 2014 and the years ended March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010, see “Financial Statements” from pages 324 to 325.

The other relevant terms of the ICICI Facility and the proposed repayment from the Objects of the Issue are set out below.

| Particulars                                                      | Details                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                  |                             |           |     |           |     |           |     |           |     |       |      |
|------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|-----------------------------|-----------|-----|-----------|-----|-----------|-----|-----------|-----|-------|------|
| Amount sanctioned                                                | ₹ 1,800.00 million                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                  |                             |           |     |           |     |           |     |           |     |       |      |
| Amount outstanding as on February 28, 2015                       | ₹ 1,800.00 million <sup>(1)</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                  |                             |           |     |           |     |           |     |           |     |       |      |
| Amount proposed to be prepaid out of the Net Proceeds:           | ₹ 1,800.00 million                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                  |                             |           |     |           |     |           |     |           |     |       |      |
| Rate of Interest (per annum): <sup>(2)</sup>                     | Sum of I-Base and “spread” per annum plus applicable interest tax or other statutory levy, if any, on the principal amount of the loan remaining outstanding each day. <sup>(3)</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                  |                             |           |     |           |     |           |     |           |     |       |      |
| Repayment Date / Schedule                                        | <p>Repayment in four structured and unequal instalments, with the repayment date being the last day of the last month for each instalment as set out in the repayment schedule in the ICICI Facility and the last date of repayment being the last day of 84 months from the date of first disbursement being March 6, 2012. The repayment schedule under the ICICI Facility provides the following:</p> <table border="1"> <thead> <tr> <th>Repayment Date from and including the first date of disbursement</th><th>Portion of Outstanding Loan</th></tr> </thead> <tbody> <tr> <td>48 months</td><td>20%</td></tr> <tr> <td>60 months</td><td>25%</td></tr> <tr> <td>72 months</td><td>25%</td></tr> <tr> <td>84 months</td><td>30%</td></tr> <tr> <td>Total</td><td>100%</td></tr> </tbody> </table>                                                                                                                                                                                                  | Repayment Date from and including the first date of disbursement | Portion of Outstanding Loan | 48 months | 20% | 60 months | 25% | 72 months | 25% | 84 months | 30% | Total | 100% |
| Repayment Date from and including the first date of disbursement | Portion of Outstanding Loan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                  |                             |           |     |           |     |           |     |           |     |       |      |
| 48 months                                                        | 20%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                  |                             |           |     |           |     |           |     |           |     |       |      |
| 60 months                                                        | 25%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                  |                             |           |     |           |     |           |     |           |     |       |      |
| 72 months                                                        | 25%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                  |                             |           |     |           |     |           |     |           |     |       |      |
| 84 months                                                        | 30%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                  |                             |           |     |           |     |           |     |           |     |       |      |
| Total                                                            | 100%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                  |                             |           |     |           |     |           |     |           |     |       |      |
| Pre-payment Penalty                                              | <p>In terms of the ICICI Facility, our Company is required to utilize any amount received from the initial public offering of our Company for prepaying or liquidating the outstanding dues of ICICI under the ICICI Facility. Amounts prepaid shall be paid pro-rata to principal repayments and prepayment premium as prescribed under the ICICI Facility shall not be applicable in the event of such mandatory prepayment if the prepayment is made on reset dates<sup>(4) (5)</sup>.</p> <p>Our Company has the option to prepay the ICICI Facility without any pre-payment penalty within 45 days of such reset of “spread” provided an irrevocable notice to prepay the ICICI Facility has been given by our Company within 15 days of such reset of “spread”. Except the above, our Company will be required to pay a pre-payment premium of 1.0% on principal amount of the ICICI Facility prepaid subject to our Company giving at least 15 days prior written notice of the same to ICICI.</p> |                                                                  |                             |           |     |           |     |           |     |           |     |       |      |

<sup>(1)</sup> This indicates principal amount outstanding as of February 28, 2015. As certified by A.D. Brahmbhatt & Co., Chartered Accountants vide its certificate dated May 20, 2015. Further, A.D. Brahmbhatt & Co., Chartered Accountants, by way of certificate dated May 20, 2015, have confirmed that these borrowings have been utilized for the purposes for which they were availed.

<sup>(2)</sup> In terms of the ICICI Facility as amended by the Letter of Intent dated March 2, 2012 (the “LoI”).

<sup>(3)</sup> The “spread” is as communicated by ICICI periodically. The interest rate would change effective from the day ICICI revises I-Base. As on the date of the LoI, the I-Base was 10% and spread was 3.50%. The applicable rate as on the date of the LoI was 13.50% per annum, payable monthly. The “spread” shall be reset on date falling at the end of 12 months from the date of first disbursement and thereafter at the end of every 12 months from the date of preceding “spread” reset. Any change in the applicable rate as aforesaid pursuant to a change in I-Base would be effective from the date of such change in I-Base.

<sup>(4)</sup> In terms of the ICICI Facility, “reset date” is the date falling at the end of 12 months from the date of first disbursement of the ICICI Facility and thereafter the date falling at the end of 12 months from the last reset date, as the case may be.

<sup>(5)</sup> ICICI, through its letter dated November 5, 2014, has granted consent to our Company for prepayment of the ICICI Facility by utilising the proceeds of the Issue subject to the condition that an irrevocable notice for prepayment be submitted to ICICI at least 30 days prior to the proposed prepayment date.

As indicated in the table above, the ICICI Facility availed by our Company stipulates levy of pre-payment penalties, which is applicable if pre-payment is made on dates other than the reset date as specified in the ICICI Facility. Our Company will take such provisions into consideration while deciding the repayment of ICICI Facility. Payment of such pre-payment penalty, if any, shall be made out of the Net Proceeds of the Issue. In the event that the Net Proceeds of the Issue are not sufficient for the said payment of pre-payment penalty, such payment shall be made from the internal accruals of our Company.

**(b) Part repayment/pre-payment of unsecured loans from Promoters**

Our Company has, from time to time, availed unsecured loans (short term) from SEL, our corporate Promoter. Our Company has entered into a memorandum of understanding dated December 1, 2011 with SEL as amended by the memorandum of understandings dated April 1, 2013, December 20, 2014 and the agreement dated October 22, 2014 (the “SEL Facility”) whereby SEL agreed to advance a financial facility of ₹ 10,000 million to our Company for the purpose of meeting working capital requirements for project management business and in particular the operations and maintenance of the road projects and for implementation of various BOT projects. Pursuant to the agreement dated October 22, 2014, SEL has agreed to continue to provide ₹ 779.6 million as a part of the Facility as unsecured and interest free facility for a period of 11 years from October 22, 2014 due to certain value adjustments required to be carried out under the Investor Shareholders Agreement.

As of February 28, 2015, our Company had utilised ₹ 4,322.1 million out of the total SEL Facility. The details of the utilisation of the SEL Facility by our Company as of February 28, 2015 in relation to the project SPVs have been set out below\*:

| Name of the Company | Purpose                                                                                                                                           | Amount utilised (in ₹ million) |
|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| AJTL                | Loan advanced by our Company to AJTL under the terms of the Memorandum of Understanding dated April 1, 2013 (the “AJTL MOU”) <sup>(1)</sup>       | 176                            |
| BRTPL               | Loan advanced by our Company to BRTPL under the terms of the Memorandum of Understanding dated November 22, 2014 (the “BRTPL MOU”) <sup>(2)</sup> | 23.7                           |
|                     | Sub-ordinate debt <sup>(3)</sup>                                                                                                                  | 301.5                          |
|                     | Investment in equity share capital                                                                                                                | 45.1                           |
| HYTPL               | Loan advanced by our Company to HYTPL under the terms of the Memorandum of Understanding dated April 1, 2013 (the “HYTPL MOU”) <sup>(4)</sup>     | 84.9                           |
|                     | Sub-ordinate debt                                                                                                                                 | 192.7                          |
|                     | Investment in equity share capital                                                                                                                | 69.3                           |
| MBCPNL              | Loan advanced by our Company to MBCPNL under the terms of the Memorandum of Understanding dated April 1, 2013 (the “MBCPNL MOU”) <sup>(5)</sup>   | 307.4                          |
| NSEL                | Loan advanced by our Company to NSEL under the terms of the Memorandum of Understanding dated                                                     | 5.5                            |

| Name of the Company | Purpose                                                                                                                                           | Amount utilised (in ₹ million) |
|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
|                     | April 1, 2013 (the “NSEL MOU”) <sup>(6)</sup>                                                                                                     |                                |
| RPTPL               | Loan advanced by our Company to RPTPL under the terms of the Memorandum of Understanding dated April 1, 2013 (the “RPTPL MOU”) <sup>(7)</sup>     | 300.7                          |
| RHTPL               | Loan advanced by our Company to RHTPL under the terms of the Memorandum of Understanding dated November 22, 2014 (the “RHTPL MOU”) <sup>(8)</sup> | 4                              |
|                     | Sub-ordinate debt <sup>(9)</sup>                                                                                                                  | 578.1                          |
|                     | Investment in equity share capital                                                                                                                | 28                             |
| SUTPL               | Sub-ordinate debt <sup>(10)</sup>                                                                                                                 | 854.5                          |
|                     | Investment in equity share capital                                                                                                                | 53.9                           |
| ARRIL               | Repayment of loan obtained from ARRIL under the terms of the Memorandum of Understanding dated April 1, 2011 (the “ARRIL MOU”) <sup>(11)</sup>    | 58.9                           |
|                     | Investment in equity share capital                                                                                                                | 150                            |
| DPTL                | Investment in equity share capital                                                                                                                | 8.1                            |
| MBHPL               | Loan advanced by our Company                                                                                                                      | 28.6                           |
| <b>Total</b>        |                                                                                                                                                   | <b>3,270.9</b>                 |

\* As certified by A.D. Brahmabhatt & Co., Chartered Accountants vide its certificate dated May 20, 2015.

<sup>(1)</sup> Pursuant to the AJTL MOU, our Company has agreed to advance a short-term loan aggregating to ₹1,000 million to AJTL at annual interest rate calculated at the average rate of borrowing of AJTL under its rupee term loan as reduced by 0.50% on unpaid balance. The AJTL MOU does not contemplate collateral security or guarantee. Further, the loan is re-payable inter alia on at least a seven day prior demand / call notice from our Company. However, the loan shall become, at the option of our Company, immediately due and payable upon the occurrence of (i) failure to make any payment due within three days of the notice period; (ii) breach of any condition provided in the AJTL MOU; or (iii) upon bankruptcy, or other form of insolvency or if an involuntary petition in bankruptcy or receivership not vacated within 30 days. The AJTL MOU shall continue to remain valid till the same is terminated by a notice given by either party.

<sup>(2)</sup> Pursuant to the BRTPL MOU, our Company has agreed to advance a short-term loan aggregating to ₹500 million to BRTPL at annual interest rate calculated at the average rate of borrowing of BRTPL under its secured rupee term loan as reduced by 0.50%. The BRTPL MOU does not contemplate collateral security or guarantee. Further, the loan is re-payable on at least a seven day prior demand / call notice from our Company. However, the loan shall become, at the option of our Company, immediately due and payable upon the occurrence of (i) failure to make any payment due within three days of the notice period; (ii) breach of any condition provided in the BRTPL MOU; or (iii) upon bankruptcy, or other form of insolvency or if an involuntary petition in bankruptcy or receivership not vacated within 30 days. The BRTPL MOU shall continue to remain valid till the same is terminated by a notice given by either party.

<sup>(3)</sup> In terms of Sponsor Support Agreement dated March 22, 2013 between SEL, our Company, BRTPL, ITSL and ICICI subordinate debt has been provided on the terms including inter alia that SEL and our Company shall contribute to BRTPL by way of fully paid up equity shares, preference shares, interest free share application money brought in by SEL and our Company or subordinate debt an aggregate amount of ₹ 1,333.00 million; no interest shall be charged on the amount provided as subordinate debt; SEL and our Company shall ensure that the debt to equity ratio does not exceed 49:51 on the day following the making of drawdown; SEL and our Company shall provide funds to meet any shortfall arising on account of cost overrun and to meet any shortfall in payment of outstanding amounts to the Lenders (as defined in the Common Loan Agreement dated March 22, 2013); any financial support provided by SEL and our Company shall remain at all times subordinate to the outstanding due amount in relation to the obligation of BRTPL to the Lenders (as defined in the Common Loan Agreement dated March 22, 2013) and shall not be due and payable until all rights and claims of the Secured Parties (as defined in the Common Loan Agreement dated March 22, 2013) have been discharged in full and the final settlement date has occurred.

<sup>(4)</sup> Pursuant to the HYTPL MOU, our Company has agreed to advance a short-term loan aggregating to ₹ 1,000 million to HYTPL at annual interest rate calculated at the average rate of borrowing of HYTPL under its rupee term loan as reduced by 0.50% on unpaid balance. The HYTPL MOU does not contemplate collateral security or guarantee. Further, the loan is re-payable on at least a seven day prior demand / call notice from our Company. However, the loan shall become, at the option of our Company, immediately due and payable upon the occurrence of (i) failure to make any payment due within three days of the notice period; (ii) breach of any condition provided in the HYTPL MOU; or (iii) upon bankruptcy, or other form of insolvency or

if an involuntary petition in bankruptcy or receivership not vacated within 30 days. The HYTPL MOU shall continue to remain valid till the same is terminated by a notice given by either party.

<sup>(5)</sup> Pursuant to the MBCPNL MOU, our Company has agreed to advance a short-term loan aggregating to ₹ 1,000 million to MBCPNL at annual interest rate calculated at the average rate of borrowing of MBCPNL under its rupee term loan as reduced by 0.50% on unpaid balance. The MBCPNL MOU does not contemplate collateral security or guarantee. Further, the loan is re-payable on at least a seven day prior demand / call notice from our Company. However, the loan shall become, at the option of our Company, immediately due and payable upon the occurrence of (i) failure to make any payment due within three days of the notice period; (ii) breach of any condition provided in the MBCPNL MOU; or (iii) upon bankruptcy, or other form of insolvency or if an involuntary petition in bankruptcy or receivership not vacated within 30 days. The MBCPNL MOU shall continue to remain valid till the same is terminated by a notice given by either party.

<sup>(6)</sup> Pursuant to the NSEL MOU, our Company has agreed to advance a short-term loan aggregating to ₹ 1,000 million to NSEL at annual interest rate calculated at the average rate of borrowing of NSEL under its rupee term loan as reduced by 0.50% on unpaid balance. The NSEL MOU does not contemplate collateral security or guarantee. Further, the loan is re-payable on at least a seven day prior demand / call notice from our Company. However, the loan shall become, at the option of our Company, immediately due and payable upon the occurrence of (i) failure to make any payment due within three days of the notice period; (ii) breach of any condition provided in the NSEL MOU; or (iii) upon bankruptcy, or other form of insolvency or if an involuntary petition in bankruptcy or receivership not vacated within 30 days. The NSEL MOU shall continue to remain valid till the same is terminated by a notice given by either party.

<sup>(7)</sup> Pursuant to the RPTPL MOU, our Company has agreed to advance a short-term loan aggregating to ₹ 1,000 million to RPTPL at annual interest rate calculated at the average rate of borrowing of RPTPL under its rupee term loan as reduced by 0.50% on unpaid balance. The RPTPL MOU does not contemplate collateral security or guarantee. Further, the loan is re-payable on at least a seven day prior demand / call notice from our Company. However, the loan shall become, at the option of our Company, immediately due and payable upon the occurrence of (i) failure to make any payment due within three days of the notice period; (ii) breach of any condition provided in the RPTPL MOU; or (iii) upon bankruptcy, or other form of insolvency or if an involuntary petition in bankruptcy or receivership not vacated within 30 days. The RPTPL MOU shall continue to remain valid till the same is terminated by a notice given by either party.

<sup>(8)</sup> Pursuant to the RHTPL MOU, our Company has agreed to advance a short-term loan aggregating to ₹ 500 million to RHTPL at annual interest rate calculated at the average rate of borrowing of RHTPL under its secured rupee term loan as reduced by 0.50%. The RHTPL MOU does not contemplate collateral security or guarantee. Further, the loan is re-payable on at least a seven day prior demand / call notice from our Company. However, the loan shall become, at the option of our Company, immediately due and payable upon the occurrence of (i) failure to make any payment due within three days of the notice period; (ii) breach of any condition provided in the RHTPL MOU; or (iii) upon bankruptcy, or other form of insolvency or if an involuntary petition in bankruptcy or receivership not vacated within 30 days. The RHTPL MOU shall continue to remain valid till the same is terminated by a notice given by either party.

<sup>(9)</sup> In terms of Sponsor Support Agreement dated November 9, 2013 between SEL, our Company, and CB, as amended on March 26, 2015, subordinate debt has been provided on the terms including inter alia that SEL and our Company shall contribute to RHTPL by way of equity share capital or subordinate debt an aggregate amount of ₹ 0.5 million on the initial drawdown date and ₹ 550.40 million prior to second and immediately succeeding drawdown to the Initial Drawdown Date (as defined in the Common Loan Agreement dated November 9, 2013); SEL and our Company shall ensure that the debt to equity ratio does not exceed 74:26; SEL and our Company to provide subordinate debt to enable RHTPL to maintain an amount equivalent to the aggregate of the amount of interest payable by RHTPL to the lenders for a period of two succeeding quarters from the COD; subordinate debt shall be unsecured; no interest shall be charged on the amount provided as subordinate debt, subordinate debt shall be subordinate to the loan provided vide Common Loan Agreement dated November 9, 2013 as amended; principal amount of the subordinate debt shall not be due and payable by RHTPL until the date on which all the secured obligations under the financial documents entered into in relation to the loan have been discharged.

<sup>(10)</sup> In terms of Sponsor Support Agreement dated October 11, 2012, as amended on March 4, 2013, between SEL, our Company, SUTPL, ITSL and ICICI subordinate debt has been provided on the terms including inter alia that SEL and our Company shall contribute to SUTPL by way of fully paid up equity shares, preference shares, interest free share application money brought in by SEL and our Company or subordinate debt, an aggregate amount of ₹ 3,114.60 million; SEL and our Company shall provide funds to SUTPL for meeting any shortfall in cash flows for meeting the Estimated Project Cost (as defined in the Common Loan Agreement dated September 28, 2012, as amended) including any shortfall arising on account of cost overrun; no interest shall be charged on the amount provided as subordinate debt; SEL and our Company shall not in the event of liquidation of the SUTPL, prove in competition with the Secured Parties as defined in the Common Loan Agreement dated September 28, 2012, as amended, until the final settlement date; SEL and our Company shall not exercise any right under law, to claim any sum outstanding from SUTPL until the final settlement date; any financial support provided by SEL and our Company shall remain at all times subordinate to the outstanding due amount in relation to the obligation of SUTPL to the Lenders (as defined in the Common Loan Agreement dated September 28, 2012, as amended) and shall not be due and payable until all rights and claims of the Secured Parties (as defined in the Common Loan Agreement dated September 28, 2012, as amended) have been discharged in full and the final settlement date has occurred.

<sup>(11)</sup> Pursuant to the ARRIL MOU, ARRIL had agreed to advance a loan to the tune of ₹ 500 million to our Company, either in full or in part, at annual interest rate of 9.75% on any unpaid balance. Further, in terms of the ARRIL MOU, payments not made within 5 days of due date is subject to a late charge of 11% on the said payment. The loan shall be provided without any collateral security or guarantee. Our Company shall issue a notice giving atleast seven days period for repayment of the loan in

full or in part. However, the loan shall become, at the option of our Company, be immediately due and payable upon the occurrence of (i) failure to make any payment due within three days of the notice period; (ii) breach of any condition provided in the ARRIL MOU; or (iii) upon bankruptcy, or other form of insolvency or if an involuntary petition in bankruptcy or receivership not vacated within 30 days. The ARRIL MOU shall continue to remain valid until terminated by a notice given by either party.

The details of the utilisation of the SEL Facility by our Company as of February 28, 2015 for other purposes have been set out below\*:

| Purpose                      | Amount utilised (in ₹ million) |
|------------------------------|--------------------------------|
| Working capital requirements | 871.2                          |
| Loan to HCC                  | 180.0                          |
| <b>Total</b>                 | <b>1,051.2</b>                 |

\* As certified by A.D. Brahmbhatt & Co., Chartered Accountants vide its certificate dated May 20, 2015.

The other terms of the SEL Facility and the proposed repayment from the Objects of the Issue are set out below.

| Items                                                        | Details                                                                                                                                                                                                                      |
|--------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Amount sanctioned<sup>(2)</sup></b>                       | ₹ 10,000 million                                                                                                                                                                                                             |
| <b>Amount outstanding as on February 28, 2015</b>            | ₹ 4,322.1 million <sup>(1)</sup>                                                                                                                                                                                             |
| <b>Amount proposed to be prepaid out of the Net Proceeds</b> | ₹ 848.40 million                                                                                                                                                                                                             |
| <b>Rate of Interest (per annum)<sup>(2)</sup></b>            | Annual interest rate of 11% on any unpaid balance                                                                                                                                                                            |
| <b>Repayment Date / Schedule<sup>(2)</sup></b>               | Repayable by our Company on demand/call notice from SEL. SEL may issue a call notice to our Company giving not less than seven days notice for repaying either full or in part the loan amount outstanding on any given day. |
| <b>Pre-payment Penalty</b>                                   | Pre-payment can be made without any penalty                                                                                                                                                                                  |

<sup>(1)</sup> This indicates principal amount outstanding as of February 28, 2015. As certified by A.D. Brahmbhatt & Co., Chartered Accountants vide its certificate dated May 20, 2015. Further, A.D. Brahmbhatt & Co., Chartered Accountants, by way of certificate dated May 20, 2015, have confirmed that these borrowings have been utilized for the purposes for which they were availed. SEL, by way of letter dated October 29, 2014, has accorded its no-objection for utilisation of the SEL Facility towards inter alia long term investment in and implementation of various BOT projects of our Company from the date of execution of memorandum of understanding dated December 1, 2011.

<sup>(2)</sup> Pursuant to the agreement dated October 22, 2014, SEL has agreed to continue to provide ₹ 779.56 million as part of the Facility as unsecured and interest free for a period of 11 years from October 22, 2014.

As per the terms of SEL Facility, our Company may prepay the SEL Facility by way of utilization of Issue proceeds or may repay the SEL Facility upon receipt of demand/call notice from SEL. Pursuant to the agreement dated October 22, 2014, SEL has agreed to continue to provide ₹ 779.6 million as part of the SEL Facility as unsecured and interest free facility for a period of 11 years from October 22, 2014.

## Means of Finance

Our Company proposes to meet the entire requirement of funds for the aforesaid object of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance for the aforesaid object, excluding the amount to be raised from the Fresh Issue.

## 2. Equity investment and advancing of sub-ordinate debt to our Subsidiary, SUTPL, for part financing of the SUTPL Project

We propose to utilise ₹ 1,001.60 million from the Net Proceeds towards part-financing of the SUTPL



Project, which is being developed by the Subsidiary of our Company, SUTPL, on a DBFOT basis. We propose to part-finance the SUTPL Project through equity investment in SUTPL for a total amount of ₹ 285.49 million and advancing of sub-ordinate debt to SUTPL for a total amount of ₹ 716.11 million.

The SUTPL Project is a four laned toll project and comprises the stretch from Gomati Chauraha to Udaipur in Rajasthan. The project road is approximately 79.31 km long, and with four lanes will comprise approximately 317.24 lane kms. The scope of work for the SUTPL Project entails construction of a four lane project highway on a DBFOT basis, including construction of a tunnel near Chirwaghat of 0.45 km and an elevated section near Nathdwara of 1.22 km. The project completion date in accordance with the concession agreement is in October 2015.

Pursuant to the concession agreement dated April 18, 2012 (the “SUTPL Concession Agreement”), SUTPL has been granted an exclusive right, license and authority to construct, operate and maintain the SUTPL Project for a period of 27 years commencing from the appointed date (being April 18, 2013) for the SUTPL Project. The scheduled date for completion (“COD”) of the SUTPL Project is 910<sup>th</sup> day from the appointed date being October 14, 2015. For further details, see “Business” from page 213 to 215.

#### *Estimated Project Cost*

In terms of the SUTPL Loan Facility (as defined hereinafter) and as certified by the management of our Company *vide* certificate dated May 16, 2015, the total estimated cost of the SUTPL Project is ₹ 11,514.6 million. The detailed break-up of such estimated cost of development of the SUTPL Project as per the SUTPL Loan Facility (as defined hereinafter) and as certified by the management of our Company *vide* certificate dated May 16, 2015, and the cost incurred towards such development until February 28, 2015 are set forth below.

(in ₹ million)

| Particulars                                                       | Estimated Expenditure | Application of Funds by SUTPL until February 28, 2015* |
|-------------------------------------------------------------------|-----------------------|--------------------------------------------------------|
| EPC cost for road development (as certified by lender's engineer) | 9,750.0               | 7,083.3                                                |
| - Advances to EPC contractor appointed for the SUTPL Project      |                       |                                                        |
| Mobilisation advance                                              |                       | 205.0                                                  |
| Material Advance (as certified by lender's engineer)              |                       | -                                                      |
| Interest expenses during construction period                      | 1,268.9               | 630.3                                                  |
| Preliminary and pre-operative expenses and other borrowing costs  | 247.7                 | 264.3                                                  |
| Investment in                                                     | -                     |                                                        |
| Units of Mutual Funds                                             |                       | 41.4                                                   |
| Land                                                              |                       | 2.1                                                    |
| National Saving Certificates                                      |                       | 0.0                                                    |
| Contingency**                                                     | 248.0                 | -                                                      |
| <b>Total</b>                                                      | <b>11,514.6</b>       | <b>8,226.4</b>                                         |

\* The amount incurred by SUTPL until February 28, 2015 as per certificate dated April 11, 2015 from Manubhai & Shah, Chartered Accountant.

\*\* Any additional expenditure shall be first adjusted towards contingency.

#### *Sources of Funds Deployed for the SUTPL Project*

The details of sources of funds deployed for the SUTPL Project as of February 28, 2015 are set forth below\*.

(in ₹ million)

| Sources of Funds                                                         | Amount involved |
|--------------------------------------------------------------------------|-----------------|
| Amount drawn down from the Rupee term loan under the SUTPL Loan Facility | 4,721.5         |
| Sub-ordinate debt from our Company                                       | 1,515.6         |
| Amount payable towards LC facility under the SUTPL Loan Facility         | 1,307.5         |
| Equity investment by our Company                                         | 207.4           |
| Amount payable to EPC contractor                                         |                 |
| For work executed                                                        | 393.6           |
| Towards retention money                                                  | 34.2            |
| Net Working Capital                                                      | 43.8            |
| Income from                                                              |                 |
| Gain on sale of mutual funds (net)                                       | 2.4             |
| Interest from fixed deposits                                             | 0.4             |
| <b>Total</b>                                                             | <b>8,226.4</b>  |

*The amount incurred by SUTPL until February 28, 2015 as per certificate dated April 11, 2015 from Manubhai & Shah, Chartered Accountant..*

#### *Proposed schedule of implementation under the SUTPL Concession Agreement*

The expected schedule of implementation of the development of the SUTPL Project as per the SUTPL Concession Agreement is set out below:

| Milestones             | Activity to be completed prior to milestones                                                                       | Estimated date of completion from the appointed date    |
|------------------------|--------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| Project Milestone-I    | Commencement of construction of the project highway and expenditure of at least 10% of total SUTPL Project cost    | 180 days from the appointed date being October 14, 2013 |
| Project Milestone-II   | Commencement of construction of all bridges and expenditure of at least 35% of total SUTPL Project cost            | 400 days from the appointed date being May 22, 2014     |
| Project Milestone-III* | Commencement of construction of all project facilities and expenditure of at least 70% of total SUTPL Project cost | 650 days from the appointed date being January 27, 2015 |
| COD                    | Completion of construction of four laning road                                                                     | 910 days from the appointed date being October 14, 2015 |

*\* By way of letter dated April 13, 2015, SUTPL has filed an application with the Project Director, Project Implementation Unit, NHAI, notifying that Project Milestone III was achieved on March 31, 2015.*

As of April 30, 2015, SUTPL has undertaken the following activities for the SUTPL Project as per the certificate dated May 21, 2015 by LEA Associates South Asia Private Limited:

- a) SUTPL has achieved the following milestones and the same has been intimated to the NHAI: (i) commencement of construction of the project highway and expenditure of at least 10% of total SUTPL project cost; and (ii) commencement of construction of all bridges and expenditure of at least 35% of total SUTPL project cost and (iii) Commencement of construction of project facilities and expended not less than 70% of the total SUTPL project cost (defined as "Project Milestone I", "Project Milestone II" and "Project Milestone III" under the SUTPL Concession Agreement).
- b) Certain plants such as crusher plant, batching plants, asphalt plant and mobile crusher plant and machineries such as grader, soil compactor and dozer have been mobilized by SUTPL.
- c) Cumulative physical progress of 82.92% of the SUTPL Project has been achieved.
- d) SUTPL had completed dense bituminous macadam for a length of 131.11 km (two lane length) for MCW and 35.32 km (LHS+RHS) of service road, bituminous concrete for a length of

100.11 km (two lane length) for MCW and 8.94 km (LHS+RHS) of service road with other pavement layer activities along with miscellaneous work which are in progress.

- e) Implementation of health, safety and environment plan as per the SUTPL Concession Agreement and environmental conditions stipulated by MOEF during construction phase is in process.

#### *Means of finance*

The total estimated project cost for the SUTPL Project is ₹ 11,514.60 million. In relation to the project cost for the SUTPL Project, SUTPL has entered into the common facility agreement dated September 28, 2012 (“CLA”) as amended by the amendment agreement to the CLA dated March 4, 2013 with ICICI, OBC, CBI, CB, VB, and IOB and certain novation deeds for a rupee facility aggregating to ₹ 8,400 million including an LC sub-limit/ interchangeable limit of ₹ 5,000 million (collectively referred to as the “SUTPL Loan Facility”). For further details, see “Financial Indebtedness” from page 461 to 464.

Pursuant to the terms of the SUTPL Loan Facility, the sponsor support agreement dated October 11, 2012 as amended by the amendment agreement to the sponsor support agreement dated March 4, 2013 (“SUTPL SSA”) has been entered into between SUTPL, our Company, SEL, IDBI Trusteeship Services Limited as the security trustee and ICICI as the facility agent in relation to the SUTPL Loan Facility. In terms of the SUTPL SSA, SEL and our Company are required to invest ₹ 3,114.60 million (the “Shareholders Funds”) in SUTPL. The SUTPL SSA provides that the Shareholders Funds can be contributed by our Company and SEL (a) in the form of investment in (i) fully paid up equity shares of SUTPL; (ii) preference shares; or (b) interest free share application money brought in by our Company and SEL towards investment in the aforesaid securities; or (c) by way of interest free sub-ordinate debt. The sub-ordinate debt brought in as a part of the Shareholders Funds under the SUTPL SSA is considered as part of “equity” under the SUTPL Loan Facility and under the concession agreement entered into between NHA and SUTPL.

Out of the total investment of ₹ 3,114.6 million, SEL and our Company are required to invest ₹ 1,557.3 million as an upfront equity on or before the initial drawdown date (as defined in the SUTPL Loan Facility) being June 29, 2013 (the “Upfront Equity”). In relation to the Upfront Equity, SEL and our Company are required to provide at least 33.3% of the Shareholders Funds by way of cash and balance which can be provided by way of bank guarantee. However, SEL and our Company are required to infuse the funds in lieu of the aforesaid bank guarantee from the earlier of (i) expiry of availability period (as defined in the SUTPL Loan Facility); (ii) the date on which the entire SUTPL Loan Facility has been drawn down such that the entire remaining 16.70% of the Shareholders Funds is infused prior to the occurrence of the scheduled date for completion under the SUTPL Concession Agreement. Additionally, in terms of the SUTPL SSA, certain additional funding obligations of our Company and SEL include *inter alia*:

- (a) Funding of shortfall in cash flows in meeting the estimated SUTPL Project cost including any shortfall arising on account of cost overrun including by way of payment of liquidated damages;
- (b) Funding of shortfall in the payment outstanding amount of the SUTPL Loan Facility in the event of termination of the SUTPL Concession Agreement;
- (c) Servicing of a part of the SUTPL Loan Facility (bullet tranche under tranche I of principal amount of ₹ 4,450 million) at the end of 15 years from the appointed date;
- (d) Funding of ₹ 850 million towards the DSRA Amount (being higher of (i) amount equivalent to ₹ 850 million; and (ii) debt service obligation of SUTPL for following six months starting from COD) prior to COD and provide such additional funds to SUTPL for maintaining DSRA Amount; and

- (e) Undertaking obligations with respect to purchase of outstanding due amounts in respect to tranche II of the SUTPL Loan Facility being the principal amount of ₹ 3,950 million after expiry of 15 years from the appointed date.

In terms of the SUTPL SSA, any financial support provided by SEL and our Company shall remain fully sub-ordinated to the outstanding due amounts under the SUTPL Loan Facility and shall not be due and payable until all rights and claims which the secured parties to the SUTPL Loan Facility may have against SUTPL and/or SEL and our Company in respect of outstanding due amounts under the SUTPL Loan Facility have been irrevocably paid and discharged in full and the occurrence of the date on which all obligations have been discharged to the satisfaction to the lenders under the SUTPL Loan Facility.

We have set out below the details of the total investments made by SEL and our Company in SUTPL as of February 28, 2015 along with details of the amount proposed to be invested by SEL and our Company in SUTPL:

| Name of the Company | Nature of Investment | Amount invested as of February 28, 2015* (in ₹ million) | Amount proposed to be invested from Net Proceeds (in ₹ million) |
|---------------------|----------------------|---------------------------------------------------------|-----------------------------------------------------------------|
| SEL                 | Equity investment    | -                                                       | -                                                               |
|                     | Sub-ordinate debt    | -                                                       | -                                                               |
| SIPL                | Equity investment    | 207.4 <sup>(1)</sup>                                    | 285.49                                                          |
|                     | Sub-ordinate debt    | 1,515.6 <sup>(1)</sup>                                  | 716.11                                                          |
| <b>Total</b>        |                      | <b>1,723.0</b>                                          | <b>1,001.60</b>                                                 |

\*As certified by Manubhai & Shah, Chartered Accountants pursuant to certificate dated April 11, 2015.

<sup>(1)</sup> In terms of Sponsor Support Agreement dated October 11, 2012, as amended on March 4, 2013, between SEL, our Company, SUTPL, ITSL and ICICI subordinate debt has been provided on the terms including inter alia that SEL and our Company shall contribute to SUTPL by way of fully paid up equity shares, preference shares, interest free share application money brought in by SEL and our Company or subordinate debt, an aggregate amount of ₹ 3,114.60 million; SEL and our Company shall provide funds to SUTPL for meeting any shortfall in cash flows for meeting the Estimated Project Cost (as defined in the Common Loan Agreement dated September 28, 2012, as amended) including any shortfall arising on account of cost overrun; no interest shall be charged on the amount provided as subordinate debt; SEL and our Company shall not in the event of liquidation of the SUTPL, prove in competition with the Secured Parties as defined in the Common Loan Agreement dated September 28, 2012, as amended until the final settlement date; SEL and our Company shall not exercise any right under law, to claim any sum outstanding from SUTPL until the final settlement date; any financial support provided by SEL and our Company shall remain at all times subordinate to the outstanding due amount in relation to the obligation of SUTPL to the Lenders (as defined in the Common Loan Agreement dated September 28, 2012, as amended) and shall not be due and payable until all rights and claims of the Secured Parties (as defined in the Common Loan Agreement dated September 28, 2012, as amended) have been discharged in full and the final settlement date has occurred.

The remaining portion of the estimated cost of the SUTPL Project being ₹ 2,286.60 million (excluding the amount proposed to be financed from the Net Proceeds) is proposed to be financed through the SUTPL Loan Facility to the extent of ₹ 2,371 million and any shortfall is proposed to be met by way of additional equity or unsecured interest free sub-ordinate debt by SEL and our Company. No dividends have been assured pursuant to investment or proposed investment by our Company in SUTPL.

The summary of the details of means of finance for the SUTPL Project are set forth below.

| Particulars                                                                                              | Amount (in ₹ million) |
|----------------------------------------------------------------------------------------------------------|-----------------------|
| Total estimated cost of the project                                                                      | 11,514.6              |
| Funds deployed as on February 28, 2015                                                                   | 8,226.4               |
| Amount proposed to be financed from the Net Proceeds (through equity contribution and sub-ordinate debt) |                       |
| Equity investment by our Company                                                                         | 285.49                |
| Sub-ordinate debt from our Company                                                                       | 716.11                |
| <b>Sub-total</b>                                                                                         | <b>1,001.60</b>       |

| Particulars                                                                    | Amount (in ₹ million) |
|--------------------------------------------------------------------------------|-----------------------|
|                                                                                |                       |
| Remaining portion of the estimated SUTPL Project cost                          | 2,286.60              |
| 75% of the funds required excluding the Net Proceeds                           | 1,714.95              |
|                                                                                |                       |
| Firm arrangement for over 75% of the funds required excluding the Net Proceeds |                       |
| Sanctioned debt for the SUTPL Project which is yet to be drawn down            | 2,371                 |

### 3. General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds aggregating ₹ [●] million towards general corporate purposes, subject to such utilization not exceeding 25% of the Net Proceeds, in compliance with the SEBI Regulations, including but not limited to strategic initiatives, partnerships and joint ventures, meeting exigencies which our Company may face in the ordinary course of business, meeting expenses incurred in the ordinary course of business and any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act. Our Company's management, in accordance with the policies of the Board, will have flexibility in utilising any surplus amounts.

### 4. Issue Expenses

The total expenses of the Issue are estimated to be approximately ₹ [●] million. The break-up for the Issue expenses is as follows:

| Activity                                                                                         | Estimated expenses <sup>(1)(2)</sup><br>(in ₹ million) | As a % of the total estimated Issue expenses * | As a % of the total Issue size * |
|--------------------------------------------------------------------------------------------------|--------------------------------------------------------|------------------------------------------------|----------------------------------|
| BRLMs fees and commissions (including underwriting commission, brokerage and selling commission) | [●]                                                    | [●]                                            | [●]                              |
| Commission/processing fee for SCSBs <sup>(3)</sup> and Bankers to the Issue                      | [●]                                                    | [●]                                            | [●]                              |
| Brokerage and selling commission for Registered Brokers <sup>(4)</sup>                           | [●]                                                    | [●]                                            | [●]                              |
| Registrar to the Issue                                                                           | [●]                                                    | [●]                                            | [●]                              |
| Other advisors to the Issue                                                                      | [●]                                                    | [●]                                            | [●]                              |
| Others                                                                                           |                                                        |                                                |                                  |
| - Listing fees, SEBI filing fees, bookbuilding software fees                                     | [●]                                                    | [●]                                            | [●]                              |
| - Printing and stationery                                                                        | [●]                                                    | [●]                                            | [●]                              |
| - Advertising and marketing expenses                                                             | [●]                                                    | [●]                                            | [●]                              |
| - Miscellaneous                                                                                  | [●]                                                    | [●]                                            | [●]                              |
| <b>Total estimated Issue expenses</b>                                                            | <b>[●]</b>                                             | <b>[●]</b>                                     | <b>[●]</b>                       |

<sup>(1)</sup> Amounts will be finalized at the time of filing the Prospectus and on determination of Issue Price and other details.

<sup>(2)</sup> Other than the listing fees which shall be borne by our Company, the expenses in relation to the Issue will be borne by our Company and the Selling Shareholders in proportion to the Equity Shares contributed to the Issue.

<sup>(3)</sup> SCSBs will be entitled to a processing fee of ₹ 15 per Bid cum Application Form for processing the Bid cum Application Forms procured by the members of the Syndicate or the Registered Brokers and submitted to the SCSBs.

<sup>(4)</sup> For every valid Bid cum Application Form, commission payable will be [●] per Bid cum Application Form procured by the Registered Broker. The total commission to be paid to the Registered Brokers for the Bid cum Applications Forms procured by them, which are considered eligible for allotment in the Issue, shall be capped at [●] million (the "Maximum Brokerage"). In case the total commission payable to the Registered Brokers exceeds the Maximum Brokerage, then the amount paid to the Registered Brokers would be proportionately adjusted such that the total commission payable to them does not exceed the Maximum Brokerage. The quantum of commission payable to Registered Brokers is determined on the basis of Bid cum Applications Forms. The terminal from which the Bid has been uploaded will be taken into account in order to determine the commission payable to the relevant Registered Broker.

**Interim use of Net Proceeds**

Our Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization for the purposes described above, our Company will temporarily invest the Net Proceeds in deposits with schedule commercial banks included in second schedule of Reserve Bank of India Act, 1934. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for any investment in the equity markets.

**Bridge Financing Facilities**

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

**Monitoring of Utilisation of Funds**

There is no requirement to appoint a monitoring agency for the Issue, as the Fresh Issue is for an amount less than ₹ 5,000 million. Our Board will monitor the utilization of the Net Proceeds. Our Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. The Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Clause 49 of the Equity Listing Agreement, our Company shall on a quarterly basis disclose to the Audit Committee of the Board of Directors the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee of the Board of Directors. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the Joint Auditors of our Company. Furthermore, in accordance with Clause 43A of the Equity Listing Agreement, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement including material deviations, if any, in the utilisation of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee of the Board of Directors.

**Variation in Objects**

In accordance with Sections 13(8) and 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the Issue without our Company being authorised to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the “Postal Ballot Notice”) shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Gujarati, being the local language of the jurisdiction where the Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

**Appraising Entity**

None of the objects of the Issue for which the Net Proceeds will be utilized have been appraised.

**Other Confirmations**

Other than repayment/pre-payment of loan to SEL and any payment being made to SEL as the EPC contractor for the SUTPL Project, no part of the proceeds of the Issue will be paid by us to the

Promoters and Promoter Group, Group Companies, the Directors, associates or key management personnel, except in the normal course of business and in compliance with applicable law.

## BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the BRLMs on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should see “Business”, “Risk Factors” and “Financial Statements” beginning on pages 195, 21 and 288, respectively, to have an informed view before making an investment decision.

### Qualitative Factors

We are one of the leading road BOT companies in India that specialises in the development, operation and maintenance of highways, road and related projects. Our Company, a subsidiary of SEL, was incorporated in 2007 as a developer and operator for road and related projects on a BOT basis. All of our projects are implemented and held through special purpose vehicles, including joint venture entities.

We believe the following are our strengths:

- Sizeable and diverse portfolio of projects in several states in India;
- Strong support from SEL, our corporate Promoter;
- Effective toll collection and toll management systems;
- Management and an integrated in-house project team with strong execution capabilities and extensive industry experience; and
- A focused roads and highways BOT player and timely execution of projects.

For further details, see “Business - Our Competitive Strengths” on page 198 to 199.

### Quantitative Factors

The information presented below relating to our Company is based on the consolidated and unconsolidated Restated Financial Statements. For details, see “Financial Statements” beginning on page 288.

Some of the quantitative factors which may form the basis for computing the Issue Price are as follows:

#### 1. Basic and Diluted Earnings Per Share (“EPS”), as adjusted for changes in capital:

On an unconsolidated basis:

| Year Ended                                 | Basic EPS (in ₹) | Diluted EPS (in ₹) | Weight |
|--------------------------------------------|------------------|--------------------|--------|
| March 31, 2012                             | 0.85             | 0.85               | 1      |
| March 31, 2013                             | 0.38             | 0.38               | 2      |
| March 31, 2014                             | 0.03             | 0.03               | 3      |
| <b>Weighted Average</b>                    | <b>0.28</b>      | <b>0.28</b>        |        |
| Nine month period ended December 31, 2014* | (1.35)           | (1.35)             |        |

\* Not annualised

On a consolidated basis:

| Year Ended     | Basic EPS (in ₹) | Diluted EPS (in ₹) | Weight |
|----------------|------------------|--------------------|--------|
| March 31, 2012 | 0.32             | 0.32               | 1      |



| Year Ended                                 | Basic EPS (in ₹) | Diluted EPS (in ₹) | Weight |
|--------------------------------------------|------------------|--------------------|--------|
| March 31, 2013                             | (1.48)           | (1.48)             | 2      |
| March 31, 2014                             | (5.05)           | (5.05)             | 3      |
| <b>Weighted Average</b>                    | <b>(2.97)</b>    | <b>(2.97)</b>      |        |
| Nine month period ended December 31, 2014* | (7.22)           | (7.22)             |        |

\* Not annualised

Notes:

- (1) The face value of each Equity Share is ₹ 10.
- (2) Basic and diluted earnings per share are computed in accordance with Accounting Standard 20 'Earnings per Share' notified accounting standard by Companies (Accounting Standards) Rules, 2006 (as amended).
- (3) The above statement should be read with significant accounting policies and notes on Restated Financial Statements as appearing in the Financial Statements.
- (4) Basic EPS (₹) is Net profit attributable to equity shareholders divided by Weighted average number of Equity Shares outstanding during the year / period

## 2. Price/Earning ("P/E") ratio in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share:

| Particulars                                                                | P/E at the lower end of Price Band (no. of times) | P/E at the higher end of Price band (no. of times) |
|----------------------------------------------------------------------------|---------------------------------------------------|----------------------------------------------------|
| Basic EPS - for the year ended March 31, 2014 on an unconsolidated basis   | [●]                                               | [●]                                                |
| Basic EPS - for the year ended March 31, 2014 on an consolidated basis     | [●]                                               | [●]                                                |
| Diluted EPS - for the year ended March 31, 2014 on an unconsolidated basis | [●]                                               | [●]                                                |
| Diluted EPS - for the year ended March 31, 2014 on an consolidated basis   | [●]                                               | [●]                                                |

### Industry P/E ratio

There are no listed entities similar to our line of business and comparable to our scale of operations. For further details please refer to "Risk Factors - Our Company does not have any listed peer companies for comparison of performance and therefore, investors must rely on their own examination of accounting ratios of our Company for the purposes of investment in the Issue." on page 28 to 29.

## 3. Average Return on Net Worth ("RoNW")

As per unconsolidated Restated Financial Statements of our Company:

| Particulars               | RoNW %       | Weight |
|---------------------------|--------------|--------|
| Year ended March 31, 2012 | 3.76%        | 1      |
| Year ended March 31, 2013 | 1.41%        | 2      |
| Year ended March 31, 2014 | 0.10%        | 3      |
| <b>Weighted Average</b>   | <b>1.15%</b> |        |

| Particulars                                | RoNW %  | Weight |
|--------------------------------------------|---------|--------|
| Nine month period ended December 31, 2014* | (4.84%) |        |

\* Not annualised

As per consolidated Restated Financial Statements of our Company:

| Particulars                                | RoNW %          | Weight |
|--------------------------------------------|-----------------|--------|
| Year ended March 31, 2012                  | 1.16%           | 1      |
| Year ended March 31, 2013                  | (4.70%)         | 2      |
| Year ended March 31, 2014                  | (18.99%)        | 3      |
| <b>Weighted Average</b>                    | <b>(10.87%)</b> |        |
| Nine month period ended December 31, 2014* | (28.00%)        |        |

\* Not annualised

Notes:

(1) Return on net worth (%) is Net profit attributable to equity shareholders divided by Net worth excluding preference share capital at the end of the period / year

**4. Minimum Return on Increased Net Worth after the Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2014:**

| Particulars                              | At Floor Price | At Cap Price |
|------------------------------------------|----------------|--------------|
| <b>To maintain pre-Issue basic EPS</b>   |                |              |
| On unconsolidated basis                  | [●]%           | [●]%         |
| On consolidated basis                    | [●]%           | [●]%         |
| <b>To maintain pre-Issue diluted EPS</b> |                |              |
| On unconsolidated basis                  | [●]%           | [●]%         |
| On consolidated basis                    | [●]%           | [●]%         |

**5. Net Asset Value per Equity Share of face value of ₹ 10 each**

- i. Net asset value per Equity Share as on March 31, 2014 and December 31, 2014 on an unconsolidated basis is ₹ 26.81 and ₹ 27.75, respectively.
- ii. Net asset value per Equity Share as on March 31, 2014 and December 31, 2014 on a consolidated basis is ₹ 26.60 and ₹ 25.63, respectively.
- iii. After the Issue on an unconsolidated basis:
  - a. At the Floor Price: ₹ [●]
  - b. At the Cap Price: ₹ [●]
- iv. After the Issue on the consolidated basis:
  - a. At the Floor Price: ₹ [●]
  - b. At the Cap Price: ₹ [●]
- v. Issue Price: ₹ [●]

**6. Comparison with Listed Industry Peers**

There are no listed entities similar to our line of business and comparable to our scale of operations. For further details, refer to “Risk Factors - Our Company does not have any listed peer companies for

comparison of performance and therefore, investors must rely on their own examination of accounting ratios of our Company for the purposes of investment in the Issue.” on page 28 to 29.

However, the following listed companies also undertake certain business, which may be considered similar to that of our Company:

| Name of the Company                     | Face Value per equity share (₹) | Closing Price <sup>(1)</sup> | Revenue <sup>(2)</sup> (₹ in million) <sup>(3)</sup> |
|-----------------------------------------|---------------------------------|------------------------------|------------------------------------------------------|
| IL & FS Transportation Networks Limited | 10                              | 194.70                       | 68,024.8                                             |
| IRB Infrastructure Developers Limited   | 10                              | 245.40                       | 38,533.1                                             |
| Ashoka Buildcon Limited                 | 5                               | 178.70                       | 18,122.1                                             |
| Gammon Infrastructure Projects Limited  | 2                               | 13.65                        | 5,516.9 <sup>(4)</sup>                               |

<sup>(1)</sup> As on March 31, 2015

<sup>(2)</sup> Revenue indicates total revenue for the year ended March 31, 2014.

<sup>(3)</sup> Consolidated Revenue Based on Annual Report for 2013-2014.

<sup>(4)</sup> For nine months ended September 30, 2014

The Issue Price of ₹ [●] has been determined by our Company in consultation with the BRLMs, on the basis of assessment of market demand from investors for Equity Shares through the Book Building Process and, is justified in view of the above qualitative and quantitative parameters. Investors should read the above mentioned information along with “Risk Factors” and “Financial Statements” beginning on pages 21 and 2288, respectively, to have a more informed view.

## STATEMENT OF TAX BENEFITS

### STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY (INCLUDING ITS RELEVANT SUBSIDIARIES) AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

To  
The Board of Directors  
Sadbhav Infrastructure Project Limited  
Opposite Law Garden Police Chowki,  
Ellisbridge,  
Ahmedabad 380 006  
Gujarat, India

Dear Sirs,

Sub: Statement of possible Special Tax Benefits (the 'Statement') available to the Sadbhav Infrastructure Project Limited (including its relevant subsidiaries) and its shareholders under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 ('the Regulations')

We hereby confirm that the enclosed annexure, prepared by Sadbhav Infrastructure Project Limited ('the Company') states the possible special tax benefits available to the Company (including its relevant subsidiaries) and the shareholders of the Company under the Income Tax Act, 1961 ('Act'), presently in force in India (i.e. applicable for the Accounting year 2015-16 relevant to the Assessment year 2016-17). Further, the Company has also considered the amendments made by Finance Act 2015. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits, as above, is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure cover only Special tax benefits and do not cover general tax benefits. Further, the preparation of the contents stated is the responsibility of the Company's management. We are informed that this Statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

Our views are based on the existing provisions of tax law and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retroactive, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein.

Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company (including its relevant subsidiaries).

We do not express an opinion or provide any assurance as to whether:

- ▶ the Company (including its relevant subsidiaries) will continue to obtain these benefits in future; or
- ▶ the conditions prescribed for availing the benefits, where applicable have been/would be met with; and
- ▶ the revenue authorities/courts will concur with the views expressed herein.

For S. R. B. C. & Co. LLP  
Chartered Accountants  
ICAI firm registration number: 324982E

For Manubhai & Shah  
Chartered Accountants  
ICAI firm registration number: 106041W

Per Arpit K. Patel  
Partner  
Membership number: 34032

Per K.C. Patel  
Partner  
Membership number: 30083

Place: Ahmedabad  
Date: May 23, 2015

Place: Ahmedabad  
Date: May 23, 2015

**ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO SADBHAV INFRASTRUCTURE PROJECT LIMITED (“THE COMPANY”) (INCLUDING ITS RELEVANT SUBSIDIARIES) AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA**

Outlined below are the possible Special tax benefits available to the Company (including its relevant subsidiaries) and its shareholders under the current Indian tax laws (including amendments made by Finance Act 2015, applicable for the Accounting year 2015-16 relevant to the Assessment year 2016-17).

These benefits are dependent on the Company (including its relevant subsidiaries) or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company (including its relevant subsidiaries) or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may not choose to fulfill.

**1. Special tax benefits available to the Company**

There are no special tax benefits available to the Company.

**2. Special tax benefits available to the subsidiaries of the Company**

The following specific tax benefits are available to the undermentioned subsidiaries of the Company after fulfilling conditions as per the respective provisions of the relevant tax laws.

**Income arising from the business of Infrastructure facilities**

- As per the provisions of section 80-IA of the Act (under Chapter VI-A), following subsidiaries of the Company, engaged in the business of developing or operating and maintaining or developing, operating and maintaining an infrastructure facility, are eligible for a deduction of 100 percent of its profits for a period of 10 consecutive years, subject to fulfilment of the conditions stipulated therein:
- Ahmedabad Ring Road Infrastructure Limited
  - Aurangabad Jalna Tollway Limited
  - Bijapur Hugund Tollway Private Limited
  - Hyderabad Yadgiri Tollway Private Limited
  - Rohtak Panipat Tollway Private Limited
  - Maharashtra Border Check Post Network Limited (refer **Note 1**)
  - Shreenathji-Udaipur Tollway Private Limited (refer **Note 2**)
  - Bhilwara-Rajsamand Tollway Private Limited (refer **Note 2**)
  - Rohtak Hissar Tollway Private Limited (refer **Note 2**)
  - Nagpur Seoni Expressway Limited

**Note 1** – As relied on legal opinion for eligibility of claim under section 80-IA of the Act

**Note 2** – Infrastructure facilities are under construction.

- The aforementioned subsidiaries of the Company are eligible to claim the deduction subject to satisfaction of certain conditions as laid down under section 80-IA of the Act for a period of any 10 consecutive assessment years out of 20 years from the year in which they develops and begins to operate the infrastructure facility.
- In view of the above provisions of the Act, certain agreement entered by subsidiaries of the Company for operating and maintaining or developing, operating and maintaining an infrastructure facility are eligible to claim deduction under section 80-IA of the Act subject to fulfilment of the conditions stipulated therein.
- However, the aforesaid deduction is not available while computing tax liability of the Company under section 115JB of the Act ie Minimum Alternative Tax (‘MAT’) provisions. Nonetheless, such MAT paid/ payable on the book profits of the Company computed in terms of the provisions

of Act, read with Companies Act, 1956<sup>1</sup> would be eligible for credit against tax liability arising under normal provisions of the Act.

Further, such credit would not be allowed to be carried forward and set off beyond 10th assessment year immediately succeeding the assessment year in which such credit becomes allowable.

### **3. Special tax benefits available to the shareholders of the Company**

There are no Special tax benefits available to the shareholders of the Company.

#### **Notes:**

1. All the above benefits are as per the Current Tax Laws and any change or amendment in the laws/regulation, which when implemented would impact the same.
2. The special tax benefits are subject to several conditions and eligibility criteria which need to be examined for precise tax implications.
3. Wealth Tax is abolished with effect from 01 April 2015 by Finance Act 2015.

---

<sup>1</sup> Currently, the corresponding provisions under the Companies Act, 2013 are in force. We understand that the provisions regarding computation of net profit under the Companies Act 2013 are largely in line with that of the Companies Act, 1956.

## SECTION IV: ABOUT OUR COMPANY

### INDUSTRY

The information contained in this section is derived from CRISIL Report, a V R Techniche Report and other publicly available sources. Moreover, the VR Techniche Report “Traffic Growth Rates for SIPL Toll Roads, August 2014” and the CRISIL Report dated November 13, 2014 were commissioned by the Company. Neither we, the BRLMs nor any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should not be based on such information.

#### Overview of the Indian Economy

The Indian economy is the fourth largest economy by purchasing power parity. (Source: <https://www.cia.gov/library/publications/the-world-factbook/geos/in.html>) For 2013, India’s gross domestic product (“GDP”) per capita on a purchasing power parity basis was approximately US\$ 5,449.82. (Source: International Monetary Fund, World Economic Outlook Database, October 2014) The GDP growth rates, in terms of percentage, for certain developed and developing economies for each of the calendar years 2012, 2013 and 2014 are set out below:

| Countries<br>(in percentage) | 2012       | 2013       | 2014 (est.) |
|------------------------------|------------|------------|-------------|
| China                        | 7.7        | 7.7        | 7.4         |
| <b>India</b>                 | <b>4.7</b> | <b>5.0</b> | <b>5.6</b>  |
| Russia                       | 2.5        | 1.9        | 1.4         |
| Brazil                       | 1.0        | 2.5        | 0.3         |
| South Africa                 | 2.5        | 1.9        | 1.4         |
| United States                | 2.3        | 2.2        | 2.2         |
| Japan                        | 1.5        | 1.5        | 0.9         |
| United Kingdom               | 0.3        | 1.7        | 3.2         |

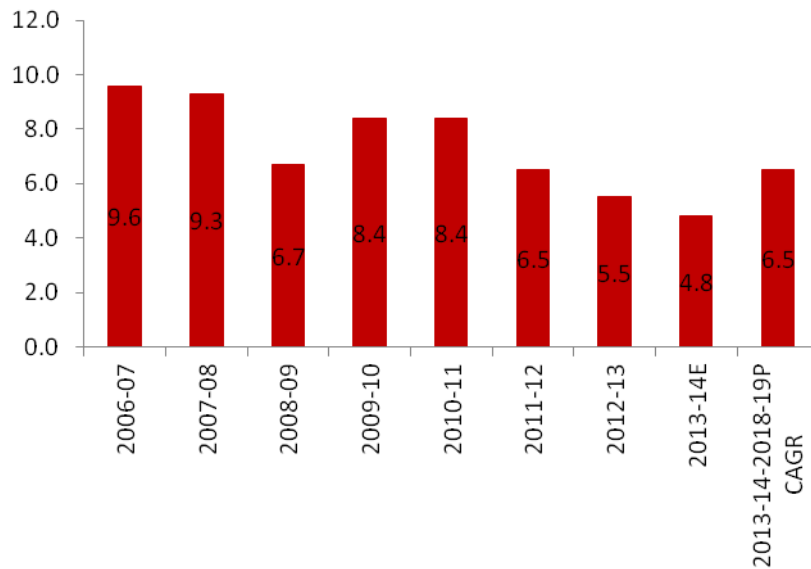
(Source: International Monetary Fund, World Economic Outlook Database, October 2014)

In the first quarter of 2015, India’s GDP grew by 5.7%, the highest growth rate in ten quarters. Industrial GDP increased by 4.2%, showing signs of revival following approximately 0.4% growth in the financial year 2014. An increase in investment demand and exports is also apparent. Steps announced by the Government, such as higher sectoral limits for foreign direct investment (defence, railways and insurance), the launch of an online portal for environmental and forest clearance to increase transparency, budgetary support towards encouraging labor-intensive sector growth, push towards easing labor laws and budgetary allocation to infrastructure in addition to facilitating infrastructure financing, which aim to improve business processes are lifting investor sentiment. In addition, the Government’s aim to increase fiscal discipline is expected to positively change the attitude of investors. The quicker implementation of stalled projects will also encourage investment. (Source: CRISIL Report, dated September 1, 2014)



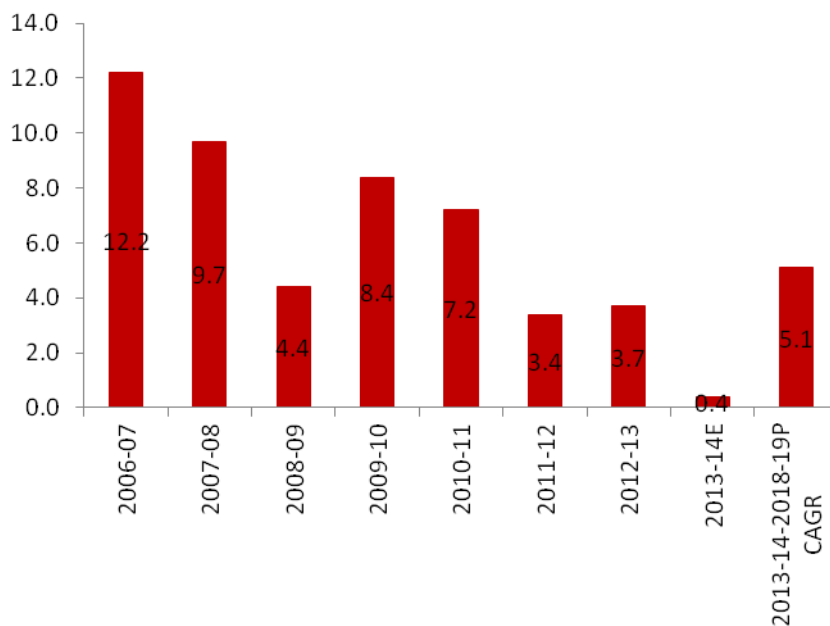
### Outlook on GDP Growth

The chart below illustrates the overall GDP and outlook for the periods indicated:



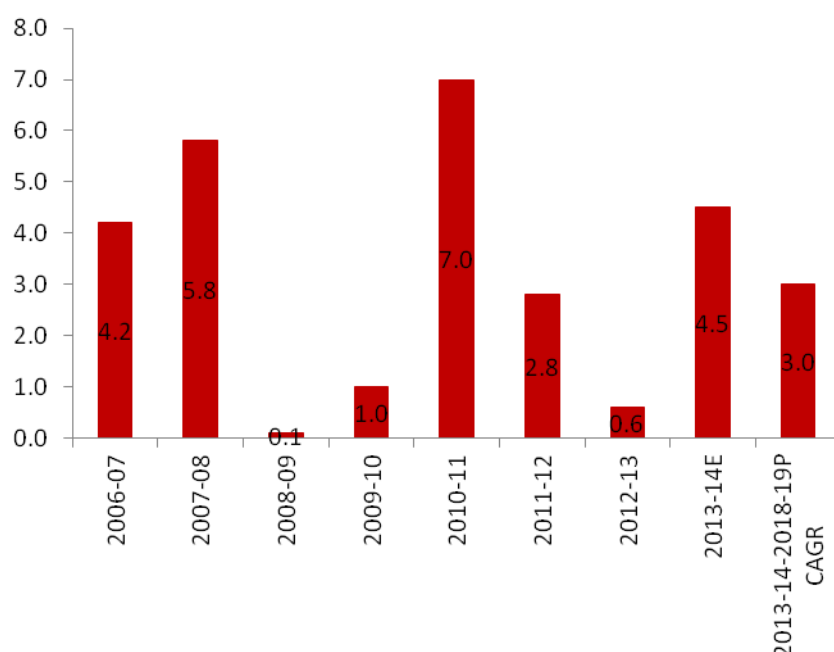
(Source: CRISIL Report, dated June 21, 2014)

The chart below illustrates the GDP outlook and growth for the industrial sector for the periods indicated:



(Source: CRISIL Report, dated June 21, 2014)

The chart below illustrates the GDP outlook and growth for the agricultural sector for the periods indicated:



(Source: CRISIL Report, dated June 21, 2014)

#### Wholesale Price Index

For 2013-14, the yearly Wholesale Price Index (“WPI”) for all commodities was 177.64 as compared to 167.62 for 2012-13. The Compounded Annual Growth Rate (“CAGR”) of the WPI between the financial year 2004-05 and the financial year 2013-14 is 6.6%. The trend in yearly WPI for all commodities for the past ten years is outlined in the table below:

| Financial Year | Index         |
|----------------|---------------|
| 2013-14        | 177.64        |
| <b>2012-13</b> | <b>167.62</b> |
| 2011-12        | 156.13        |
| 2010-11        | 143.32        |
| 2009-10        | 130.81        |
| 2008-09        | 126.02        |
| 2007-08        | 116.63        |
| 2006-07        | 111.35        |
| 2005-06        | 104.47        |
| 2004-05        | 100.00        |

(Source: <http://www.eaindustry.nic.in>)

#### Foreign Direct Investment Flows

The table below illustrates the total Foreign Direct Investment (“FDI”) inflows in India between the financial year 2010 and the financial year 2014:

| Financial Year | Amount of FDI Inflows |                |
|----------------|-----------------------|----------------|
|                | In ₹ Crores           | In USD Million |
| 2009-10        | 123,120               | 25,834         |
| 2010-11        | 97,320                | 21,383         |
| 2011-12        | 165,146               | 35,121         |
| 2012-13        | 121,907               | 22,424         |
| 2013-14        | 147,518               | 24,299         |

(Source: [dipp.nic.in](http://dipp.nic.in))

The table below illustrates the total FDI inflows in India since April 2014:

| Monthly Data                | Amount of FDI Equity Inflows |                |
|-----------------------------|------------------------------|----------------|
|                             | In ₹ Crores                  | In USD Million |
| April 2014                  | 10,290                       | 1,705          |
| May 2014                    | 21,373                       | 3,604          |
| June 2014                   | 11,508                       | 1,927          |
| July 2014                   | 21,022                       | 3,500          |
| August 2014                 | 7,783                        | 1,278          |
| 2014-15 (April to August)   | 71,976                       | 12,014         |
| 2013-14 (April to August)   | 48,830                       | 8,461          |
| % Growth Over the Last Year | + 47%                        | -              |

(Source: [dipp.nic.in](http://dipp.nic.in))

### Overview of the Infrastructure Sector in India

As the growth of the economy in general and the manufacturing sector in particular is largely dependent on creation of suitable infrastructure, the policy focus in India has been on infrastructure investment. Such investment has increased manifold over time with increased private-sector participation in the country. The Twelfth Five Year Plan has also laid special emphasis on infrastructure development as quality infrastructure is important not only for sustaining high growth but also ensuring that the growth is inclusive. Large infrastructure investment during the last decade or so has helped India emerge as one of the fastest growing economies in the world.

(Source: *Economic Survey 2013-14*, available at: <http://www.indiabudget.nic.in/es2013-14/echap-11.pdf>)

The table below illustrates the projected investment in infrastructure for the twelfth five year plan:

(₹ Crore at Current Prices)

| Sectors                          | Total Eleventh Plan | Twelfth Plan Projections |                |                  |                  |                  | Total Twelfth Plan |
|----------------------------------|---------------------|--------------------------|----------------|------------------|------------------|------------------|--------------------|
|                                  |                     | 2012-13                  | 2013-14        | 2014-15          | 2015-16          | 2016-17          |                    |
| Electricity                      | 728,494             | 228,405                  | 259,273        | 294,274          | 333,470          | 386,244          | 1,501,666          |
| Renewable Energy                 | 89,220              | 31,199                   | 42,590         | 58,125           | 79,075           | 107,637          | 318,626            |
| Roads and Bridges                | 453,121             | 150,466                  | 164,490        | 180,415          | 198,166          | 221,000          | 914,536            |
| Telecommunications               | 384,962             | 105,949                  | 136,090        | 176,489          | 230,557          | 294,814          | 943,899            |
| Railways                         | 201,237             | 64,713                   | 78,750         | 96,884           | 121,699          | 157,355          | 519,221            |
| MRTs                             | 41,669              | 13,555                   | 17,148         | 22,298           | 29,836           | 41,322           | 124,158            |
| Irrigation (including Watershed) | 243,497             | 77,113                   | 87,386         | 99,178           | 112,506          | 128,186          | 504,371            |
| Water Supply and Sanitation      | 120,774             | 36,569                   | 42,605         | 49,728           | 58,084           | 68,333           | 255,319            |
| Ports (+ILW)                     | 44,536              | 18,661                   | 25,537         | 35,260           | 49,066           | 69,256           | 197,781            |
| Airports                         | 36,311              | 7,691                    | 10,716         | 15,233           | 21,959           | 32,116           | 87,714             |
| Oil and Gas Pipelines            | 62,534              | 12,211                   | 16,604         | 23,833           | 36,440           | 59,845           | 148,933            |
| Storage                          | 17,921              | 4,480                    | 6,444          | 9,599            | 14,716           | 23,202           | 58,441             |
| <b>Grand Total</b>               | <b>2,424,277</b>    | <b>751,012</b>           | <b>887,454</b> | <b>1,061,316</b> | <b>1,285,573</b> | <b>1,589,308</b> | <b>5,574,663</b>   |
| Centre                           | 856,717             | 250,758                  | 280,662        | 315,217          | 354,296          | 400,129          | 1,601,061          |
| States                           | 680,056             | 206,944                  | 230,045        | 255,645          | 283,201          | 313,928          | 1,289,762          |
| Private                          | 887,504             | 293,310                  | 376,747        | 490,455          | 648,077          | 875,251          | 2,683,840          |
| <b>Grand Total</b>               | <b>2,424,277</b>    | <b>751,012</b>           | <b>887,454</b> | <b>1,061,316</b> | <b>1,285,573</b> | <b>1,589,308</b> | <b>5,574,663</b>   |

(Source: *Planning Commission*, available at: [http://www.planningcommission.nic.in/plans/planrel/five yr/12th/pdf/12fyp\\_vol1.pdf](http://www.planningcommission.nic.in/plans/planrel/five yr/12th/pdf/12fyp_vol1.pdf))

The total investment in infrastructure for the Twelfth Plan is expected to be ₹ 55.7 lakh crore. The share of private investment in the total investment in infrastructure increased from 22% in the Tenth Plan to 36.61% in the Eleventh Plan. If the infrastructure target is to be met, the share of private investment in the infrastructure sectors will have to increase to approximately 48.14%. (Source: *Planning Commission*, available at: [http://www.planningcommission.nic.in/plans/planrel/five yr/12th/pdf/12fyp\\_vol1.pdf](http://www.planningcommission.nic.in/plans/planrel/five yr/12th/pdf/12fyp_vol1.pdf))

The key proposals of the Union Budget for 2014-15 and initiatives to be taken for infrastructure development are set out below:

**Roads:** ₹ 143.89 billion is to be provided towards Pradhan Mantri Gram Sadak Yojna, and ₹ 378.8 billion for national highways and state roads. Also, ₹ 5 billion will be set aside by the NHAI for project preparation for select expressways in parallel to the development of industrial corridors. (Source: FY14-15 Union Budget Speech, July 10, 2014)

**Urban Infrastructure and Irrigation:** ₹ 70.6 billion for developing smart cities, ₹ 36 billion under National Rural Drinking Water Programme, ₹ 10 billion for a new irrigation scheme, namely, Pradhan Mantri Krishi Sinchayee Yojana, ₹ 20.37 billion for cleaning up of the river Ganga and ₹ 1 billion viability gap funding for metro rail projects in Lucknow and Ahmedabad. (Source: FY14-15 Union Budget Speech)

**Railways:** Plan to introduce bullet train on the Mumbai-Ahmedabad sector, a diamond quadrilateral for high speed trains, and exploring foreign direct investment in railway projects. (Source: FY14-15 Railway Budget, Indian Railways)

**Ports:** 16 new port projects to be awarded this year, development of inland waterway project, and special economic zones at Kandla and JNPT ports. (Source: FY14-15 Union Budget Speech)

The corpus for Pooled Municipal Debt Obligation Facility is proposed to be increased tenfold to fund urban infrastructure projects. (Source: FY14-15 Union Budget Speech)

**Other measures:** Proposal to set up an institution called '3P India' with a corpus of ₹ 5 billion to ensure the quick dispute resolution for PPP projects. (Source: FY14-15 Union Budget Speech)

### Overview of the India Road Sector

India has the second largest road network in the world, with approximately 4.8 million kilometres (km) of roads. Roads are the most common mode of transportation and account for 85% of passenger traffic and approximately 60% of freight traffic. National highways in India constitute 2% of the road network but carry approximately 40% of the total road traffic. State roads and major district roads are the secondary system of roads and they carry another 60% of traffic and account for 98% of road length. The table provides key details of the road network in India for 2013-14:

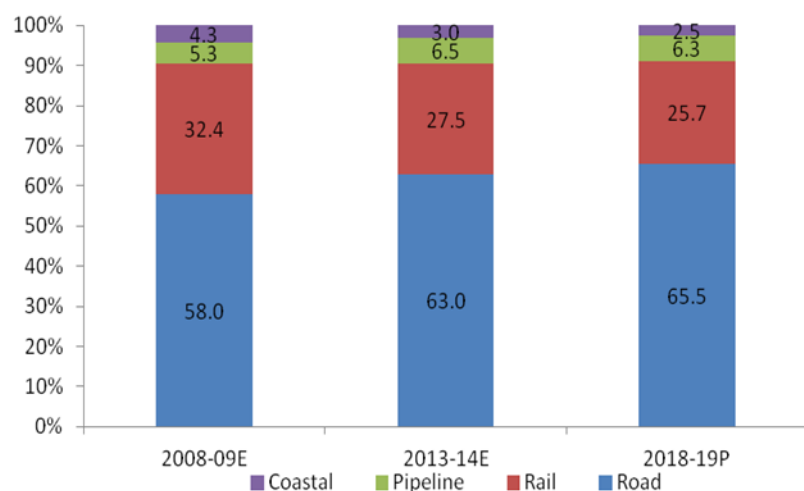
| Road Network     | Length (km)      | Percentage of Total |              |
|------------------|------------------|---------------------|--------------|
|                  |                  | Length              | Traffic      |
| National Highway | 92,851           | 2                   | 40.0         |
| State Highway    | 142,687          | 3                   | 60.0         |
| Other Roads      | 4,629,462        | 95                  |              |
| <b>Total</b>     | <b>4,865,000</b> | <b>100.0</b>        | <b>100.0</b> |

(Source: CRISIL Report, dated August 19, 2014)

### Comparison of Roads and Other Modes of Transport

Over the years, passenger and freight movement in India has increasingly moved towards roads in contrast to other means of transport. Since 1950-51, passenger traffic for railways has decreased from 85% to 14%. In contrast, passenger traffic for roads has grown from 15% in 1950-51 to 86% in 2010-11. Road transport is the preferred method for freight movement because of the large capacity expansions by fleet operators, flexibility and door-to-door movement. (Source: CRISIL Report, dated August 19, 2014)

The chart below illustrates the proportion of freight traffic across different modes of transport, in percentage terms:

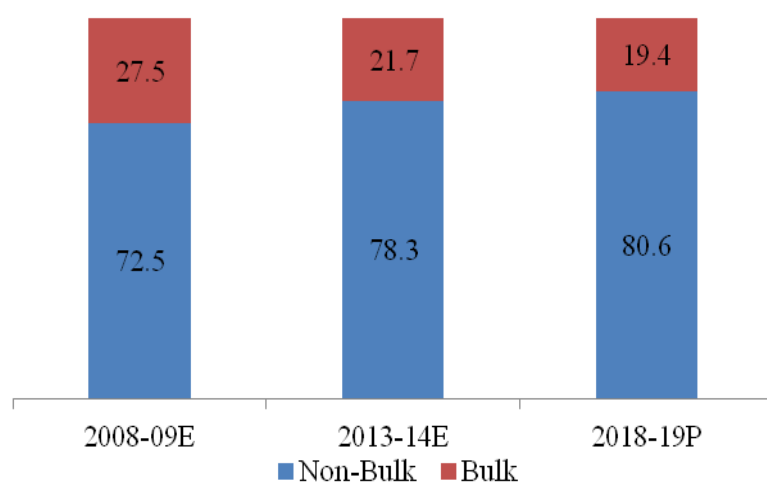


(Source: CRISIL Report, dated August 19, 2014)

### Recent Freight Trends

Roads remain the preferred mode of transportation in the domestic freight transportation services industry. This is due to faster growth in non-bulk traffic. The share of roads is expected to increase further by 2018-19. (Source: CRISIL Report, dated June 21, 2014)

The chart below illustrates the percentage amounts of non-bulk freight and bulk freight transferred by road for the periods indicated:



(Source: CRISIL Report, dated June 21, 2014)

In 2014-15, road freight in billion ton kilometres (“BTKM”) terms is expected to grow by 6% to 8% year-on-year, as compared to 4% growth in 2013-14 due to an increase in industrial activity and an improvement in infrastructure. Spot freight rates have started to improve from the fourth quarter of 2013-2014. The key reasons for the increase in freight rates were strong demand for transportation of agricultural goods following a large Rabi crop output, a reduction in the supply of trucks because of non-renewal of expired national permits and low fleet additions. (Source: CRISIL Report, dated June 21, 2014)

From 2010 to 2012, transporters expanded their capacities significantly in anticipation of strong freight growth. But, the prolonged slowdown in freight growth and the stalling or shelving of several infrastructure projects

resulted in excess capacity. (Source: CRISIL Report, dated June 21, 2014)

Road freight traffic growth is expected to remain moderate in the short term and is expected to grow at a CAGR of 7% to 9% to about 2,140 BTKM in 2018-19, from approximately 1,500 BTKM in 2013-14 driven by a revival in freight demand. A strong demand for non-bulk traffic and continuing supply constraints in the railway sector are expected to drive growth. (Source: CRISIL Report, dated June 21, 2014)

Aside from infrastructure constraints such as line capacity on busy routes and terminal detentions, railways have also experienced a supply problem with wagons. As a result, freight movement by rail has grown at a slower pace in comparison with roads. As these capacity constraints continue, road freight operators are in a better position to capitalise on the incremental demand expected in the next five years, thereby increasing their share in total freight transportation. Moreover, road transport is competitive even at higher prices due to its advantages of flexibility, better service quality and end-to-end delivery. In 2018-19, the share of roads in total freight is expected to increase to over 65%. The share of railways is expected to decrease to 26.5% in 2018-19. (Source: CRISIL Report, dated June 21, 2014)

Roads are expected to gain a significant share of non-bulk commodities transportation for the following reasons:

- Railways do not cater to piecemeal freight transportation.
- Road transport has better service quality and is more reliable.
- Road transporters operate on a smaller scale. Also, given the large number of road transport operators, customers have better bargaining power. Road transporters also include a personal touch service which is important as these commodities are typically expensive and fragile and are meant for final consumption.
- Roads provide end-to-end connectivity and safer handling which is an important factor while transporting low-volume, but high value commodities.

(Source: CRISIL Report, dated June 21, 2014)

### **Vehicle Traffic in India**

Over the last few years, particularly since the financial year 2012, traffic on Indian roads has declined. This is because of a change in the composition of commercial vehicles towards bigger vehicles and a slowdown in the Indian economy, specifically recession in the automobile sector, mining and exports. However, these declines are expected to be temporary. (Source: Technical Note by V R Techniche Consultants Pvt Ltd, dated August 2014)

#### **Passenger Vehicle Traffic in India**

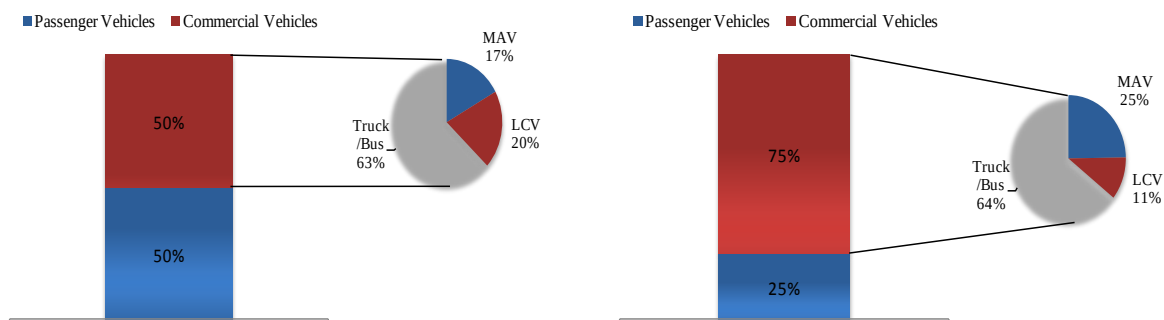
Passenger vehicle traffic is less cyclical in nature than commercial vehicle traffic. The northern region of India has a higher share of passenger car traffic. Greater passenger traffic on toll roads in the northern region could be explained by the presence of tourist destinations and religious places.

#### **Commercial Vehicle Traffic in India**

Commercial vehicle traffic is more cyclical and volatile in nature than passenger traffic. Road projects that are significantly dependant on commercial vehicle traffic face a higher revenue risk. Approximately 50% of vehicles passing through toll plazas are passenger vehicles, with commercial vehicles accounting for the balance. However, in terms of traffic revenues, commercial vehicles represent approximately 75% as they are charged higher toll rates than passenger vehicles. The chart below illustrates vehicle traffic composition in India in terms of both traffic volumes and toll revenues:

**Vehicle-wise traffic composition**  
(share in terms of traffic volumes)

**Vehicle-wise traffic composition**  
(share in terms of toll revenues)



(Source: CRISIL Report, dated December 26, 2013)

Toll revenues in the northern region of India are equally split between passenger and commercial vehicle traffic. Conversely, the southern, eastern, western and central regions depend on commercial vehicle traffic for approximately 85% to 90% of toll collections. Greater passenger traffic on toll roads in the northern region could be explained by the presence of tourist destinations and religious places. Commercial vehicle activity is largely driven by mining activity in the eastern and central regions and by proximity to ports and high industrial activity in the western and southern areas. As the northern region is the least dependant on commercial vehicle traffic, toll road projects are considered less susceptible to traffic fluctuations. (Source: CRISIL Report, dated December 26, 2013)

### Commercial Vehicle Growth Trends in India

In 2013-14, medium and heavy commercial vehicle sales decreased by 27% as freight availability decreased due to low industrial GDP growth. In 2014-15, light commercial vehicle sales are expected to decrease by 6% to 9% due to low consumption and the tightening of financing norms for first time users due to an increase in credit faults. Sales of light commercial vehicles decreased by 18% in 2013-14 due to continued weak consumption demand and the withdrawal of good financing options in the fourth quarter of 2013-14.

Sustained economic growth in India is expected to improve freight traffic demand and in turn improve goods vehicles sales. Within the goods vehicle segment, medium and heavy commercial vehicle sales are expected to grow at a CAGR of approximately 16% to 18%. Light commercial vehicle sales are expected to remain strong. The table below illustrates the segment wise long term forecast:

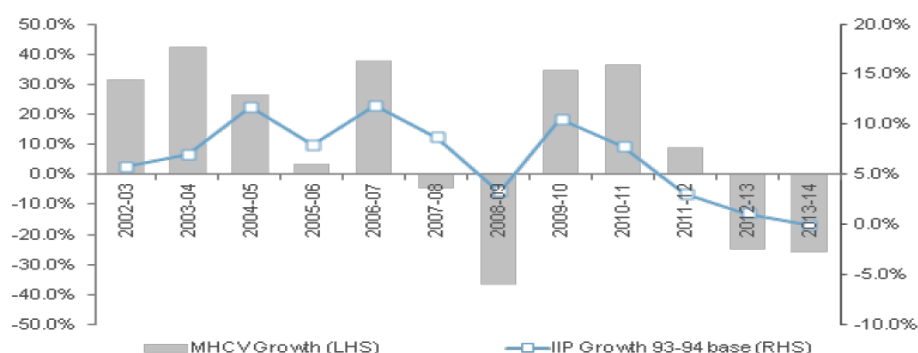
| CAGR                                 | 2013-14 over 2008-09 | 2018-19 Projected over 2013-14 |
|--------------------------------------|----------------------|--------------------------------|
| Medium and Heavy Commercial Vehicles | 1.6                  | 16-18                          |
| Light Commercial Vehicles            | 17.5                 | 11-14                          |
| Buses                                | 5.7                  | 7-9                            |
| Overall                              | 10.4                 | 12-14                          |

(Source: CRISIL Report, dated July 18, 2014)

### Medium Heavy Commercial Vehicle (MHCV) sales growth tracks industrial growth

As truck sales closely follow economic growth, the IIP is a reliable measure to predict MHCV growth over 1-2 years. However, the trend in MHCV sales growth tends to be much more volatile than the IIP growth trend. Despite this, IIP growth has a strong correlation of 65 per cent to MHCV sales growth, suggesting that it is a strong indicator of the MHCV sales growth cycle.

### MHCV sales/y-o-y IIP growth



Note: From 2011-12, IIP growth is based on the 2004-05 base year index

(Source - CRISIL Report, dated October 10, 2014)

### Change in Composition of Commercial Vehicles

Over the last couple of years, there has been a considerable change in the composition of goods vehicles in India. In the last couple of years, the share of light commercial vehicles and multi axle vehicles (four-axle trucks and more) has increased in almost all roads and the share of two-axle trucks and three-axle trucks has decreased. This could be due to the following:

- A preference for light commercial vehicles over two-axle trucks. A goods vehicle up to 12 tons is classified as a light commercial vehicle and has many advantages over a two-axle truck, such as less toll and lesser road tax, among others, and
- Bigger trucks, such as four, five or six-axle trucks, provide better transport costs per ton carried.

The following table illustrates the changes in goods traffic composition across certain stretches of highway in percentage terms for the periods indicated:

| Financial Year                                       | Light Goods Vehicle | 2-axle Truck | 3-axle Truck | Multi Axle Vehicle |
|------------------------------------------------------|---------------------|--------------|--------------|--------------------|
| (%)                                                  |                     |              |              |                    |
| <b>Section of NH3 between Dhule and Indore</b>       |                     |              |              |                    |
| 2012                                                 | 14.2                | 18.5         | 51.6         | 15.7               |
| 2014                                                 | 18.0                | 15.1         | 36.9         | 30.0               |
| <b>Section of NH2 between Agra and Kanpur</b>        |                     |              |              |                    |
| 2012                                                 | 17.3                | 18.1         | 44.9         | 19.7               |
| 2014                                                 | 21.3                | 11.5         | 39.0         | 28.2               |
| <b>Section of NH6 between Surat and Nagpur</b>       |                     |              |              |                    |
| 2012                                                 | 11.4                | 23.3         | 48.8         | 16.6               |
| 2013                                                 | 13.5                | 18.0         | 43.6         | 24.9               |
| <b>Section of NH71A</b>                              |                     |              |              |                    |
| 2011                                                 | 20.9                | 25.2         | 31.6         | 22.3               |
| 2014                                                 | 22.1                | 12.6         | 25.3         | 40.0               |
| <b>Section of NH9 between Pune and Hyderabad</b>     |                     |              |              |                    |
| 2013                                                 | 19.2                | 22.9         | 38.2         | 19.7               |
| 2014                                                 | 23.4                | 17.5         | 36.4         | 22.7               |
| <b>Section of NH65 between Pali and Kaithal</b>      |                     |              |              |                    |
| 2013                                                 | 12.5                | 31.0         | 34.2         | 22.4               |
| 2014                                                 | 11.9                | 33.2         | 31.7         | 23.2               |
| <b>Section of NH8 between Udaipur and Kishangarh</b> |                     |              |              |                    |
| 2011                                                 | 4.6                 | 19.7         | 35.7         | 40.0               |
| 2014                                                 | 9.0                 | 16.7         | 23.2         | 51.1               |
| <b>Section of NH18 Andhra Pradesh</b>                |                     |              |              |                    |
| 2010                                                 | 20.3                | 30.8         | 43.6         | 5.3                |
| 2014                                                 | 15.3                | 16.4         | 40.4         | 27.9               |
| <b>Section of NH5 between Chennai and Vijayawada</b> |                     |              |              |                    |



| Financial Year | Light Goods Vehicle | 2-axle Truck | 3-axle Truck | Multi Axle Vehicle |
|----------------|---------------------|--------------|--------------|--------------------|
| (%)            |                     |              |              |                    |
| 2011           | 12.7                | 23.8         | 50.0         | 13.6               |
| 2014           | 14.7                | 17.0         | 38.0         | 30.3               |

(Source: Technical Note by V R Techniche Consultants Pvt Ltd, dated August 2014)

### **Actual Traffic Growth Rate for Toll Roads**

The following table illustrates the actual traffic growth of different types of freight vehicles and tonnage carried on major national highway corridors for the periods indicated:

| Financial Year                                       | Light Goods Vehicle | 2-axle Truck | 3-axle Truck | Multi Axle Vehicle | Actual Tonnage |
|------------------------------------------------------|---------------------|--------------|--------------|--------------------|----------------|
| <b>Section of NH3 between Dhule and Indore</b>       |                     |              |              |                    |                |
| 2012                                                 | 100                 | 100          | 100          | 100                | 98,956         |
| 2014                                                 | 118                 | 76           | 67           | 179                | 106,355        |
| CAGR (2012 to 2014)                                  | 8.85%               | -13.03%      | -18.45%      | 33.66%             | 3.67%          |
| <b>Section of NH2 between Agra and Kanpur</b>        |                     |              |              |                    |                |
| 2012                                                 | 100                 | 100          | 100          | 100                | 100,944        |
| 2014                                                 | 134                 | 69           | 94           | 156                | 124,562        |
| CAGR (2012 to 2014)                                  | 15.56%              | -16.79%      | -2.85%       | 24.76%             | 11.12%         |
| <b>Section of NH6 between Surat and Nagpur</b>       |                     |              |              |                    |                |
| 2012                                                 | 100                 | 100          | 100          | 100                | 65,027         |
| 2013                                                 | 117                 | 76           | 88           | 148                | 71,883         |
| CAGR (2012 to 2013)                                  | 17.15%              | -24.02%      | -12.04%      | 47.56%             | 10.54%         |
| <b>Section of NH71A</b>                              |                     |              |              |                    |                |
| 2011                                                 | 100                 | 100          | 100          | 100                | 49,978         |
| 2014                                                 | 104                 | 49           | 79           | 176                | 62,223         |
| CAGR (2011 to 2014)                                  | 1.27%               | -21.12%      | -7.67%       | 20.76%             | 7.58%          |
| <b>Section of NH9 between Pune and Hyderabad</b>     |                     |              |              |                    |                |
| 2013                                                 | 100                 | 100          | 100          | 100                | 66,195         |
| 2014                                                 | 116                 | 73           | 91           | 110                | 69,083         |
| CAGR (2013 to 2014)                                  | 16.07%              | -27.31%      | -9.26%       | 9.62%              | 4.36%          |
| <b>Section of NH65 between Pali and Kaithal</b>      |                     |              |              |                    |                |
| 2013                                                 | 100                 | 100          | 100          | 100                | 36,654         |
| 2014                                                 | 106                 | 119          | 103          | 115                | 43,662         |
| CAGR (2013 to 2014)                                  | 5.71%               | 18.68%       | 2.86%        | 14.71%             | 19.12%         |
| <b>Section of NH8 between Udaipur and Kishangarh</b> |                     |              |              |                    |                |
| 2011                                                 | 100                 | 100          | 100          | 100                | 154,047        |
| 2014                                                 | 148                 | 65           | 50           | 98                 | 134,912        |
| CAGR (2011 to 2014)                                  | 13.88%              | -13.33%      | -20.76%      | -0.67%             | -4.32%         |
| <b>Section of NH18 Andhra Pradesh</b>                |                     |              |              |                    |                |
| 2010                                                 | 100                 | 100          | 100          | 100                | 139,400        |
| 2014                                                 | 76                  | 54           | 94           | 533                | 198,086        |
| CAGR (2010 to 2015)                                  | -5.27%              | -11.65%      | -1.28%       | 39.77%             | 7.28%          |
| <b>Section of NH5 between Chennai and Vijayawada</b> |                     |              |              |                    |                |
| 2011                                                 | 100                 | 100          | 100          | 100                | 276,519        |
| 2014                                                 | 127                 | 79           | 84           | 245                | 381,821        |
| CAGR (2011 to 2014)                                  | 6.22%               | -5.87%       | -4.41%       | 25.06%             | 8.40%          |

| Financial Year | Light Goods Vehicle | 2-axle Truck | 3-axle Truck | Multi Axle Vehicle | Actual Tonnage |
|----------------|---------------------|--------------|--------------|--------------------|----------------|
| 2015)          |                     |              |              |                    |                |

(Source: Technical Note by V R Techniche Consultants Pvt Ltd, dated August 2014)

### Overview of National Highways in India

National highways facilitate trade and allow convenient movement of traffic across states. National highways constitute approximately 2% of the total road network but carry approximately 40% of total road traffic. The National Highways Authority of India (“NHAI”) is the nodal agency under the Ministry of Road Transport and Highways (“MoRTH”). The NHAI is responsible for the building, maintenance and upgrading of national highways. In December 2000, NHDP was launched by the NHAI to develop the national highway network in India.

The number of lanes on national highways has also increased from single or double lane to four lane. Single lane roads decreased from 30% in 2008-09 to 24% in 2012-13. Double lane roads decreased from 53% in 2008-09 to 51% in 2012-13. For the same periods, four or more lane roads have increased from 17% to 24%. (Source: CRISIL Report, dated August 19, 2014)

The table below illustrates details of national highways for the periods indicated:

|                      | National Highway Length |       | National Highway Length |       |
|----------------------|-------------------------|-------|-------------------------|-------|
|                      | 2008-09                 |       | 2012-13                 |       |
|                      | (km)                    | (%)   | (km)                    | (%)   |
| Four/Six/ Eight Lane | 12,053                  | 17.1  | 19,128                  | 24.2  |
| Two Lane             | 37,646                  | 53.4  | 40,658                  | 51.4  |
| One Lane             | 20,849                  | 29.6  | 19,330                  | 24.4  |
| Total                | 70,548                  | 100.0 | 79,116                  | 100.0 |

(Source: CRISIL Report, dated August 19, 2014)

### The National Highway Development Programme

The NHDP involves the building, upgrading, rehabilitation and widening of existing national highways. The programmed is executed by the NHAI, in coordination with the Public Works Department of the various states. The NHAI also collaborates with the Border Roads Organisation for the development of certain stretches of road. The NHDP is being implemented in seven phases. These phases are outlined in the table below:

| Phases |                                                 | Description                                                                    | Implementing Agencies |
|--------|-------------------------------------------------|--------------------------------------------------------------------------------|-----------------------|
| I      | Golden Quadrilateral                            | Connecting Delhi-Kolkata Chennai                                               | NHAI                  |
|        | Port Connectivity                               | Connectivity for 10 major ports                                                | NHAI                  |
|        | Others                                          | -                                                                              | NHAI                  |
| II     | North-South and East-West Corridor              | Shrinagar to Kanyakumari (North -South) and Silchar to Porbander (East – West) | NHAI                  |
| III    | Phase                                           | Connecting state capitals and places of economic and tourist importance        | NHAI                  |
| IV     | Improve two lane standards with paved shoulders | -                                                                              | MoRTH                 |
| V      | Six – laning of existing national highways      | Phase involves 5,600 km stretch under GQ                                       | NHAI                  |
| VI     | Expressways                                     | -                                                                              | NHAI                  |
| VII    | Ring roads                                      | -                                                                              | NHAI                  |

(Source: CRISIL Report, dated October 21, 2014))

Phase I is almost complete and approximately 5% of Phase II is left to be awarded. Phase III involves converting two-lane roads into four-lane roads. The criteria for identification of stretches under this phase include high-density traffic corridors not included in Phases I and II, providing connectivity of state capitals with the NHDP (Phases I and II) and connecting centres of tourism and places of economic importance. In 2011-12, projects with a total length of 1,871 km were awarded. However, project awarding decreased to 153 km in 2012-13. In 2014-15, a project with total length of 127 km was awarded till October 14, 2014. Out of the

total length of 12,109 km under this Phase, approximately 52% was complete as of August 31, 2014. This involved a cost of ₹ 818 billion. (Source: CRISIL Report, dated October 21, 2014)

Under Phase IV, approximately 20,000 km of national highways are planned to be improved to two-lane standards with paved shoulders. The NHA has identified a total of 14,799 km of road under this phase. Implementation has started with more than 4% of the length executed with a total expenditure of ₹ 72 billion as of June 30, 2014. Further, as of June 30, 2014, approximately 35% of the identified road length was under implementation and approximately 60% was yet to be awarded. In 2013-14, around 928 km of projects were awarded under this phase compared to only about 644 km being awarded during 2012-13. In 2014-15, nine projects with a total length of 1,013 km were awarded till October 14, 2014. Of these three projects with an aggregate length of 515 km were awarded on BOT basis. (Source: CRISIL Report, dated October 21, 2014)

Phase V involves six-laning of 6,500 kms of selected stretches of existing four-lane national highway on a design-build-finance-operate ("DBFO") basis. This includes approximately 5,700 kms of the GQ and other selected stretches at a total cost of ₹ 412 billion (2006 prices). As of June 30, 2014, approximately 24% of Phase V was completed. Further, as of June 30, 2014, approximately 34% of the total length under this phase was under implementation and approximately 37% was left to be awarded. A sum of ₹ 284 billion has been incurred on this phase. In 2013-14, two projects with a total length of 130 km were awarded under this phase and projects with a total length of 265 km were awarded in 2012-13. This was much lower than the 1,689 km length of project awarding in 2011-12. Also, both these projects were re-awards of projects awarded in the previous two years. (Source: CRISIL Report, dated October 21, 2014)

Phase VI includes the development of approximately 1,000 km of access-controlled four or six-lane divided carriageway expressways. Although this phase has been approved by the government, it is yet to see any awarding. Phase VII proposes the construction of ring roads, flyovers and by-passes on selected stretches of national highways at an estimated cost of ₹ 167 billion. The government approved this phase in December 2007. While 700 km of stretches have been identified, approximately 3% of the project length was completed as of August 31, 2014. As of August 31, 2014, approximately 3% of the project was under implementation and approximately 94% was yet to be awarded. As of August 31, 2014, a sum of ₹ 16 billion had been spent on this phase. (Source: CRISIL Report, dated October 21, 2014)

NHDP projects are awarded to private companies either in a cash contract or on a build-operate-transfer ("BOT") basis. NHDP cash contracts are mainly financed through budget allocations from the Central Road Fund, negative grants or premium received and toll revenues. These projects may also be funded by loans and grants received from the World Bank and the Asian Development Bank. (Source: CRISIL Report, dated October 21, 2014)

As of August 31, 2014, approximately 45% of the total length of the NHDP was complete. The execution rate has decreased in comparison to 2013. The table below illustrates the NHDP as on August 31, 2014:

|                                               | Unit      | Phase |       |        |        |       |       |      | Total  |
|-----------------------------------------------|-----------|-------|-------|--------|--------|-------|-------|------|--------|
|                                               |           | I     | II    | III    | IV     | V     | VI    | VII  |        |
| Total length                                  | Km        | 7,980 | 7,142 | 12,109 | 14,799 | 6,500 | 1,000 | 700  | 50,230 |
| Completed till date                           | Km        | 7,626 | 6,314 | 6,254  | 696    | 1,896 | -     | 22   | 22,808 |
| Completion rate as % of total                 | %         | 95.6  | 88.4  | 51.6   | 4.7    | 29.2  | -     | 3.1  | 45.4   |
| Completion from April 1, 2014 to May 31, 2014 | Km        | 53    | 32    | 156    | 213    | 77    | -     | 0    | 531    |
| Under implementation                          | Km        | 354   | 411   | 4,170  | 5,322  | 2,185 | -     | 19   | 12,461 |
| Under implementation as % of total            | %         | 4.4   | 5.8   | 34.4   | 36.0   | 33.6  | 0.0   | 2.7  | 24.8   |
| Balance length for award                      | Km        | 0     | 417   | 1,685  | 8,781  | 2,419 | 1,000 | 659  | 14,961 |
| Balance length for award as % of total        | %         | 0.0   | 5.8   | 13.9   | 59.3   | 37.2  | 100.0 | 94.1 | 29.8   |
| Cost incurred so far                          | ₹ billion | 428   | 649   | 836    | 86     | 299   | 1     | 16   | 2,316  |

(Source: CRISIL Report, dated October 21, 2014)

The cost per kilometre under each phase of the NHDP is illustrated in the table below:

|  | Average cost per km<br>(2014-15 to 2018-19) |
|--|---------------------------------------------|
|--|---------------------------------------------|

|                | Average cost per km<br>(2014-15 to 2018-19) |
|----------------|---------------------------------------------|
| NHDP Phase I   | 6.8                                         |
| NHDP Phase II  | 9.5                                         |
| NHDP Phase III | 12.7                                        |
| NHDP Phase IV  | 7.6                                         |
| NHDP Phase V   | 15.0                                        |
| NHDP Phase VI  | 54.4                                        |
| NHDP Phase VII | 20.4                                        |
| SARDP          | 12.2                                        |
| Other Projects | 8.0                                         |

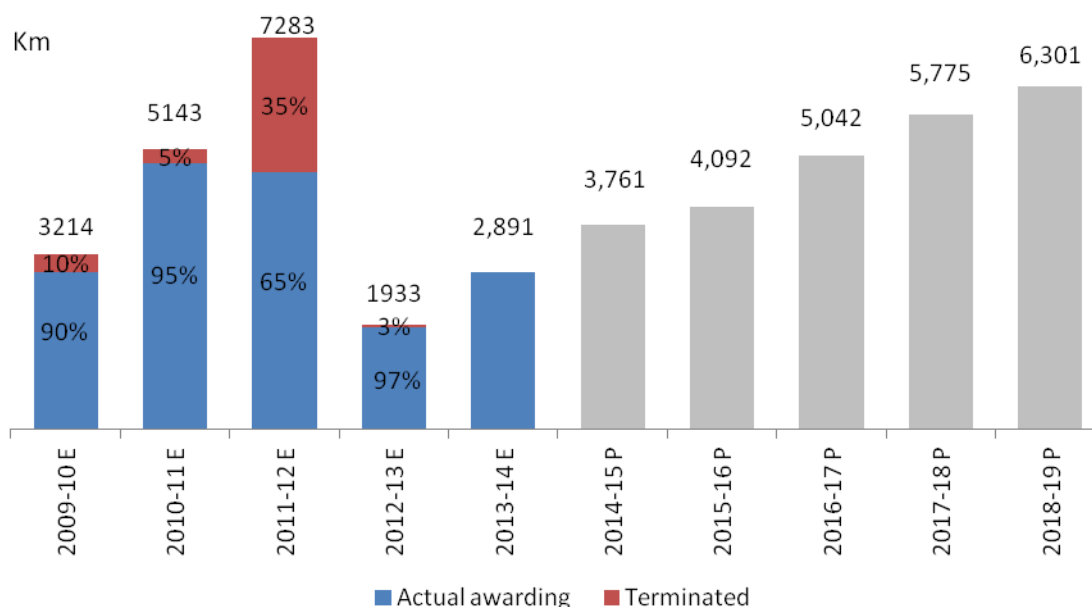
*Note: The cost per km of various phases under NHDP is based on the actual cost of projects awarded in 2011-12. Going forward, an annual increase in accordance with CRISIL's estimated inflation is assumed.*

(Source: CRISIL Report, dated September 4, 2014)

### **National Highways Authority of India - Awarding Activity**

Over the last few years, National Highway projects have been awarded at an extremely slow pace, despite pick-up seen towards the second half of 2013-14. Issues related to clearances, low traffic density stretches on offer and the weak financial condition of players continued to impact the sector. However, the awarding of national highway projects has gathered momentum during the first quarter of 2014-15, with NHAI awarding 800 km of total length, the highest since 2011-12. An additional 300 kms is estimated to have been awarded by the MoRTH, during the same period.

Over the next five years, over 24,972 km of national highway projects are expected to be awarded. Interest in BOT projects is expected to be low initially as only four or five developers will have the desire to apply for such projects. However, scenario is expected to gradually improve. The chart below illustrates the year wise break-up of the total length of roads awarded and terminated for the periods indicated:



(Source: CRISIL Report, dated September 4, 2014)

The NHAI has invited Requests For Qualification ("RFQ") and Request for Project ("RFP") for 20 different projects for the period from October 2014 to December 2014, the details are set out below:

|  | Length (km) | Indicative Project cost<br>(₹ In Million) |
|--|-------------|-------------------------------------------|
|--|-------------|-------------------------------------------|

|                                | Length (km)  | Indicative Project cost<br>(₹ In Million) |
|--------------------------------|--------------|-------------------------------------------|
| Projects under RFQ             | 932          | 127,420                                   |
| Projects under RFP             | 832          | 111,670                                   |
| <b>Projects under RFQ/ RFP</b> | <b>230</b>   | <b>53.670</b>                             |
| <b>Total</b>                   | <b>1,994</b> | <b>292,760</b>                            |

(Source: National Highway Authority of India, as of November 4, 2014, available at [http://www.nhai.org/procurement\\_current.asp](http://www.nhai.org/procurement_current.asp))

### Overview of State Roads in India

State roads are under the jurisdiction of the respective state governments. But the central Government can provide financial assistance through various schemes in order to develop the road network. The responsibility of awarding contracts for road development lies with the Public Works Department and the Road Development Corporation ("RDC"). Generally, cash contracts are awarded by the state Public Works Department and BOT toll contracts are awarded by the respective state RDC. (Source: CRISIL Report, dated September 1, 2014)

### Investments in State Roads

In the past, state roads have mainly been developed through Central Government expenditure through the Central Road Fund ("CRF") and funding under the Inter State Connectivity Scheme, among others. There has been steady growth in the development of state roads and this growth is expected to continue. (Source: CRISIL Report, dated September 4, 2014)

State governments have been focusing on improving state roads which has necessitated considerable expenditure. Between 2014-15 and 2018-19, the length of roads and highways upgraded or constructed at state level is expected to grow at an average of 7% to 8%. Total investments in state roads for the same period are expected to grow at an average of 12%. Private participation is expected to remain at current levels for state road projects with large progressive states at the forefront implementing state highway projects through the PPP route. Between 2009-10 and 2013-14, there was investment opportunity of ₹ 2,372 billion in state roads. For the period 2014-15 to 2018-19, investment opportunity is expected to increase to ₹ 4,390 billion. (Source: CRISIL Report, dated September 4, 2014)

### Central Assistance

The Central Government established the CRF to provide financial assistance to state governments for road development and railway safety works within states. (Source: CRISIL Report, dated September 1, 2014)

The CRF is funded from the cess collected from the sale of petrol and high speed diesel. For every litre of petrol and high speed diesel sold, a cess of ₹ 2 is collected. The CRF provides assistance to states for the development and maintenance of state roads, rural roads, national highways, under and over bridges and safety works at unmanned railway crossings. Approximately 11% of the cess collected from high speed diesel and 30% of the cess collected from petrol is allocated towards the maintenance of state roads. (Source: CRISIL Report, dated September 1, 2014)

### Inter State Connectivity Scheme

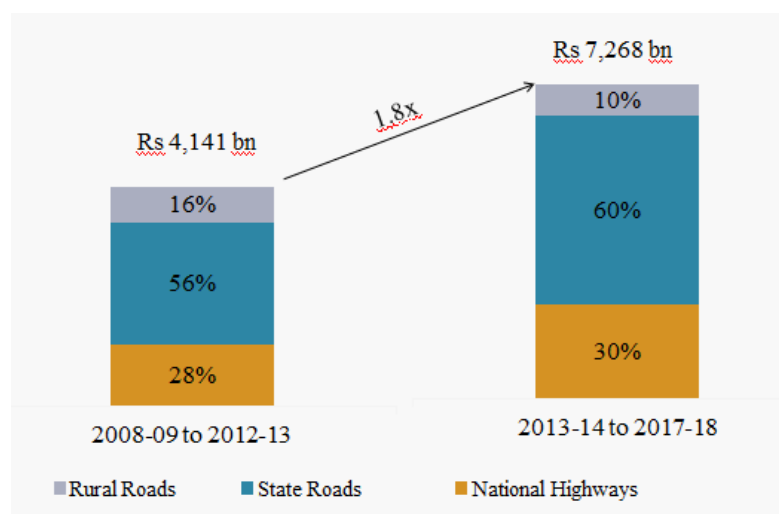
Under the Inter State Connectivity Scheme, the entire funding is provided by the Central Government. The inter-connectivity scheme typically includes the development of inter-state roads and roads connecting national highways. From 2001-02 to 2011-12 (up to December 31, 2012), a total of 328 projects amounting to approximately ₹ 28.57 billion were approved under the Inter State Connectivity Scheme. (Source: CRISIL Report, dated September 1, 2014)

### Economic Importance Scheme

Under the economic importance scheme, projects are funded to the extent of 50% by the Central Government. The state government then contributed the remainder of the project cost. This scheme focuses on the development of roads facilitating connectivity to remote industrial and economic areas and roads facilitating the development of remote residential areas. Between 2001-02 and 2011-12, a total of 173 projects amounting to approximately ₹ 11.9 billion were approved under the Economic Importance Scheme.

## Projected Investments in the Indian Road Sector

The chart below illustrates the share of investments across road categories for the periods indicated:



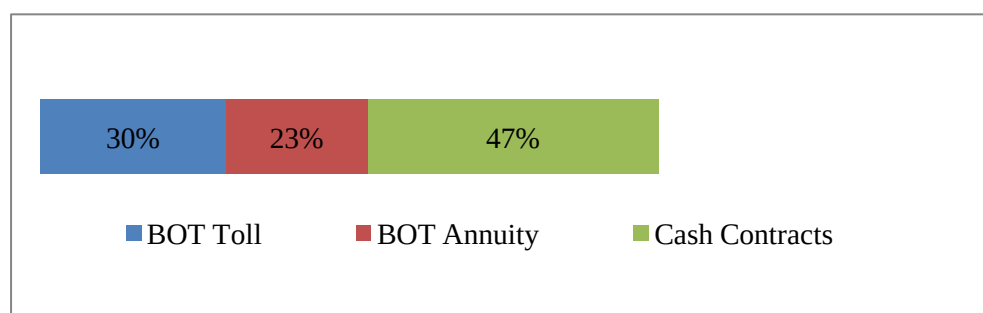
(Source: CRISIL Report, dated September 5, 2014)

The growth in investments will be led by the Government's focus on the sector. Investments would largely be driven by expenditure on national highways and state roads. While state roads will continue to account for a major share of investments, the share of national highways in overall investments is also expected to increase during the next five years. (Source: CRISIL Report, dated September 5, 2014)

### Investments in National Highways

Between 2014-15 and 2018-19, an average of 11 kilometres per day of roads is expected to be constructed or upgraded at an estimated cost of ₹ 2,150 billion. (Source: CRISIL Report, dated September 4, 2014) Approximately, ₹ 1.14 trillion of the investments are expected to be funded through private sector participation as compared to approximately ₹ 0.73 trillion in the past five years.

The chart below illustrates the share of national highway investments projected between 2014-15 and 2018-19:



(Source: CRISIL Report, dated September 4, 2014)

## Competition in Road Projects

### Competition to Moderate and Returns to Improve

Competition for BOT projects has decreased significantly over the past year. In contrast to 2011-12, when there were approximately 23 to 30 bidders for most projects, currently there are approximately 5 bidders with many projects not attracting any bids. With competition remaining moderate, bidding is not expected to be as aggressive and irrational as experienced in 2011-12. Further, developers have also factored in the recent slowdown in traffic which significantly affected the expected returns for the projects bid on earlier. As a result, expected returns for most projects bid on during the current year are expected to be higher than those projects

two to three years ago. (Source: CRISIL Report, dated September 5, 2014)

The number of bidders pre-qualified in 2014 by NHAI for different levels of project cost, as part of annual pre-qualification, is given below:

| Project Cost                                     | No. of Pre-Qualified Bidders (2014) <sup>(1)</sup> |
|--------------------------------------------------|----------------------------------------------------|
| Total Project Cost ≤ ₹ 20 billion                | 60                                                 |
| ₹ 20 billion < Total Project Cost ≤ ₹ 30 billion | 36                                                 |
| ₹ 30 billion < Total Project Cost ≤ ₹ 50 billion | 25                                                 |
| Total Project Cost > ₹ 50 billion                | 7                                                  |

Note <sup>(1)</sup> : This excludes 2 applicants which have been withheld / disqualified

(Source: NHAI - Result of RFAQ 2014 (Revised), data available at <http://www.nhai.org/Doc/21july14/Result%20of%20RFAQ-2014%20%28Revised%29.pdf>)

## Policy Framework for the Indian Road Sector

### Central Government Policy

To encourage and facilitate private sector investment and participation in the roads sector, the Central Government has implemented certain policies and provided fiscal incentives. These include:

- 100% foreign direct equity investment allowed in road projects; and
- Dispute resolution will be in line with the Arbitration and Conciliation Act 1996, based on the United Nations Commission on International Trade Law provisions.

### Key Parameters of the New Model Concession Agreement and Bidding Process

The new model concession agreement for BOT toll based projects has been prepared. The agreement identifies risks and specified the terms and conditions for risk sharing between private companies and the Government. In accordance with recommendations of the B.K. Chaturvedi Committee report, future road projects would be awarded on BOT-toll, BOT annuity and cash contracts concurrently, and not subsequently.

The selection of the concessionaire under the new model concession agreements is based on open competitive bidding. All project parameters, such as the concession period, toll rates, price, indexation and technical parameters are clearly stated upfront. Pre-qualified bidders are required to specify only the amount of grant sought. The bidder who seeks the lowest grant wins the contract. In some cases, instead of seeking a positive grant, a bidder may offer a negative grant or offer to pay premium to NHAI. In that case, the bidder offering the highest negative grant or premium wins the contract.

In accordance with the recommendations of the B.K. Chaturvedi Committee report, the concession fee or premium is the amount the concessionaire agrees to share with the NHAI out of the revenues of the road project on the date of commercial operations. The premium would increase by 5% in each year of the concession period.

The maximum grant provided will be 20% of the project cost. If the grant is inadequate for making a project commercially viable, an additional grant up to a maximum of 20% of the project cost may be provided to the concessionaire. In accordance with recommendations of the B.K. Chaturvedi Committee report, the entire grant would be disbursed to the concessionaire during the construction period.

The concession period is generally expected to be 20 years, but may vary depending on the volume of existing and projected traffic for specific projects. The time required for construction, typically between 24 and 30 months, is included in the concession period. A concessionaire starts earning revenues from COD and this gives the concessionaire an incentive to complete the project ahead of schedule.

A time limit of 180 days is set to achieve financial closure by the concessionaire. In the event of failure, the bid security is forfeited. The NHAI has introduced an additional condition for bidding on road projects. For a project of cost less than ₹ 30 billion, developers cannot bid if financial closure on any other project is pending in three or more NHAI BOT projects on the bidding date. For a project cost equal to or more than ₹ 30 billion, a bidder will not be eligible if financial closure is pending for two projects. However, if a bidder convinces the NHAI about surety of arrangement of funds for the project, it may bid for more projects.

In accordance with the new policy passed in January 2014, concessionaires can now exit an ongoing or completed project completely. The new policy allows developers of existing and coming projects to sell or transfer their stake in the special purpose vehicle formed for the project without having to create a new SPV. The exit by the developer can only be effected with the consent of the lenders and the NHAI.

(Source: CRISIL Report, dated September 2, 2014)

### **Obligations of NHAI**

In accordance with recommendations of the B.K. Chaturvedi Committee report, the obligations of the NHAI are as follows:

- acquire and hand over possession of 80% of land required for the project till the letter of award and balance of 20% to be handed over within 90 days of project award;
- obtain all environmental clearances for the project before financial closure is achieved; and
- ensure that no competing road is constructed where NHDP is being implemented. NHAI will have to compensate the concessionaire if this is breached. (Source: CRISIL Report, dated September 2, 2014)

### **Premium Rescheduling**

In accordance with the recommendations, the shortfall in premium payments after incurring operational and maintenance costs and making debt servicing payments from the toll revenues, will be extended as a loan to developers seeking to reschedule the premium. The loan will be at RBI bank rate plus 200 basis points. According to certain media reports, projects awarded at a premium until March 3, 2014 can apply to the NHAI for rescheduling. The relief can be availed by operational, under implementation and stalled projects. However, the developer will have to clear all premiums due one year before the concession period ends. The panel also proposed a penalty for projects delayed due to the fault of the developer. (Source: CRISIL Report, dated September 2, 2014)

In May 2014, the board of the NHAI considered nine proposals for the deferment of premium and approved the same. In all, the nine proposals involved deferment of premium for a total value of ₹ 59,599.30 million. The period during which such deferment is considered is 2014-15 till 2026-27, with the deferment granted during 2014-15 amounting to ₹ 6,513.00 million. This step would give huge comfort to the lenders as debt obligation would now get priority over the premium payable to the NHAI. The NHAI would be able to recover the deferred premium with interest in the latter period of the concession. The deferment will be limited to the actual revenue shortfall after meeting the debt obligation and operation expenditure. The concessionaire would not be allowed to declare any dividend until the shortfall in premium is made good. The concessionaire would also be required to share their toll collection data with NHAI on real time basis. (Source: Press Information Bureau, Government of India, MoRTH)

### **Substitution**

In June 2013, the Cabinet Committee on Economic Affairs approved the proposal to facilitate substitution of concessioners in ongoing and completed national highway projects. According to the proposal, the existing concessioners are permitted to divest their equity in totality in ongoing or completed projects. However, following the substitution, the leading substituting entity will be required to maintain at least a 51% equity holding in the project special purpose vehicle. The decision to permit substitution will be taken by lenders in consent with the NHAI. (Source: CRISIL Report, dated September 2, 2014)

### **Fiscal Incentive for Road Developers**

Under section 80 IA of the Income Tax Act, profits and gains derived by an undertaking are subject to a 100% deduction for 10 consecutive assessment years out of the 20 years beginning from the year in which the undertaking begins to operate the business provided such profits and gains are derived from the business of: i) developing, ii) operating and maintaining or iii) developing, operating and maintaining a road including a toll road, a bridge, a highway project including housing or other activities being an integral part of the highway project. (Source: CRISIL Report, dated September 2, 2014)

Further, a deduction of 40% of the income from financing of the infrastructure projects is available so long as the amount is kept in special reserve. On certain identified high quality construction plants and equipments, import duty has been completely exempted for public funded needs. The import of bitumen is not permitted



under open general license. Also, external commercial borrowings are permitted up to 35% of the project cost. (Source: CRISIL Report, dated September 2, 2014)

### **State Government Policy**

States such as Maharashtra, Madhya Pradesh, Gujarat, Rajasthan and Karnataka have established state road development corporations for the development and implementation of road projects. In order to encourage private sector participation states such as Maharashtra, Rajasthan and Andhra Pradesh use their own model concession agreement. The policy framework for development and implementation of road projects varies across each state. (Source: CRISIL Report, dated September 2, 2014)

### **Delinking of Forest and Environmental Clearances**

In March 2013, the Supreme Court gave approval to delink forests and other environmental clearances. The delinking of the two clearances is valid only for road widening projects. This judgment allows companies to commence the road widening process with just environmental clearances without waiting for forest clearances. However, forest clearances will be necessary for stretches of road that fall within the forest areas. (Source: CRISIL Report, dated September 2, 2014)

### **Relaxation on Environmental Norms for Road Widening Projects**

In June 2013, the Environment Ministry cleared a proposal allowing the expansion of highways up to 100 km without environmental clearance. Previously, environmental approval was not required for road expansion up to 30 km. The relaxation will also be applicable on existing highways which require additional 40 metres of land for widening, which was previously set at 20 metres. (Source: CRISIL Report, dated September 2, 2014)

### **Penalty on overloaded vehicles**

In December 2013, the MoRTH modified the National Highways Fee (Determination of Rates and Collection) Rules, 2008. A provision levying a penalty on overloaded mechanised vehicles entering the national highways was introduced. The penalty, equal to ten times of the fee applicable under the respective category, is payable to the toll collecting agency. (Source: Ministry of Road Transport and Highways notification, dated December 16, 2013)

### **Infrastructure Investment Trust**

In the Indian budget for the financial year 2014-15, the formation of Infrastructure Investment Trusts (InvITs) was announced. InvITs have a tax efficient pass through status for PPP and other infrastructure projects. The Finance Bill for the financial year 2014-15 provides various provisions in the Income Tax Act with respect to InvITs.

Pursuant to the Budget announcement, the SEBI (Infrastructure Investment Trusts) Regulations, 2014 (“InvIT Regulations”) have been notified dated September 26, 2014. Some of the key features of the regulations are outlined below:

- InvITs are proposed to provide a suitable structure for the financing or refinancing of infrastructure projects in India;
- InvIT shall mean the trust registered as such under the regulations and the parties to the InvIT shall include the sponsor(s), investment manager, project manager and the trustee;
- The investment by an InvIT shall only be in SPVs or infrastructure projects or securities in India. In the case of PPP projects, the InvIT shall mandatorily invest in the infrastructure projects through a SPV;
- With respect to InvITs that hold not less than 80% of its assets in completed and revenue generating infrastructure projects, the initial issue of units shall be by way of initial offer only and the minimum subscription from any investor in the initial and follow-on offer shall be ₹ 1 million;
- If the InvIT invests or proposes to invest in under-construction projects, the value of which is more than 10% of the value of the InvIT assets, it shall raise funds by way of private placement only through a placement memorandum from qualified institutional buyers and body corporate only with a minimum investment from any investor of ₹ 10 million from not less than five and not more than one thousand investors;
- It shall be mandatory for units of all InvITs to be listed on a recognized stock exchange having nationwide trading terminals, whether publicly issued or privately placed;

- No initial offer of units by an InvIT shall be made unless it is registered with SEBI and unless the value of the assets held by the InvIT is not less than ₹ 5,000 million and the offer size is not less than ₹ 2,500 million; and
- The aggregate consolidated borrowings and deferred payments of the InvIT net of cash and cash equivalents shall never exceed 49% of the value of the InvIT assets.

(Source: Securities and Exchange Board of India)

### Policy Changes

Two factors which have affected the execution of national highways are the delay in land acquisition and clearances and the poor financial health and resultant lack of interest from private developers. Recently, the Government announced a number of policy changes to address these concerns. These included measures such as the delinking of forest and environmental clearances, ensuring substantial land acquisition before projects are awarded and simplifying the process to obtain clearances from railways. The new exit policy and premium rescheduling will offer respite to struggling road developers. (Source: CRISIL Report, dated September 5, 2014)

The table below illustrates the policies or initiatives enacted by the Government during 2014:

| Policy Change or Initiative                                                                                                                                                  | Date         | Impact                                                                                                                                                                                                                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| MoRTH to decide mode of award and is empowered to amend Model Concession Agreement                                                                                           | August 2014  | Cut delays in awarding and faster resolution of issues related to project viability, especially in stalled PPP projects.                                                                                                |
| Fast track clearances – i) states to clear projects with up to 40 acres of forest land, ii) increased limit for sand mining, iii) online filing and clearing of ROB and RUBs | August 2014  | Close to one third of the stalled projects suffered delays due to clearance issues. Move is beneficial to reduce delays in approval.                                                                                    |
| Waiver of charges for mutual usage of land between Railways and Road ministry                                                                                                | August 2014  | Reduce time for railway approvals as evaluation of cost for usage of land not required.                                                                                                                                 |
| Bidding of tenders only after 80% land has been acquired                                                                                                                     | July 2014    | Helps reduce delays in implementing future projects.                                                                                                                                                                    |
| Announcement for setting up ‘3P India’                                                                                                                                       | July 2014    | Would address issues affecting private participation – effectiveness will depend on the final form, shape and powers assigned to the body.                                                                              |
| Premium rescheduling for stressed projects                                                                                                                                   | March 2014   | Beneficial to lenders and companies with projects which are completed or nearing completion.                                                                                                                            |
| Exit clause                                                                                                                                                                  | January 2014 | Improves liquidity position of the developers.                                                                                                                                                                          |
| Set up of Project Monitoring Group                                                                                                                                           | June 2013    | No major impact so far. In August 2014, a project awarded in 2011-12 has been cleared by PMG.                                                                                                                           |
| De-linking of forest and environmental clearance                                                                                                                             | March 2013   | Reduction in delays as approvals can be granted concurrently. Earlier, clearance was delayed as forest and environmental clearances were linked and delay in any one of the two impacted sanction of overall approvals. |

(Source: CRISIL Report, dated September 4, 2014)

### Initiatives in the 2014-15 Budget for the Road Sector

In the 2014-15 budget, announcements for the road construction sector have been directed towards improving fund availability and reducing project delays. The budget has proposed investments worth ₹ 378.8 billion, an increase of 12% from the previous year, for the development of national highways and state roads. Further, ₹ 5 billion has been set aside for expressways, which could help start some expressway projects that have been in the planning stages for a long time. (Source: CRISIL Report, dated July 11, 2014)

There is also a plan to set up an institution called “3P India” with a corpus of ₹ 5 billion which will develop various models for public-private partnership projects and also ensure a quick dispute resolution mechanism. Banks have also been allowed to raise long term funds with minimum requirements for cash reserve ratio,

statutory liquidity ratio and priority sector lending. A sum of ₹ 143.9 billion has also been allocated for the development of rural roads under the Pradhan Mantri Gram Sadak Yojana. This is expected to benefit small, local road contractors. (Source: CRISIL Report, dated July 11, 2014)

### Profile of Key Regions

The table below illustrates the Net State Domestic Product (NSDP) growth rates and the Per Capita Income growth rates for the states specified:

| State                 | NSDP (1993-94 to 2012-13) | Per Capita Income (1993-94 to 2012-13) |
|-----------------------|---------------------------|----------------------------------------|
| <b>Maharashtra</b>    | 7.52%                     | 5.89%                                  |
| <b>Gujarat</b>        | 8.40%                     | 6.70%                                  |
| <b>Rajasthan</b>      | 7.41%                     | 5.34%                                  |
| <b>Karnataka</b>      | 7.33%                     | 6.11%                                  |
| <b>Haryana</b>        | 8.46%                     | 6.37%                                  |
| <b>Andhra Pradesh</b> | 7.42%                     | 6.40%                                  |
| <b>India</b>          | 6.81%                     | 5.12%                                  |

(Source: Technical Note by V R Techniche Consultants Pvt Ltd, dated August 2014)

The profile of each of the above states and some of the states key regions are set out below:

#### Maharashtra

Maharashtra occupies a prominent position in terms of industrial output, investment and economic growth in the country. Developed infrastructure, an abundance of skills and resources, the presence of an active services sector conducive to industrial growth, large scale urbanization, connectivity to all major areas and socio-economic development, among others, provide an edge to Maharashtra for the investment and development of new industries. Until July 2013 by way of a MOU, 389 mega and large projects were approved in the state, with an investment of ₹ 3,150.10 billion. Of these, 120 projects with an investment of ₹ 640.09 billion were commissioned and 121 projects with an investment of ₹ 925.90 billion are under execution. Till October 2013, in all 18,406 industrial proposals with an investment of ₹ 10,216.33 billion were approved. Out of these, 7,812 projects (42.4%) with an investment of ₹ 1,822.73 billion (17.8%) were commissioned and 2,061 projects with an investment of ₹ 794.06 billion are under execution. (Source: Economic Survey of Maharashtra 2013-14, available at: [https://www.maharashtra.gov.in/PDF/EcoSurvey\\_2014\\_Eng.pdf](https://www.maharashtra.gov.in/PDF/EcoSurvey_2014_Eng.pdf))

**Aurangabad:** Aurangabad is the fifth largest industrial district in Maharashtra after Pune, Raigad, Nashik and Thane. The city is bordered by Nashik, Jalna and Ahmednagar districts which have substantial industrial presence. Aurangabad has five Maharashtra Industrial Development Corporations ("MIDC") and two growth centres. Shendra, Chikalthana and Waluj MIDC industrial areas are prominent industrial zones on the outskirts of the city. Aurangabad is the manufacturing hub for many firms in the automotive, auto components pharmaceuticals, breweries, consumer durables, plastic processing, aluminium processing, agriculture and biotech sectors. The city is a major tourist attraction with a number of world heritage sites such as the Ajanta and Ellora caves, Daulatabad fort and Bibi-Ka-Maqbara. Aurangabad has been included in the DMIC Early Bird project which includes Shendra-Bidkin industrial park, which has a proposed area of approximately 8,340 hectares and an international convention centre. The proposed industrial park is to be completed in three phases by 2042 with an estimated capital investment of ₹ 145,251 crs and will see the opening of many industries. (Source: Aurangabad District, Maharashtra, available at: <http://aurangabad.nic.in/>)

**Rajura:** Rajura is a city in the Chandrapur district which is situated by the Wardha River in Maharashtra, near the Andhra Pradesh border. Chandrapur has an abundance of mineral resources with coal being a major resource found in the Wardha River basin. Chandrapur district accounts for a significant amount of mineral production in Maharashtra. The district also has ferro-manganese and silico-manganese production plant capabilities. Rajura is endowed with significant limestone deposits as well as copper deposits. Chandrapur has a thermal power plant which supplies power to the region and beyond. This is due to the large coal mines in the region which are utilized in the power production. There is a large paper manufacturing unit present in the region. Chandrapur district is a major rice producer in Maharashtra and exports the same. These industries contribute to the local economy while the industries with export products contribute to other regions as well. (Source: Ministry of Micro, Small and Medium Enterprises, available at: <http://www.dcmsme.gov.in>)

**Sindhudurga:** A number of industries are contributors of economic activities in Sindhudurga. Sawantwadi has an active woodcraft industry producing toys (Source: Maharashtra Small Scale Industries Development

*Corporation Limited, available at: <http://www.mssidc.org/handicrafts-in-maharashtra.aspx>). Sindhudurga also has multiple tourist and pilgrimage destinations such as the Sindhudurg Fort, Kunkeshwar Temple, Tarkarli Beach (Malvan) and Amboli Waterfalls (Sawantwadi). (Source: <http://sindhudurg.nic.in/index.html>) The availability of minerals such as iron ore, bauxite, silica sand, dolomite, china clay, fire clay, feldspar, graphite and manganese have spurred the mining industry. Of these, manganese, iron and bauxite are the minerals that are primarily exported. Local fruit produce has fuelled the local fruit processing industry, which is currently a growing industry in the region. Cashews support a cashew processing cluster (under implementation). Being a coastal district, fishing is practiced and processed fish is exported. (Source: Ministry of Micro, Small and Medium Enterprises, available at: <http://www.dcmsme.gov.in>)*

*Deglur: Deglur is located in the Nanded district within Maharashtra on the border of Andhra Pradesh and Maharashtra to the east and bordering Karnataka in the South. Deglur is home to places of religious significance such as, Hujursahab Gurudwara and other temples which attract tourists into the region. As a result, this also spurs the hotel industry. Soya cake is a primary export item from the region. Other products produced include pulses, jawar, maize, spices and fruits. While Nanded is not exactly a mineral-rich region, it has sizable deposits of limestone and granite. Nanded also has capabilities in engineering (including truck-body building), textiles, steel, plastic and cement sectors. (Source: Ministry of Micro, Small and Medium Enterprises, available at: <http://dcmsme.gov.in/dips/IPS%20NANDED.pdf>)*

*Dhule: Dhule is a district administrative centre. It is located at the crossing of three national highways, namely NH-6 (Surat - Nagpur), NH-3 (Mumbai - Agra) and NH-211 (Dhule - Solapur). The cotton textile mill at Dhule is the large scale industry in the district. (Source: Dhule Municipal Corporation, available at: <http://www.dhulecorporation.org/>) The district has four major industrial areas, namely: Dhule Industrial Area (400 hectares), Nardana Central Government sponsored Growth Centre (750 hectares), Brahmanwel Industrial Area (438 hectares) and Ubharandi and Raipur Industrial Area (158 hectares). (Source: Official Website of the District of Dhule, available at: <http://dhule.nic.in/html/industry.htm>)*

*Nagpur: Nagpur is a fast growing metropolis and the third largest city in Maharashtra after Mumbai and Pune. It is also a major commercial and political centre of the Vidarbha region of Maharashtra. It is famous throughout India as the "Orange City" as it is a major trade centre for oranges cultivated in the region (Source: [nagpur.nic.in/ehtmldocs/emiddle.htm](http://nagpur.nic.in/ehtmldocs/emiddle.htm)). The Government of Maharashtra has decided to develop a composite project called the Multi-Model International Passenger and Cargo Hub Airport at Nagpur ("MIHAN"). The project involves developing the existing domestic airport of Nagpur into an international passenger and cargo hub airport. A large SEZ of 2,000 hectares would surround the airport boundary and house various export oriented units such as information technology industries, gems and jewellery, garments, electronic goods, pharmaceuticals, processed foods and any other types of industries. It is proposed to have a large road terminal with parking facilities for approximately 900 trucks at a time, a huge warehouse, an open stockyard and a cold storage. By the side of this road terminal, there is a proposed rail terminal capable of handling two trains at a time. MIHAN is a composite project of airport, road terminal, rail terminal, SEZ and various other allied services such as housing, health city, and international school. (Source: [nagpur.nic.in/ehtmldocs/left\\_link/mihan.html](http://nagpur.nic.in/ehtmldocs/left_link/mihan.html))*

*Nashik: Nashik is a busy hub of industrial activities and is popular with tourists as it has historical caves, temples, holy rituals, museums and wet lands. Industrial estates and many industries are developing in all parts of the district. MIDC is establishing four industrial estates at Malegaon, Sinnar, Satana and Manmad and two co-operative industrial estates at Nandgaon and Kadwa. The Sinnar industrial estate is one of the largest cooperative industrial estates in India. Apart from grapes, onions and vegetables, many industrial products are exported from Nashik. Many reputed and large companies like Mahindra & Mahindra, MICO, Siemens, Crompton Greaves, Kirloskar, Raymond steel, Jindal, Brook Bond, L & T, Ceat, VIP, Carbon Everflow, Garware, Jyoti Structures, Samsonite, Datar Switch Gears, Glaxo India etc. have established their units in the District. (Source: District of Nashik, available at: <http://nashik.nic.in/htmldocs/discoverview.htm>) Igatpuri-Nashik-Sinnar Investment Region has identified for development in the first phase of the Delhi – Mumbai Industrial Corridor (DMIC) Project. (Source available at <http://pib.nic.in/newsite/PrintRelease.aspx?relid=67931>)*

*Sangli: Sangli is primarily involved in fruit processing business, such as grape processing, raisin making and wine making. Sangli Food Park is planned on a 305 acre plot at Mane Rajuri near Sangli city. A common facility centre created for raisin making in Sangli under the MSE-CDP scheme would enhance the export of raisins to the international avenues complying with international packaging standards. (Source: Ministry of Micro, Small and Medium Enterprises, available at: <http://www.dcmsme.gov.in/dips/DIPS%20Sangli.pdf>)*

**Solapur:** Solapur is an important district in Maharashtra. The national highways such as the NH-9, NH-13 and NH-211 pass through the city putting Solapur on the frontline of the commercial map of India. Solapur is home of the handloom and powerloom weaving industry which provides employment to a large number of people. There are approximately 6,000 powerloom industries operational in the district. There are approximately 25,000 powerloom and approximately 30,000 workers are employed. (Source: Solapur, available at: <http://solapur.gov.in>)

## **Gujarat**

Strategically located on the west coast of India, Gujarat is well connected to the major cities of the world by air and sea routes. Gujarat has a strong economy with the SDP rising at an average growth rate of 10.1% since 2005 to 2013, more than the national average. The state has been ranked first in India for “Economic freedom among states” in India 2013. The State also has a world-class performance in its production of cotton, castor, cumin, denim, processed diamonds, sponge iron, wall clocks etc. The sectors that keep attracting investments are petrochemicals, chemicals, drugs and pharmaceuticals, minerals, ceramics, gems and jewelry, textiles, auto and engineering, IT, power and ports. (Source: <http://www.vibrantgujarat.com/growing-infrastructure-2015.htm> and <http://www.vibrantgujarat.com/trade-invest.htm>) In terms of traffic performance, the annual growth rate of the vehicular population of Gujarat has been consistently higher than the national average. Gujarat had a decadal growth in 2001 of 172% in comparison to the national average of 156%. (Source: Amdavad Municipal Corporation available at <http://www.egovamc.com/citizens/cdp/chapter4.pdf>)

The residential use of land in Gujarat is expected to increase in the next few years. Affordable housing is also expected to be developed in certain areas. Land use is expected to increase in the near future. (Source: Technical Note by V R Techniche Consultants Pvt Ltd, dated August 2014)

Delhi Mumbai Industrial Corridor (DMIC), a high impact industrial area within 150 km distance on both sides of the Dedicated Freight Corridor (DFC), with an investment potential of US\$ 90 billion is being developed between Delhi and Mumbai. Around 38% (564 km) of length of DFC will pass through Gujarat. 62% of total area of Gujarat (18 out of 26 districts) is within the influence area of DMIC – including Ahmedabad and Vadodara. (Source: <http://www.vibrantgujarat.com/investment-opportunities.htm>)

**Ahmedabad:** Ahmedabad is the largest city in the state of Gujarat and the fifth largest in India. (Source: India census 2011) By 2021, the city is expected to grow by another 184 square km over its 2011 estimates and its population is expected to reach about 8 million. (Source: AUDA available at: [www.slideshare.net/EMBARQNetwork/OI-d-thara-april-tod-prezi](http://www.slideshare.net/EMBARQNetwork/OI-d-thara-april-tod-prezi)) The city has industries such as textile, chemical, pharmaceutical, metallurgy and engineering. ([http://dcmsme.gov.in/dips/dip%20ahmedabad\\_gu.pdf](http://dcmsme.gov.in/dips/dip%20ahmedabad_gu.pdf)) The State of Gujarat offers uninterrupted power supply, state-wide gas grid, rich gas reserves, extensive road and rail network and airports which makes it conducive for all types of investments to thrive. (Source: <http://www.vibrantgujarat.com/trade-invest.htm>)

The capital city of Gujarat, Gandhinagar is situated 32 km from Ahmedabad. Gandhinagar is a major tourism destination in Gujarat with multiple religious places in the vicinity. (Source: Gujarat State website available at: <http://gujaratindia.com/about-guarat/religious-places.htm>) Situated 37 km from Ahmedabad, Kheda is named the ‘Golden Leaf’ as it is a major producer of tobacco in Gujarat. It also has a strong cotton cultivation facility. Other industries present include textile, paper, electrical equipment and food processing. Several new manufacturing industries such as ceramics, plastics and its products, cement and gypsum are developing in the district. (Source: [http://dcmsme.gov.in/dips/BIP%20KHEDA\\_guj.pdf](http://dcmsme.gov.in/dips/BIP%20KHEDA_guj.pdf))

**Ports in Gujarat:** Kandla port is the largest major port in India. In 2012-13, the port handled approximately 93 million metric tonnes of cargo. Currently, projects to enhance the capacity by another 47 MMTs are being implemented. (Source: Kandala Port Trust, available at: <http://www.kandlaport.gov.in/>) Mundra ports is one of the most prominent private port in India. Besides Pipavav, Hazira and Essar ports are also located in the state of Gujarat (Source: <http://www.investindia.gov.in/ports-sector/>) India’s first port-based SEZ was established at Mundra. (Source: Gujarat Infrastructure Board, available at: [http://www.gidb.org/cms.aspx?content\\_id=105](http://www.gidb.org/cms.aspx?content_id=105)) Vadodara is connected to Ahmedabad through the upcoming Ahmedabad-Vadodara Expressway. (Source: National Highway Authority of India) The district has significant establishments in chemicals and fertilizers, pharmaceuticals, biotechnology, cotton textiles, machine tools, glass, engineering, tobacco, fisheries and dairy. The district is a significant beneficiary of the DMIC project which passes through it. (Source: <http://dcmsme.gov.in/dips/BIP%20VADODARA%20100812.doc%20FRESH.pdf>)

**Bharuch:** The Petroleum Chemicals and Petro-Investment Region (“PCPIR”) is a specifically delineated

investment region planned for the establishment of production facilities for petroleum, chemicals and petrochemicals. The PCPIR is spread over 453 sq km of brownfield area in the Gulf of Khambhat, in Bharuch District in South Gujarat. The area is in the vicinity of other chemical estates, an onsite chemical port terminal and a LNG terminal and ONGC Petro additions Limited <sup>(1)</sup>. A greenfield airport for PCPIR and airstrip at Ankleshwar and has been proposed in the region <sup>(2)</sup>, number of port projects proposed which includes 40 MMTPA ports by Sandesara Group (solid cargo, liquid cargo and container port), marine shipbuilding park by Gujarat Maritime Board, Ro-Ro Ferry Service and common user jetty by Gujarat Maritime Board <sup>(3)</sup>. A chemical logistic park of approximately 80 hectares have been planned (only chemical logistic park in India) and number of power supply projects are in construction stage such as 1500 MW gas based by Torrent Power and 2640 MW coal based by Adani Power in PCPIR region <sup>(4)</sup>

*Source: Official website of PCPIR*

(1) <http://gujaratpcpir.org/index.html>

(2) <http://gujaratpcpir.org/infrastructure/other.html>

(3) <http://gujaratpcpir.org/infrastructure/port-connectivity.html>

(4) <http://gujaratpcpir.org/infrastructure/internal-infrastructure.html>

### **Rajasthan**

NH-8 and NH-768 in Rajasthan are expected to benefit from the creation of tunnels and realignment. The marble industry is expected to be set wider apart as a result of such road improvements in the state. (*Source: Technical Note by V R Techniche Consultants Pvt Ltd, dated August 2014*)

**Udaipur:** Udaipur is a major industrial hub for minerals and exports, such as zinc and marble among other minerals and industrial products. Another significant industry in this region is the tourism industry. Udaipur's multiple tourist locations are visited by numerous tourists each year. (*Source: <http://www.tourism.gov.in/CMSPagePicture/file/marketresearch/statisticsurveys/05%20rajasthan.pdf>*) This also gives rise to supporting service industries, such as the hotel industry. There are 16 large-scale industries in the Udaipur district, manufacturing the following products: synthetic yarn, stationery, chemicals, marble and granite, among others. In Udaipur, major areas are covered with rock hills and approximately 3,844 hectares of land are covered with forest. This forest provides valuable products such as honey, wax, katha and tendu which are then sold. In addition to the above industries, Udaipur has tourist attractions such as lakes. (*Source: [http://dcmsme.gov.in/dips/DIPR\\_Udaipur.pdf](http://dcmsme.gov.in/dips/DIPR_Udaipur.pdf)*)

**Kishangarh:** The economy of this district is aided by the following industries: marble, granite and textiles. The powerloom, marble and granite industries are fast growing industries in this region. One of the major industrial areas of the region is Gegal. Kishangarh is also particularly known for its production of distinctive handicrafts developed on paper, cloth, wooden, marble and leather. Patch-work products such as bed-sheet and pillow covers are manufactured in the areas of Tilonia, Harmara and Narana. These products along with marble manufacturing as well as silk and wooden paintings are exported on a global scale. (*Source: <http://ajmer.nic.in/industries.html>*)

### **Karnataka**

In recent years, there has been a reduction in the production of iron ore from existing steel industries due to a ban on iron ore mining. In April 2013, the Supreme Court passed an order regarding the mining of iron ore in Bellary, Tunkur & Chitradurga districts. The Supreme Court cancelled 51 leases of category 'C' mines, and lifted bans on 27 mines of Category A and 63 mines of category B, subject to conditions, including adherence of the reclamation and rehabilitation plans. Accordingly, the mines have started to reopen in a regulated environment and so the steel industry in the Bellary-Hospet region of Karnataka is expected to grow. NH13 is currently the most widely used corridor for North-South traffic in India. It is expected that NH-13 will benefit from the need to transport iron ore as a result of reopening of the mines. (*Source: Technical Note by V R Techniche Consultants Pvt Ltd, dated August 2014*)

**Bijapur:** Bijapur district spreads over 10,541 sq km. Agriculture is the main resource of the district and has played an important role in the economic development of the district. Key crops include sugarcane, paddy, jowar, bajra, maize, wheat, gram, tur, ground nut and sun flower. Key industries in the district include cement and sugar plants. There are 8,692 small scale industries in the district with an investment of ₹ 154 cr. Bijapur is also a major tourism centre with key attractions such as the Jumma Masjid mosque, the Gol Gumbaz tomb, Ibrahim Roza, Gagan Mahal, Malik-e-Maidan, Asar Mahal, Upli Buruj and Saat Kabar. (*Source: Bijapur State Website, available at: [http://www.bijapur.nic.in/pdf/bijapur\\_district\\_profile.pdf](http://www.bijapur.nic.in/pdf/bijapur_district_profile.pdf)*)

**Bellary:** Bellary district spreads over 8,447 sq km. Key industries in the district include steel, cement, rice mills, readymade garments and textiles. Cotton based industries and oil extraction units contribute significantly to Bellary's economy. There are 48 cotton-based industries and 45 oil-extraction units (groundnut and sunflower) in the district. (Source: *Public Private Partnerships in India, Ministry of Finance, Government of India*, available at: <http://www.pppinindia.com/pdf/karnataka/District%20Profiles/Bellary.pdf>)

## **Telangana**

Telangana is rich in water resources and coal mines. The Government of Telangana is in the process of establishing a single window clearance system for its industrial policy for faster clearances and approvals. This is likely to accelerate industrial growth within the state. Along with residential and industrial growth, there is likely to be an increase in passenger and commercial traffic within the state. (Source: *Technical Note by V R Techniche Consultants Pvt Ltd, dated August 2014*)

**Hyderabad:** Hyderabad is the capital city of the Indian state of Telangana. The city is a hub for film industry, and it has world-class public and private hospitals, Central and State level research institutions, information technology industry, biotech and pharma industry and many public sector entities. Hitec City in Hyderabad is a hub of information technology, which reflects the growth story of Hyderabad. It is the main nucleus of Hyderabad, the most sought after IT destination. (Source: *Telangana Tourism*, available at: <http://www.telanganatourism.gov.in/hyderabad>)

**Warangal:** Warangal city is well known as an important educational centre. In 1959, Warangal established the Regional Engineering College and the first among the 17 RECs in the country. The Central Government has declared the 30 acre land belonging to the Andhra Pradesh Industrial Infrastructure Corporation at Madikonda as Special Economic Zone for the development of an information technology park in the Telangana Region. Warangal is in the Tier-II cities list of IT policy. Many software firms are expected to focus their attention towards the district. (Source: *Warangal District*, available at: <http://warangal.nic.in/>)

## **Haryana**

Haryana is an investor-friendly state and offers skilled, motivated and relatively low-cost manpower with a good infrastructure and harmonious industrial relations. The state has been able to attract sizable investment from multinational companies, large business houses, foreign investors, non-residents Indian and small scale entrepreneurs. It has a rich industrial base, equipped with incomparable infrastructure. One-third of Haryana falls under the National Capital Region. Panipat, Rohtak, Gurgaon, Faridabad and Sonapat have a special potential for accelerated socio-economic development. (Source: *Haryana Government*, available at: <http://haryana.gov.in/budgetbusiness/competetive%20adv.asp>)

In recent years, certain areas within Haryana have seen high residential and industrial growth. There are also a number of industrial estates which are at various stages of development which will influence the volume of traffic on NH-71. (Source: *Technical Note by V R Techniche Consultants Pvt Ltd, dated August 2014*)

**Rohtak:** Rohtak is a throbbing industrial city. The Haryana State Industrial and Infrastructure Development Corporation ("HSIIDC") has developed an Industrial Model Township ("IMT") at NH-10 near Rohtak. Several heavy industries are developing their production and commercial plants in this huge township. Rohtak is also known as city of fasteners. Rohtak also has a precision tools complex. (Source: <http://www.haryanatourism.gov.in/showpage.aspx?contentid=5136> and <http://haryana.gov.in/budgetbusiness/competetive%20adv.asp>)

**Panipat:** Panipat is a city of textiles and carpets. It is the biggest centre for quality blankets and carpets in India and has a handloom weaving industry. In addition, Panipat city is the biggest centre of "Shoddy Yarn" in the world. Blankets prepared through handloom and power loom are sent to soldiers. The Samalkha subdivision of this district is famous for Foundry of Agriculture instruments. In this way, this district, is continuously developing on the industrial base. (Source: *Panipat District*, available at: <http://panipat.nic.in/factfile.html>)

**Hissar:** Hissar is a city known as one of the biggest producers of stainless steel. It is also well known for its agriculture. (Source: *Government of India, Ministry of Micro Small and Medium Enterprises*, available at: [http://dcmsme.gov.in/dips/har\\_hissar.pdf](http://dcmsme.gov.in/dips/har_hissar.pdf))

**Rewari:** In the last few years, Rewari district has made unprecedented progress in the industrial sector. A number of policy initiatives announced by the Government of Haryana have provided impetus for rapid growth of industries in the district. Factors such as the ideal location on the National Highway (Delhi-Jaipur road),

being in proximity to Delhi, a well developed infrastructure with extensive roads and a communication network across the district, total electrification, a large pool of skilled manpower, a supportive social environment and the development of various industrial estates, such as Dharuhera Complex, Rewari Complex and Bawal Growth Centre have made Rewari a location for industries and as such high-tech and high value projects involving foreign collaborations and investment have come up in this area. The prominent industries among them are in Dharuhera Industrial area, Bawal Industrial area, Rewari Industrial area. The industrial units in Rewari district are exporting a number of products, such as motor cycles, cotton yarn, hand tools, slates and pharmaceutical, ceramic tiles to a number of countries, such as Australia, Singapore, the United State of America, Germany, Sri Lanka, China and Pakistan, among others. (Source: Rewari District, available at: <http://www.rewari.gov.in/ind2.htm>)

### ***Madhya Pradesh***

*Dhar:* The Pithampur-Dhar-Mhow Investment region is an early bird project under the DMIC. A corridor between Indore Airport and Pithampur stretching 22 km is under development. Economic and commercial activities are proposed to be setup up to 300 meters on either side of the corridor. An integrated multi-modal logistics hub is being developed to meet the logistic demands of Indore and Pithampur at Pithampur on 176 hectares of land. A knowledge city or education hub on 419 hectares of land is being developed at Ujjain. World-class education institutes, research centers and training centers in various disciplines are proposed to be set up in this knowledge city. (Source: Madhya Pradesh Facilitation Centre, available at: [www.mpnricentre.nic.in/pptagri/presentation.ppt](http://www.mpnricentre.nic.in/pptagri/presentation.ppt))



## BUSINESS

### Overview

We are one of the leading road BOT companies in India that specialises in the development, operation and maintenance of highways, roads and related projects. (Source: CRISIL Report dated November 13, 2014) Our Company, a subsidiary of Sadbhav Engineering Limited, was incorporated in 2007 as a developer and operator for highways, road and related projects on a BOT basis. All of our projects are implemented and held through special purpose vehicles, including joint venture entities.

We are pre-qualified on an annual basis to bid either directly or through joint ventures for DBFOT projects, subject to certain eligibility criteria, of project values up to ₹ 26,500.00 million by the NHAI up to December 31, 2015. We are involved in the development, operation and maintenance of national and state highways and roads in several states in India including Maharashtra, Gujarat, Rajasthan, Karnataka, Haryana, Madhya Pradesh and Telangana and border check posts in the state of Maharashtra.

We have a project portfolio consisting of ten BOT projects of which six road projects are fully operational, one is the partially operational border check posts and the remaining three projects are in various stages of development. Nine of the ten BOT projects are toll projects (including service fee for the border check posts in Maharashtra), while the remaining one is an annuity project. Our operational projects cover approximately 1,534.44 lane kms and the projects under development cover approximately 1,061.48 lane kms. In addition, as of March 31, 2015, our Subsidiary MBCPNL completed 13 check posts and is developing 9 more check posts for our MBCPNL Project.

In addition to the above projects, our Company has initiated the process to acquire from SEL, our corporate Promoter, 74.00% of the outstanding equity interest in MBHPL and 39.00% of the outstanding equity interest in DPTL. This restructuring is in accordance with our overall growth strategy to consolidate all BOT road projects to be developed by our Company, in which SEL, our corporate Promoter, has shareholding. Our Company has also agreed to acquire 60.00% of the outstanding equity interest in DPTL from HCC Concessions and HCC. If these acquisitions are completed, our project portfolio will increase to 12 BOT projects, with seven fully operational projects, one partially operational border check posts project and four projects in various stages of development.

We believe we benefit significantly from the experience of and relationships established by SEL, our Corporate Promoter. SEL has an established track record of executing projects with over 25 years of experience in construction activities in the transport, mining and irrigation sectors since its incorporation in 1988.

We generate revenues primarily from toll collection, service fee and annuity receipts. Our Company also provides operation and maintenance and advisory and project management services to our projects. For the financial year ended March 31, 2014, our consolidated revenue from operations and net loss amounted to ₹ 3,710.71 million and ₹ 1,559.37 million, respectively. For the nine months ended December 31, 2014, our consolidated revenue from operations and net loss amounted to ₹ 3,745.19 million and ₹ 2,231.70 million, respectively.

### Our Projects

#### Operational and Partially Operational Projects

| Concessionaire                                | Our equity interest as of date of this Draft Red Herring Prospectus (in %) | Approximate length (in lane kms) | Type of project | Residual concession life as of March 31, 2015* |
|-----------------------------------------------|----------------------------------------------------------------------------|----------------------------------|-----------------|------------------------------------------------|
| Maharashtra Border Check Post Network Limited | 77.82 <sup>1</sup>                                                         | 22 Check posts                   | Service Fee     | 18 years and 7 months <sup>2</sup>             |
| Rohtak Panipat Tollway Private Limited        | 99.99                                                                      | 323.43                           | Toll            | 21 years and 1 month                           |
| Bijapur-Hungund Tollway Private Limited       | 76.99                                                                      | 388.88                           | Toll            | 15 years and 5 months                          |
| Ahmedabad Ring Road Infrastructure            | 93.99 <sup>3</sup>                                                         | 305.40                           | Toll            | 11 years and 9 months                          |

| Concessionaire                            | Our equity interest as of date of this Draft Red Herring Prospectus (in %) | Approximate length (in lane kms) | Type of project | Residual concession life as of March 31, 2015* |
|-------------------------------------------|----------------------------------------------------------------------------|----------------------------------|-----------------|------------------------------------------------|
| Limited                                   |                                                                            |                                  |                 |                                                |
| Aurangabad Jalna Tollway Limited          | 99.99                                                                      | 263.20                           | Toll            | 15 years and 4 months                          |
| Hyderabad Yadgiri Tollway Private Limited | 99.99                                                                      | 142.60                           | Toll            | 18 years and 4 months                          |
| Nagpur Seoni Express Way Limited          | 69.99 <sup>4</sup>                                                         | 110.92                           | Annuity         | 12 years and 8 months                          |

\* Does not include extension, if any, granted by the concessioning authority.

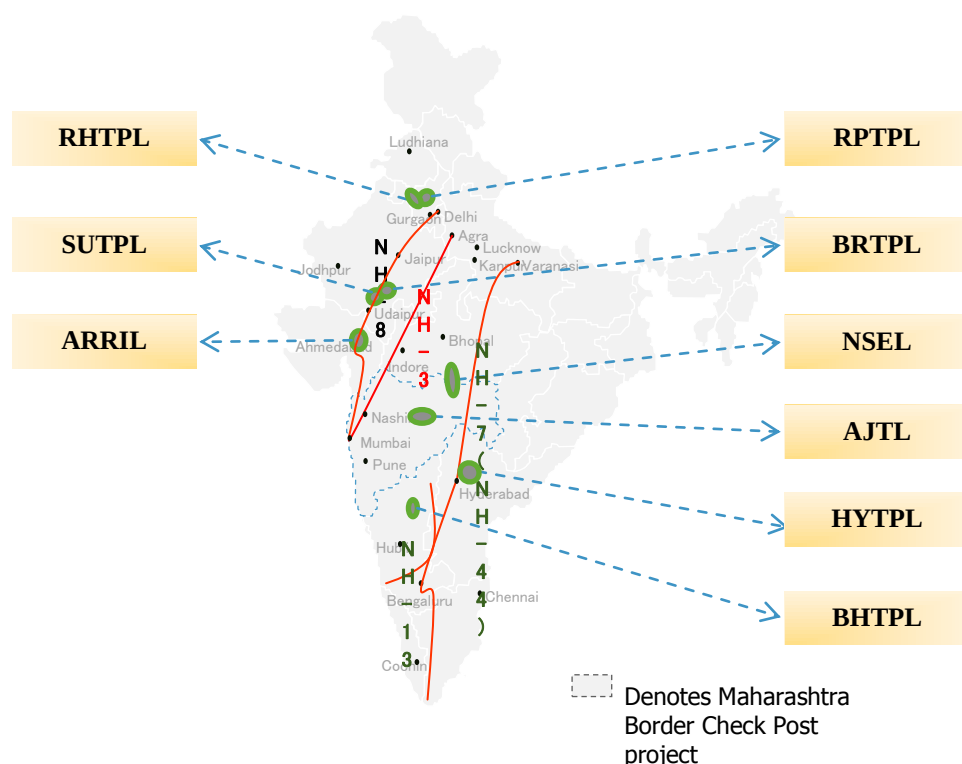
- 1 Our Company has entered into share purchase-cum-shareholders' cum sub-ordinated debt agreement dated September 18, 2013, to sell 4,963 equity shares (9.93% of the outstanding equity interest) of MBCPNL to D. Thakkar Construction Private Limited. Further, our Company has also entered into a share purchase agreement dated November 4, 2014 to acquire 5,000 equity shares (10.00% of the outstanding equity interest) of MBCPNL from SEL. For further details, see "History and Certain Corporate Matters" on pages 240 to 241.
- 2 Subject to increase in the concession period based on the date of completion of the last check post and the total cost of the project. Indicates PCOD for operational check posts.
- 3 Our Company has entered into a share purchase agreement dated November 3, 2014 to acquire 20,92,000 equity shares (20.00% of the outstanding equity interest) of ARRIL, a part of which have already been acquired and the remaining equity shares will be acquired upon completion of certain transfer formalities. For further details, see "History and Certain Corporate Matters" on page 238.
- 4 Our Company has entered into a share purchase agreement dated September 22, 2010 to purchase 24,479,940 equity shares (51.00% of the outstanding equity interest) of NSEL from SEL, a part of which have already been acquired and the remaining equity shares will be transferred upon release of pledge by NSEL's lenders. For further details, see "History and Certain Corporate Matters" on page 241.

#### **Projects under Development**

| Concessionaire                              | Our equity interest as of date of this Draft Red Herring Prospectus (in %) | Approximate Length (in lane kms) | Type of project | Residual concession life as of March 31, 2015* |
|---------------------------------------------|----------------------------------------------------------------------------|----------------------------------|-----------------|------------------------------------------------|
| Shreenathji-Udaipur Tollway Private Limited | 99.99                                                                      | 317.24                           | Toll            | 25 years and 1 month                           |
| Bhilwara-Rajsamand Tollway Private Limited  | 99.99                                                                      | 349.00                           | Toll            | 28 years and 6 months                          |
| Rohtak- Hissar Tollway Private Limited      | 99.99                                                                      | 395.24                           | Toll            | 20 years and 9 months                          |

\* Does not include extension, if any, granted by the concessioning authority.

Our Company has recently restructured its shareholding in some of its Subsidiaries. For details, see "History and Certain Corporate Matters" from pages 235 to 242. Following is a map showing the location of each of our 10 projects.



### Our Proposed Acquisitions

In addition to the above projects, our Company is in the process of acquiring shareholding in MBHPL and DPTL. The following tables set out details of the projects developed by MBHPL and DPTL:

| Concessionaire                         | Status of the project | Our equity interest as of date of this Draft Red Herring Prospectus (in %) | Approximate Length (in lane kms) | Type of project | Residual concession life as of March 31, 2015* |
|----------------------------------------|-----------------------|----------------------------------------------------------------------------|----------------------------------|-----------------|------------------------------------------------|
| Mysore-Bellary Highway Private Limited | Under development     | 0.0 <sup>1</sup>                                                           | 386.68                           | Annuity         | 9 years and 8 months                           |
| Dhule Palesner Tollway Limited         | Operational           | 0.9 <sup>2</sup>                                                           | 355.20                           | Toll            | 12 years and 9 months                          |

\* Does not include extension, if any, granted by the concessioning authority.

- 1 In accordance with the share purchase agreement dated November 3, 2014 to acquire 33,699,560 equity shares (74.00% of the outstanding equity interest) from SEL. For further details, see “History and Certain Corporate Matters” on page 244.
- 2 In accordance with the share purchase agreement dated September 22, 2010, our Company has agreed to acquire 18,692,000 equity shares (27.18% of the outstanding equity interest) of DPTL from SEL and in accordance with the share purchase agreement dated November 3, 2014, our Company has agreed to acquire 8,190,000 equity shares (11.9% of the outstanding equity interest) of DPTL from SEL. In addition, our Company and SEL have entered into a share purchase agreement dated April 16, 2015 with HCC Concessions and HCC to acquire 41,267,836 equity shares (60.00% of the outstanding equity share capital) of DPTL. For further details, see “History and Certain Corporate Matters” from pages 242 to 245.

For further details on the projects and status of acquisition, see “Business – Proposed Acquisitions” beginning on page 197.

## **Our Competitive Strengths**

### ***Sizeable and diverse portfolio of projects in several states in India***

We are one of India's leading road BOT companies in India that specialises in the development, operation and maintenance of highways and road projects. (Source: CRISIL Report dated November 13, 2014) We have a project portfolio consisting of ten projects of which six road projects are fully operational, one project is partially operational and the remaining three road projects are in various stages of development. We believe that our project portfolio is well distributed to cover both urban and rural vehicular traffic and includes national and state highways.

All of our projects are implemented through special purpose vehicles formed for the respective projects and we have a controlling interest in all Subsidiaries. These Subsidiaries enter into concession agreements with government agencies and generate revenue from toll receipts, service fee and annuities. The concession agreements are for periods ranging from 20 to 30 years. The average term for our projects is approximately 23 years and six months, thereby ensuring sustained future cash flows and growth for us. As of March 31, 2015, the average residual term for our projects is approximately 18 years and nine months.

In addition, our projects are distributed in seven states of India, a majority of which we believe are economically stable, and have a NSDP growth rate that is higher than that of India for the period between 1993-94 to 2012-2013. For details, see "Industry" beginning on page 170. We therefore believe that the industrial activities in these regions will continue to grow substantially which will lead to an increase in the traffic, and our business will be able to benefit from it. We also believe that the strategic locations of our projects in high economic growth areas strengthen the stability of our revenue and our ability to close financing arrangements for the projects.

### ***Strong support from our corporate Promoter***

SEL, our listed Promoter, which currently holds 77.42% of the issued and paid-up share capital of our Company, has an established track record of executing projects with over 25 years of experience in construction activities of transport, mining and irrigation sectors since its incorporation in 1988. Due to SEL's financial strength and experience in executing several infrastructure projects, SEL is a pre-qualified bidder for NHAI with respect to large public infrastructure projects for developing and operating road assets up to a value of ₹ 34,000 million up to December 31, 2015 and will continue to support our Company in bidding for new projects. Further, SEL has been the EPC contractor for a majority of our projects and we have completed a number of them prior to scheduled completion dates due to its experience in executing large road projects. SEL has an established track record in executing projects. Further, we believe that SEL enjoys strong brand recognition, long-standing relationships with lenders and investors and we benefit from its brand, experience, relationships and support. We believe that our relationship with SEL is a complementary one, and that this relationship strengthens our position when we approach lenders regarding the financing options for our projects. Our Company has entered into an agreement dated October 22, 2014 with SEL, whereby in accordance with the overall strategy of SEL, the road and highways and related projects business on a BOT basis will be carried out by our Company and its subsidiaries and not by any other entity in the SEL group, subject to the requirements of the bid, concession and financing documents. For further details, see "History and Certain Corporate Matters" on pages 236 to 237.

### ***Effective toll collection and toll management systems***

We believe we have a robust toll collections system to manage critical day-to-day toll collection and toll management of our projects. Classification of vehicles at our toll plazas is done both manually by the toll collector and also automatically using weight in motion technology and AVC cameras. Further, the entire process is monitored by supervisors using pan-tilt-zoom camera surveillance. Since a significant portion of the toll fees are paid in cash, we closely monitor the collection of toll fees in order to reduce toll collection leakage. In order to improve the efficiency and integrity of our toll projects, we continuously attempt to improve the internal processes and upgrade technology to manage any leakages, and to streamline toll collection, route operations and maintenance processes. As a result of this continuous focus on efficiency and integrity in the maintenance and operation of the toll roads, we believe we are able to reduce operational costs and improve our operating efficiency.

***Management and an integrated in-house project team with strong execution capabilities and extensive industry experience***

Our management team has experience in the Indian road infrastructure sector. Led by the Chairman of our Board and our Promoter, Vishnubhai Patel (who has extensive experience in the infrastructure construction business), we consider the strength of our management team to be fundamental to our success. We believe the stability of our management team and the industry experience brought on by our employees will enable us to continue to take advantage of future market opportunities and expand into new markets.

We have qualified in-house teams who are responsible for different aspects of our projects starting from identifying prospective projects to the collection of tolls and the operation and maintenance of the projects. We are able to undertake a significant number of activities related to the project in-house, thereby ensuring timely completion of our projects, reducing our reliance on third parties and decreasing our costs. Our integrated structure also allows us to control our budget and maximize returns for the project, including developer returns and operation and maintenance margins.

For further details of the roles and experience of our Board and Key Managerial Personnel, refer to “Our Management” from pages 255 to 260 and from 272 to 273. For further details on our employees, see “Business–Employees” below.

***A focused roads and highways and related BOT player and the timely execution of projects***

We are a company focused on roads and highways and related BOT projects. As of March 31, 2015, we have completed 4 out of six of our fully operational BOT projects on time or prior to the scheduled completion date (including any extensions, if granted). For example, we completed development of the BHTPL Project approximately 11 months before scheduled COD. Further, the NHAI and other concessioning authorities are required to regularly conduct inspections on the progress of development in accordance with the concession agreement. We believe that constant liaisoning with the regulatory and local authorities and thorough diligence before the bidding of the project assists us in completion of the project in a timely manner. Further, we appoint known contractors as well as periodically monitor the performance of our contractors to ensure none of our projects are stalled due to non-availability of clearances, non-availability of land and other instances of cost-overrun. We have not suffered any cost over-run in our fixed price contract with our contractors. As a result of the foregoing, we are able to complete our projects on a timely basis and minimize costs overrun.

***Our Strategies***

***Maintain and strengthen our market position in execution of roads and border check posts BOT projects***

Our primary focus is to maintain and strengthen our market position in India among other companies developing and executing road and related BOT projects. Over the next few years, we will continue to focus on the operations, maintenance and development of our existing projects while seeking opportunities to expand our portfolio of projects. We are pre-qualified on an annual basis to bid either directly or through joint ventures for BOT projects, subject to certain eligibility criteria, of project values up to ₹ 26,500.00 million by the NHAI up to December 31, 2015. Further, we intend to bid for projects either individually or jointly with SEL. Additionally, we may also consider acquiring existing projects, developed or under development by other companies. We intend to draw on our experience, effectively use our assets, market position and our ability to execute and manage multiple projects across geographies, to grow our portfolio of road projects. We may also explore opportunities to monetise our operational BOT projects, including by way of stake sale or securitisation or transfer our operational BOT projects to another entity, which will be the primary developer of the project with us having shareholding in such entity. The Central Government has recently approved an exit policy permitting divestment of equity stake in project companies, two years after completion of the construction period for all BOT projects. We believe that monetising our operational BOT projects will improve our financial strength and provide us with the resources to pursue our planned expansion and growth strategies without external support. Further, we will continue to focus on our execution skills to complete projects in a timely manner.

***Selectively expand into states with stable growth***

Given our track record in Gujarat, Maharashtra, Rajasthan, Karnataka, Madhya Pradesh, Telangana and Haryana, we intend to expand into states which are economically and politically stable and which are expected

to have NSDP growth rate that is higher than the NSDP growth rate than that of India for the period between 1993-94 to 2012-2013 to reduce tolling risks. We believe that such geographical diversification of our projects will reduce our reliance on specific states and allow us to capitalize on different growth trends in the different states. We believe our strategy in focusing both on further developing our existing markets and expanding into new markets with high growth potential will enable us to effectively capture growth opportunities in different parts of India, broaden our revenue base and reduce risks of volatility of market conditions and price fluctuations which may result from concentrating our resources in any geographical region in India.

In addition to our focus on road BOT projects, we also intend to bid for border check post projects on a BOT basis in other states. Additionally, we intend to strategically bid for new projects which are located near our existing projects so that we can reduce costs of EPC, operating and maintaining our projects and improve our operating efficiency. For example, bidding for projects in adjoining areas such as SUTPL and BRTPL Projects in Rajasthan and RPTPL and RHTPL Projects in Haryana has assisted us in achieving better operational efficiency with lower costs, since we are able to share equipment and manpower across projects as and when required.

#### ***Continue to build on relationship with our Promoter***

SEL has an established track record and industry expertise in managing road infrastructure projects. We expect that we will benefit from SEL's strategy of vertical integration which gives us greater control over development of road projects. We intend to leverage our and our corporate Promoters' experience, track record, commercial relationships and brand recognition to expand our operations and to carry out activities related to roads and highways.

#### ***Improve performance and enhance returns from our core business***

We will continue to focus on maximizing returns from each of our projects. In order to continue to improve performance and enhance returns from our BOT projects, we intend to:

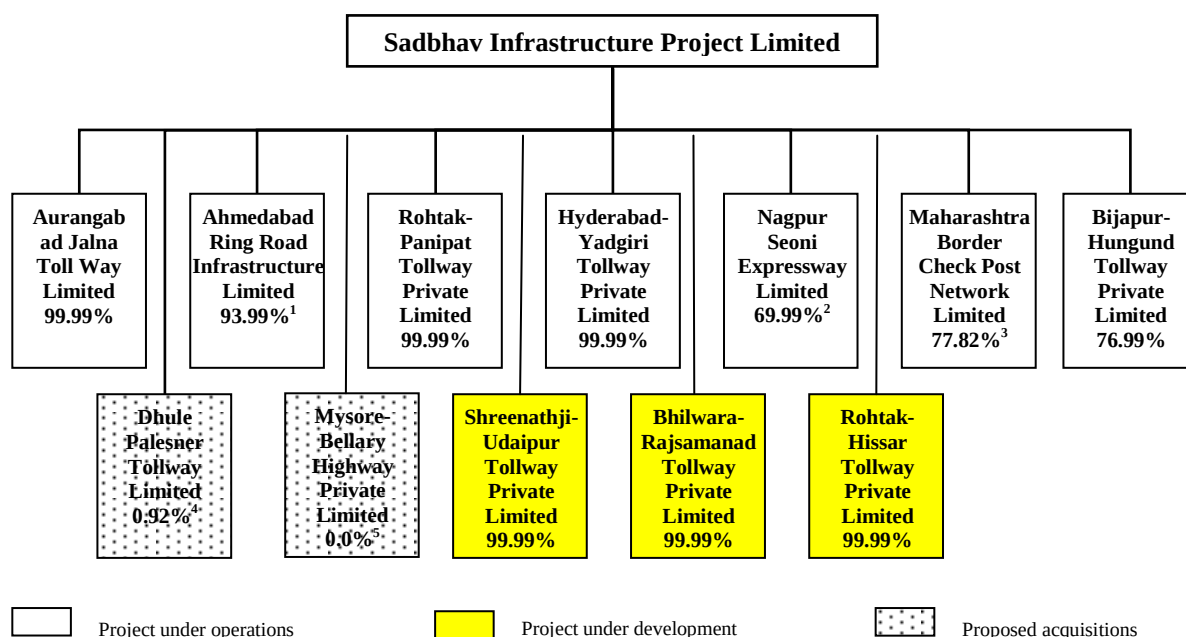
- adopt the best of the evolving technologies in collection of tolls and other business processes,
- continue to improve checks and balances to reduce toll leakages, and
- continue to complete road BOT projects on or before time to increase revenues.

#### ***Reduction of funding costs***

We source funding for our projects primarily through loans from banks and other financial institutions. We intend to continue to evaluate various funding mechanisms which will enable us to enhance our credit rating and in turn reduce our borrowing cost and improve our liquidity position. In the past, we have availed ECB loans for some of our projects which has helped us in reducing the overall cost of funding. Further, we have in the past explored and will continue to explore options for refinancing certain of our loans to lower our borrowing cost and improve cash flows.

#### ***Our Group Structure***

The following chart shows our group structure including proposed acquisitions:



- Our Company has entered into a share purchase agreement dated November 3, 2014 to acquire 20,92,000 equity shares (20.00% of the outstanding equity interest) of ARRIL, a part of which have already been acquired and the remaining equity shares will be acquired upon completion of certain transfer formalities. For further details, see “History and Certain Corporate Matters” on page 238.
- Our Company has entered into a share purchase agreement dated September 22, 2010 to purchase 24,479,940 equity shares (51.00% of the outstanding equity interest) of NSEL from SEL, a part of which have already been acquired and the remaining equity shares will be transferred upon release of pledge by NSEL’s lenders. For further details, see “History and Certain Corporate Matters” on page 241.
- Our Company has entered into share purchase-cum-shareholders’ cum sub-ordinated debt agreement dated September 18, 2013, to sell 4,963 equity shares (9.93% of the outstanding equity interest) of MBCPNL to D. Thakkar Construction Private Limited. Further, our Company has also entered into a share purchase agreement dated November 4, 2014 to acquire 5,000 equity shares (10.00% of the outstanding equity interest) of MBCPNL from SEL. For further details, see “History and Certain Corporate Matters” on pages 24 to 241.
- In accordance with the share purchase agreement dated September 22, 2010, our Company has agreed to acquire 18,692,000 equity shares (27.18% of the outstanding equity interest) of DPTL from SEL and in accordance with the share purchase agreement dated November 3, 2014, our Company has agreed to acquire 8,190,000 equity shares (11.9% of the outstanding equity interest) of DPTL from SEL. In addition, our Company and SEL have entered into a share purchase agreement dated April 16, 2015 with HCC Concessions and HCC to acquire 41,267,836 equity shares (60.00% of the outstanding equity share capital) of DPTL. For further details, see “History and Certain Corporate Matters” from pages 242 to 245.
- In accordance with the share purchase agreement dated November 3, 2014, our Company has agreed to acquire 33,699,560 equity shares (74.00% of the outstanding equity interest) of MBHPL from SEL. For further details, see “History and Certain Corporate Matters” on page 244.

## Our Business and Operations

All of our projects are implemented and held through our Subsidiaries. As of March 31, 2015, we have a project portfolio consisting of 10 BOT projects of which six road projects are fully operational, one border check post project is partially operational and the remaining three road projects are in various stages of development. Our operational and partially operational projects are located in the states of Maharashtra, Gujarat, Karnataka, Madhya Pradesh, Telangana, and Haryana. Our projects under development are located in the states of

Rajasthan and Haryana. All our operational and partly operational projects are “open” toll systems. In open toll systems, a flat toll fee is charged to users when they cross the toll plaza, regardless of the distance travelled. Toll road concessions are typically awarded under the BOT model of the Government, where a concessionaire takes on the role of developing, operating and maintaining a toll road for a stated contractual period. We enter into concession agreements with the relevant concessioning authorities with respect to each project to be developed by us. BOT projects are awarded by concessioning authorities on the basis of (i) highest premium payment offered to the concessioning authority; or (ii) lowest viability gap funding sought from the concessioning authorities; or (iii) lower concession period.

We earn revenues primarily from BOT road concessions in two ways, depending on whether it is a toll-based or an annuity-based concession. With respect to a toll-based concession, the concessionaire is entitled to collect toll fees from users of the toll road. The toll fees are collected in accordance with the provisions of the relevant concession agreement and/or in accordance with the National Highways (Collection of Fees by any Person for the Use of Section of National Highways/ Permanent Bridge/ Temporary Bridge on National Highways) Rules, 1997 and the National Highways Fee (Determination of Rates and Collection) Rules, 2008, as appropriate. Under the relevant concession agreements (other than in relation to AJTL and MBCPNL), the toll fees are revised periodically based on a formula set out in the concession agreement which is either partially or fully linked to WPI. Under the annuity-based concession, the concessionaire does not earn the toll fees, but receives a fixed, periodical payment (annuity payment) from the concessioning authority. With respect to border check post projects, the concessionaire may collect service fee from commercial vehicles. Further, we are entitled to earn revenue in addition to toll/service fee collected from sources such as advertising along the project site for projects managed by each of ARRIL, AJTL and MBCPNL. For the MBCPNL Project, we are also entitled to earn additional revenue including from parking charges, loading and unloading charges and leasing of commercial space.

Our primary expenses towards our projects are finance costs associated with debt raised for each project and operations and maintenance expenses which we incur in order to maintain the project sites at the service levels specified in each concession agreement. Title to the concession assets (such as toll roads) and related infrastructure (such as toll plazas and monitoring posts) and the underlying land remains with the concessioning authority. Upon the expiration of the concession period, the concessionaire is required to transfer these concession assets back to the concessioning authority without additional compensation.

Set forth below is a summary of each of the 10 projects in our project portfolio, and in which we have an interest.

### ***Road BOT Projects Partially in Operation***

#### ***MBCPNL Project***

We believe this toll BOT project is the first of its kind BOT project in India. It consists of 22 border check posts located at the borders of Maharashtra for the purpose of modernization and computerization of existing integrated border check posts. It connects several adjacent states including Gujarat, Madhya Pradesh, Chhattisgarh, Telangana, Karnataka and Goa. While 12 border check posts are expected to be located on National Highways (NH-3, NH-4, NH-6, NH-7, NH-8, NH-9, NH-13, NH-17 and NH-69), the other 10 are expected to be located on state highways. This project includes three major, two big, seven medium and ten small check posts. 13 of these check posts are currently completed while the others are at various stages of development. As of February 28, 2015, toll is collected at the following nine check posts:

| Check Posts     | Category | Adjoining State/Highway | Date of General Resolution |
|-----------------|----------|-------------------------|----------------------------|
| Acchad Dapcheri | Major    | Gujarat/NH8             | April 8, 2013              |
| Mandrup         | Medium   | Karnataka/NH13          | June 1, 2013               |
| Saoner          | Medium   | Madhya Pradesh/NH69     | October 22, 2013           |
| Ramtek          | Medium   | Madhya Pradesh/NH7      | January 2, 2014            |
| Pimpalkutti     | Medium   | Telangana/NH7           | January 2, 2014            |
| Navapur         | Major    | Gujarat/NH6             | January 2, 2014            |
| Omerga          | Medium   | Karnataka/NH9           | April 25, 2014             |
| Warud           | Small    | Madhya Pradesh/SH244    | April 25, 2014             |



| Check Posts | Category | Adjoining State/Highway | Date of General Resolution |
|-------------|----------|-------------------------|----------------------------|
| Hadakhed    | Major    | Madhya Pradesh/NH3      | April 25, 2014             |

In addition to above, we have received PCOD for the following four check posts:

| Check Posts | Category | Adjoining State/Highway | Date of PCOD*     |
|-------------|----------|-------------------------|-------------------|
| Kharpi      | Small    | Madhya Pradesh/MSH6     | December 27, 2013 |
| Biloli      | Small    | Telangana/SH225         | February 28, 2014 |
| Deori       | Big      | Chhatisgarh/NH6         | August 20, 2014   |
| Muktainagar | Small    | Madhya Pradesh/MSH8     | August 20, 2014   |

\* MBCPNL has not commenced toll collection at these checkposts pending receipt of the general resolutions from MSRDC.

As on the date of this Draft Red Herring Prospectus, construction for the following border check posts is ongoing:

| Check Posts | Category | Adjoining State/Highway |
|-------------|----------|-------------------------|
| Borgaon     | Small    | Gujarat/SH23            |
| Shinoli     | Small    | Karnataka/SH121         |
| Akkalkuwa   | Small    | Gujarat/SH4             |
| Chorwad     | Small    | Madhya Pradesh/SH4      |
| Rajura      | Small    | Telangana/SH264         |
| Kagal       | Big      | Karnataka/NH4           |
| Marawade    | Medium   | Karnataka/NH9           |
| Deglur      | Small    | Telangana/SH6           |
| Insuli      | Medium   | Goa/NH17                |

#### *Concession Operator*

Maharashtra Border Checkpost Network Limited (“MBCPNL”) is the operator of the 22 border check posts. Our Company owns 77.82% of the outstanding equity share capital in MBCPNL. For more information on MBCPNL, see “Subsidiaries” from pages 250 to 251.

#### *Key Terms of the Concession*

The concession was granted by the Government of Maharashtra and the project implementing agency is the Maharashtra State Road Development Corporation. The term of the concession is 24 years and six months, which may be increased based on completion of all check posts. MBCPNL is required to ensure that the project shall be completed within 18 months from the date on which the work order was issued to MBCPNL i.e. May 5, 2009. In the event the project is not completed by the scheduled project completion date for any reason other than force majeure or reasons attributable to the Government of Maharashtra, MBCPNL shall be liable to pay liquidated damages to the extent of ₹ 0.1 million per week for every week of delay. We have applied or are in the process of applying for an extension of time for these checkposts.

The service fees as specified in the fee notification for financial year 2015-16 in respect to weightment of vehicles are (i) ₹ 30.00 for light commercial vehicles; (ii) ₹ 60.0 for medium commercial vehicles; and (iii) ₹ 115.00 for heavy and very heavy commercial vehicles. The fee notification also allows for a ₹ 5.0 increase in service fee for light commercial vehicles every three years until financial year 2023-24. With respect to the service fee revision for medium commercial vehicles, the fee notification allows for a ₹ 10.00 increase every three years until the end of financial year 2023-24, and subsequent increases as provided in the concession agreement for heavy and very heavy commercial vehicles until the end of financial year 2023-24. Thereafter, the service fee will increase by 5.0% per annum on a compounded basis from the initiation of the project, and amount of fee determined shall be rounded to the nearest multiple of 5. In addition to the service fees, MBCPNL may also lease commercial space available on the project site and earn revenue from advertising along the

project site, loading and unloading charges and in the form of parking charges along the check posts.

In accordance with the terms of the Concession Agreement, the Government of Maharashtra is entitled to augment the capacity of the project at any time after COD with a view to provide the desired level of service to the users of the project facility by inviting proposals from eligible persons. Pursuant to the concession agreement, MBCPNL has a right of first refusal if it fails to provide the lowest offer. In such instance, if it matches the lowest offer, a suitable agreement shall be entered into to reflect the same and all other necessary and consequential changes, and MBCPNL shall pay the bidder who made the lowest offer a specified sum towards bidding cost. However, in the event, MBCPNL chooses not to submit its proposal or fails to match the preferred offer, the Government of Maharashtra is entitled to terminate the contract upon payment of termination payments to MBCPNL. For further details, see “Risk Factors – Internal Risk Factors – Our ability to negotiate the standard form of contracts for our projects may be limited and certain restrictive, unusual and onerous provisions may be imposed on us.”

#### *Project Cost and Financing*

As of December 1, 2014, the amount spent towards the project is ₹ 13,715.66 million, which includes a payment of ₹ 700.00 million to the Government of Maharashtra as an upfront payment for the project. As of February 28, 2015, total equity contribution and sub-ordinate debt for the project is ₹ 0.50 million and ₹ 3,666.13 million, respectively, by our Company.

MBCPNL entered into an agreement dated February 3, 2010 in connection with the financing of the project. As of February 28, 2015, the total principal amount of debt outstanding was ₹ 9,690.83 million. For details, see “Financial Indebtedness” for key terms of such agreement.

#### *Financial and Operational Information*

For the financial year 2014, MBCPNL’s revenue from operations and net loss as per its audited financial statements, was ₹ 302.36 million and ₹ 449.28 million, respectively. For the nine months ended December 31, 2014, MBCPNL’s revenue from operations and net loss as per its audited financial statements, was ₹ 598.61 million and ₹ 441.64 million, respectively.

As certified by A.D. Brahmabhatt & Co., Chartered Accountants, for the three months ended March 31, 2015, MBCPNL’s toll collections were ₹ 260.6 million.

#### *Status of the Project*

As of February 28, 2015, MBCPNL has issued 293,771 RFID tags to the commercial vehicles.

MBCPNL has entered into an EPC contract dated December 21, 2009 with our Company to appoint our Company as the EPC contractor to undertake a part of the project works including designing, engineering, procurement, supply, installation and testing of information technology and allied works, electronic, electrification, road signage, canopy and furniture accessory related work for each of the border check posts in the project, for the aggregate lump sum of ₹ 2,990.00 million.

MBCPNL has entered into an agreement dated June 18, 2009 with SEL to appoint SEL as the EPC contractor to undertake design, engineering, procurement, construction, testing and completion of the project for the aggregate lump sum of ₹ 8,340.00 million.

MBCPNL has entered into a services agreement dated September 22, 2010, as amended under which SEL has agreed to provide facilities for office space. In terms of the agreement, MBCPNL shall pay a consideration of ₹ 0.08 million per month inclusive of taxes for the office space.

MBCPL has entered into a management services agreement with our Company dated March 1, 2014 under which our Company will provide management services including, among others, liaising with the concessioning authority and independent engineer in relation to operation and maintenance, auditing the operation and maintenance activities, financial, accounting and company secretarial services, corporate compliance monitoring for an aggregate fee of ₹ 24.00 million for the financial year 2013-2014 and ₹ 2.00 million per month from financial year 2014-2015 onwards, and other services at cost.

### **Completed Road BOT Projects**

We are operating the following projects:

#### **RPTPL Project**

This four laned toll project is a part of NH-71A and comprises the stretch from Rohtak to Panipat in Haryana. The project road is approximately 80.86 km long, and with four lanes comprises approximately 323.43 lane kms. The project road also intersects NH-1 and NH-10.

Our scope of work for the project entailed construction of a four lane divided project highway on a DBFOT basis. The PCOD of the project was achieved on January 6, 2014, a delay of approximately three months from the scheduled commercial operation date provided in the concession agreement due to non-receipt of certain approvals and non-shifting of towers by the railway department. This project has two operational toll plazas.

#### **Concession Operator**

RPTPL is the operator of the concession. Our Company owns 99.99% of the outstanding equity share capital in RPTPL. For more information on RPTPL, see “Subsidiaries” from pages 252 to 253. Further, the EPC work for the RPTPL Project has been carried out by SEL.

#### **Key Terms of the Concession**

The concession was granted by the NHAI. The term of the concession is 25 years starting from April 2011 and expiring in April 2036.

The current toll rates are subject to and in accordance with the Fee Determination Rules. The concession agreement allows the toll rates to be revised annually on April 1 but is subject to and in accordance with the provisions of the Fee Determination Rules. The toll rates per one-way trip per vehicle effective from April 1, 2015 as specified in the notification dated March 12, 2015 issued by NHAI for the two toll plazas are as follows:

|                          | <b>Cars, jeeps, vans and light motor vehicles</b> | <b>Mini buses, light commercial and goods vehicles</b> | <b>Trucks and buses</b> | <b>Heavy construction machinery, earth moving equipment and multi-axle vehicles</b> | <b>Over-sized vehicles</b> |
|--------------------------|---------------------------------------------------|--------------------------------------------------------|-------------------------|-------------------------------------------------------------------------------------|----------------------------|
|                          | <b>(in ₹)</b>                                     |                                                        |                         |                                                                                     |                            |
| <b>First Toll Plaza</b>  | 115.00                                            | 170.00                                                 | 345.00                  | 520.00                                                                              | 685.00                     |
| <b>Second Toll Plaza</b> | 80.00                                             | 120.00                                                 | 245.00                  | 375.00                                                                              | 485.00                     |

The concession agreement provides that RPTPL is obligated to pay NHAI an annual premium of ₹ 450.0 million on COD of the project as NHAI's share of toll revenues generated from the project. Such annual premium amount shall increase by 5.0% each year. Pursuant to the supplementary agreement to the concession agreement dated June 10, 2014 and the NHAI letter dated June 10, 2014, payment of premium has been deferred from June 2014 for the financial year 2014-15. Under the revised scheme, no premium is payable in financial years 2014-15, 2015-16, 2018-19 and 2023-24. Further reduced premium is payable for the remaining years until financial year 2026-27. According to the terms of the NHAI letter, if project revenues are more than projected, the NHAI will have the right to advance payments in consultation with senior lenders. Further, the letter prescribes a number of other obligations on RPTPL including, among others, installation of electronic toll collection systems and integration of the toll collection or traffic administration systems with that of the NHAI.

In the event that the average daily traffic of PCUs in any accounting year reaches or exceeds 120.0% of the designed capacity, the fee levied on any excess traffic is required to be deposited in a safety fund within 60 days of close of relevant accounting year provided that the balance remaining in respect of excess traffic of the last accounting year of the concession period shall be credited to the safety fund within 30 days of the transfer date.

As per the terms of the concession agreement, the traffic is estimated to be 23,800 PCUs per day (the “Target Traffic”) as of September 1, 2019 (the “Target Date”) and if the average of traffic sampling undertaken on the date one year prior to the Target Date, the Target Date and on the first anniversary of the Target Date falls short

of Target Traffic by more than 2.5%, then for every 1.0% of shortfall as compared to Target Traffic, the concession period shall be increased by 1.5% subject to the increase of period not exceeding 20.0% of the original concession period. Similarly, if the aforesaid traffic sampling exceeds Target Traffic, then for every 1.0% excess as compared to Target Traffic the concession period shall be reduced by 0.75% subject to the reduction of period not exceeding 10.0% of the original concession period. In case of reduction of the concession period, RPTPL may choose to pay a premium of 25.0% of the realisable fee in the respective year in lieu of reduction of concession period. If the average daily traffic exceeds 60,000 passenger car units in any accounting year, NHAI may decide to augment the capacity of the project highway and will issue a notice to RPTPL to undertake such capacity augmentation along with an extension in the concession period for a maximum of five years. If RPTPL does not accept the extension in concession period or the capacity augmentation, NHAI may then terminate the concession agreement upon payment of the termination payment to RPTPL.

The concession agreement provides that NHAI shall ensure that for a period of ten years from the appointed date, neither NHAI itself, nor any other government body shall, construct or cause to be constructed any competing road. This restriction shall not apply if the average daily traffic on the project in any year exceeds 90.0% of the capacity provided for in the agreement (i.e. 60,000 passenger car units).

Further, RPTPL is required to undertake maintenance of the project highway within 180 days when the roughness value exceeds 2,500 mm in a stretch of one km.

#### *Project Cost and Financing*

As of March 31, 2014, the project cost as per certificate of M/s. Manubhai & Shah, Chartered Accountants dated June 18, 2014, was ₹ 11,610.21 million. Total equity contribution and sub-ordinate debt for the project is ₹ 217.74 million and ₹ 2,209.06 million, which has been provided by our Company.

RPTPL entered into an agreement dated September 1, 2010, as amended and ECB facility agreement December 27, 2011, as amended in connection with the financing of the project. As of February 28, 2015, the total principal amount of debt outstanding was ₹ 7,682.27 million and USD 37.83 million. For details, see “Financial Indebtedness” for key terms of such agreement.

#### *Financial and Operational Information*

For the financial year 2014, RPTPL’s revenue from operations and net loss as per its audited financial statements, was ₹ 190.53 million and ₹ 273.17 million, respectively. For the nine months ended December 31, 2014, RPTPL’s revenue from operations and net loss as per its audited financial statements, was ₹ 629.41 million and ₹ 650.32 million, respectively.

As certified by A.D. Brahmabhatt & Co., Chartered Accountants, for the three months ended March 31, 2015, RPTPL’s toll collections were ₹ 198.8 million.

RPTPL has entered into a services agreement dated September 22, 2010, as amended with SEL for office space for a consideration of ₹ 0.08 million per month.

RPTPL has also entered into a management services agreement dated March 1, 2014, as amended with our Company for services including liaising with NHAI and independent engineer, operations and maintenance and other administrative services for an aggregate fee of ₹ 3.00 million for the January, February and March, 2014 and ₹ 1.00 million per month from financial year 2014-2015 onwards and shall pay for the other services at cost.

#### **BHTPL Project**

This four laned toll project is a part of National Highway 13, and comprises the stretch from Bijapur to Hungund in Karnataka and is approximately 97.22 km long. With four lanes it translates to approximately 388.88 lane kms. This project aims to cater the North-South traffic.

Our scope of work for the project entailed construction of a four lane divided project highway on a DBFOT basis. The PCOD of this project was achieved on March 21, 2012 and April 9, 2012, approximately 11 months prior to the scheduled commercial operation date provided in the concession agreement. This project has two

operational toll plazas.

#### *Concession Operator*

BHTPL is the operator of the concession. Our Company owns 76.99% of the outstanding equity capital share in BHTPL with approximately 23.0% being owned by MCL. For more information on BHTPL, see “Subsidiaries” from pages 248 to 249. Further, the EPC work for the BHTPL Project has been carried out by SEL and KNR Construction Limited.

#### *Key Terms of the Concession*

The concession was granted by the NHAI. The term of the concession is 20 years starting from September 2010 and expiring in September 2030.

The current toll rates that can be demanded and collected by BHTPL as specified in the concession agreement are levied in accordance with the National Highways Fee (Determination of Rates and Collection) Rules, 2008, as amended from time to time (the “Fee Determination Rules”). The concession agreement allows the toll rates to be revised annually on April 1 but is subject to and in accordance with the provisions of the Fee Determination Rules. The toll rates per one-way trip per vehicle effective from April 1, 2015 as specified in the notification dated March 11, 2015 issued by NHAI for the two toll plazas are as follows:

|                          | Cars, jeeps, vans and light motor vehicles | Mini buses, light commercial and goods vehicles | Trucks and buses | Heavy construction machinery, earth moving equipment and multi-axle vehicles | Over-sized vehicles |
|--------------------------|--------------------------------------------|-------------------------------------------------|------------------|------------------------------------------------------------------------------|---------------------|
|                          | (in ₹)                                     |                                                 |                  |                                                                              |                     |
| <b>First Toll Plaza</b>  | 50.00                                      | 80.00                                           | 165.00           | 260.00                                                                       | 315.00              |
| <b>Second Toll Plaza</b> | 80.00                                      | 120.00                                          | 250.00           | 385.00                                                                       | 490.00              |

In the event that the average daily traffic of PCUs in any accounting year reaches or exceeds 120.0% of the designed capacity, the fee levied on any excess traffic is required to be deposited in a safety fund within 60 days of close of relevant accounting year provided that the balance remaining in respect of excess traffic of the last accounting year of the concession period shall be credited to the safety fund within 30 days of the transfer date.

As per the terms of the concession agreement, traffic is estimated to be 39,338 PCUs per day (the “Target Traffic”) as of October 1, 2020 (the “Target Date”) and if the average of traffic sampling undertaken on the date one year prior to the Target Date, the Target Date and on the first anniversary of the Target Date falls short of Target Traffic by more than 2.5%, then for every 1.0% of shortfall as compared to Target Traffic, the concession period shall be increased by 1.5% subject to the increase of period not exceeding 20.0% of the original concession period. Similarly, if the aforesaid traffic sampling exceeds Target Traffic, then for every 1.0% excess as compared to Target Traffic the concession period shall be reduced by 0.75% subject to the reduction of period not exceeding 10.0% of the original concession period. In case of reduction of the concession period, BHTPL may choose to pay a premium of 25.0% of the realisable fee in the respective year in lieu of reduction of concession period.

The concession agreement provides that NHAI shall ensure that for a period of ten years from the appointed date, neither NHAI itself, nor any other government body shall, construct or cause to be constructed any competing road. However, this restriction shall not apply if the average daily traffic on the project in any year exceeds 90.0% of the capacity provided for in the agreement (i.e. 60,000 passenger car units). If the average daily traffic exceeds 60,000 passenger car units in any accounting year, NHAI may decide to augment the capacity of the project highway and will issue a notice to BHTPL to undertake such capacity augmentation along with an extension in the concession period for a maximum of five years. If BHTPL does not accept the extension in concession period or the capacity augmentation, NHAI may then terminate the concession agreement upon payment of the termination payment to BHTPL.

Further, BHTPL is required to undertake maintenance of the project highway within 180 days when the roughness value exceeds 2,500 mm in a stretch of one km.

#### *Project Cost and Financing*

As of June 28, 2012, the project cost as per certificate of M/s. Manubhai & Shah, Chartered Accountants dated June 29, 2012 was ₹ 13,688.73 million. Total equity contribution and sub-ordinate debt for the project is ₹ 1,009.60 million and ₹ 1,096.00 million, respectively. As of February 28, 2015, our Company has provided sub-ordinate debt of ₹ 843.92 million for the project.

BHTPL entered into an agreement dated June 30, 2010, as amended and an ECB facility agreement dated November 28, 2011, as amended in connection with the financing of the project. As of February 28, 2015, the total principal amount of debt outstanding was ₹ 5,958.63 million and USD 43.68 million under the ECB facility agreement. For details, see “Financial Indebtedness” for key terms of such agreement.

#### *Financial and Operational Information*

For the financial year 2014, BHTPL’s revenue from operations and net loss as per its audited financial statements, was ₹ 949.58 million and ₹ 74.63 million, respectively. For the nine months ended December 31, 2014, BHTPL’s revenue from operations and net loss as per its audited financial statements, was ₹ 769.59 million and ₹ 344.70 million, respectively.

As certified by A.D. Brahmbhatt & Co., Chartered Accountants, for the three months ended March 31, 2015, BHTPL’s toll collections were ₹ 273.9 million.

BHTPL has entered into a services agreement dated September 22, 2010 with SEL for office space and other administrative services for a consideration of ₹ 0.08 million per month inclusive of taxes for the office space and shall pay for the other services at cost.

BHTPL has entered into a management services agreement with our Company dated May 21, 2012 under which our Company will provide management services including, among others, liaising with NHAI and independent engineer in relation to operation and maintenance, auditing the operation and maintenance activities, financial, accounting and company secretarial services, corporate compliance monitoring for a fee of ₹ 1.50 million per month with effect from May 2, 2012.

#### **ARRIL Project**

This project consists of improving and widening the then existing two lane Sardar Patel Ring Road around Ahmedabad city in Gujarat to four lanes on BOT basis. The project road is approximately 76.35 km long but with four lanes translates to approximately 305.40 lane kms.

The PCOD of the project was May 29, 2008, which was one month prior to the scheduled project completion date according to the concession agreement. This project has seven operational toll plazas. Further, AUDA through its letter dated April 22, 2014 permitted ARRIL to install height barrier on the service road near the project.

#### *Concession Operator*

ARRIL is the operator of the concession. Our Company owns 93.99% of the outstanding equity share capital in ARRIL with approximately 6.0% being owned by PIPL. For more information on ARRIL, see “Subsidiaries” from pages 246 to 247. Further, the EPC work for the ARRIL Project has been carried out by SEL.

#### *Key Terms of the Concession*

The concession was granted by AUDA. The term of the concession is 20 years starting from January 2007 and expiring in December 2026.

The current toll rates per trip per vehicle for a single trip of the project highway as specified under notification dated August 28, 2014 issued by AUDA are as follows:

|                    | Cars, jeeps and vans | Light commercial vehicles | Trucks and buses | Multi-axle vehicles |
|--------------------|----------------------|---------------------------|------------------|---------------------|
|                    | (in ₹)               |                           |                  |                     |
| <b>Section I</b>   | 23.00                | 40.00                     | 80.00            | 128.00              |
| <b>Section II</b>  | 14.00                | 25.00                     | 50.00            | 81.00               |
| <b>Section III</b> | 26.00                | 45.00                     | 91.00            | 146.00              |
| <b>Section IV</b>  | 14.00                | 25.00                     | 50.00            | 80.00               |

The concession agreement allows for an increase in toll rates every year from September 1 in accordance with the average WPI available for the year ending March 31 preceding the fee revision date along with discounts for local and frequent users. We are also eligible to collect toll for the service road along the project highway from all users except for local traffic and certain exempted vehicles in accordance with the terms of the concession agreement.

Further, ARRIL is required to ensure that the roughness value of the road does not exceed 2,500 mm in a stretch of one km.

#### *Project Cost and Financing*

As of June 30, 2008, the project cost as per certificate of M/s. Manubhai & Shah, Chartered Accountants dated September 20, 2008, was ₹ 5,435.08 million. Total equity contribution for the project is ₹ 521.00 million.

ARRIL entered into an agreement dated December 28, 2006 in connection with the financing of the project. As of February 28, 2015, the total principal amount of debt outstanding was ₹ 3,579.38 million. For details, see “Financial Indebtedness” for key terms of such agreement.

#### *Financial and Operational Information*

For the financial year 2014, ARRIL’s revenue from operations and net profit as per its audited financial statements, was ₹ 737.60 million and ₹ 326.02 million, respectively. For the nine months ended December 31, 2014, ARRIL’s revenue from operations and net loss as per its audited financial statements, was ₹ 626.35 million and ₹ 214.53 million, respectively.

As certified by A.D. Brahmabhatt & Co., Chartered Accountants, for the three months ended March 31, 2015, ARRIL’s toll collections were ₹ 222.7 million.

ARRIL has entered into a services agreement dated September 22, 2010, as amended with SEL for office space for a consideration of ₹ 0.08 million per month for the office space.

ARRIL has entered into a management services agreement with our Company dated November 4, 2014 under which our Company will provide management services including *inter alia* liaising with AUDA and independent engineer in relation to operation and maintenance, auditing the operation and maintenance activities, financial, accounting and company secretarial services, corporate compliance monitoring for a fee of ₹ 1.00 million per month from November 2014.

ARRIL has entered into an agreement dated July 6, 2013, as amended by letter dated June 29, 2014, with our Company for maintenance of the project road in accordance with the specifications of the concession agreement for a fee of ₹ 550.00 million.

#### ***AJTL Project***

This four laned toll project road comprises two sections on the MSH-6, with a total distance of approximately 65.8 km: section I (about 50 kms) starts from the Aurangabad airport and ends at Jalna bypass, and section II (about 16 kms) starts from Zalta bypass and ends at Beed bypass. The project translates to approximately 263.2 lane kms and has two operational toll plazas.

Our scope of work for the project entailed the development of a four lane road. The date of issue of the PCOD for this project was as per the scheduled project completion date in accordance with the concession agreement

on July 28, 2009. We are yet to receive the final COD from the concessioning authority.

#### *Concession Operator*

AJTL is the operator of the concession. Our Company owns 99.99% of the outstanding equity share capital of AJTL. For more information on AJTL, see “Subsidiaries” from pages 247 to 248. Further, the EPC work for the AJTL Project has been carried out by SEL and PBA.

#### *Key Terms of the Concession*

The concession was granted by the Government of Maharashtra through the World Bank Project Division, Aurangabad. The term of the concession is 23 years six months starting from February 2007 and expiring in July 2030. The concession period for the AJTL project may be modified by the concessioning authority for certain reasons including change of lending interest rates by the State Bank of India, lower than projected cost of acquisition, excepted risks such as war, hostilities, invasion, act of foreign enemies, use or occupation by the government, force majeure events, issue of a variation order by the engineer, reduction in toll rates, suspension of works, increase or decrease of payments made to the railway departments under the concession agreement and variation in the rates of bitumen. The current toll rates per trip per vehicle as specified in the concession agreement and notification dated June 29, 2013 issued by the Government of Maharashtra for the period from July 1, 2013 to March 31, 2016 are (i) Nil for scooter, motorcycles, moped or any other two wheeler vehicles and tractors (ii) ₹ 30.0 for light motor vehicles such as cars, jeeps; (iii) ₹ 45.0 for mini buses and similar vehicles and goods carriage vehicles; (iv) ₹ 90.0 for trucks and buses; and (v) ₹ 155.0 for heavy goods and heavy passenger motor vehicles. The concession agreement allows for a fixed increase in toll rates every three years along with rebates for frequent travelling vehicles. The Government of Maharashtra may reduce the toll rates in consultation with AJTL once during the concession period by up to 10.0% of the prevailing toll rates. In such event, the remaining concession period will be adjusted based on the cash flow submitted by AJTL along with the bid duly considering the category of the vehicle. On May 6, 2015, AJTL received a notice from the Government of Maharashtra exempting light commercial vehicles and buses from paying toll along the AJTL Project from June 1, 2015. We are in the process of providing details of toll collected from light commercial vehicles and buses along the AJTL Project as requested by the Government of Maharashtra.

Further, AJTL is required to maintain the project site such that the roughness index for the road surface is between 2,000 mm per km and 3,000 mm per km.

#### *Project Cost and Financing*

As at June 30, 2014, the total project cost as per certificate of M/s. Manubhai & Shah, Chartered Accountants dated November 8, 2014, was ₹ 2,723.99 million. Total equity contribution and sub-ordinate debt for the project is ₹ 548.00 million and ₹ 282.00 million, respectively. As of February 28, 2015, our Company has provided sub-ordinate debt of ₹ 282.00 million for the project.

AJTL entered into an agreement dated December 14, 2007, as amended in connection with the financing of the project. As of February 28, 2015, the total principal amount of debt outstanding was ₹ 1,686.69 million. For details, see “Financial Indebtedness” from pages 476 to 477 for key terms of such agreement.

#### *Financial and Operational Information*

For the financial year 2014, AJTL’s revenue from operations and net profit as per its audited financial statements, was ₹ 279.52 million and ₹ 84.94 million, respectively. For the nine months ended December 31, 2014, AJTL’s revenue from operations and net loss as per its audited financial statements, was ₹ 257.38 million and ₹ 213.59 million, respectively.

As certified by A.D. Brahmabhatt & Co., Chartered Accountants, for the three months ended March 31, 2015, AJTL’s toll collections were ₹ 96.0 million.

AJTL has entered into a services agreement dated September 22, 2010, as amended with SEL for office space for a consideration of ₹ 0.08 million per month.

AJTL has also entered into a management services agreement dated March 1, 2014 with our Company for



services including liaising with the concessioning authority and independent engineer, operations and maintenance and other administrative services for an aggregate fee of ₹ 12.00 million for the financial year 2013-2014 and ₹ 1.00 million per month from financial year 2014-2015 onwards and for the other services at cost.

### ***HYTPL Project***

This four laned toll project is a part of National Highway 202, and comprises the stretch from Hyderabad to Yadgiri in Telangana. The project road is approximately 35.65 km long, and with four lanes translates to approximately 142.60 lane kms. National Highway 202 connects Hyderabad to Warangal.

Our scope of work for the project entailed construction of a four-lane divided project highway on DBFOT basis. The PCOD of this project was on December 10, 2012, a delay of approximately seven months from the scheduled project completion date provided in the concession agreement due to among other reasons, a delay in transfer of land by NHAI. This project has one operational toll plaza.

### ***Concession Operator***

HYTPL is the operator of the concession. Our Company owns 99.99% of the outstanding equity capital share in HYTPL. For more information on HYTPL, see “Subsidiaries” from pages 249 to 250. Further, the EPC work for the HYTPL Project has been carried out by SEL.

### ***Key Terms of the Concession***

The concession was granted by NHAI. The term of the concession is 23 years starting from July 2010 and expiring in July 2033.

The current toll rates that can be demanded and collected by HYTPL as specified in the concession agreement are calculated in accordance with the Fee Determination Rules. The concession agreement allows the toll rates to be revised annually on April 1 but is subject to and in accordance with the provisions of the Fee Determination Rules. The toll rates per one-way trip per vehicle with effect from April 1, 2015 as specified in the notification dated March 24, 2015 issued by NHAI are (i) ₹ 80.00 for car, jeep, van or light motor vehicles; (ii) ₹ 120.00 for mini buses, light commercial and goods vehicles; (iii) ₹ 250.00 for trucks and buses; (iv) ₹ 375.00 for heavy construction machinery or earth moving equipment or multi-axle vehicles; and (v) ₹ 490.00 for over-sized vehicles. The concession agreement provides that HYTPL is obligated to pay NHAI a premium of ₹ 117.0 million on COD of the project as NHAI’s share of toll revenues generated from the project. Such premium amount shall increase by 5.0% each year. Pursuant to the supplementary agreement to the concession agreement dated June 10, 2014 and the NHAI letter dated June 10, 2014, payment of premium has been deferred from the financial year 2014-15 and a revised premium scheme has become applicable. Accordingly, HYTPL is required to only pay ₹ 28.6 million in financial year 2017-18, ₹ 110.3 million in financial year 2020-21 and ₹ 126.6 million in financial year 2022-23. According to the terms of the NHAI letter, if project revenues are more than projected, the NHAI will have the right to advance payments in consultation with senior lenders. Further, the letter prescribes a number of other obligations on HYTPL including , among others, installation of electronic toll collection systems and integration of the toll collection or traffic administration systems with that of the NHAI.

In the event that the average daily traffic of PCUs in any accounting year reaches or exceeds 120.0% of the designed capacity, the fee levied on any excess traffic is required to be deposited in a safety fund within 60 days of close of relevant accounting year provided that the balance remaining in respect of excess traffic of the last accounting year of the concession period shall be credited to the safety fund within 30 days of the transfer date.

As per the terms of the concession agreement, the traffic is estimated to be 34,897 passenger car units per day (the “Target Traffic”) as on October 1, 2019 (the “Target Date”) and if the average of traffic sampling undertaken on the date one year prior to the Target Date, the Target Date and on the first anniversary of the Target Date falls short of Target Traffic by more than 2.5%, then for every 1.0% of shortfall as compared to Target Traffic, the concession period shall be increased by 1.5% subject to the increase of period not exceeding 20.0% of the original concession period. Similarly, if the aforesaid traffic sampling exceeds Target Traffic, then for every 1.0% excess as compared to Target Traffic the concession period shall be reduced by 0.75% subject to the reduction of period not exceeding 10.0% of the original concession period. In case of reduction of the

concession period, HYTPL may choose to pay a premium of 25.0% of the realisable fee in the respective year in lieu of reduction of concession period. If the average daily traffic exceeds 60,000 passenger car units in any accounting year, NHAI may decide to augment the capacity of the project highway and will issue a notice to HYTPL to undertake such capacity augmentation along with an extension in the concession period for a maximum of five years. If HYTPL does not accept the extension in concession period or the capacity augmentation, NHAI may then terminate the concession agreement upon payment of the termination payment to HYTPL.

The concession agreement provides that NHAI shall ensure that for a period of ten years from the appointed date, neither NHAI itself, nor any other government body shall, construct or cause to be constructed any competing road. However, this restriction shall not apply if the average daily traffic on the project in any year exceeds 90.0% of the capacity provided for in the agreement (i.e. 60,000 passenger car units).

Further, HYTPL is required to undertake maintenance of the project highway within 180 days when the roughness value exceeds 2,500 mm in a stretch of one km.

#### *Project Cost and Financing*

As of June 30, 2014, the project cost as per certificate of M/s. Manubhai & Shah, Chartered Accountants dated November 8, 2014, was ₹ 4,947.09 million. Total equity contribution and sub-ordinate debt for the project is ₹ 173.23 million and ₹ 1,297.69 million, respectively. As of February 28, 2015, our Company has provided sub-ordinate debt of ₹ 1,297.69 million for the project.

HYTPL entered into an agreement dated April 10, 2010, as amended and an ECB facility agreement dated November 28, 2011, as amended in connection with the financing of the project. As of February 28, 2015, the total principal amount of debt outstanding was ₹ 2,381.13 million and USD 25.27 million. For details, see “Financial Indebtedness” from pages 472 to 476 for key terms of such agreements.

#### *Financial and Operational Information*

For the financial year 2014, HYTPL’s revenue from operations and net loss as per its audited financial statements, was ₹ 383.09 million and ₹ 310.51 million, respectively. For the nine months ended December 31, 2014, HYTPL’s revenue from operations and net loss as per its audited financial statements, was ₹ 330.65 million and ₹ 107.51 million, respectively.

As certified by A.D. Brahmabhatt & Co., Chartered Accountants, for the three months ended March 31, 2015, HYTPL’s toll collections were ₹ 118.1 million.

HYTPL has entered into a services agreement dated September 22, 2010, as amended with SEL for office space for a consideration of ₹ 0.08 million per month.

HYTPL has also entered into a management services agreement dated March 1, 2014, as amended with our Company for services including liaising with NHAI and independent engineer, operations and maintenance and other administrative services for an aggregate fee of ₹ 12.00 million for the financial year 2013-2014 and ₹ 1.00 million per month from financial year 2014-2015 onwards and shall pay for the other services at cost.

#### ***NSEL Project***

This annuity project consists of development of a 27.73 km tollway ending at Seoni in Madhya Pradesh and with four lanes will translate to approximately 110.92 lane kms. The PCOD for this project was as per the scheduled COD on May 25, 2010. The project length for the NSEL Project was reduced to 27.73 kms. or 110.92 lane kms. because the land was part of a reserve forest area and bordered a tiger reserve area.

#### *Concession Operator*

NSEL is the operator of the concession. Our Company owns 69.99% of the outstanding equity share capital in NSEL. For more information on NSEL, see “Subsidiaries” on page 251. Further, the EPC work for the NSEL Project has been carried out by SEL.

### *Key Terms of the Concession*

The concession was granted by the NHAI. The term of the concession is 20 years starting from November 2007 and expiring in November 2027.

NSEL does not have the right to demand and collect any tolls or fees. As per the concession agreement, the annuity payable semi-annually is ₹ 354.00 million. However, due to modification of scope of the project, the semi-annual annuity payable has reduced to ₹ 191.98 million. NHAI might in its sole discretion levy, demand, collect, retain and appropriate the fee either by itself or authorize any person by contract or otherwise.

As per the terms of the Concession Agreement, NHAI is entitled to augment or increase the capacity of the project at any time after COD by inviting proposals from eligible persons. Pursuant to the concession agreement, NSEL has a right of first refusal to match the preferred offer if it fails to provide the lowest offer. In such instance, if it matches the lowest offer, a suitable agreement shall be entered into to reflect the same and all other necessary and consequential changes, and NSEL shall pay the bidder who made the lowest offer a specified sum towards bidding cost. However, in the event, NSEL chooses not to submit its proposal or fails to match the preferred offer, NHAI is entitled to terminate the contract upon payment of termination payment to NSEL. For further details, see “Risk Factors – Internal Risk Factors – Our ability to negotiate the standard form of contracts for our projects may be limited and certain restrictive, unusual or onerous provisions may be imposed on us.” from pages 35 to 36.

Further, NSEL is required to ensure that the roughness value of the project highway does not exceed 3,000 mm in a stretch of one km.

### *Project Cost and Financing*

As of June 30, 2014, the project cost as per certificate of M/s. Jain Choudhary, Chartered Accountants, dated November 7, 2014, was ₹ 3,747.86 million. Total equity contribution and sub-ordinate debt for the project is ₹ 480.00 million and ₹ 118.29 million, respectively. As of February 28, 2015, our Company has provided sub-ordinate debt of ₹ 118.29 million for the project.

NSEL entered into an agreement dated August 4, 2007 in connection with the financing of the project. As of February 28, 2015, the total principal amount of debt outstanding was USD 30.31 million. See “Financial Indebtedness” on pages 459 to 460 for key terms of such agreement.

### *Annuity Collection and Financial Information*

The semi-annual annuity for the project is ₹ 191.98 million. For the financial year 2014, NSEL’s revenue from operations and net loss as per its audited financial statements, was ₹ 383.96 million and ₹ 70.56 million, respectively. For the nine months ended December 31, 2014, NSEL’s revenue from operations and net loss as per its audited financial statements, was ₹ 289.28 million and ₹ 129.69 million, respectively.

NSEL has entered into a services agreement dated September 22, 2010, as amended with SEL for office space for a consideration of ₹ 0.08 million per month.

NSEL has also entered into a management services agreement dated March 1, 2014 with our Company for services including liaising with NHAI and independent engineer, operations and maintenance and other administrative services for an aggregate fee of ₹ 6.00 million for the financial year 2013-2014 and ₹ 0.50 million per month from financial year 2014-2015 and shall pay for the other services at cost.

### *Road BOT Projects Under Development*

The following projects are under development:

#### ***SUTPL Project***

This four laned toll project is a part of NH-8, and comprises the stretch from Gomati Chauraha to Udaipur in Rajasthan. The project road is approximately 79.31 km long, and with four lanes will translate to approximately 317.24 lane kms.

Our scope of work for the project entails construction of a four lane project highway on a DBFOT basis, including construction of a tunnel near Chirwaghat of 0.45 km and an elevated section near Nathdwara of 1.22 km. The project completion date in accordance with the concession agreement is October 2015. This project will have two operational toll plazas.

#### *Concession Operator*

SUTPL is the operator of the concession. Our Company owns 99.99% of the outstanding equity share capital in SUTPL. For more information on SUTPL, see “Subsidiaries” on pages 253 to 254.

#### *Key Terms of the Concession*

The concession was granted by the NHAI. The term of the concession is 27 years starting from April 2013 and expiring in April 2040. The concession agreement provides that SUTPL is obligated to pay NHAI a premium of ₹ 216.0 million on achieving COD of the project as NHAI’s share of toll revenues generated from the project. Such premium amount shall increase by 5.0% each year.

During the construction period, SUTPL is required to maintain at its cost, the existing lane(s) of the project highway so that the traffic worthiness and safety are at no time materially inferior as compared to their condition seven days prior to the date of the concession agreement, and to undertake the necessary repair and maintenance works for this purpose; provided that SUTPL may, at its cost, interrupt and divert the flow of traffic if such interruption and diversion is necessary for the efficient progress of construction works and conforms to good industry practice; provided further that such interruption and diversion shall be undertaken by SUTPL only with the prior written approval of the independent engineer which approval shall not be unreasonably withheld. Further, SUTPL is also responsible for ensuring safe operation of the project highway.

Further, during the construction period, SUTPL is required to, no later than seven days after the close of each month, furnish to NHAI and the independent engineer a monthly report on progress of the construction work.

The toll rates that can be demanded and collected by SUTPL upon achievement of COD as specified in the concession agreement are calculated in accordance with the Fee Determination Rules. The concession agreement allows the toll rates to be revised annually on April 1 but is subject to and in accordance with the provisions of the Fee Determination Rules.

In the event that the average daily traffic of PCUs in any accounting year reaches or exceeds 120.0% of the designed capacity, the fee levied on any excess traffic is required to be deposited in a safety fund within 60 days of close of relevant accounting year provided that the balance remaining in respect of excess traffic of the last accounting year of the concession period shall be credited to the safety fund within 30 days of the transfer date.

As per the terms of the concession agreement, the traffic is estimated to be 24,281 PCUs per day (the “Target Traffic”) as on April 1, 2022 (the “Target Date”) and if the average of traffic sampling undertaken on the date one year prior to the Target Date, the Target Date and on the first anniversary of the Target Date falls short of Target Traffic by more than 2.5%, then for every 1.0% of shortfall as compared to Target Traffic, the concession period shall be increased by 1.5% subject to the increase of period not exceeding 20.0% of the original concession period. Similarly, if the aforesaid traffic sampling exceeds Target Traffic, then for every 1.0% excess as compared to Target Traffic the concession period shall be reduced by 0.75% subject to the reduction of period not exceeding 10.0% of the original concession period. In case of reduction of the concession period, SUTPL may choose to pay a premium of 25.0% of the realisable fee in the respective year in lieu of reduction of concession period. If the average daily traffic exceeds 60,000 passenger car units in any accounting year, NHAI may decide to augment the capacity of the project highway and will issue a notice to SUTPL to undertake such capacity augmentation along with an extension in the concession period for a maximum of five years. If SUTPL does not accept the extension in concession period or the capacity augmentation, NHAI may then terminate the concession agreement upon payment of the termination payment to SUTPL.

The concession agreement provides that NHAI shall ensure that for a period of ten years from the appointed date, neither NHAI itself, nor any other government body shall, construct or cause to be constructed any competing road. This restriction shall not apply if the average daily traffic on the project in any year exceeds 90.0% of the capacity provided for in the agreement (i.e. 60,000 PCUs). The concession agreement restricts construction of an additional toll road between Gomti Chauraha and Udaipur before the 16<sup>th</sup> anniversary of the

appointed date i.e. April 18, 2013.

Further, SUTPL is required to undertake maintenance of the project highway within 180 days when the roughness value exceeds 2,500 mm in a stretch of one km.

#### *Project Cost and Financing*

The project cost is estimated to be ₹ 11,514.60 million. As of February 28, 2015, ₹ 8,185.00 million has been utilised towards project costs as certified by M/s. Manubhai & Shah, Chartered Accountants, on April 11, 2015. As of February 28, 2015, total equity contribution and sub-ordinate debt for the project is ₹ 207.43 million and ₹ 1,515.57 million, respectively provided by our Company. As of February 28, 2015, the balance equity and sub-ordinate debt contribution pending was ₹ 415.46 million and ₹ 976.00 million, respectively.

SUTPL entered into an agreement dated September 28, 2012 in connection with the financing of the project. As of February 28, 2015, the total principal amount of debt outstanding was ₹ 4,721.50 million and ₹ 1,307.50 million of letters of credit from the lenders. See “Financial Indebtedness” from pages 461 to 464 for key terms of such agreement.

#### *Current Status*

As of March 31, 2015, we have completed approximately 77.8% of the project.

SUTPL has entered into an agreement dated July 18, 2012 with SEL to appoint SEL as the EPC contractor to undertake design, engineering, procurement, construction, testing and completion of the project for the aggregate lump sum of ₹ 9,750.00 million. SEL is required to complete the construction of the project within a period of 910 days from the appointed date (the “Scheduled Completion Date”). If PCOD is achieved prior to the Scheduled Completion Date, SEL is entitled to receive a bonus of 75.0% of, the gross revenue received in tolls (excluding operations and maintenance costs at the rate of 12.0% of the realized revenue generated and premium payable to the NHAI), for each day after the actual date of commencement of toll collection until the Scheduled Completion Date. Further, if SEL fails to complete the construction of the project within the stipulated period except on account of SUTPL’s default or a force majeure event, SEL shall indemnify SUTPL for any damages due to such delay and SUTPL will also be entitled to terminate the agreement. SEL shall continue to be liable for any defects for a period of 24 months from the date of issuance of the provisional or completion certificate and if SEL fails to remedy the defects within 21 days of receipt of notice thereof, SUTPL may at its option, undertake remedial works and recover the cost from SEL. SEL continues to remain liable in respect of obligations that remain unperformed at the time of issuance of the defects liability certificate confirming remedy of all the defects. In case of any change in scope required by NHAI under the concession agreement, the same shall be carried out by SEL on behalf of SUTPL. The costs arising out of such change of scope will be deemed to be included within the EPC contract price subject to an aggregate ceiling of 0.25% of the total project cost.

#### ***BRTPL Project***

This four laned toll project is a part of National Highway 758, and comprises the stretch from Rajsamand to Bhilwara in Rajasthan. The project road is approximately 87.25 km long, and with four lanes will translate to approximately 349.00 lane kms.

Our scope of work for the project entails the construction of a four lane project highway on a DBFOT basis. The project completion date in accordance with the concession agreement is in April 2016. This project will have two operational toll plazas.

#### *Concession Operator*

BRTPL is the operator of the concession. Our Company owns 99.99% of the outstanding equity share capital in BRTPL. For more information on BRTPL, see “Subsidiaries” on page 248.

#### *Key Terms of the Concession*

The concession was granted by NHAI. The term of the concession is 30 years starting from October 2013 and

expiring in October 2043.

The toll rates that can be demanded and collected by BRTPL upon achievement of COD as specified in the concession agreement are calculated in accordance with the Fee Determination Rules.

In the event that the average daily traffic of PCUs in any accounting year reaches or exceeds 120.0% of the designed capacity, the fee levied on any excess traffic is required to be deposited in a safety fund within 60 days of close of relevant accounting year provided that the balance remaining in respect of excess traffic of the last accounting year of the concession period shall be credited to the safety fund within 30 days of the transfer date.

As per the terms of the concession agreement, the traffic is estimated to be 16,209 PCUs per day (the “Target Traffic”) as on October 1, 2022 (the “Target Date”) and if the average of traffic sampling undertaken on the date one year prior to the Target Date, the Target Date and on the first anniversary of the Target Date falls short of Target Traffic by more than 2.5%, then for every 1.0% of shortfall as compared to Target Traffic, the concession period shall be increased by 1.5% subject to the increase of period not exceeding 20.0% of the original concession period. Similarly, if the aforesaid traffic sampling exceeds Target Traffic, then for every 1.0% excess as compared to Target Traffic the concession period shall be reduced by 0.75% subject to the reduction of period not exceeding 10.0% of the original concession period. In case of reduction of the concession period, BRTPL may choose to pay a premium of 25.0% of the realisable fee in the respective year in lieu of reduction of concession period. If the average daily traffic exceeds 60,000 passenger car units in any accounting year, NHAI may decide to augment the capacity of the project highway and will issue a notice to BRTPL to undertake such capacity augmentation along with an extension in the concession period for a maximum of five years. If BRTPL does not accept the extension in concession period or the capacity augmentation, NHAI may then terminate the concession agreement upon payment of the termination payment to BRTPL.

The concession agreement provides that NHAI shall ensure that for a period of ten years from the appointed date, neither NHAI itself, nor any other government body shall, construct or cause to be constructed any competing road. This obligation shall be terminated if the average daily traffic on the project in any year exceeds 90.0% of the capacity provided for in the agreement (i.e. 60,000 passenger car units).

Further, BRTPL is required to undertake maintenance of the project highway within 180 days when the roughness value exceeds 2,500 mm in a stretch of one km.

#### *Project Cost and Financing*

The project cost is estimated to be ₹ 6,761.00 million. As of February 28, 2015, ₹ 3,694.14 million has been utilised towards project costs. As of February 28, 2015, the total equity contribution and sub-ordinate debt for the project is ₹ 173.40 million and ₹ 1,159.60 million, respectively. As of February 28, 2015, no equity or sub-ordinate debt contribution was pending. As per the concession agreement, NHAI is expected to provide a grant of ₹ 2,664.00 million to BRTPL for the project subject to certain conditions being met. As of February 28, 2015, BRTPL has received grant of ₹ 499.35 million from NHAI.

BRTPL entered into an agreement dated March 23, 2013, as amended in connection with the financing of the project. As of February 28, 2015, the total principal amount of debt outstanding was ₹ 1,270.10 million. See “Financial Indebtedness” from pages 471 to 472 for key terms of such agreement.

#### *Current Status*

As of February 28, 2015, we have completed approximately 46.6% of the project.

BRTPL has entered into an agreement dated February 25, 2013 with SEL to appoint SEL as the EPC contractor to undertake design, engineering, procurement, construction, testing and completion of the project for the aggregate lump sum of ₹ 6,030.00 million. SEL is required to complete the construction of the project within a period of 910 days from the appointed date (the “Scheduled Completion Date”). If PCOD is achieved prior to the Scheduled Completion Date, SEL is entitled to receive a bonus of 75.0% of, the gross revenue received in tolls (excluding operations and maintenance costs at the rate of 12.0% of the realized revenue generated), for each day after the actual date of commencement of toll collection until the Scheduled Completion Date. Further, if SEL fails to complete the construction of the project within the stipulated period except on account of

BRTPL's default or a force majeure event, SEL shall indemnify BRTPL for any damages due to such delay and BRTPL will also be entitled to terminate the agreement. SEL shall continue to be liable for any defects for a period of 24 months from the date of issuance of the provisional or completion certificate and if SEL fails to remedy the defects within 21 days of receipt of notice thereof, BRTPL may at its option, undertake remedial works and recover the cost from SEL. SEL continues to remain liable in respect of obligations that remain unperformed at the time of issuance of the defects liability certificate confirming remedy of all the defects. In case of any change in scope required by NHAI under the concession agreement, the same shall be carried out by SEL on behalf of BRTPL. The costs arising out of such change of scope will be deemed to be included within the EPC contract price subject to an aggregate ceiling of 0.25% of the total project cost.

### ***RHTPL Project***

This four laned toll project is a part of NH-10, and comprises the stretch from Rohtak to Hissar in Haryana. The project road is approximately 98.81 km long, and with four lanes will translate to approximately 395.24 lane kms. National Highway 10 connects Delhi and several cities in Haryana and Punjab.

Our scope of work for the project entails the widening of the existing two lane carriageway to a four lane dual carriageway on a DBFOT basis, including a connecting link between the NH-10 to NH-7. The project completion date in accordance with the concession agreement is in June 2016. This project will have two operational toll plazas.

### ***Concession Operator***

RHTPL is the operator of the concession. Our Company owns 99.99% of the outstanding equity share capital in RHTPL. For more information on RHTPL, see "Subsidiaries" from pages 251 to 252.

### ***Key Terms of the Concession***

The concession was granted by NHAI. The term of the concession is 22 years starting from December 2013 and expiring in December 2035.

The toll rates that can be demanded and collected by RHTPL upon achievement of COD as specified in the concession agreement are calculated in accordance with the Fee Determination Rules. The concession agreement allows the toll rates to be revised annually on April 1 but is subject to and in accordance with the provisions of the Fee Determination Rules.

In the event that the average daily traffic of PCUs in any accounting year reaches or exceeds 120.0% of the designed capacity, the fee levied on any excess traffic is required to be deposited in a safety fund within 60 days of close of relevant accounting year provided that the balance remaining in respect of excess traffic of the last accounting year of the concession period shall be credited to the safety fund within 30 days of the transfer date.

As per the terms of the concession agreement, the traffic is estimated to be 27,726 PCUs per day (the "Target Traffic") as on October 1, 2023 (the "Target Date") and if the average of traffic sampling undertaken on the date one year prior to the Target Date, the Target Date and on the first anniversary of the Target Date falls short of Target Traffic by more than 2.5%, then for every 1.0% of shortfall as compared to Target Traffic, the concession period shall be increased by 1.5% subject to the increase of period not exceeding 20.0% of the original concession period. Similarly, if the aforesaid traffic sampling exceeds Target Traffic, then for every 1.0% excess as compared to Target Traffic the concession period shall be reduced by 0.75% subject to the reduction of period not exceeding 10.0% of the original concession period. In case of reduction of the concession period, RHTPL may choose to pay a premium of 25.0% of the realisable fee in the respective year in lieu of reduction of concession period. If the average daily traffic exceeds 60,000 passenger car units in any accounting year, NHAI may decide to augment the capacity of the project highway and will issue a notice to RHTPL to undertake such capacity augmentation along with an extension in the concession period for a maximum of five years. If RHTPL does not accept the extension in concession period or the capacity augmentation, NHAI may then terminate the concession agreement upon payment of the termination payment to RHTPL.

The concession agreement provides that NHAI shall ensure that for a period of ten years from the appointed date, neither NHAI itself, nor any other government body shall, construct or cause to be constructed any competing road. However, this restriction shall not apply if the average daily traffic on the project in any year exceeds 90.0% of the capacity provided for in the agreement (i.e. 60,000 passenger car units).

#### *Project Cost and Financing*

The project cost, including a grant, is estimated to be ₹ 12,715.80 million. As of February 28, 2015, ₹ 5,539.14 million has been utilised for the RHTPL Project. As of February 28, 2015, total equity contribution and sub-ordinate debt for the project is ₹ 107.68 million and ₹ 969.12 million, respectively, by our Company. As of February 28, 2015, no equity or sub-ordinate debt contribution was pending. NHAI is expected to provide a grant of ₹ 2,115.00 million to RHTPL for the project. As of February 28, 2015, RHTPL has received a grant of ₹ 643.70 million from NHAI.

RHTPL entered into an agreement dated November 9, 2013, as amended in connection with the financing of the project. As of February 28, 2015, the total principal amount of debt outstanding was ₹ 3,439.00 million. See “Financial Indebtedness” from pages 466 to 468 for key terms of such agreement.

#### *Current Status*

As of February 28, 2015, we have completed approximately 38.5% of the project.

RHTPL has entered into an agreement dated June 10, 2013 with SEL to appoint SEL as the EPC contractor to undertake design, engineering, procurement, construction, testing and completion of the project for the aggregate lump sum of ₹ 10,800.00 million. SEL is required to complete the construction of the project within a period of 910 days from the appointed date (the “Scheduled Completion Date”). If PCOD is achieved prior to the Scheduled Completion Date, SEL is entitled to receive a bonus of 75.0% of, the gross revenue received in tolls (excluding operations and maintenance costs at the rate of 12.0% of the realized revenue generated), for each day after the actual date of commencement of toll collection until the Scheduled Completion Date. Further, if SEL fails to complete the construction of the project within the stipulated period except on account of RHTPL’s default or a force majeure event, SEL shall indemnify RHTPL for any damages due to such delay and RHTPL will also be entitled to terminate the agreement. SEL shall continue to be liable for any defects for a period of 24 months from the date of issuance of the provisional or completion certificate and if SEL fails to remedy the defects within 21 days of receipt of notice thereof, RHTPL may at its option, undertake remedial works and recover the cost from SEL. SEL continues to remain liable in respect of obligations that remain unperformed at the time of issuance of the defects liability certificate confirming remedy of all the defects. In case of any change in scope required by NHAI under the concession agreement, the same shall be carried out by SEL on behalf of RHTPL. The costs arising out of such change of scope will be deemed to be included within the EPC contract price subject to an aggregate ceiling of 0.25% of the total project cost.

#### **Proposed Acquisitions**

Following are details of the projects managed by MBHPL and DPTL, which will form part of our projects portfolio after the proposed acquisitions are completed.

##### ***MBHPL Project***

This annuity project road is from Malavalli to Pavagadda in Karnataka and is approximately 193.34 km long, and with two lanes will translate to approximately 386.68 lane kms.

The scope of work for the project entails the widening of the one lane road to a two lane road. The concession was granted by the Government of Karnataka. The term of the concession is 10 years starting in December 2014 and expiring in December 2024.

Upon completion of the construction, KSHIP shall pay MBHPL a semi-annual annuity payment of ₹ 711.50 million as per the schedule provided in the concession agreement.

#### *Concession Operator*



MBHPL is the operator of the concession. SEL currently owns 74.0% of the outstanding equity share capital in MBHPL and GKC Projects Limited owns the remaining 26.0%. In accordance with the share purchase agreement dated November 3, 2014, our Company has agreed to acquire 33,699,560 equity shares (74.00% of the outstanding equity interest) of MBHPL. SEL has applied to KSHIP for a transfer of the shares to our Company on October 22, 2014. For further details, see “History and Certain Corporate Matters” on page 244.

#### *Key Terms of the Concession*

The concession was granted by the Karnataka State Highway Improvement Project (“KSHIP”). The term of the concession is 10 years starting from December 2014 and expiring in December 2024.

As per the concession agreement, MBHPL is entitled to receive a total of ₹ 2,392.09 million from KSHIP in five instalments during the concession period and the annuity payable semi-annually is ₹ 711.50 million. KSHIP might in its sole discretion levy, demand, collect, retain and appropriate the fee either by itself or authorize any person by contract or otherwise. MBHPL does not have the right to demand and collect any tolls or fees.

As per the terms of the Concession Agreement, KSHIP is entitled to reduce the amount of the first annuity payment in the event COD is not achieved within the stipulated time, on a failure by MBHPL to perform the requisite maintenance of the project site on provision of assured lane availability or in other specified instances. In the event MBHPL achieves CoD prior to the SCoD, it is entitled to receive from KSHIP a bonus for early completion, which shall be calculated as the product of average daily annuity and the number of days of early completion. Further, KSHIP may augment or increase the capacity of the project at any time after the sixth anniversary of the COD by inviting proposals from eligible persons. However, in the event, MBHPL chooses not to submit its proposal or fails to match the preferred offer, KSHIP is entitled to terminate the contract upon payment of termination payment to MBHPL. For further details, see “Risk Factors – Internal Risk Factors – Our ability to negotiate the standard form of contracts for our projects may be limited and certain restrictive, unusual or onerous provisions may be imposed on us.”

#### *Current Status*

The MBHPL Project is currently being developed.

#### *Project Cost and Financing*

The project cost, including a grant of ₹ 2,392.1 million from the World Bank, is estimated to be ₹ 7,892.7 million.

#### **DPTL Project**

This toll project is a part of National Highway 3, and comprises the stretch from Dhule to Palesner in Maharashtra. The project road is approximately 88.80 km long, and with four lanes translates to approximately 355.20 lane kms. The scope of work for the project entailed the construction of a four lane road on a DBFOT basis. The PCOD was achieved in phases on January 23, 2012, June 12, 2012 and July 23, 2012. This project has two operational toll plazas.

#### *Concession Operator*

DPTL is the operator of the concession. Our Company currently holds 0.92% of the shares in DPTL. If the proposed acquisitions are completed, our Company will own 100.00% of the shares in DPTL of which SEL, our Corporate Promoter, currently holds 27.18%, HCC and HCC Concessions currently jointly hold 38.93% and John Laing Investments Limited and JLIM currently jointly hold 32.98%. In accordance with the share purchase agreement dated September 22, 2010, our Company has agreed to acquire 18,692,000 equity shares (27.18% of the outstanding equity interest) of DPTL from SEL and in accordance with the share purchase agreement dated November 3, 2014, our Company has agreed to acquire 8,190,000 equity shares (11.9% of the outstanding equity interest) of DPTL from SEL. In addition, our Company and SEL have entered into a share purchase agreement dated April 16, 2015 with HCC Concessions and HCC to acquire 41,267,836 equity shares (60.00% of the outstanding equity share capital) of DPTL. DPTL has received approval from NHA for the transfer of shares from John Liang Investments Limited and JLIM to our Company and HCC Concessions from SEL to our Company and HCC to HCC Concessions and from HCC and HCC Concessions to SIPL on December 2, 2014. DPTL has applied to its lenders for this approval for the transfer on October 30, 2014. For further details, see

“History and Certain Corporate Matters” from pages 242 to 245 and “Risk Factors – Internal Risk Factors – We may not receive approvals from relevant concessioning authorities or our lenders with respect to our proposed acquisitions and divestments or we may not be able to complete necessary formalities to complete our proposed acquisitions” on pages 33 to 34.

### *Key Terms of the Concession*

The concession was granted by the NHAI. The term of the concession is 18 years starting in December 2009 and expiring in December 2027.

The current toll rates are subject to and in accordance with the Fee Determination Rules. The concession agreement allows the toll rates to be revised annually on April 1 but is subject to and in accordance with the provisions of the Fee Determination Rules. The toll rates per one-way trip per vehicle with effect from April 1, 2015 as specified in the notification dated April 8, 2015 issued by NHAI are as follows:

|                          | Cars, jeeps, vans and light motor vehicles | Mini buses, light commercial and goods vehicles | Trucks | Buses  | Heavy construction machinery, earth moving equipment and multi-axle vehicles | Over-sized vehicles |
|--------------------------|--------------------------------------------|-------------------------------------------------|--------|--------|------------------------------------------------------------------------------|---------------------|
|                          | (in ₹)                                     |                                                 |        |        |                                                                              |                     |
| <b>First Plaza Toll</b>  | 85.00                                      | 130.00                                          | 260.00 | 265.00 | 375.00                                                                       | 495.00              |
| <b>Second Plaza Toll</b> | 55.00                                      | 85.00                                           | 175.00 | 175.00 | 260.00                                                                       | 335.00              |

The concession agreement provides that DPTL is obligated to pay NHAI a premium of 2.0% of the total realizable fee, during the year from the day falling after 2,610 days from COD and for each subsequent year the premium shall increase by an additional 1.0% as compared to the immediately preceding year as NHAI's share of toll revenues generated from the project.

In the event that the average daily traffic of PCUs in any accounting year reaches or exceeds 120.0% of the designed capacity, the fee levied on any excess traffic is required to be deposited in a safety fund within 60 days of close of relevant accounting year provided that the balance remaining in respect of excess traffic of the last accounting year of the concession period shall be credited to the safety fund within 30 days of the transfer date.

As per the terms of the concession agreement, the traffic is estimated to be 37,000 PCUs per day (the “Target Traffic”) as of October 1, 2020 (the “Target Date”) and if the average of traffic sampling undertaken on the date one year prior to the Target Date, the Target Date and on the first anniversary of the Target Date falls short of Target Traffic by more than 2.5%, then for every 1.0% of shortfall as compared to Target Traffic, the concession period shall be increased by 1.5% subject to the increase of period not exceeding 20.0% of the original concession period. Similarly, if the aforesaid traffic sampling exceeds Target Traffic, then for every 1.0% excess as compared to Target Traffic the concession period shall be reduced by 0.75% subject to the reduction of period not exceeding 10.0% of the original concession period. In case of reduction of the concession period, DPTL may choose to pay a premium of 25.0% of the realisable fee in the respective year in lieu of reduction of concession period. If the average daily traffic exceeds the 60,000 PCUs in any accounting year, and continues to so exceed for the subsequent three accounting years, NHAI may decide to terminate the concession agreement based on the occurrence of an indirect political event. The indirect political event may be cured by DPTL, if it completes the construction work necessary for augmenting the capacity of the project highway such that the increase in traffic may be serviced prior to NHAI issuing a termination notice.

The concession agreement provides that NHAI shall ensure that for a period of ten years from the appointed date, neither NHAI itself, nor any other government body shall, construct or cause to be constructed any competing road. However, this restriction shall not apply if the average daily traffic on the project in any year exceeds 90.0% of the capacity provided for in the agreement (i.e., 60,000 passenger car units).

Further, DPTL is required to undertake maintenance of the project highway within 180 days when the roughness value exceeds 2,500 mm in a stretch of one km.

### *Project Cost and Financing*

As certified by M/s. Uday V. Shah & Co., Chartered Accountants, on November 5, 2014, the project cost was ₹ 13,474.30 million.

#### *Financial and Operational Information*

For the financial year 2014, DPTL's revenue from operations and net loss as per its audited financial statements, was ₹ 1,115.77 million and ₹ 1,326.04 million, respectively.

As certified by A.D. Brahmbhatt & Co., Chartered Accountants, for twelve months ended March 31, 2015, DPTL's toll collections were ₹ 1,347.5 million.

#### **Proposed Acquisition and Divestment of the MNEL Project**

Our Company had entered into a share purchase agreement dated September 22, 2010 to acquire 10,400,000 equity shares (20.00% of the outstanding equity interest) of MNEL from SEL. In January, 2015, our Company has executed a binding term sheet with SEL and Gammon Infrastructure Projects Limited, pursuant to which SEL has agreed to transfer 10,399,500 equity shares (19.99% of the outstanding equity interest) of MNEL to our Company, which our Company intends to sell to Gammon Infrastructure Projects Limited for an aggregate consideration of ₹ 720.00 million. For further details, see "History and Certain Corporate Matters" and "Risk Factors – Internal Risks – We may not receive approvals from relevant concessioning authorities or our lenders with respect to our proposed acquisitions and divestments or we may not be able to complete necessary formalities to complete our proposed acquisitions." on pages 33 and 34.

#### **General terms of Concession Agreements**

Typically, the concession agreement grants leave and license rights for all land forming part of the project highway on an "as-is-where-is" basis in our favor for the duration of the concession period. The concession agreements that we enter into with the concessioning authorities have certain common conditions and obligations that we are required to meet with respect to the project. They are as follows:

Requirement for the concessionaire to maintain performance securities and insurance during the construction and operation period.

Obligation of the concessioning authority to grant a minimum percentage (typically 80.0%) of the project highway free of encumbrances prior to the appointed date for the project.

An escrow agreement is generally executed among the concessionaire, the concessioning authority, the lenders and an escrow agent in order to ensure that disbursement of funds for the project is in accordance with the terms of the escrow mechanism prescribed in the concession agreement.

The concessioning authority may require a change or variation in scope of the project under certain circumstances. All costs arising out of a change of scope order subject to a prescribed aggregate ceiling are required to borne by the concessionaire. Further, the concessioning authority may also reduce scope in the event of failure to complete construction on account of a force majeure event.

During the operation period, the concessionaire must, either by itself or through an O&M contractor, operate and maintain the project highway in accordance with the specifications and standards prescribed in each concession agreement. Further, during the operation period, the concessionaire, either by itself or through a contractor, is responsible for modifying, repairing or otherwise making improvements to the project / project facility to comply with specifications and standards in the concession agreement and good industry practice. In this regard, the obligations of the concessionaire include, among others, ensuring smooth and uninterrupted flow of traffic during normal operating conditions, minimising disruption of traffic, routine maintenance and provision of equipment and materials. The concessionaire is also usually required to evolve a regular and preventive maintenance manual and also propose an annual programme of preventive and other scheduled maintenance. In the event that the concessionaire fails to maintain and / or repair the project in accordance with the maintenance requirements as stipulated in the concession agreement, the concessioning authority is authorised to undertake remedial measures at the cost of the concessionaire, either from the performance security or at actual cost and expense incurred. If the concessionaire fails to recoup the performance security or reimburse the expenditure then the engineer-in-charge may order suspension of collection of toll till amount is fully realised.

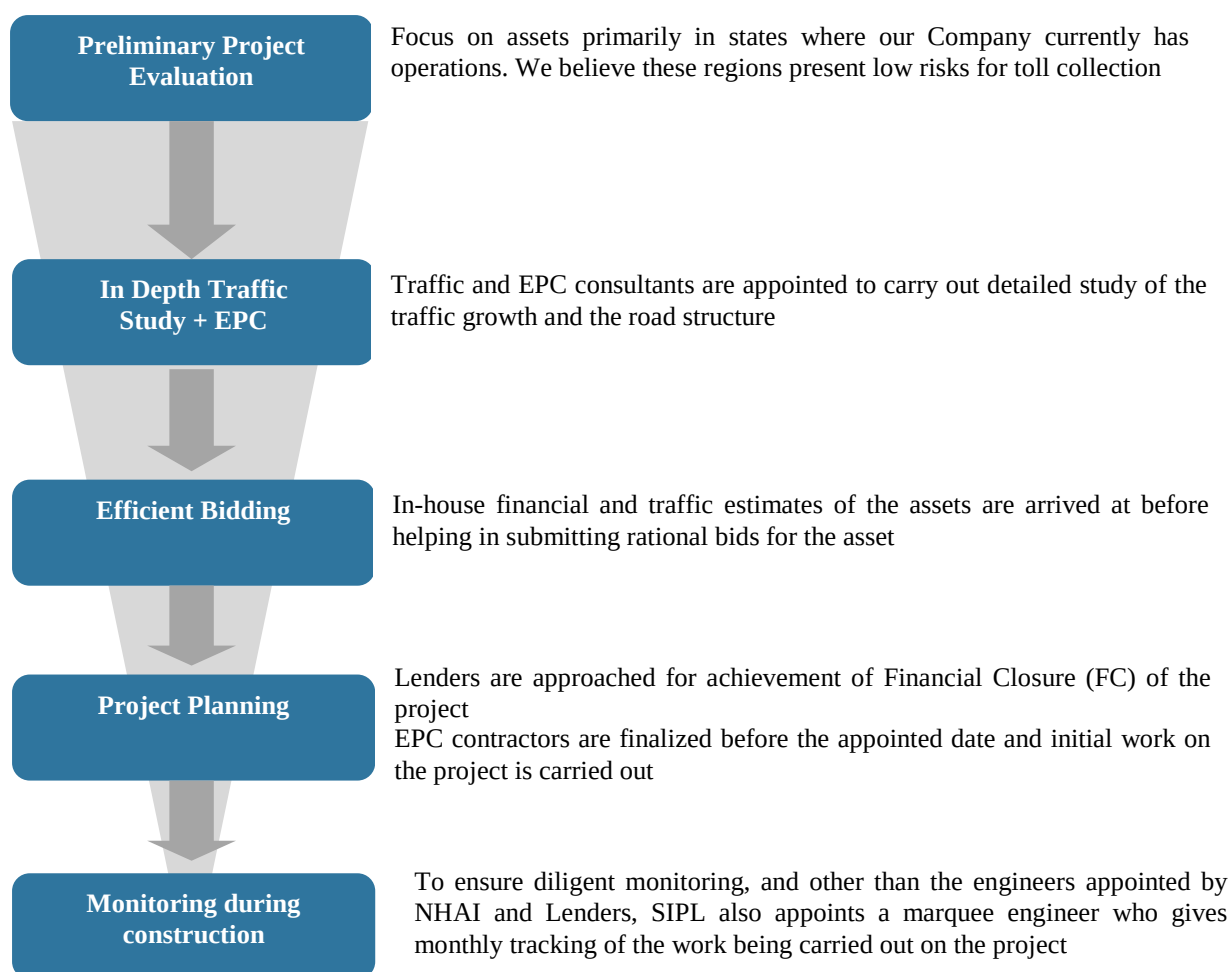
Further, the concession period may be modified in certain circumstances such as variation in traffic, suspension of or reduction in fee collection, commissioning of an additional toll road, force majeure events and unsafe construction works. Additionally, if a change in tax rates or law amounts to an increase in cost or a reduction in after-tax revenue from the project site, the concessioning authority may amend the concession agreement to enable the concessionaire to generate revenues from the project highway equivalent to what it would have received prior to such amendment in law. Similarly, if as a result of a change in tax rates or law, the concessionaire benefits from a reduction in cost or increase in net-after-tax return or other financial gain, the concessioning authority may amend the concession agreement so as to place the concessionaire in the same financial position as it would have enjoyed had there been no such change.

In the event of any deviations or non-compliance in relation to maintenance or repair of the project, the concessioning authority may enforce its rights under the agreement, including the termination of the agreement, and may undertake remedial measures at our cost. In addition to the recovery of such costs, a certain percentage of such cost amount must be paid as damages to the concessioning authority. In case of any material breach of the concession agreement, on account of any default attributable to us, the concessioning authority may also suspend our rights under the concession agreement and may elect to exercise the rights we have under the agreement by itself or authorize any other person to perform the obligations on its behalf during such suspension. We continue to be liable for all defects and deficiencies in the project highway for a certain period after the termination of the concession agreement and are obligated to at our cost repair or rectify the defects and deficiencies. In addition to the terms included in this paragraph, each concession agreement also has provisions on assignment, indemnity from and to the concessioning authority, termination, consequences of termination and other customary provisions in accordance with best practices.

In the event the concessioning authority terminates the concession agreement prior to its expiry due to reasons not attributable to the concessionaire, the concessioning authority will pay to the concessionaire a termination payment based on a formula specified in the relevant concession agreement. Typically, the handing over process for the project site will be initiated 12 months before the expiry date of the concession agreement by a joint inspection by the engineer in charge along with representatives of the concessionaire. Within 15 days of the inspection the engineer in charge shall prepare and furnish a list of work or alterations, if any, that the concessionaire will need to carry out at least two months prior to the date of expiry of the concession. Upon expiry of the concession, the concessionaire shall hand over vacant and peaceful possession of the project assets, including the project site. Typically, the defect liability period for road/bridge work shall be equal to 120 days after termination of the concession period.

### ***Business Development and Implementation***

Set forth below is a summary of the key stages of development and implementation of our projects.



### *Preliminary Project Evaluation*

We conduct an initial evaluation of the potential projects. The following criteria are considered in the selection of projects:

- projects with minimal issues related to land acquisition, environmental and forest clearances;
- projects in states which have shown growth greater than average India GDP;
- projects in states where risk of toll evasion is minimal;
- projects with available O&M synergies;
- projects where large scale industrial development has been planned along the project stretch;
- projects which serve long distance traffic and on which commercial traffic is higher;
- projects with return parameters acceptable to us;
- projects which are less subject to political influence; and
- projects where construction related issues are within our control for on-time completion.

We also take into account the possibility of opportunities for growth in the infrastructure of the area and geographic location of the project. We typically target projects in the states of Maharashtra, Rajasthan, Gujarat,

Andhra Pradesh, Telangana, Madhya Pradesh, Karnataka and Haryana as we believe we are more likely to be able to collect toll for projects located in these areas.

### *Traffic Study and EPC*

Once we have identified suitable projects, we engage professional EPC and traffic consultants to carry out detailed study of the traffic growth and road structure. When the study is completed, a report is submitted by the consultants to us for consideration.

### *Bidding*

Our in-house technical department conducts further evaluation on the estimate capital expenditure required by us to develop the project in consultation with the EPC consultant. Further, our finance department conducts further evaluation of the project based on the estimated capital expenditure required by us to develop the project and the traffic volume in the location of the project. In the past, once the estimates for EPC cost, projected traffic, estimated O&M cost, estimated financing cost, etc. were available, our Company prepared the financial model and the bid was submitted by SEL for the project. We are qualified on an annual basis to bid either directly or through joint ventures for BOT projects, subject to certain eligibility criteria, of project values up to ₹ 26,500.00 million by the NHAI up to December 31, 2015. Therefore, we will submit bids for projects up to ₹ 26,500.00 million to be awarded by the NHAI, subject to compliance with eligibility criteria for each bid.

Most of our projects are awarded through a competitive bidding process which consists of the following steps:

| Steps                    | Particulars                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Pre-qualification</b> |                                                                                                                                                                                                                                                                                                                                                                             |
| Step I                   | The concessioning authority decides to obtain bids for a particular BOT project. Bidding for BOT projects is generally based on the international competitive bidding procedure. The concessioning authority invites participants to buy request for quote documents.                                                                                                       |
| Step II                  | Request for quote documents are purchased by participants                                                                                                                                                                                                                                                                                                                   |
| Step III                 | Participants provide relevant documents to the concessioning authority for their evaluation as to who shall qualify for bid on both technical and financial grounds.                                                                                                                                                                                                        |
| Step IV                  | After review of the documents submitted by all the bidders, the concessioning authority publishes a list of bidders who have qualified for the bid.                                                                                                                                                                                                                         |
| <b>Bidding process</b>   |                                                                                                                                                                                                                                                                                                                                                                             |
| Step V                   | Qualifying bidders commence the process of preparing their bids. Technical consultants and traffic consultants are appointed by the qualifying bidders. Qualifying bidders then obtain quotes from EPC contactors (on the basis of scope and specifications as per the concession agreements) for execution of EPC work at a fixed price and/or within a fixed time period. |
| Step VI                  | On the basis of the financial model which generates the output for bidding by processing various inputs such as EPC cost, concession period, base traffic, traffic growth, means of finance, etc. the bid is prepared                                                                                                                                                       |
| Step VII                 | Qualifying bidders submit the price bid online where bidders have to quote the viability gap funding to be obtained from NHAI or premium to be paid to the concessioning authority every year or on a one time basis. Lowest VGF or highest premium shall be awarded the project.                                                                                           |
| Step VIII                | Post evaluation of bids, the concessioning authority issues a letter of award and a concession agreement is entered into between the concessioning authority and the concessionaire. The concession agreement is generally entered into within 45 days from the date of the letter of award.                                                                                |
| Step IX                  | Concessionaire is required to achieve the financial closure within a certain period of time from the signing of the concession agreement.                                                                                                                                                                                                                                   |
| Step X                   | Concessionaire submits financing documents to the concessioning authority for its opinion and execution.                                                                                                                                                                                                                                                                    |

### *Subsidiary Formation and Financing*

Once SEL has been awarded a project, we incorporate a special purpose vehicle which holds the project and develops, maintains and operates the concession. While the subsidiary is the legal entity with rights and obligations under the concession agreement, in practice we provide all necessary support to the subsidiary pursuant to O&M agreements and service agreements that we enter into with the respective subsidiaries in

relation to the concessions. When accepting the award of the concession, the successful bidder signs a letter of award received from the concessioning authority. These may include the submission of a performance guarantee. The performance guarantee is usually arranged by SEL, and is provided by the subsidiary between 90 to 180 days from date of signing of the concession agreement. We aim to enter into financing agreements for the project within 180 days of signing of concession agreement.

We normally seek to fund up to 70% of the required capital expenditure for new projects through debt financing which we generally arrange with our in-house finance team from banks and financial institutions with the remainder being financed through an equity contribution.

### ***Construction***

The construction phase of a toll or annuity road project begins after financing agreements are entered into. The construction phase of a project often takes between 20 to 30 months to be completed. Our concessions typically range from a period of 20 to 30 years, after which they are transferred to the concessioning authority.

We deploy a team from our project implementation department and design unit part of our project implementation and operation and maintenance service, to finalize the detailed design of the project, liaise with the concessioning authority and respective government agencies in connection with the land acquisition process, utility shifting, procurement of necessary approvals/permits and supervision and management construction work. Throughout this phase, we monitor and control the various work processes closely with the objective of controlling costs, maintaining quality and other logistical issues such as monitoring land acquisition, environmental rehabilitation or resettlement.

We typically sub-contract construction activities for the projects to SEL, our corporate Promoter. The contractors generally procure all the raw materials required for each project. Contractors are typically paid based on the completion of construction milestones.

The EPC contractor enters into a fixed price agreements with our subsidiaries for undertaking the design, development, construction, supervision and management of the project fixed price contracts, the construction price is fixed at the time of agreement and the contractor bears the risk of any subsequent increase in costs and delays (other than increased costs or delays attributable to the concessioning authority) in connection with construction.

As the project nears completion, an independent engineer of the concessioning authority is asked to certify that the road has been completed in accordance with the technical specifications set forth in the concession agreement. Upon receipt of the independent engineer's report, the concessioning authority issues a provisional completion certificate, which allows us to begin collecting toll receipts or receive annuity payments as per the provisions of the concession agreement.

### ***Operations and Maintenance***

We have project implementation teams located on each project site who monitor the project roads for maintenance, upkeep and operations services, as well as user and emergency services. These services are provided through our own in-house teams and also by sub-contractors.

Under the terms of the concession agreements, we are responsible for performing maintenance services to preserve our toll and annuity road systems, rectification of any defects on the road surface, services for overlaying, drainage, safety and equipment, signage and signaling, maintaining bridges and viaducts. We conduct regular safety inspections of all our projects. Our Company has a documented and implemented management system, which is maintained in accordance with ISO 9001-2008 requirements.

Regular schedules are made out for various activities to undertake maintenance work and the same is monitored strictly. Additional manpower is deployed if found necessary to mitigate contingencies.

### ***Toll Management***

Once the vehicle enters a toll plaza, it is classified into a particular vehicle category for the purpose of toll collection. The classification is done both manually by the toll collector and also automatically using weight in motion technology and AVC cameras. A toll supervisor may also check the information recorded in order to

determine the category of vehicle passing through the toll lane. Based on classification of the vehicle, a ticket is issued and the road user pays the appropriate toll fee by cash in exchange for a receipt acknowledging payment. Toll fees may also be paid using a pre-paid smart card, where the road user flashes the smart card on a smart card reader to perform the transaction. The smart card reader validates the user against certain predefined parameters and the toll fee is deducted from the users account and a receipt is generated for the transaction. While leaving the toll lane area, the vehicle passes over the AVC sensors where the vehicle is classified again using the sensors embedded in the road. The software application is set to process the next transaction. This process is monitored by supervisors using point-tilt-zoom camera surveillance. Since a significant portion of the toll fees are paid in cash, we closely monitor the collection of toll fees in order to reduce fraud and pilfering. The toll supervisor also reconciles cash receipts against the records entered into computer systems by the toll collector and against the information recorded by the AVC system. In the event the toll collector charges less toll fees, the toll collector is required to make up for such shortfall. Further, each of our projects has an internal audit team which is primarily responsible for auditing its toll operations.

### ***Accident and Emergency Services***

In managing our toll roads, we seek to meet accepted safety standards in the industry. Our accident prevention strategy prioritizes construction, acquisition and provision of new safety features, such as pedestrian overpasses, concrete barriers, speed limit controls, improved signals and signage, roadway widening, ambulance response capability, traffic inspection and removal of dead animals and other obstructions.

Further, the concession agreements also require us to provide emergency medical aid to users of our toll roads. In this regard, we provide ambulance service, paramedic and first aid kits, rescue and search services at our projects. Our traffic inspection teams patrol the toll roads and monitor potential problems and emergencies, placing emergency signs and taking other appropriate measures when necessary. They also monitor toll road users evading payment of toll fee. Our service team provides emergency aid to vehicles with mechanical problems on our roads, using tow trucks to remove broken down or damaged vehicles. We also operate mobile rescue units that are equipped to provide first aid and evacuation in case of medical emergency. Most of our mobile rescue units have a GPS tracking system installed that permits us to monitor the vehicle's activity, fuel levels and other critical details on a real-time basis by means of a satellite network.

### ***Insurance***

We maintain a number of insurance policies to cover the different risks related to our projects in accordance with the terms of the concession agreements and best practices. Such insurance policies include equipment failure, advanced loss of profit, loss of cash in transit, standard fire and special perils, fidelity guarantee or consequential loss or fire. In addition, we have obtained separate insurance coverage for workman's compensation and public liability risks. SEL has a director's and officer's insurance policy to cover key managerial personnel of SEL, our Company and our subsidiaries. Further, our insurance covers hazards inherent to the road development business, such as risks of terrorist attacks, riots, work accidents, explosions, fire, earthquake, flood and other force majeure events. This includes hazards that may cause injury and loss of life, damage and destruction of property, equipment and environmental damage. Our insurance policies may not be sufficient to cover our economic losses. For further details, see "Risk Factors – Internal Risk Factors – Our insurance coverage may not adequately protect us against all material hazards" from pages 42 to 43.

### ***Employees***

As of February 28, 2015, we had a total of 1,308 employees. Our employees do not belong to a union. We have not experienced any work stoppage, strike, demonstration or other labor disturbances from our employees. Further, as of February 28, 2015, BRTPL, RHTPL, NSEL and SUTPL had no employees.

### ***Intellectual Property***

Our Company has entered into a trademark licensing agreement dated September 22, 2010, as amended with SEL for use of the "Sadbhav" tradename and logo through a non-exclusive, non-transferable and royalty free license for a one-time lump sum consideration of ₹ 10,000.00.

### ***Competition***

Our revenues from existing toll roads are subject to competition from other roads that operate in the same area



as well as from other modes of transportation. In addition, we compete with a number of Indian and international infrastructure operators in acquiring both concessions for new road projects and existing projects. We currently do not face any material competition with respect to our existing annuity road project because the concessioning authorities are required to make fixed annuity payments to us and the commercial risk is generally taken by the concessioning authority.

We believe that our main competitors for new projects are IRB Infrastructure Developers Limited, IL&FS Transportation Networks Limited, Larsen and Toubro Limited and Ashoka Buildcon Limited.

### **Property and Equipment**

We do not own most of the assets that we use in our concessions. Generally, pursuant to the terms of our concession agreements, title to our toll roads and related infrastructure such as toll plazas and monitoring posts remains with the concessioning authority for the duration of the concession period.

During the concession period, we are entitled to use the toll roads and the related infrastructure which comprise the concession assets and we are entitled to the income arising from these assets. Upon the expiration of the concession period, we are required to transfer these project assets to the concessioning authority without further compensation.

We currently own or lease a variety of property, primarily for office space, throughout India. In relation to the registered office, our Company has entered into a leave and license agreement dated October 29, 2014, details of which are provided below:

| <b>Location of property</b>                                                                                                          | <b>Lessor</b> | <b>Relationship with our Company, if applicable</b> | <b>Monthly rental</b> |
|--------------------------------------------------------------------------------------------------------------------------------------|---------------|-----------------------------------------------------|-----------------------|
| Registered Office – 3 <sup>rd</sup> Floor, Sadbhav House, Opposite Law Garden Police Chowki, Ellisbridge, Ahmedabad 380 006, Gujarat | SEL           | Corporate Promoter                                  | ₹ 0.80 million        |

We currently own certain property aggregating to approximately 5.98 hectares.

### **Environmental Regulations**

For details of regulations applicable to the Company and its Subsidiaries, see “Regulations and Policies” beginning on page 228. For our projects under development, the EPC contractor and the concessioning authority have the obligation to obtain all requisite environment related approvals and permissions.

### **Seasonality and Weather Conditions**

Our business operations may be affected by severe weather, which may require us to evacuate personnel or curtail services, result in damage to a portion of our fleet of equipment or facilities resulting in the suspension of operations, and prevent us from delivering materials to our project sites in accordance with contract schedules or generally reduce our productivity. Our operations are also adversely affected by difficult working conditions and extremely high temperatures during summer months and monsoon seasons, each of which may restrict our ability to carry on our activities and fully utilise our resources. During periods of curtailed activity due to adverse weather conditions, we may continue to incur overhead expenses, and our revenues from operations may be delayed or reduced. Further, severe weather may also affect traffic trends and usage of our road projects.

### **Legal Proceedings**

For details of legal proceedings of our Company and Subsidiaries, see “Outstanding Litigation and Material Developments” beginning on page 515.

## REGULATIONS AND POLICIES

*The following description is a summary of certain sector specific laws and regulations as prescribed by the Government of India or state Governments which are applicable for our Company and its subsidiaries. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below are not exhaustive, and are only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional legal advice.*

### Regulation of the Road Sector

The primary central legislations governing the roads sector are the NH Act and the NHAI Act.

#### **NH Act**

Under the NH Act, the GoI is vested with the power to declare a highway as a national highway and also to acquire land for this purpose. The GoI may, by notification, declare its intention to acquire any land when it is satisfied that for a public purpose such land is required to be acquired for the building, maintenance, management or operation of a national highway or part thereof. The NH Act prescribes the procedure for such land acquisition which *inter alia* includes entering and inspecting such land, hearing of objections and declaration of such acquisition and the mode of taking possession. The NH Act also provides for payment of compensation to owners and any other person whose right of enjoyment in that land has been affected. The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (Amendment) Bill, 2015, passed by the lower house of the Indian Parliament, seeks to amend the provisions of the Land Acquisition Act to make the provisions in relation to determination of compensation, rehabilitation and resettlement and infrastructure amenities of the Land Acquisition Act applicable to the NH Act with effect from January 1, 2015. Further, it exempts certain categories of land use, including infrastructure projects under public-private ownership where ownership of land continues to vest in the Government, from requirements to obtain consents from affected families where land is being acquired.

The GoI is responsible for the development and maintenance of national highways. However, it may, by notification in the official gazette, direct that such functions may also be exercised by governments of the states in which the highway is located, or by any officer or authority sub-ordinate to the GoI or to the state government. Notwithstanding the aforesaid provision, the GoI has the power to enter into an agreement with any person for the development and maintenance of a part or whole of a national highway. Such person would have the right to collect and retain fees at such rates as may be notified by the GoI having regard to the expenditure involved in building, maintenance, management and operation of the whole or part of such national highway, interest on the capital invested, reasonable return, the volume of traffic and the period of the agreement. The NH Rules further provide procedure for technical approval and financial sanction by the GoI or executive agency and related reporting for execution of works in relation to the operation and maintenance of national highways.

#### **NH Fee Rules**

The NH Fee Rules regulates the collection of fee for the use of national highway. The NH Fee Rules supersede the National Highways (Temporary Bridges) Rules, 1964, the National Highways (Collection of Fees by any Person for the Use of Section of National Highways/ Permanent Bridge/ Temporary Bridge on National Highways) Rules, 1997 (the “1997 Fee Rules”), the National Highways (Fees for the use of National Highways Section and Permanent Bridges - Public Funded Project) Rules, 1997 and the National Highways (Rate of Fees) Rules, 1997 other than in respect of things done or omitted to be done under such rules prior to supersession. The NH Fee Rules do not apply to the concession agreements executed or bids invited prior to the publication of such rules *i.e.* prior to December 5, 2008.

Pursuant to the NH Fee Rules, GoI may, by a notification, levy fee for use of any section of a national highway, ‘permanent bridge’, bypass or tunnel forming part of a national highway, as the case may be. However, GoI may, by notification, exempt any section of a national highway, ‘permanent bridge’, bypass or tunnel constructed through a public funded project from levy of fees.

The collection of fee shall commence within 45 days from the date of completion of the section of a national highway, ‘permanent bridge’, bypass or tunnel constructed through a public funded project. The NH Fee Rules further provides for the base rate of fees applicable for the use of a section of the national highway and applicable to different categories of vehicles. The base rate shall be increased, without compounding, by 3% each year with effect from April 1, 2008 and such increased rate will be deemed to be the base rate for the

extension of fees in the subsequent years. The NH Fee Rules also provide for, *inter alia*, an annual revision of the base rate of fees with effect from April 1<sup>st</sup> each year to reflect the increase in the WPI between the week ending on January 6, 2007 and WPI for the month of December of the year in which such revision is undertaken but such revision shall be restricted to a 40% of the increase in WPI. The various modalities for collection of fee are also outlined in the NH Fee Rules. Under the 1997 Fee Rules (which are applicable to concession agreements executed prior to December 5, 2008), the GoI may enter into an agreement with any person for the development and maintenance of the whole or any part of a national highway, 'permanent bridge' or temporary bridge on a national highway and such person is entitled to collect at such rate and for such period as may be notified by GoI.

### ***Indian Tolls Act, 1851***

Pursuant to the Indian Tolls Act, 1851, the state governments have been vested with the power to levy tolls at such rates as they deem fit, to be levied upon any road or bridge, made or repaired at the expense of the Central or any state government. The tolls levied under the Indian Tolls Act, 1851, are deemed to be 'public revenue'. The collection of tolls can be placed under any person as the state governments deem fit under the said act and they are enjoined with the same responsibilities as if they were employed in the collection of land revenue. Further, all police officers are bound to assist the toll collectors in the implementation of the Indian Tolls Act, 1851. The Indian Tolls Act, 1851 further gives power for recovery of toll and exempts certain category of people from payment of toll.

### ***Provisions under the Constitution of India and other legislations in relation to collection of toll***

Entry 59, List II of Schedule VII read with Article 246 of the Constitution of India vests the states with the power to levy tolls. Pursuant to the Indian Tolls Act, 1851, the State Governments have been vested with the power to levy tolls at such rates as they deem fit.

### **Financing of the NHDP**

The Government of India, under the Central Road Fund Act, 2000 (the "Fund") created a dedicated fund for NHDP. Certain sources for financing of NHDP are through securitization of cess as well as involving the private sector and encouraging Public Private Partnership (PPP). The NHDP is also being financed through long-term external loans from the World Bank, the ADB and the JBIC as well as through tolling of roads.

### **Private Participation in NHDP**

In an effort to attract private sector participation in the NHDP, the NHAI has formulated model concession agreements where a private entity (the "Concessionaire") is awarded a concession to build, operate and collect toll on a road for a specified period of time, which is usually up to 30 years.

The bidding for the projects takes place in two stages as per the process provided below:

- in the pre-qualification stage, NHAI selects certain bidders on the basis of technical and financial expertise, prior experience in implementing similar projects and previous track record; and
- in the second stage, NHAI invites commercial bids from the pre-qualified bidders on the basis of which the right to develop the project is awarded.

In a BOT project, the private entity meets the up front cost and expenditure on annual maintenance and recovers the entire cost along with the interest from toll collections during the concession period. To increase the viability of the projects, a capital grant is provided by the NHAI/GoI on a case to case basis. The concessionaire at the end of the concession period transfers the road back to the Government. The concessionaire's investment in the road is recovered directly through user fees by way of tolls.

In annuity projects, the private entity is required to meet the entire upfront cost (no grant is paid by NHAI/GoI) and the expenditure on annual maintenance. The concessionaire recovers the entire investment and predetermined return on investments through annuity payments by NHAI/GoI.

Tax incentives which are being provided to the private entity are 100% tax exemption for any consecutive ten years out of the first 20 years after completion of a project. The Government has also allowed duty free import

of specified modern high capacity equipment for highway construction.

### **Exit Policy**

Cabinet Committee on Economic Affairs recently approved a policy initiative aimed at improving the availability of equity in the market. It would permit concessionaires/developers to divest 100% equity in the project, two years after completion of construction of the project. This would help unlock equity from completed projects making it potentially available for investment into new projects. This would also harmonise conditions uniformly across all concessions signed prior to 2009 with the policy framework for post 2009 contracts which permit divestment of equity upto 100% two years after completion of construction.

### **Other Laws**

The laws above are specific to the regulations specifically applicable to an operating business. The generic regulations that are applicable to our Company include environmental laws, labour laws and other applicable laws.

### **Environment Regulation**

Infrastructure projects must also ensure compliance with environmental legislation such as the Water (Prevention and Control of Pollution) Act 1974 (“Water Pollution Act”), the Air (Prevention and Control of Pollution) Act, 1981 (“Air Pollution Act”) and the Environment Protection Act, 1986 (“Environment Act”).

The Water Pollution Act aims to prevent and control water pollution. This legislation provides for the constitution of a Central Pollution Control Board and State Pollution Control Boards. The functions of the Central Pollution Control Board include, *inter alia*, coordination of activities of the State Pollution Control Boards, collecting data relating to water pollution and the measures for the prevention and control of water pollution and prescription of standards for streams or wells. The State Pollution Control Boards are responsible for, *inter alia*, the planning for programmes for prevention and control of pollution of streams and wells, collecting and disseminating information relating to water pollution and its prevention and control, inspection of sewage or trade effluents, works and plants for their treatment and to review the specifications and data relating to plants set up for treatment and purification of water, laying down or annulling the effluent standards for trade effluents and for the quality of the receiving waters, and laying down standards for treatment of trade effluents to be discharged. This legislation prohibits any person from establishing any industry, operation or process or any treatment and disposal system, which is likely to discharge trade effluent into a stream, well or sewer, or bring into use any new or altered outlet for discharge of sewage, or being to make any new discharge of sewage without taking prior consent of the State Pollution Control Board.

The Central and State Pollution Control Boards constituted under the Water Pollution Act are also to perform functions as per the Air Pollution Act for the prevention and control of air pollution. The Air Pollution Act aims for the prevention, control and abatement of air pollution. It is mandated under this Act that no person can, without the previous consent of the State Pollution Control Board, establish or operate any industrial plant in an air pollution control area as notified by the State Government.

The Environment Act has been enacted for the protection and improvement of the environment. The Act empowers the GoI to take measures to protect and improve the environment such as by laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and so on. The GoI may make rules for regulating environmental pollution.

With respect to forest conservation, the Forest (Conservation) Act, 1980 prevents state governments from making any order directing that any forest land be used for a non-forest purpose or that any forest land is assigned through lease or otherwise to any private person or corporation not owned or controlled by the Government without the approval of the GoI. The Ministry of Environment and Forests mandates that Environment Impact Assessment (“EIA”) must be conducted for projects. In the process, the Ministry receives proposals for the setting up of projects and assesses their impact on the environment before granting clearances to the projects.

The EIA Notification S.O. 1533, issued on September 14, 2006 (the “EIA Notification”) under the provisions of the Environment Act, prescribes that new construction projects require prior environmental clearance from the MoEF. The environmental clearance must be obtained from the MoEF according to the procedure specified in the EIA Notification. No construction work, preliminary or other, relating to the setting up of a project can be undertaken until such clearance is obtained. Under the EIA Notification, the environmental clearance process

for new projects consists of four stages – screening, scoping, public consultation and appraisal. After completion of public consultation, the applicant is required to make appropriate changes in the draft ‘EIA Report’ and the ‘Environment Management Plan.’ The final EIA Report has to be submitted to the concerned regulatory authority for appraisal. The regulatory authority is required to give its decision within 105 days of the receipt of the final EIA Report.

#### **Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008**

The Hazardous Waste (Management and Handling) Rules, 1989, as amended, impose an obligation on each occupier and operator of any facility generating hazardous waste to dispose of such hazardous wastes properly and also imposes obligations in respect of the collection, treatment and storage of hazardous wastes. Each occupier and operator of any facility generating, processing, treating, packaging, storing, using, collecting, offering for sale converting or transferring hazardous waste is required to obtain an approval from the relevant state pollution control board for collecting, storing and treating the hazardous waste.

#### **Public Liability Insurance Act, 1991**

The Public Liability Insurance Act, 1991, as amended (the “Public Liability Act”), imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of ‘hazardous substances’ covered by the legislation has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the Environment Relief Fund, a sum equal to the premium paid on the insurance policies. This amount is payable to the insurer.

#### **Laws relating to Employment**

Certain other laws and regulations that may be applicable to our Company include the following:

- Contract Labour Act;
- Inter State Migrant Workers Act, 1979;
- Factories Act, 1948;
- Payment of Wages Act, 1936;
- Payment of Bonus Act, 1965;
- Employees’ State Insurance Act, 1948;
- Employees’ Provident Funds and Miscellaneous Provisions Act, 1952;
- Equal Remuneration Act, 1976;
- Payment of Gratuity Act, 1972;
- Shops and Commercial Establishments Acts, where applicable;
- Minimum Wages Act 1948;
- Industrial Disputes Act, 1947;
- Employees Compensation Act, 1923

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief history of our Company

Our Company was incorporated as Sadbhav Infrastructure Project Limited on January 18, 2007 at Ahmedabad as a public limited company under the Companies Act, 1956. Our Company obtained a certificate of commencement of business on February 7, 2007.

As of the date of this Draft Red Herring Prospectus, our Company has 51 members.

For information on our Company's profile, activities, services, market, growth, technology, managerial competence, standing with reference to prominent competitors, major vendors and suppliers, see "Our Management", "Business" and "Industry" beginning on pages 255, 195 and 170, respectively.

### Changes in the Registered Office

There has been no change in the Registered Office since the date of incorporation of our Company.

### Main Objects of our Company

The main objects contained in the Memorandum of Association of our Company are as follows:

*"To provide, develop, own, maintain, operate, instruct, execute, carry out, improve, construct, repair, work, administer, manage, control, transfer on a build, operate and transfer (BOT) or build, own, operate and transfer (BOOT) or build, operate, lease and transfer (BOLT) basis or otherwise, make tenders, apply or bid for, acquire, transfer to operating companies in the infrastructure sector, any infrastructure facilities including but not limited to roads, bridges, airports, ports, waterways, rail system, highway projects, water supply projects, pipelines, sanitation and sewerage systems, generation, supply and distribution of electricity, power projects, telecommunication facilities, housing projects, commercial real estate projects, warehouses, factories, godown, other works or convenience of public or private utility involving public or private financial participation, either directly or through any subsidiary or group company, and to carry out the businesses on a contractual basis, assign, convey, transfer, lease, auction, sell, the right to collect any rent, toll, compensation, charges or other income from infrastructure projects undertaken by our Company or any entity for any tenure or description."*

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out.

### Amendments to our Memorandum of Association

Set out below are the amendments to our Memorandum of Association since the incorporation of our Company.

| Date of Shareholders' Resolution | Particulars                                                                                                                                                                                                                                                                                                               |
|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| August 27, 2010                  | Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of our Company from ₹ 500,000 divided into 50,000 Equity Shares of ₹ 10 each to ₹ 330,000,000 divided into 30,000,000 Equity Shares of ₹ 10 each and 3,000,000 Preference Shares of ₹ 10 each.                  |
| October 22, 2014                 | Clause V of the Memorandum of Association was amended to reflect the re-classification in authorised share capital of our Company from ₹ 330,000,000 divided into 30,000,000 Equity Shares of ₹ 10 each and 3,000,000 Preference Shares of ₹ 10 each to ₹ 330,000,000 divided into 33,000,000 Equity Shares of ₹ 10 each. |
| October 22, 2014                 | Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of our Company from ₹ 330,000,000 divided into 33,000,000 Equity Shares of ₹ 10 each to ₹ 4,030,000,000 divided into 403,000,000 Equity Shares of ₹ 10 each.                                                    |

## Major events and milestones of our Company

The table below sets forth the key events in the history of our Company:

| Financial Year | Particulars                                                                                                                                                                                                                                                           |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2007           | Our Company was incorporated as ‘Sadbhav Infrastructure Project Limited’.                                                                                                                                                                                             |
| 2011           | Our Company issued certain Equity Shares and CCCPS aggregating to ₹ 4,000 million collectively to Xander and Norwest.                                                                                                                                                 |
| 2011           | Our Company acquired equity shares of BHTPL aggregating to 76.99% of the equity share capital of BHTPL resulting in our Company holding 76.99% of the share capital of BHTPL.                                                                                         |
| 2011           | Our Company acquired equity shares of ARRIL aggregating to 79.99% of the equity share capital of ARRIL from SEL resulting in our Company holding 79.99% of the share capital of ARRIL.                                                                                |
| 2012           | Our Company acquired equity shares of NSEL aggregating to 39% of the equity share capital of NSEL from SREI Venture Capital Trust A/c Infrastructure Project Development Fund resulting in our Company and SEL collectively holding 90% of the share capital of NSEL. |
| 2013           | Our Company acquired equity shares of AJTL aggregating to 49% of the equity share capital of AJTL from PBA resulting in AJTL becoming our wholly owned subsidiary.                                                                                                    |
| 2013           | Our Company issued SEL CCDs aggregating to ₹ 750 million to SEL, our corporate Promoter.                                                                                                                                                                              |
| 2014           | Our Company acquired equity shares of NSEL aggregating to 9.99% of the equity share capital of NSEL from SREI Infrastructure Finance Limited resulting in our Company and SEL collectively holding 99.99% of the share capital of NSEL.                               |
| 2015           | Our Company issued certain non convertible debentures aggregating to ₹ 1,405.40 million to ITCL.                                                                                                                                                                      |
| 2015           | Our Company acquired equity shares of NSEL aggregating to 21% of the equity share capital of NSEL from SEL resulting in our Company holding 69.99% of the share capital of NSEL.                                                                                      |
| 2015           | Our Company acquired equity shares of BRTPL aggregating to 26% of the equity share capital of BRTPL from SEL resulting in our Company holding 100% of the share capital of BRTPL.                                                                                     |
| 2015           | Our Company acquired equity shares of MBCPNL aggregating to 50.80% of the equity share capital of MBCPNL from SEL resulting in our Company holding 77.82% of the share capital of MBCPNL.                                                                             |
| 2015           | Our Company acquired equity shares of RHTPL aggregating to 26% of the equity share capital of RHTPL from SEL resulting in our Company holding 100% of the share capital of RHTPL.                                                                                     |
| 2015           | Our Company acquired equity shares of SUTPL aggregating to 26% of the equity share capital of SUTPL from SEL resulting in our Company holding 100% of the share capital of SUTPL.                                                                                     |
| 2015           | Our Company acquired equity shares of HYTPL aggregating to 39.99% of the equity share capital of HYTPL from GKC resulting in our Company holding 99.99% of the share capital of HYTPL.                                                                                |
| 2015           | Our Company issued certain listed, unsecured, rated, redeemable and taxable non convertible debentures aggregating to ₹ 1,600 million to various subscribers.                                                                                                         |
| 2015           | Our Company issued certain non convertible debentures aggregating to ₹ 2,000 million to various subscribers.                                                                                                                                                          |
| 2015           | NSEL received rating of ‘AAA(SO)’ from CARE.                                                                                                                                                                                                                          |
| 2015           | Our Company received qualifications from NHA as bidder for various BOT projects, with the highest estimated project cost being ₹ 23,561.6 million.                                                                                                                    |
| 2016           | Our Company acquired equity shares of ARRIL aggregating to 13.99% of the equity share capital of ARRIL from PIPL resulting in our Company holding 93.99% of the share capital of ARRIL.                                                                               |
| 2016           | Our Company received annual pre-qualification for national highways projects on DBFOT basis having estimated project cost of ₹ 26,500.00 million.                                                                                                                     |

For details in relation to delays in setting up certain projects, cost over-runs and defaults of borrowings with financial institutions / banks, see “Risk Factors – Delays in the completion of construction of current and future projects could lead to termination of the concession agreements or cost overruns, which could have an adverse effect on our cash flows, business, results of operations and financial condition” from page 24 to 25 and “Risk Factors – Certain of our Subsidiaries are currently not in compliance with specific obligations under their financing agreements, which have also triggered cross defaults under certain financing agreements of our Company and other Subsidiaries” from page 21 to 24.

## **Our Holding Company**

SEL is the holding company of our Company. For further details, see “Our Promoter and Promoter Group” from pages 275 to 276.

## **Our Subsidiaries**

As of the date of this Draft Red Herring Prospectus, our Company has 10 subsidiaries. For details regarding our Subsidiaries, see “Subsidiaries” beginning on page 246.

## **Capital raising activities through equity or debt**

For details regarding our capital raising activities through equity and debt, see “Capital Structure” and “Financial Indebtedness” beginning on pages 134 and 448 respectively.

## **Injunctions or restraining order against our Company**

As of the date of this Draft Red Herring Prospectus, there are no injunctions or restraining orders against our Company.

## **Summary of Key Agreements**

1. **Share Subscription Agreement dated August 18, 2010 and Shareholders Agreement dated August 18, 2010 as amended by way of Amendment Agreements dated August 26, 2010, September 13, 2010, September 11, 2012 and November 11, 2014 entered between our Company, SEL, Norwest and Xander**

Our Company, SEL, Norwest and Xander have entered into a share subscription agreement dated August 18, 2010 (the “Investor Subscription Agreement”), pursuant to which Norwest and Xander have collectively subscribed to 3,621,004 Equity Shares (individually 1,810,502 Equity Shares) constituting 14.98% of the total issued and outstanding Equity Shares and 13.70% of the share capital of our Company on a fully diluted basis (immediately before closing as per the Investor Subscription Agreement) for an aggregate consideration of ₹ 3,000 million (individually ₹ 1,500 million). Pursuant to the terms of the Investor Subscription Agreement, Norwest and Xander have also collectively subscribed to 2,250,774 compulsorily convertible cumulative preference shares of our Company (“CCCPS”) (individually 1,125,387 CCCPS) constituting 8.52% of the share capital of our Company on a fully diluted basis (immediately before closing as per the Investor Subscription Agreement) for an aggregate consideration of ₹ 1,000 million (individually ₹ 500 million).

In terms of the Investor Subscription Agreement, each CCCPS is convertible, without the payment of any additional consideration by the holder thereof and at the option of the holder, into the number of Equity Shares as determined by dividing ₹ 444.29 (the “Initial Conversion Price”) by the conversion price (being the Initial Conversion Price, as adjusted in accordance with the terms of the Investor Subscription Agreement). The CCCPS shall automatically convert into the Equity Shares at the applicable conversion price at the earlier of (i) the tenth anniversary of the Closing Date (as defined in the Investor Subscription Agreement) and (ii) immediately prior to the closing of an initial public offering of the Equity Shares.

In order to regulate their relationship and the respective rights and obligations as shareholders of our Company, our Company, SEL, Norwest and Xander have also entered into a shareholders agreement dated August 18, 2010 as amended by way of amendment agreements dated August 26, 2010, September 13, 2010 and September 11, 2012 (the “Shareholders Agreement”). The Shareholders Agreement provides certain rights to Norwest and Xander including, *inter alia*:

- (i) right to appoint up to two nominee directors and two observers on the Board and one observer on the board of each Group Entity (as defined below);
- (ii) pre-emptive rights in case of fresh issue of any equity security or any class of capital stock of our Company including any convertible bonds, warrants, stock options and any other type of equity or equity-linked securities convertible, exercisable or exchangeable for any such equity security or shares of any class of capital or stock, or of any subsidiaries and joint venture entities of our Company (the “Group Entities”) subject to certain exemptions;



- (iii) certain additional affirmative voting rights in relation to certain matters, such as issue of equity security of our Company (other than the Qualified IPO as defined in the Shareholders Agreement), declaration of dividends, entering into any joint venture or partnership, changing the nature of its business or engaging in any other business, any changes in the statutory auditors and amendment of charter documents of our Company or of any Group Entity;
- (iv) right to offer equity securities held by Xander and Norwest to SEL;
- (v) right of first refusal and tag along rights in relation to equity securities held by Xander and Norwest;
- (vi) restriction on transfer of Equity Shares held by SEL;
- (vii) restriction on SEL and its affiliates to compete with our Company or any Group Entity for a specified period subject to certain conditions;
- (viii) Qualified IPO (as defined in the Shareholders Agreement) subject to our Company having a pre-money equity valuation in excess of 1.5 times the 'Deemed Company Valuation', as determined in accordance with the Shareholders Agreement and have the Equity Shares listed on a recognised stock exchange on or before a specified date. As per the Investor Subscription Agreement, 'Deemed Company Valuation' means, with respect to our Company at the relevant date of determination, as calculated by, at the option of Xander and Norwest, the sum of (i) the closing valuation (as defined under the Investor Subscription Agreement); (ii) the amount of each additional investment after closing; (iii) the amount of any investment other than the aforementioned additional investment (as defined in the Shareholders Agreement) in the equity securities of our Company by any person after closing; and (iv) the net positive valuation adjustment or net negative valuation adjustment, as the case may be, as calculated by a chartered accountant appointed by Xander and Norwest; and
- (ix) if the Qualified IPO (as defined in the Shareholders Agreement) has not occurred by the end of the specified period, right to transfer the equity securities to any person including a competitor or require our Company to take certain corporate actions such as demerger of the BOT business from SEL and its affiliates and merger of such business into our Company.

The provisions of the Shareholders Agreement shall terminate upon consummation of the public listing of the Equity Shares. The rights of the Xander and Norwest under the Shareholders Agreement shall terminate upon consummation of transfer by Xander and Norwest to any person (other than an affiliate of any Xander and Norwest) of equity securities of our Company equal to or in excess of two-third of the equity securities of our Company subject to certain conditions.

Our Company, Xander, Norwest and SEL further entered into an amendment agreement dated November 11, 2014 (the "Amendment Agreement") to the Shareholders Agreement, pursuant to which SEL, Xander and Norwest have agreed for amendment of the existing articles of association of our Company (the "Restated Articles") in order to facilitate the consummation of the Issue.

In terms of Part B of the Restated Articles, the parties to the Amendment Agreement have agreed that upon allotment of the Equity Shares in the Issue, specific provisions as specified in Part B of the Restated Articles relating to rights of Xander and Norwest as shareholders of our Company shall automatically terminate and cease to have any force and effect without any further action whatsoever by our Company or by the shareholders of our Company. However, if the Issue is not consummated by September 30, 2015 (unless such date is extended in writing by the parties to the Amendment Agreement), then the Restated Articles, including the provisions of Part B, shall continue to be in full force and effect and be legally enforceable. The term "consummation" shall mean receipt of final listing and trading approvals in connection with the Issue from the Stock Exchanges. Upon consummation of the Issue, the Shareholders Agreement shall stand terminated, except provisions in relation to publicity, governing law, dispute resolution, notices and confidentiality would survive termination.

## 2. **Consolidation Agreement dated August 25, 2010 entered into between our Company, SEL, Norwest Venture Partners VII – A – Mauritius and Xander Investment Holding XVII Limited**

Our Company, SEL, Norwest and Xander have entered into a consolidation agreement dated August

25, 2010 (the “Consolidation Agreement”) for transfer of legal and beneficial ownership of SEL and its nominees to our Company in the shares of ARRIL, BHTPL, HYTPL, RPTPL, MBCPNL, AJTL, NSEL, DPTL and MNEL (collectively, the “Group Entities”) by certain period in relation to closing of the Shareholders Agreement, subject to approvals being obtained from the lenders, respective concessioning authorities and joint venture partners of the Group Entities as specified in the schedule to the Consolidation Agreement. The parties to the Consolidation Agreement have also agreed to replace the sub-ordinated debts granted by SEL to the Group Entities with the equal amount of sub-ordinate debts granted by our Company.

**3. Non – Compete Agreement dated October 22, 2014 entered into between our Company and SEL**

Our Company and SEL have entered into an agreement dated October 22, 2014 (the “Agreement”) in order to avoid or mitigate any potential competition and conflicts of interest that may arise between our Company and SEL in relation to the bidding and operation of new roads, highways and related projects (“Project”). The Parties have agreed that till SEL holds beneficial ownership of at least 51% of the equity shares of our Company (the “Non – Compete Period”) on a fully diluted basis that:

- (i) until our Company qualifies as a pre – qualified bidder with the NHAI (as defined in the Agreement), SEL shall submit the bid for any new Project as jointly determined by our Company and SEL.
- (ii) upon receiving approval for pre-qualified bidding from NHAI or any other authority, as applicable, all bids required to be submitted in relation to any Project shall be submitted by our Company, unless such Projects require technical or net worth qualifications or expertise of SEL, or any other requirement as may be jointly determined by both parties to the Agreement, in which case, SEL shall submit the bid for the Project or provide the necessary support to our Company.
- (iii) until the time our Company qualifies as a pre – qualified bidder, our Company shall have the sole right to bid for a Project it reasonably believes it is qualified to bid under the terms of such bid and SEL shall provide all necessary support in this regard.
- (iv) our Company and SEL shall not directly or indirectly, independently, and not jointly, bid for a Project wherein the authority has specified in the request for proposal that any direct or indirect conflict of interest between the bidders for the Project is a ground for rejection of the bid and the relationship between our Company and SEL may qualify as direct or indirect conflict of interest for such Project.
- (v) SEL shall undertake the business of construction, development and operation of roads, highways and related activities through our Company and subsidiaries of our Company and not through any of its other subsidiaries or associates.
- (vi) during the Non – Compete Period, in the event our Company determines it is required to submit a joint bid along with SEL or any support or co-operation is required on the part of SEL, SEL shall jointly bid for such Project as well as provide the necessary support or cooperation.
- (vii) that the economic benefits in relation to any Project shall be transferred from SEL to our Company on a best efforts basis, subject to the terms of the bid, the concession agreement and financing documents and approval of NHAI or any governmental authority, lenders or any other person, as applicable.
- (viii) upon award of any Project, both parties shall use best efforts to transfer legal and beneficial ownership of the equity shares held by SEL in the relevant project company to our Company, subject to the approval of NHAI or any governmental authority, lenders or any other person, as applicable.
- (ix) subject to certain conditions, the aforementioned transfer of equity shares from SEL to our Company shall be transferred at a value of the equity shares which would provide SEL with an equity internal rate of return of the base rate as specified by the State Bank of India along with

2% p.a. on the subscription amount paid by SEL for such equity shares for the period between investment made by SEL and amount paid by our Company to SEL.

The Agreement is to remain valid during the Non – Compete Period.

4. **Funding and Shareholders Agreement dated June 20, 2007 entered into between our Company, PBA, SEL, (collectively, the “AJTL Shareholders”) and AJTL**

Our Company, SEL, PBA and AJTL have entered into a funding and shareholders agreement dated June 20, 2007 (the “AJTL SHA”) to regulate the relationship and their respective rights and obligations in AJTL. The AJTL SHA confers certain rights and obligations upon the AJTL Shareholders, including *inter alia*, the following:

- (i) our Company, SEL, PBA and their associates have agreed to maintain an aggregate equity shareholding of not less than 51% of the total paid-up equity share capital of AJTL during the construction period and for three years after the commencement of operations of the AJTL Project, and have agreed to maintain a minimum equity shareholding of 26% for the remaining operations period of the AJTL Project;
- (ii) our Company, SEL, PBA and their associates undertake from time to time to pledge, in proportion to their respective holding, equity shares held by them in favour of lenders as security towards loans availed of by AJTL for the implementation of the AJTL Project, subject to their maximum equity shareholding in AJTL;
- (iii) any transfer or attempt to transfer any equity shares by our Company, SEL or PBA in violation of the transfer restrictions specified in the AJTL SHA shall be null and void ab initio, unless prior written consent of our Company, SEL or PBA has been obtained and AJTL shall not register such transfer, without the necessity of a board decision and may institute proceedings for this purpose if required by law;
- (iv) our Company, SEL, PBA and their associates shall provide all other security, including corporate guarantees and undertakings, to the lenders of AJTL to secure the debt owed by AJTL. Any liability incurred or arising out of such securities shall be *inter-se* shared between our Company and SEL on one hand and PBA on the other (along with their associates) in the ratio 51 : 49;
- (v) our Company, SEL, PBA as well as any person to whom shares in AJTL are transferred or issued (collectively, the “AJTL Shareholders”) shall have the right to appoint a nominee director to the board of directors of AJTL (the “AJTL Board”) for every 15% of the paid – up equity share capital of AJTL held by such AJTL Shareholder. In the event the shares held by either AJTL Shareholder, along with their associates, constitutes less than 26% of the total issued and paid – up capital of AJTL, such AJTL Shareholder shall have the right to appoint only one director to the AJTL Board and all other directors shall be appointed by the other AJTL Shareholders. In the event the shares held by either AJTL Shareholder, along with their associates, constitutes less than 15% of the total issued and paid – up capital of AJTL, such AJTL Shareholder shall no longer have the right to appoint any director to the AJTL Board. The chairman of the AJTL Board shall be one of the directors at either our Company or SEL; and
- (vi) our Company, SEL and PBA shall have exit rights in accordance with the terms prescribed in the AJTL SHA. In the event our Company, SEL or PBA do not respond to the offer notice issued by the selling shareholders within 60 days from the date of receipt of such offer notice, the selling shareholders shall be entitled to transfer such shares to a third party.

The provisions of the AJTL SHA shall continue to remain in force unless otherwise terminated by mutual agreement of the parties.

5. **Share Purchase Agreement dated May 4, 2011 entered into between Ramlal Wadhawan, Rampal Roshanlal Wadhawan, Balkrishan Wadhawan, Narayan Ganesh Thatte, Subhaschandra Pritamlal Wadhwan, Neena B. Wadhawan, Vishal Balkrishan Wadhawan, Deepak Ramlal Wadhawan, Monica Talwar, Veena Wadhawan, Ramlal Ramanlal Wadhawan and Rajesh Sunil**

**Ramlal Wadhawan (collectively, the “PBA Promoters”), our Company, PBA and AJTL**

Our Company, PBA, PBA Promoters and AJTL have entered into a share purchase agreement dated May 4, 2011 (the “AJTL SPA”), pursuant to which PBA agreed to transfer 965,816 equity shares of AJTL of ₹ 10 each to our Company, constituting 49% of fully diluted paid up capital of AJTL, for a consideration of ₹ 556.25 million.

**6. Funding and Shareholders Agreement dated September 18, 2006 entered into between SEL, PIPL (collectively, the “ARRIL Shareholders”) and ARRIL**

SEL, PIPL and ARRIL have entered into a funding and shareholders agreement dated September 18, 2006 (the “ARRIL SHA”) to regulate the relationship and their respective rights and obligations in ARRIL. The ARRIL SHA confers certain rights and obligations upon the ARRIL Shareholders, including *inter alia*, the following

- (i) SEL, PIPL and their associates have agreed to maintain an aggregate equity shareholding of not less than 51% of the total paid-up equity share capital of ARRIL during the construction period and for three years after the COD of the ARRIL Project, and have agreed to maintain a minimum equity shareholding or infra note holding of 26% for the remaining operations period of the ARRIL Project;
- (ii) SEL, PIPL and their associates undertake from time to time to pledge, in proportion to their respective holding, equity shares held by them in favour of lenders as security towards loans availed of by ARRIL for the implementation of the ARRIL Project, subject to their maximum equity shareholding in ARRIL;
- (iii) SEL, PIPL and their associates shall provide all other security, including corporate guarantees and undertakings, to the lenders of ARRIL to secure the debt owed by ARRIL. Any liability incurred or arising out of such securities shall be inter – se shared between SEL and PIPL (along with their associates) in the ratio 4 : 1;
- (iv) any transfer or attempt to transfer any equity shares, in violation of the transfer restrictions by PIPL shall be null and void ab initio, unless prior written consent of SEL has been obtained and ARRIL shall not register such transfer, without the necessity of a board decision and may institute proceedings for this purpose if required by law;
- (v) SEL, PIPL as well as any person to whom shares in ARRIL are transferred or issued (collectively, the “Ring Road Shareholders”) shall have the right to appoint a nominee director to the board of directors of ARRIL (the “ARRIL Board”) for every 15% of the paid – up equity share capital of ARRIL held by such Ring Road Shareholders; and
- (vi) PIPL shall have exit rights in accordance with the terms prescribed in the ARRIL SHA. In the event SEL do not respond to the offer notice issued by the selling shareholder within 15 days from the date of receipt of such offer notice, the selling shareholder shall be entitled to transfer such shares to a third party.

The provisions of the ARRIL SHA shall continue to remain in force unless otherwise terminated by mutual agreement of the parties. Pursuant to the transfer of shares between SEL and our Company, our Company executed a deed of adherence on September 6, 2010.

**7. Share Purchase Agreement dated November 3, 2014 entered into between our Company, PIPL and ARRIL**

Our Company, PIPL and ARRIL have entered into a share purchase agreement dated November 3, 2014, pursuant to which our Company agreed to acquire 20,92,000 equity shares held by PIPL in ARRIL (the “ARRIL Sale Shares”), which constitutes 20% of the issued and fully paid – up share capital of ARRIL, for a consideration of ₹ 620.00 million. The aforesaid consideration is to be paid in two tranches. All parties to this agreement are to make best efforts to complete the purchase of shares by February 15, 2015.

**8. Shareholders Agreement dated July 9, 2010 entered into between our Company, SEL, MCL (collectively, the “BHTPL Shareholders”) and BHTPL**

Our Company, SEL, MCL and BHTPL have entered into a shareholders agreement dated July 9, 2010 (the “BHTPL SHA”) to regulate the relationship and their respective rights and obligations in BHTPL. The BHTPL SHA confers certain rights and obligations upon the BHTPL Shareholders, including *inter alia* the following:

- (i) our Company, SEL and their associates (the “Sadbhav Shareholders Group”) have the right to appoint three out of four directors on the board of directors of BHTPL (the “BHTPL Board”) till Sadbhav Shareholders Group hold 51% of equity share capital of BHTPL. Further, MCL and its associates (the “MCL Shareholders Group”) have the right to appoint one director on the BHTPL Board so long as the MCL Shareholders Group hold 20% of equity share capital of BHTPL;
- (ii) Sadbhav Shareholders Group has the right to appoint the first chairman of the Board. Further, in the absence of the then chairman at any meeting, any of the director appointed by the Sadbhav Shareholders Group shall appoint the chairman at the meeting;
- (iii) BHTPL Board may issue further shares to the BHTPL Shareholders and existing shareholders (or any of their associates), in proportion to their existing shareholding, subject to the terms and conditions of the BHTPL SHA and taking into account the relevant accounting year requirements of BHTPL; and
- (iv) during the lock-in period as specified in the BHTPL SHA, MCL shall not transfer any of the shares held by it a third party (except the transfer of shares by MCL to its associates), without the prior written consent of our Company and SEL. Further, neither MCL nor any of its associates shall transfer shares held by them to any person engaged in a competing business.

The provisions of the BHTPL SHA terminate upon all the shares of BHTPL become owned by any one shareholder and its associates, or either of the shareholders ceasing to hold any shares, or if mutually agreed in writing by all the parties to the BHTPL SHA that the same be terminated or if BHTPL is wound up by an order of a court.

9. **Share Purchase Agreement dated September 20, 2014 as amended by way of First Amendment dated September 20, 2014, Second Amendment dated December 3, 2014 and Third Amendment dated December 8, 2014 entered into between our Company, GKC and HYTPL**

Our Company, GKC and HYTPL have entered into a share purchase agreement dated September 20, 2014 as amended by the (i) first amendment to the share purchase agreement dated September 20, 2014; (ii) second amendment dated December 3, 2014; and (iii) third amendment dated December 8, 2014 (collectively, the “HYTPL SPA”), pursuant to which GKC agreed to transfer 1,298,953 equity shares of ₹ 10 each (the “HYTPL Sale Shares”) constituting 40% of issued and paid up share capital of HYTPL, for a consideration of ₹ 69.29 million (pursuant to HYTPL availing a subordinated loan from GKC, which was assigned to our Company by a deed of assignment dated December 8, 2014). The HYTPL Sale Shares are divided into:

- (i) 662,467 fully paid up equity shares of HYTPL of ₹ 10 each (the “First Sale Shares”) for a consideration of ₹ 35.34 million, held by GKC and pledged to the lenders under the common loan agreement dated April 10, 2010, as amended; and
- (ii) 636,486 million fully paid up equity shares of HYTPL of ₹ 10 each (the “Second Sale Shares”) for a consideration of ₹ 33.95 million, held by and pledged to GKC under HYTPL SPA.

Pursuant to the HYTPL SPA, the shareholders agreement dated June 23, 2010 entered into between SEL, our Company, GKC and HYTPL stands terminated. Further, the parties have agreed that any claims made by HYTPL against NHAI relating to the period up to September 20, 2014, or any amounts received from NHAI in respect of such claims after September 20, 2014 shall be distributed between our Company and GKC in the ratio of 60:40 respectively, after deduction of any costs and expenses increased by HYTPL towards such claims. If the settlement of the claim by NHAI is by way of extended concession period, SIPL will pay GKC 40% of the net present value as specified under the HYTPL SPA.

The transfer of the HYTPL Sale Shares is conditional upon certain conditions or waiver of those conditions including (i) obtaining the approval of the NHAI; (ii) approval of the lenders in relation to change in capital structure under the relevant financing agreements; and (iii) approval of the lenders for the release of the pledge of First Sale Shares held by the lenders under the common loan agreement.

**10. Share Purchase Agreement dated September 22, 2010 entered into between our Company, MBCPNL and SEL**

Our Company, MBCPNL and SEL have entered into the share purchase agreement dated September 22, 2010 (the “SPA”) pursuant to which our Company agreed to acquire (i) 7,500 shares of MBCPNL of ₹ 10 each constituting 15% of the issued and paid up capital of MBCPNL (the “Existing Shares I”); (ii) 13,000 shares of MBCPNL of ₹ 10 each constituting 26% of the issued and paid up capital of MBCPNL (the “Existing Shares II”) from SEL for a consideration of ₹ 75,000 for Existing Shares I and ₹ 130,000 for Existing Shares II. The transaction stipulated under the SPA was subject to fulfilment of certain conditions such as confirmation / approval from the Department of Transport, Government of Maharashtra for sale of Existing Shares I and Existing Shares II, as the case may be and release of pledge over 2,007 Existing Shares I and 12,990 Existing Shares II. Our Company also has a right to acquire any new equity securities acquired by SEL in MBCPNL subject to certain conditions prescribed under the SPA.

**11. Share Purchase cum Shareholders’ cum sub-ordinate Debt Agreement dated September 18, 2013 entered into between our Company, SEL, D. Thakkar Construction Private Limited (“DTC”) and MBCPNL (collectively, the “MBCPNL Parties”)**

Our Company, SEL (collectively, the “Sadbhav Group”), DTC and MBCPNL have entered into a share purchase cum shareholders’ cum sub-ordinate debt agreement dated September 18, 2013 (the “MBCPNL SPA”) to record certain terms and conditions, including *inter alia* the following:

- (i) sale and purchase of 10,903 equity shares of MBCPNL (the “Sale Shares”), comprising of 5,940 equity shares held by SEL and 4,963 equity shares held by our Company, constituting 21.80% of the issued and paid up equity share capital of MBCPNL on a fully diluted basis. Pursuant to the terms of the MBCPNL SPA, SEL and our Company have agreed to sell their respective shares of ₹ 10 each to DTC at a premium of ₹ 9,480 per share aggregating to ₹ 56.37 million and ₹ 47.10 million respectively aggregating to ₹ 103.47 million; and
- (ii) DTC has agreed to grant a sub-ordinate debt of ₹ 621.92 million to MBCPNL (the “DTC Committed Sub-ordinate Debt”) on the condition that the Sadbhav Group grants a sub-ordinate debt of ₹ 2,230.78 million to MBCPNL (the “Sadbhav Committed Sub-ordinate Debt” together with the DTC Committed Sub-ordinate Debt, called the “Committed Sub-ordinate Debt”). The Sadbhav Group has also agreed to continue to disburse ₹ 2,065.70 million to MBCPNL in order to maintain the agreed proportion of 21.805:78.195 where 21.805 represented DTC Committed Sub-ordinate Debt and 78.195 represented Sadbhav Committed Subordinate Debt.

The MBCPNL SPA shall stand terminated and the articles of association of MBCPNL would be restated if the MBCPNL Parties to the MBCPNL SPA mutually agree in writing to terminate the same or if DTC ceases to hold 10% of the equity shares in MBCPNL, provided no amendment shall be made to the articles of association of MBCPNL which would result in DTC ceasing to have such rights that are available to it as a shareholder of MBCPNL under applicable law, unless it agrees to waive such rights in writing.

**12. Share Purchase Agreement dated November 4, 2014 entered into between our Company, SEL and MBCPNL**

Our Company, SEL and MBCPNL have entered into a share purchase agreement dated November 4, 2014 (the “MBCPNL SPA”), pursuant to which our Company has agreed to acquire 5,000 shares of MBCPNL of ₹ 10 each from SEL, constituting 10% of the issued and fully paid up capital of MBCPNL for a consideration of ₹ 0.05 million. SEL, MBCPNL, SREI Infrastructure Finance Limited and SREI Sahaj – e – village Limited had entered into an option agreement on November 11, 2011 under which SEL has the right to exercise the option to acquire 5,000 equity shares after three years from the commercial operation of the MBCPNL Project. Our Company and SEL shall not be obliged to

complete the transaction stipulated under the MBCPNL SPA until prior approval of MSRDC and the project lenders has been obtained for such transfer.

**13. Funding and Shareholders Agreement dated July 20, 2007 entered into between our Company, SREI Infrastructure Finance Limited (“SREI”), SEL, (collectively, the “NSEL Shareholders”) and NSEL**

Our Company, SEL, SREI and NSEL have entered into a funding and shareholders agreement dated July 20, 2007 (the “NSEL SHA”) to regulate the relationship and their respective rights and obligations in NSEL. The NSEL SHA confers certain rights and obligations upon the NSEL Shareholders, including *inter alia*, the following;

- (i) SEL, SREI and their associates have agreed to maintain an aggregate equity shareholding or infra note holding of not less than 51% of the total paid-up equity share capital or infra note of NSEL during the construction period and for three years after the commencement of operations of the NSEL project, and have agreed to maintain a minimum equity shareholding or infra note holding of 26% for the remaining operations period of the NSEL Project;
- (ii) SEL, SREI and their associates undertake from time to time to pledge, in proportion to their respective holding, equity shares or infra notes held by them in favour of lenders as security towards loans availed of by NSEL for the implementation of the NSEL Project, subject to their maximum equity shareholding in NSEL;
- (iii) SEL and SREI have the right to nominate three directors each out of the six directors on the board of directors of NSEL (the “NSEL Board”) and SEL’s nominee shall be the chairman of the NSEL Board;
- (iv) the matters specified in Schedule II of the NSEL SHA, such as increase in authorised share capital of NSEL, borrowing of funds, establishment of any subsidiaries and recommending any dividend or distribution of profit would require the unanimous approval of the NSEL Board. However, it will not be considered to have unanimous approval unless it has the affirmative vote of at least one nominee director each of the NSEL Shareholders present in person at the meeting in which it was passed or a written confirmation to that effect is given by the director of the NSEL Shareholders;
- (v) the NSEL Shareholders shall not create any encumbrance over any shares, or use any shares as collateral for any purpose such that it results in the transfer or assignment of such shares or any part thereof to a third party otherwise than in accordance with the exit rights of the shareholders under the NSEL SHA; and
- (vi) SEL, SREI, and their associates shall have exit rights in accordance with the terms prescribed in the NSEL SHA. The exit rights shall not apply to any transfer of shares *inter se* between the parties and their associates, and such *inter-se* transfers shall not be subject to any pre-emptive rights or the right of first refusal.

The provisions of the NSEL SHA shall continue to remain in force unless otherwise terminated by mutual agreement of the Parties.

**14. Share Purchase Agreement dated September 22, 2010 entered into between our Company and SEL**

Our Company and SEL have entered into a share purchase agreement dated September 22, 2010 (the “SPA”) pursuant to which our Company has agreed to acquire 24,479,940 equity shares of NSEL of ₹ 10 each from SEL constituting 51% of the issued and fully paid-up share capital of NSEL (the “Existing Sale Shares”) for an aggregate consideration of ₹ 294.76 million along with any equity securities of NSEL acquired by SEL after the date of the SPA (the “New Sale Securities”, along with the Existing Sale Shares, the “NSEL Sale Shares”). Our Company and SEL shall not be obliged to buy and sell the NSEL Sale Shares until, *inter alia*, SEL releases the pledge over the NSEL Sale Shares.

**15. Share Purchase Agreement dated October 14, 2011 entered into between our Company, SEL, SREI Venture Capital Trust A/C Infrastructure Project Development Fund (“SREI Fund”), SREI Infrastructure Finance Limited (“SREI”) and NSEL**

Our Company, SEL, SREI Fund, SREI and NSEL entered into a share purchase agreement dated October 14, 2011 (the “NSEL SPA”) pursuant to which our Company and SEL (the “Purchasers”) agreed to acquire 23,520,000 equity shares of NSEL of ₹ 10 each from SREI Fund and SREI constituting 49% of the issued and fully paid-up share capital of NSEL (the “SREI Shares”) for an aggregate consideration of ₹ 71.97 million along with a performance deposit of ₹ 14.69 million. The Purchasers were entitled to effect transfer of SREI Shares upon receipt of approvals from NHAI, the lenders and the trustee.

The NSEL SPA shall stand terminated upon: (i) mutual written agreement between the parties; (ii) transfer of legal and beneficial ownership of all the SREI Shares; and (iii) if court of competent jurisdiction or governmental authority has issued an order, decree or ruling permanently enjoining or prohibiting the consummation of the contemplated transaction and the said order, decree or ruling is final and unappealable.

**16. Share Purchase Agreement dated September 22, 2010 entered into between our Company and SEL**

Our Company and SEL have entered into the share purchase agreement dated September 22, 2010 (the “DPTL SPA”) pursuant to which our Company has agreed to acquire 6,461,000 shares of DPTL of ₹ 10 each from SEL constituting 26% of the issued and fully paid up capital of DPTL for an aggregate consideration of ₹ 64.61 million subject to fulfilment of certain conditions such as elapsing of three years from the COD of the DPTL Project, prior approval of concessioning authority and DPTL Project lenders and release of pledge on the 68,850 equity shares of DPTL. Our Company also has a right to acquire any new equity securities acquired by SEL in DPTL subject to certain conditions prescribed under the DPTL SPA.

**17. Shareholders Agreement dated December 18, 2009 entered into between our Company, SEL, John Laing Investments Limited (“JLI”), JLIM, HCC Infrastructure, HCC (collectively, the “DPTL Shareholders”) and DPTL**

Our Company, SEL, JLI, JLIM, HCC Infrastructure, HCC and DPTL entered into a shareholders agreement dated December 18, 2009 (the “DPTL SHA”) to regulate the relationship and their respective rights and obligations in DPTL. The DPTL SHA confers certain rights and obligations upon the DPTL Shareholders, including, *inter alia*, the following:

- (i) From the appointed date (as defined under the concession agreement), HCC, HCC Infrastructure and its associates shall be entitled to nominate three directors to the board of DPTL (the “DPTL Board”); JLI, JLIM and their associates shall be entitled to nominate one director; and our Company, SEL and their associates shall be entitled to nominate two directors to the DPTL Board.
- (ii) From the date that falls six months away and one day from COD, (a) each DPTL Shareholder and its associates shall be entitled to appoint one director to the DPTL Board in respect of every 26% of the shares of DPTL that it owns; (b) each DPTL Shareholder and its associates shall be entitled to appoint one director to the DPTL Board in respect of every 24% of sub-ordinated loans advanced by such Shareholder and its associates to DPTL.
- (iii) In relation to transfer of shares of DPTL, subject to the DPTL SHA and the put and call option agreement entered into between HCC, JLI, JLIM and SEL, in the event any of the DPTL Shareholders do not respond to the transfer notice issued by the selling shareholders within 45 days from the date of receipt of such transfer notice, the selling shareholders shall be entitled to transfer such shares to a third party, provided such transfer takes place within 90 days from the receipt of the transfer notice. This provision shall not be applicable in case of transfer of shares by a DPTL Shareholder to its associate. Such a transfer shall be subject to the terms of the concession agreement, transaction documents as well as any relevant approvals from regulatory authorities.
- (iv) In the event the DPTL Shareholders require any loan advanced by them to be transferred to any third party (other than their associates), the same shall not be transferred unless the existing DPTL Shareholders have refused to accept such loans within a period of 30 days of receipt of the proposal to transfer such loans.



- (v) The following events shall constitute an event of default under the DPTL SHA (a) any material breach committed by any DPTL Shareholder (the “Defaulting Shareholder”) and failure to remedy such breach within 30 days of being required to do so by the other DPTL Shareholders (the “Non – Defaulting Shareholders”); (b) the liquidation, merger or demerger of any Defaulting Shareholder other than a genuine solvent reconstruction or amalgamation or merger or demerger in which the new company resulting from such reconstruction assumes all obligations of the Defaulting Shareholder.; (c) the Defaulting Shareholder, before making his entire equity contribution enters into a composition, arrangement, compromise or assignment for the benefit of its creditors or proceedings are commenced to sanction such an arrangement, composition or compromise other than for the purposes of a bona fide scheme of reconstruction or amalgamation.
- (vi) Within 30 days of the occurrence of an event of default, the Non – Defaulting Shareholders, subject to the passing of a board resolution of the entity issuing notice, require the Defaulting Shareholder and its associates to (a) sell all shares held by it to the Non – Defaulting Shareholders in proportion to their current shareholding in DPTL at 80% of its fair value, and/ or (b) sell all sub-ordinated loans held by the Defaulting Shareholder and its associates to the Non – Defaulting Shareholders in proportion to their current shareholding in DPTL at par.

**18. Equity Subscription and Sub-ordinated Loan Agreement dated December 18, 2009 entered into between our Company, SEL, John Laing Investments Limited (“JLI”), JLIM, HCC Infrastructure, Hindustan Construction Company Limited (“HCC”) (collectively, the “Contributors”) and DPTL**

Our Company, SEL, JLI, JLIM, HCC Infrastructure, HCC and DPTL entered into an equity subscription and subordinate loan agreement dated December 18, 2009 (the “Agreement”) in order to inject funding into DPTL by subscribing for its shares as well as providing sub-ordinated loans in order to allow DPTL to execute and implement the DPTL Project. Each Contributor shall subscribe to the shares of DPTL at ₹ 10 per share, without any premium. In pursuance of the Agreement, both parties agree to the following:

- (i) such subscription of shares shall be upto an aggregate amount equal to the relevant percentage of the base share capital requirement (as defined under the Agreement).
- (ii) each Contributor shall contribute or procure contribution of its relevant percentage of sub-ordinated loans upto an aggregate amount equal to the relevant percentage of the base sub-ordinated loans requirement as set out under the Agreement. In the event of any conflict between the Agreement and a sub-ordinated loan, the provisions of the Agreement shall prevail.
- (iii) DPTL may only request funds including sub-ordinated loans and additional sub-ordinated loans from the Contributors or any other person if (a) firstly, subscription of shares as part of the base share capital requirement for an amount of ₹ 248.50 million; (b) secondly, borrowings in the form of sub-ordinated loans as part of the base sub-ordinated loans requirement for an amount of ₹ 994.00 million; (c) thirdly, subscription of shares as part of the base share capital requirement for an amount upto ₹ 461.50 million and borrowings in the form of sub-ordinated loans as part of the base sub-ordinated loans requirement for an amount of ₹ 1,846.00 million in the ratio 46.15 : 184.60; and (d) to the extent the aforementioned funds are utilised, such other funds as may be required by DPTL as borrowings in the form of sub-ordinated loans.
- (iv) DPTL shall submit only one request for funds, whether for shares and/ or sub-ordinated loans per calendar month, unless otherwise agreed to by the Contributors.
- (v) In the event any Contributor fails to subscribe to the shares of DPTL or advance sub-ordinated loans as per the Agreement (the “Defaulting Contributor”), the other Contributors (the “Non – Defaulting Contributors”) shall have a right to obtain a specific performance of such obligations. However, the Non – Defaulting Contributors may agree to contribute towards the shares or sub-ordinated loans for which the Defaulting Contributor is in default.

The Agreement shall terminate upon the earlier of (a) DPTL being wound up by an order of a court;

and (b) upon the written agreement of all parties to the Agreement.

**19. Share Purchase Agreement dated November 3, 2014 entered into between our Company, SEL and DPTL.**

Our Company, SEL and DPTL have entered into a share purchase agreement dated November 3, 2014 (the “DPTL SPA”) pursuant to which our Company has agreed to acquire 8,190,000 equity shares of ₹ 10 each of DPTL from SEL (the “DPTL Sale Shares”) constituting 13% of the issued and fully paid up share capital of DPTL or such lesser number as may be approved by NHAI for an aggregate consideration of ₹ 81.90 million. Our Company and SEL shall not be obliged to complete the transaction stipulated under the DPTL SPA until prior approval of NHAI and the project lenders has been obtained for such transfer.

**20. Share Purchase Agreement dated November 3, 2014 entered into between our Company, SEL and MBHPL**

Our Company, SEL and MBHPL have entered into a share purchase agreement dated November 3, 2014 (the “MBHPL SPA”), pursuant to which our Company has agreed to acquire 36,900 shares of MBHPL of ₹ 10 each from SEL, constituting approximately 74% of the issued and fully paid up capital of MBHPL or such lesser number of shares as approved by Government of Karnataka, Public Works, Ports and Inland Water Transport Department, Project Implementation Unit, Karnataka State Highways Improvement Project II (“KSHIP”) (“Existing Sale Shares”) for an aggregate consideration of ₹ 3.69 million along with any equity securities of MBHPL acquired by SEL after the date of the MBHPL SPA (“New Sale Securities”, along with the Existing Sale Shares, the “MBHPL Sale Shares”). Our Company and SEL shall not be obliged to buy and sell the MBHPL Sale Shares, as the case maybe, until a time period of three years has elapsed from the issuance of the completion or provisional completion certificate by KSHIP or the prior approval of KSHIP and project lenders has been obtained for such transfer.

**21. Share Purchase Agreement dated September 22, 2010 entered into between our Company and SEL**

Our Company and SEL have entered into the share purchase agreement dated September 22, 2010 (the “MNEL SPA”) pursuant to which our Company has agreed to acquire 10,400,000 shares of MNEL of ₹ 10 each from SEL constituting 20% of the issued and fully paid up capital of MNEL for an aggregate consideration of ₹ 104.00 million subject to fulfilment of certain conditions such as approval of Gammon Infrastructure Projects Limited and release of pledge on the aforesaid equity shares by SEL. Our Company also has a right to acquire any new equity securities acquired by SEL in MNEL subject to certain conditions prescribed under the MNEL SPA.

**22. Binding Term Sheet dated January, 2015 entered into between our Company, SEL and Gammon Infrastructure Projects Limited (“GIPL”) for purchase of equity shares of MNEL (the “Term Sheet”)**

Our Company, SEL and GIPL have entered into a binding term sheet dated January, 2015. Pursuant to the Term Sheet, GIPL shall acquire 10,399,500 equity shares of MNEL (“MNEL Sale Shares”) from SEL and our Company for an aggregate consideration of ₹ 720.00 million. In accordance with the terms of the concession agreement dated October 14, 2005 entered into between MNEL and NHAI, our Company and SEL together shall continue to hold 500 equity shares of MNEL, constituting 0.001% of the issued and fully paid up capital of MNEL, until the end of concession period for the benefit and on behalf of GIPL. In accordance with the Term Sheet, an inter-corporate deposit (“ICD”) of ₹ 137.16 million and interest till date of actual payment less ₹ 20.00 million shall be re-payable by MNEL to our Company. The remaining ₹ 20.00 million shall be paid to our Company and SEL as a part of sale consideration in accordance with the terms stipulated under the Term Sheet. The parties have agreed to use reasonable endeavours to enter into definitive agreements to transfer the shareholding of 19.99% of our Company and SEL in MNEL to GIPL within 30 days of entering into the Term Sheet and that the share purchase agreement and other definitive agreements may be entered into on or before June 30, 2015, (“Closing Date”). MNEL shall return the ICD given by our Company and SEL on or before the Closing Date in accordance with the terms under the Term Sheet.

The nominee director of our Company and SEL shall resign from the board of directors of MNEL on

the Closing Date. Our Company and SEL shall hold clear and marketable title to the MNEL Sale Shares; shall not create any mortgage, lien or charge in respect of the MNEL Sale Shares and shall not create any third party rights in respect of the MNEL Sale Shares, until the closure of the transaction amongst the parties.

The Term Sheet shall be valid and binding on the parties till the execution of the definitive agreements amongst the parties. On the execution of the definitive agreements, the same shall supersede and prevail over the Term Sheet.

**23. Share Purchase Agreement dated April 16, 2015 entered into between our Company, SEL, DPTL, HCC and HCC Concessions**

Our Company and SEL have entered into Share Purchase Agreement dated April 16, 2015 (“DPTL SPA”) pursuant to which our Company has agreed to (i) acquire 4,12,67,836 equity shares of DPTL of ₹ 10 each from HCC Concessions representing 60% of the issued and paid up share capital of DPTL for an aggregate consideration of ₹ 412.68 million; and (ii) acquire the subordinated shareholder loan of ₹ 1,627.03 million granted by HCC to DPTL including any unpaid interest that is due and payable.

This transfer of shares is subject to fulfilment of certain conditions such as (i) transfer of all shares by HCC to HCC Concessions; (ii) transfer of all shares held by JLI and JLIM to our Company and HCC; (iii) DPTL shall have obtained no objection to the transaction, waiver of all defaults under the financing agreement and a letter confirming that the lender has no claims against DPTL, our Company, SEL, HCC and HCC Concessions for breach of financing agreements; and (iv) SEL and/or our Company shall pledge their shares to release and replace the pledge on such equity shares held by HCC/HCC Concessions.

**Financial and Strategic Partners**

Our Company does not have any financial and strategic partners as of the date of filing this Draft Red Herring Prospectus.

## SUBSIDIARIES

Unless otherwise specified, all information in this section is as of the date of this Draft Red Herring Prospectus.

Our Company has the following subsidiaries:

### Subsidiaries of our Company

1. Ahmedabad Ring Road Infrastructure Limited (“ARRIL”)
2. Aurangabad – Jalna Toll Way Limited (“AJTL”)
3. Bhilwara – Rajsamand Tollway Private Limited (“BRTPL”)
4. Bijapur – Hungund Tollway Private Limited (“BHTPL”)
5. Hyderabad – Yadgiri Tollway Private Limited (“HYTPL”)
6. Maharashtra Border Check Post Network Limited (“MBCPNL”)
7. Nagpur – Seoni Express Way Limited (“NSEL”)
8. Rohtak – Hissar Tollway Private Limited (“RHTPL”)
9. Rohtak - Panipat Tollway Private Limited (“RPTPL”)
10. Shreenathji – Udaipur Tollway Private Limited (“SUTPL”)

### Details of the Subsidiaries

#### 1. ARRIL

##### *Corporate Information:*

ARRIL was incorporated on August 31, 2006 under the Companies Act, 1956 at Ahmedabad. ARRIL is involved in the business of undertaking, designing, developing, establishing, constructing, erecting, executing, carrying out, commissioning, operating, maintaining, improving, repairing, administering, managing, levying, demanding, collecting and appropriating fee from vehicles and persons liable to payment of fee for using the project / project facility or any part thereof or control as required of a four lane carriageway on Sardar Patel Ring Road around Ahmedabad city on a BOT basis or otherwise, by widening and rehabilitation of the existing two lane stretch and construction of toll plazas and all other works or conveniences of public or private utility for the purpose of smooth traffic on the road and rendering of all services in connection thereto.

##### *Capital Structure:*

|                                        | No. of equity shares of ₹ 10 each |
|----------------------------------------|-----------------------------------|
| Authorised capital                     | 10,500,000                        |
| Issued, subscribed and paid-up capital | 10,460,000                        |

##### *Shareholding Pattern:*

The shareholding pattern of ARRIL is as follows:

| Sr. No. | Name of the shareholder                        | No. of equity shares of ₹ 10 each | Percentage of total equity holding (%) |
|---------|------------------------------------------------|-----------------------------------|----------------------------------------|
| 1.      | Sadbhav Infrastructure Project Limited         | 9,832,340                         | 93.99                                  |
| 2.      | Patel Infrastructure Private Limited           | 627,600                           | 6.00                                   |
| 3.      | Vishnubhai M. Patel (on behalf of our Company) | 10                                | negligible                             |

| Sr. No.      | Name of the shareholder                        | No. of equity shares of ₹ 10 each | Percentage of total equity holding (%) |
|--------------|------------------------------------------------|-----------------------------------|----------------------------------------|
| 4.           | Shantaben V. Patel (on behalf of our Company)  | 10                                | negligible                             |
| 5.           | Shashin V. Patel (on behalf of our Company)    | 10                                | negligible                             |
| 6.           | Nitinkumar R. Patel (on behalf of our Company) | 10                                | negligible                             |
| 7.           | Narendra M. Patel (on behalf of our Company)   | 10                                | negligible                             |
| 8.           | Manoj K. Agola (on behalf of our Company)      | 10                                | negligible                             |
| <b>Total</b> |                                                | <b>10,460,000</b>                 | <b>100.00</b>                          |

There are no accumulated profits or losses of ARRIL not accounted for by our Company.

## 2. AJTL

### **Corporate Information:**

AJTL was incorporated on January 19, 2007 under the Companies Act, 1956 at Ahmedabad. AJTL is involved in the business of undertaking, designing, developing, establishing, constructing, erecting, executing, carrying out, commissioning, operating, maintaining, improving, repairing, administering, managing, levying, demanding and collecting and appropriating fee from vehicles and persons liable to payment of fee for using the project / project facility or any part thereof or control as required, and providing a four lane on Aurangabad-Jalna Road (MSH – 6) km 10/400 to 60/200, Beed Bypass km 292/500 to 305/650 and Zalta Bypass km 0/00 to 2/850 on BOT basis or otherwise, by widening and rehabilitation of the existing two lane stretch and construction of toll plazas and all other works or conveniences of public or private utility for the purpose of smooth traffic on the road and rendering of all services in connection thereto.

### **Capital Structure:**

|                                        | No. of equity shares of ₹ 10 each |
|----------------------------------------|-----------------------------------|
| Authorised capital                     | 2,000,000                         |
| Issued, subscribed and paid-up capital | 1,971,053                         |

### **Shareholding Pattern:**

The shareholding pattern of AJTL is as follows:

| Sr. No.      | Name of the shareholder                                  | No. of equity shares of ₹ 10 each | Percentage of total equity holding (%) |
|--------------|----------------------------------------------------------|-----------------------------------|----------------------------------------|
| 1.           | Sadbhav Infrastructure Project Limited                   | 1,970,993                         | 99.99                                  |
| 2.           | Vishnubhai M. Patel (on behalf of our Company)           | 10                                | negligible                             |
| 3.           | Shashin V. Patel (on behalf of our Company)              | 10                                | negligible                             |
| 4.           | Nitinkumar R. Patel (on behalf of our Company)           | 10                                | negligible                             |
| 5.           | Vasistha Patel <sup>(1)</sup> (on behalf of our Company) | 10                                | negligible                             |
| 6.           | Girish D. Patel (on behalf of our Company)               | 10                                | negligible                             |
| 7.           | Manoj K. Agola (on behalf of our Company)                | 10                                | negligible                             |
| <b>Total</b> |                                                          | <b>1,971,053</b>                  | <b>100.00</b>                          |

<sup>(1)</sup> Jointly held with Rekhaben V. Patel / Vishnubhai M. Patel.

There are no accumulated profits or losses of AJTL not accounted for by our Company.

### 3. BRTPL

#### **Corporate Information:**

BRTPL was incorporated on December 5, 2012 under the Companies Act, 1956 at Ahmedabad. BRTPL is involved in the business of undertaking the four laning of Rajsamand-Bhilwara section of NH-758 from km 0.000 to km 87.250 in Rajasthan under NHDP Phase IV on DBFOT (toll) basis.

#### **Capital Structure:**

|                                        | No. of equity shares of ₹ 10 each |
|----------------------------------------|-----------------------------------|
| Authorised capital                     | 26,700,000                        |
| Issued, subscribed and paid-up capital | 17,340,000                        |

#### **Shareholding Pattern:**

The shareholding pattern of BRTPL is as follows:

| Sr. No.      | Name of the shareholder                                | No. of equity shares of ₹ 10 each | Percentage of total equity holding (%) |
|--------------|--------------------------------------------------------|-----------------------------------|----------------------------------------|
| 1.           | Sadbhav Infrastructure Project Limited                 | 17,339,850                        | 99.99                                  |
| 2.           | Sadbhav Engineering Limited (on behalf of our Company) | 100                               | negligible                             |
| 3.           | Vishnubhai M. Patel (on behalf of our Company)         | 10                                | negligible                             |
| 4.           | Shashin V. Patel (on behalf of our Company)            | 10                                | negligible                             |
| 5.           | Vasistha Patel (on behalf of our Company)              | 10                                | negligible                             |
| 6.           | Girish D. Patel (on behalf of our Company)             | 10                                | negligible                             |
| 7.           | Manoj K. Agola (on behalf of our Company)              | 10                                | negligible                             |
| <b>Total</b> |                                                        | <b>17,340,000</b>                 | <b>100.00</b>                          |

There are no accumulated profits or losses of BRTPL not accounted for by our Company.

### 4. BHTPL

#### **Corporate Information:**

BHTPL was incorporated on February 22, 2010 under the Companies Act, 1956 at Ahmedabad. BHTPL is involved in the business of undertaking, designing, developing, establishing, constructing, erecting, executing, carrying out, commissioning, operating, maintaining, improving, repairing, administering, managing, levying, demanding, collecting and appropriating fee from vehicles and persons liable to payment of fee for using the project / project facility or any part thereof for work of four laning of Bijapur-Hungund section of NH-13 from km 102 to km 202 in Karnataka under NHDP Phase-III on DBFOT (toll) basis and construction of toll plazas and all other works or conveniences of public or private utility for the purpose of smooth traffic on the road and rendering of all services in connection thereto.

#### **Capital Structure:**

|                                        | No. of equity shares of ₹ 10 each |
|----------------------------------------|-----------------------------------|
| Authorised capital                     | 101,000,000                       |
| Issued, subscribed and paid-up capital | 100,960,000                       |

**Shareholding Pattern:**

The shareholding pattern of BHTPL is as follows:

| Sr. No.      | Name of the shareholder                                  | No. of equity shares of ₹ 10 each | Percentage of total equity holding (%) |
|--------------|----------------------------------------------------------|-----------------------------------|----------------------------------------|
| 1.           | Sadbhav Infrastructure Project Limited                   | 77,739,050                        | 76.99                                  |
| 2.           | Montecarlo Limited                                       | 23,220,800                        | 23.00                                  |
| 3.           | Sadbhav Engineering Limited (on behalf of our Company)   | 100                               | negligible                             |
| 4.           | Vishnubhai M. Patel (on behalf of our Company)           | 10                                | negligible                             |
| 5.           | Shashin V. Patel (on behalf of our Company)              | 10                                | negligible                             |
| 6.           | Vasistha Patel <sup>(1)</sup> (on behalf of our Company) | 10                                | negligible                             |
| 7.           | Girish D. Patel (on behalf of our Company)               | 10                                | negligible                             |
| 8.           | Manoj K. Agola (on behalf of our Company)                | 10                                | negligible                             |
| <b>Total</b> |                                                          | <b>100,960,000</b>                | <b>100.00</b>                          |

<sup>(1)</sup>Jointly held with Rekhaben V. Patel / Vishnubhai M. Patel.

There are no accumulated profits or losses of BHTPL not accounted for by our Company.

## 5. HYTPL

**Corporate Information:**

HYTPL was incorporated on January 20, 2010 under the Companies Act, 1956 at Ahmedabad. HYTPL is involved in the business of undertaking, designing, developing, establishing, constructing, erecting, executing, carrying out, commissioning, operating, maintaining, improving, repairing, administering, managing, levying, demanding, collecting and appropriating fee from vehicles and persons liable to payment of fee for using the project / project facility or any part thereof for work of design, engineering, construction, development, finance, operation and maintenance of four laning of Hyderabad-Yadgiri section from km 18.600 to km 54.000 of NH-202 in Andhra Pradesh under NHDP Phase-III on DBFOT (toll) basis and construction of toll plazas and all other works or conveniences of public or private utility for the purpose of smooth traffic on the road(s) and rendering of all services in connection thereto.

**Capital Structure:**

|                                        | No. of equity shares of ₹ 10 each |
|----------------------------------------|-----------------------------------|
| Authorised capital                     | 5,000,000                         |
| Issued, subscribed and paid-up capital | 3,247,383                         |

**Shareholding Pattern:**

The shareholding pattern of HYTPL is as follows:

| Sr. No. | Name of the shareholder                                | No. of equity shares of ₹ 10 each | Percentage of total equity holding (%) |
|---------|--------------------------------------------------------|-----------------------------------|----------------------------------------|
| 1.      | Sadbhav Infrastructure Project Limited                 | 3,247,233                         | 99.99                                  |
| 2.      | Sadbhav Engineering Limited (on behalf of our Company) | 100                               | negligible                             |
| 3.      | Vishnubhai M. Patel (on behalf of our Company)         | 10                                | negligible                             |
| 4.      | Shashin V. Patel (on behalf of our                     | 10                                | negligible                             |

| Sr. No.      | Name of the shareholder                                  | No. of equity shares of ₹ 10 each | Percentage of total equity holding (%) |
|--------------|----------------------------------------------------------|-----------------------------------|----------------------------------------|
|              | Company)                                                 |                                   |                                        |
| 5.           | Vasistha Patel (on behalf of our Company) <sup>(1)</sup> | 10                                | negligible                             |
| 6.           | Girish D.Patel (on behalf of our Company)                | 10                                | negligible                             |
| 7.           | Manoj K.Agola (on behalf of our Company)                 | 10                                | negligible                             |
| <b>Total</b> |                                                          | <b>3,247,383</b>                  | <b>100.00</b>                          |

<sup>(1)</sup>Jointly held with Rekhaben V. Patel / Vishnubhai M. Patel.

There are no accumulated profits or losses of HYTPL not accounted for by our Company.

## 6. MBCPNL

### Corporate Information:

MBCPNL was incorporated on March 9, 2009 under the Companies Act, 1956 at Ahmedabad. MBCPNL is involved in the business of undertaking, designing, developing, establishing, constructing, erecting, executing, carrying out, commissioning, modernizing, computerizing, operating, maintaining, improving, repairing, administering, managing, integrating, networking, borrowing finance for work of border check posts in Maharashtra on BOT basis or otherwise and construction of toll plazas and all other works or conveniences of public or private utility for the purpose of smooth traffic on the road and to render all services in connection thereto. MBCPNL is also involved in the business of levying, demanding, collecting and appropriating fee from vehicles and persons liable to payment of fee using the project/project facility or any other part thereof or control as required and to carry on contractual basis or assign, convey, transfer, lease, auction, sell the right to collect any rent, toll, compensation or any income arising therefrom or right or interest therein or connected therewith for any tenure or description and to carry out any other activity as may be required for the implementation and operation of the aforementioned project.

### Capital Structure:

|                                        | No. of equity shares of ₹ 10 each |
|----------------------------------------|-----------------------------------|
| Authorised capital                     | 50,000                            |
| Issued, subscribed and paid-up capital | 50,000                            |

### Shareholding Pattern:

The shareholding pattern of MBCPNL is as follows:

| Sr. No. | Name of the shareholder                        | No. of equity shares of ₹ 10 each | Percentage of total equity holding (%) |
|---------|------------------------------------------------|-----------------------------------|----------------------------------------|
| 1.      | Sadbhav Infrastructure Project Limited         | 38,910                            | 77.82                                  |
| 2.      | Sadbhav Engineering Limited                    | 6,040                             | 12.08                                  |
| 3.      | SREI Infrastructure Finance Limited            | 2,500                             | 5.00                                   |
| 4.      | SREI Sahaj E-village Limited                   | 2,500                             | 5.00                                   |
| 5.      | Vishnubhai M. Patel (on behalf of our Company) | 10                                | 0.02                                   |
| 6.      | Nitinkumar R. Patel (on behalf of our Company) | 10                                | 0.02                                   |
| 7.      | Narendra M.Patel (on behalf of our Company)    | 10                                | 0.02                                   |
| 8.      | Girish D.Patel (on behalf of our Company)      | 10                                | 0.02                                   |
| 9.      | Manoj K. Agola (on behalf of our Company)      | 10                                | 0.02                                   |



| Sr. No.      | Name of the shareholder | No. of equity shares of ₹ 10 each | Percentage of total equity holding (%) |
|--------------|-------------------------|-----------------------------------|----------------------------------------|
| <b>Total</b> |                         | <b>50,000</b>                     | <b>100.00</b>                          |

There are no accumulated profits or losses of MBCPNL not accounted for by our Company.

## 7. NSEL

### *Corporate Information:*

NSEL was incorporated on February 8, 2007 under the Companies Act, 1956 at Ahmedabad. NSEL is involved in the business of undertaking, designing, developing, establishing, constructing, erecting, executing, carrying out, commissioning, operating, maintaining, improving, repairing, administering, managing, financing, levying, demanding and collecting an appropriate fee from vehicles and persons liable to payment of fee for using the project / project facility or any part thereof or control as required, and providing a four lane from km 596/750 to km 653/225 on NH-7 in Madhya Pradesh under North South Corridor (NHDP Phase II) on BOT (annuity) basis or otherwise, by widening and rehabilitation and upgrading of the existing two lane stretch and to construct toll plazas and all other works or conveniences of public or private utility for the purpose of smooth traffic on the road and rendering of all services in connection thereto.

### *Capital Structure:*

|                                        | No. of equity shares of ₹ 10 each |
|----------------------------------------|-----------------------------------|
| Authorised capital                     | 58,000,000                        |
| Issued, subscribed and paid-up capital | 48,000,000                        |

### *Shareholding Pattern:*

The shareholding pattern of NSEL is as follows:

| Sr. No.      | Name of the shareholder                        | No. of equity shares of ₹ 10 each | Percentage of total equity holding (%) |
|--------------|------------------------------------------------|-----------------------------------|----------------------------------------|
| 1.           | Sadbhav Infrastructure Project Limited         | 33,599,840                        | 69.99                                  |
| 2.           | Sadbhav Engineering Limited                    | 14,400,000                        | 30.00                                  |
| 3.           | SREI Infrastructure Finance Limited            | 100                               | negligible                             |
| 4.           | Vishnubhai M. Patel (on behalf of our Company) | 10                                | negligible                             |
| 5.           | Shashin V. Patel (on behalf of our Company)    | 10                                | negligible                             |
| 6.           | Nitinkumar R. Patel (on behalf of our Company) | 10                                | negligible                             |
| 7.           | Girish D.Patel (on behalf of our Company)      | 10                                | negligible                             |
| 8.           | Narendra M.Patel (on behalf of our Company)    | 10                                | negligible                             |
| 9.           | Manoj K.Agola (on behalf of our Company)       | 10                                | negligible                             |
| <b>Total</b> |                                                | <b>48,000,000</b>                 | <b>100.00</b>                          |

There are no accumulated profits or losses of NSEL not accounted for by our Company.

## 8. RHTPL

### *Corporate Information:*

RHTPL was incorporated on April 11, 2013 under the Companies Act, 1956 at Ahmedabad. RHTPL is involved in the business of undertaking the four laning of Rohtak to Hissar section of NH-10 from km

87.000 to km 170.000 including connection link from km 87.000 (NH-10) to km 348.000 (NH-71) to be executed as BOT (toll) project under NHDP Phase III in Haryana on DBFOT (toll) basis.

**Capital Structure:**

|                                        | No. of equity shares of ₹ 10 each |
|----------------------------------------|-----------------------------------|
| Authorised capital                     | 11,000,000                        |
| Issued, subscribed and paid-up capital | 10,768,000                        |

**Shareholding Pattern:**

The shareholding pattern of RHTPL is as follows:

| Sr. No.      | Name of the shareholder                                | No. of equity shares of ₹ 10 each | Percentage of total equity holding (%) |
|--------------|--------------------------------------------------------|-----------------------------------|----------------------------------------|
| 1.           | Sadbhav Infrastructure Project Limited                 | 10,767,850                        | 99.99                                  |
| 2.           | Sadbhav Engineering Limited (on behalf of our Company) | 100                               | negligible                             |
| 3.           | Vishnubhai M. Patel (on behalf of our Company)         | 10                                | negligible                             |
| 4.           | Shashin V. Patel (on behalf of our Company)            | 10                                | negligible                             |
| 5.           | Vasistha Patel (on behalf of our Company)              | 10                                | negligible                             |
| 6.           | Girish D. Patel (on behalf of our Company)             | 10                                | negligible                             |
| 7.           | Manoj K. Agola (on behalf of our Company)              | 10                                | negligible                             |
| <b>Total</b> |                                                        | <b>10,768,000</b>                 | <b>100.00</b>                          |

There are no accumulated profits or losses of RHTPL not accounted for by our Company.

**9. RPTPL**

**Corporate Information:**

RPTPL was incorporated on January 25, 2010 under the Companies Act, 1956 at Ahmedabad. RPTPL is involved in the business of undertaking, designing, developing, establishing, constructing, erecting, executing, carrying out, commissioning, operating, maintaining, improving, repairing, administering, managing, levying, demanding, collecting and appropriating fee from vehicles and persons liable to payment of fee for using the project / project facility or any part thereof for work of design, engineering, construction, development, finance, operation and maintenance of four laning of Rohtak-Panipat section from km 0.00 (km 63.30 of NH 10) to km 80.858 (km 83.50 of NH-1) in Haryana on BOT basis under NHDP Phase-III on DBFOT (toll) basis and construction of toll plazas and all other works or conveniences of public or private utility for the purpose of smooth traffic on the road and rendering of all services in connection thereto.

**Capital Structure:**

|                                        | No. of equity shares of ₹ 10 each |
|----------------------------------------|-----------------------------------|
| Authorised capital                     | 5,000,000                         |
| Issued, subscribed and paid-up capital | 2,186,445                         |

**Shareholding Pattern:**

The shareholding pattern of RPTPL is as follows:

| Sr. No. | Name of the shareholder | No. of equity shares of ₹ 10 each | Percentage of total equity holding (%) |
|---------|-------------------------|-----------------------------------|----------------------------------------|
|---------|-------------------------|-----------------------------------|----------------------------------------|

| Sr. No.      | Name of the shareholder                                | No. of equity shares of ₹ 10 each | Percentage of total equity holding (%) |
|--------------|--------------------------------------------------------|-----------------------------------|----------------------------------------|
| 1.           | Sadbhav Infrastructure Project Limited                 | 2,186,285                         | 99.99                                  |
| 2.           | Sadbhav Engineering Limited (on behalf of our Company) | 100                               | negligible                             |
| 3.           | Vishnubhai M. Patel (on behalf of our Company)         | 10                                | negligible                             |
| 4.           | Shashin V. Patel (on behalf of our Company)            | 10                                | negligible                             |
| 5.           | Vasistha Patel (on behalf of our Company)              | 10                                | negligible                             |
| 6.           | Girish D. Patel (on behalf of our Company)             | 10                                | negligible                             |
| 7.           | Manoj K. Agola (on behalf of our Company)              | 10                                | negligible                             |
| 8.           | Nitinkumar R. Patel (on behalf of our Company)         | 10                                | negligible                             |
| <b>Total</b> |                                                        | <b>2,186,445</b>                  | <b>100.00</b>                          |

There are no accumulated profits or losses of RPTPL not accounted for by our Company.

#### 10. SUTPL

##### **Corporate Information:**

SUTPL was incorporated on March 30, 2012 under the Companies Act, 1956 at Ahmedabad. SUTPL is involved in the business of undertaking the four laning of the Gomti Chauraha-Udaipur section of NH-8 (from km 177/000 to km 260/100) in Rajasthan under NHDP Phase IV on DBFOT (toll) basis.

##### **Capital Structure:**

|                                        | No. of equity shares of ₹ 10 each |
|----------------------------------------|-----------------------------------|
| Authorised capital                     | 125,000,000                       |
| Issued, subscribed and paid-up capital | 20,743,237                        |

##### **Shareholding Pattern:**

The shareholding pattern of SUTPL is as follows:

| Sr. No.      | Name of the shareholder                                | No. of equity shares of ₹ 10 each | Percentage of total equity holding (%) |
|--------------|--------------------------------------------------------|-----------------------------------|----------------------------------------|
| 1.           | Sadbhav Infrastructure Project Limited                 | 20,743,087                        | 99.99                                  |
| 2.           | Sadbhav Engineering Limited (on behalf of our Company) | 100                               | negligible                             |
| 3.           | Vishnubhai M. Patel (on behalf of our Company)         | 10                                | negligible                             |
| 4.           | Shashin V. Patel (on behalf of our Company)            | 10                                | negligible                             |
| 5.           | Vasistha Patel (on behalf of our Company)              | 10                                | negligible                             |
| 6.           | Girish D. Patel (on behalf of our Company)             | 10                                | negligible                             |
| 7.           | Manoj K. Agola (on behalf of our Company)              | 10                                | negligible                             |
| <b>Total</b> |                                                        | <b>20,743,237</b>                 | <b>100.00</b>                          |

There are no accumulated profits or losses of SUTPL not accounted for by our Company.

None of our Subsidiaries have made any public or rights issue in the last three years. None of our Subsidiaries are listed on any stock exchange in India or abroad.

Our Promoters have not disassociated themselves from any companies during the preceding three years.

For details in relation to Subsidiaries which contribute more than 5% of revenue/profits/assets of our Company on a consolidated basis for the year ended March 31, 2014 and nine months ended December 31, 2014, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations” from pages 503 and 504.

#### **Interest of the Subsidiaries in our Company**

None of our Subsidiaries hold any Equity Shares in our Company.

None of our Subsidiaries have any business interest in our Company except as stated in “Business” and “Related Party Transactions” beginning on pages 195 and 286 respectively.

#### **Material Transactions**

Other than as disclosed in “Related Party Transactions” on page 286, there are no sales or purchase between any of the Subsidiaries and our Company where such sales or purchases exceed in value in the aggregate 10% of the total sales or purchases of our Company.

#### **Common Pursuits**

There are no common pursuits between any of Subsidiaries and our Company. All Subsidiaries are special purpose vehicles incorporated to undertake specific projects.

## MANAGEMENT

In terms of the Articles of Association, our Company is required to have not more than 15 Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises of ten Directors.

The following table sets forth details regarding our Board:

| Name, Father's Name, Designation, Address, Occupation, Nationality Term and DIN                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Age (in years) | Other Directorships/Partnerships                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Vishnubhai M. Patel</p> <p><b>Father's name:</b> Mafatlal Patel</p> <p><b>Designation:</b> Chairman and Non-Executive Director</p> <p><b>Address:</b> "Shashin", 11 Hindu Colony, Opposite Sardar Patel Stadium, Navrangpura, Ahmedabad 380 009</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> Liable to retire by rotation</p> <p><b>DIN:</b> 00048287</p>                                                                                                                                                              | 73             | <p><b>Other directorships</b></p> <ul style="list-style-type: none"> <li>• Ahmedabad Ring Road Infrastructure Limited</li> <li>• Aurangabad – Jalna Toll Way Limited</li> <li>• Hyderabad – Yadgiri Tollway Private Limited</li> <li>• Mumbai Nasik Expressway Limited</li> <li>• Mysore – Bellary Highway Private Limited</li> <li>• Nagpur – Seoni Express Way Limited</li> <li>• Rohtak – Hissar Tollway Private Limited</li> <li>• Sadbhav Engineering Limited</li> <li>• Sadbhav Finstock Private Limited</li> <li>• Sadbhav Quarry Works Private Limited</li> <li>• Sadbhav Realty Private Limited</li> </ul> |
| <p>Vasistha Patel</p> <p><b>Father's name:</b> Chandubhai Patel</p> <p><b>Designation:</b> Managing Director</p> <p><b>Address:</b> 27, Shashwat Bungalows, S.G.Highway, B/H Rajpath Club, Bodakdev, Ahmedabad 380 059</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> Liable to retire by rotation; re-appointed as the Managing Director for a period of three years from January 1, 2012. Re-appointed as the Managing Director for a further period of three years from January 1, 2015.</p> <p><b>DIN:</b> 00048324</p> | 41             | <p><b>Other directorships</b></p> <ul style="list-style-type: none"> <li>• Bhilwara – Rajsamand Tollway Private Limited</li> <li>• Bijapur – Hungund Tollway Private Limited</li> <li>• Dhule Palesner Tollway Limited</li> <li>• Hyderabad – Yadgiri Tollway Private Limited</li> <li>• Mysore – Bellary Highway Private Limited</li> <li>• Rohtak – Panipat Tollway Private Limited</li> <li>• Sadbhav Engineering Limited</li> <li>• Shreenathji – Udaipur Tollway Private Limited</li> </ul>                                                                                                                    |
| <p>Shashin V. Patel</p> <p><b>Father's name:</b> Vishnubhai M. Patel</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 34             | <p><b>Other directorships</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

| Name, Father's Name, Designation, Address, Occupation, Nationality Term and DIN                                                                                                                                                                                                                                                                                                                                                                                            | Age (in years) | Other Directorships/Partnerships                                                                                                                                                                                                                                                                                                                                                                                                       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Designation:</b> Non-Independent and Non-Executive Director</p> <p><b>Address:</b> "Shashin", 11 Hindu Colony, Opposite Sardar Patel Stadium, Navrangpura, Ahmedabad 380 009</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> Liable to retire by rotation</p> <p><b>DIN:</b> 00048328</p>                                                                                                                                   |                | <ul style="list-style-type: none"> <li>• Aurangabad – Jalna Toll Way Limited</li> <li>• Bhilwara – Rajsamand Tollway Private Limited</li> <li>• Maharashtra Border Check Post Network Limited</li> <li>• Nagpur – Seoni Express Way Limited</li> <li>• Sadbhav Engineering Limited</li> <li>• Sadbhav Realty Private Limited</li> <li>• Shreenathji – Udaipur Tollway Private Limited</li> </ul>                                       |
| <p>Nitinkumar R. Patel</p> <p><b>Father's name:</b> Rameshchandra Patel</p> <p><b>Designation:</b> Non-Independent and Non-Executive Director</p> <p><b>Address:</b> Keshavlaxmi, opposite Everbella Flats, near Jain Temple, Ankur Road, Naranpura, Ahmedabad 380 013</p> <p><b>Occupation:</b> Service</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> Liable to retire by rotation</p> <p><b>DIN:</b> 00466330</p>                                                | 46             | <p><b>Other directorships</b></p> <ul style="list-style-type: none"> <li>• Ahmedabad Ring Road Infrastructure Limited</li> <li>• Bijapur – Hungund Tollway Private Limited</li> <li>• Dhule Palesner Tollway Limited</li> <li>• Hyderabad – Yadgiri Tollway Private Limited</li> <li>• Maharashtra Border Check Post Network Limited</li> <li>• Sadbhav Engineering Limited</li> <li>• Sadbhav Quarry Works Private Limited</li> </ul> |
| <p>Sandip V. Patel</p> <p><b>Father's name:</b> Vinodkumar Patel</p> <p><b>Designation:</b> Independent and Non-Executive Director</p> <p><b>Address:</b> D-302, Arjun Greens, Near Menarav Hall, Nilkanth Mahadev Road, Naranpura, Ahmedabad 380 013</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> Re- appointed as an Independent Director for a period of five years from September 5, 2014.</p> <p><b>DIN:</b> 00449028</p> | 37             | <p><b>Other directorships</b></p> <ul style="list-style-type: none"> <li>• Sadbhav Engineering Limited</li> </ul> <p><b>Partnerships</b></p> <ul style="list-style-type: none"> <li>• Shah &amp; Patel, Chartered Accountants</li> </ul>                                                                                                                                                                                               |
| Mirat N. Bhadlawala                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 41             | <b>Other directorships</b>                                                                                                                                                                                                                                                                                                                                                                                                             |

| Name, Father's Name, Designation, Address, Occupation, Nationality Term and DIN                                                                                                                                                                                                                                                                                                                                                                                                | Age (in years) | Other Directorships/Partnerships                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Father's Name:</b> Navinbhai Bhadlawala</p> <p><b>Designation:</b> Independent and Non-Executive Director</p> <p><b>Address:</b> 202, Dream Heritage, 51, Haribhakti Colony, Racecourse, Vadodara 390 007</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> Appointed as an independent director for a period of five years from October 22, 2014.</p> <p><b>DIN:</b> 01027984</p>                                                |                | <ul style="list-style-type: none"> <li>• Aurangabad – Jalna Toll Way Limited</li> <li>• Amzone Lifting Equipment Private Limited</li> <li>• Bhilwara – Rajsamand Tollway Private Limited</li> <li>• Hyderabad – Yadgiri Tollway Private Limited</li> <li>• Mysore – Bellary Highway Private Limited</li> <li>• Nagpur – Seoni Express Way Limited</li> <li>• Ramkrishna Petro Services Private Limited</li> <li>• Rohtak – Hissar Tollway Private Limited</li> <li>• Rohtak – Panipat Tollway Private Limited</li> <li>• Sadbhav Engineering Limited</li> </ul> |
| <p>Arunbhai S. Patel</p> <p><b>Father's Name:</b> Shankerlal Patel</p> <p><b>Designation:</b> Independent and Non-Executive Director</p> <p><b>Address:</b> 19, Panna Park Society, near Vijay Nagar Society, Navrangpura</p> <p>Ahmedabad 380 009</p> <p><b>Occupation:</b> Chartered Accountant</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> Appointed as an independent director for a period of five years from October 22, 2014.</p> <p><b>DIN:</b> 06365699</p> | 68             | <p><b>Other directorships</b></p> <ul style="list-style-type: none"> <li>• Ahmedabad Ring Road Infrastructure Limited</li> <li>• Aurangabad – Jalna Toll Way Limited</li> <li>• Bhilwara – Rajsamand Tollway Private Limited</li> <li>• Maharashtra Border Check Post Network Limited</li> <li>• Nagpur – Seoni Express Way Limited</li> <li>• Rohtak – Panipat Tollway Private Limited</li> <li>• Sadbhav Engineering Limited</li> <li>• Shreenathji – Udaipur Tollway Private Limited</li> </ul>                                                              |
| <p>Atul N. Ruparel</p> <p><b>Father's Name:</b> Nandlal Ruparel</p> <p><b>Designation:</b> Independent and Non-Executive Director</p> <p><b>Address:</b> 1 Aryaman Bungalows, 10 Hira Baug Society, opposite Ambawadi Municipal School, Ambavadi, Ahmedabad 380 006</p> <p><b>Occupation:</b> Chartered Accountant</p> <p><b>Nationality:</b> Indian</p>                                                                                                                       | 47             | <p><b>Other directorships</b></p> <ul style="list-style-type: none"> <li>• Ahmedabad Ring Road Infrastructure Limited</li> <li>• Hyderabad – Yadgiri Tollway Private Limited</li> <li>• Kutchh Gujarat Finstock Limited</li> <li>• Maharashtra Border Check Post Network Limited</li> <li>• Mysore – Bellary Highway Private Limited</li> </ul>                                                                                                                                                                                                                 |

| Name, Father's Name, Designation, Address, Occupation, Nationality Term and DIN                                                                                                                                                                                                                                                                                                                                                                                                           | Age (in years) | Other Directorships/Partnerships                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Term:</b> Appointed as an independent director for a period of five years from October 22, 2014.</p> <p><b>DIN:</b> 00485470</p>                                                                                                                                                                                                                                                                                                                                                    |                | <ul style="list-style-type: none"> <li>• Rohtak – Hissar Tollway Private Limited</li> <li>• Shreenathji – Udaipur Tollway Private Limited</li> <li>• Sadbhav Engineering Limited</li> <li>• Steps Corporate Services Private Limited</li> </ul> <p><b>Partnerships</b></p> <ul style="list-style-type: none"> <li>• Sukamar and Atul, Chartered Accountants</li> </ul> <p><b>Sole Proprietorship</b></p> <ul style="list-style-type: none"> <li>• A.N Ruparel &amp; Co., Chartered Accountants</li> </ul> |
| <p>Daksha N. Shah</p> <p><b>Father's name:</b> Jayantilal Bhikhabhai Shah</p> <p><b>Designation:</b> Independent and Non-Executive Director</p> <p><b>Address:</b> "VIVA" Bungalow 31, Bodakdev, behind Ranjit Petrol Pump, opposite Hotel Grand Bhagwati, Ahmedabad 380 059</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> Appointed as an Independent Director for a period of five years from March 24, 2015</p> <p><b>DIN:</b> 00376899</p> | 70             | <p><b>Other directorships</b></p> <ul style="list-style-type: none"> <li>• Mona Investments Private Limited</li> <li>• Uni Fina Investments Private Limited</li> <li>• Pali Manor Private Limited</li> <li>• Saline Area Vitalisation Enterprise Limited</li> <li>• Pahal Financial Services Private Limited</li> <li>• Jacinth Finvest Limited</li> <li>• Altura Financial Services Limited</li> </ul>                                                                                                   |
| <p>Dr. Jagdish P. Joshipura</p> <p><b>Father's name:</b> Padmakant Joshipura</p> <p><b>Designation:</b> Independent and Non-Executive Director</p> <p><b>Address:</b> 16, Sharda Nagar, Opp Bhimnath Mahadev, New Sharda Mandir Road, Paldi, Ahmedabad 380 007</p> <p><b>Occupation:</b> Professional</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> Appointed as an Independent Director for a period of five years from April 13, 2015</p> <p><b>DIN:</b> 00260590</p>           | 64             | <p><b>Other directorships</b></p> <ul style="list-style-type: none"> <li>• Chandan Steel Limited</li> <li>• MAS Financial Services Limited</li> <li>• MAS Rural Housing &amp; Mortgage Finance Limited</li> <li>• Vivro Capital Advisors Private Limited</li> </ul>                                                                                                                                                                                                                                       |



## Relationship between our Directors

None of our Directors are related to each other, except as follows:

- (i) Shashin V. Patel is the son of Vishnubhai M. Patel;
- (ii) Vasistha Patel is the son-in-law of Vishnubhai M. Patel; and
- (iii) Shashin V. Patel is the brother-in-law of Vasistha Patel.

## Brief Biographies of Directors

**Vishnubhai M. Patel** is the Chairman and a Non-Executive Director of our Company. He has completed his education up to matriculation. He has extensive experience in the construction business. Vishnubhai M. Patel has been conferred the Rashtriya Udyog Ratan Award by the Indian Organisation for Business Research & Development, New Delhi. Under his guidance, our Company has successfully completed various projects displaying high quality standards and has also been awarded with the Paridar Ratna Award. He has been selected for the “Atlas Dyechem – AMA Outstanding Entrepreneur” award by the Ahmedabad Management Association in March 2015. He has been a Director on our Board since incorporation.

**Vasistha Patel** is the Managing Director of our Company. He holds a diploma in Civil Engineering from Gujarat University. His scope of work includes business development, tendering and project planning and other operational capabilities, oversee management of organizational finances. He has been the Director on our Board since April 1, 2008.

**Shashin V. Patel** is a Non-Independent and a Non-Executive Director of our Company. He holds a Bachelor's degree and Master's degree in Business Administration from K.S. School of Business Management, Gujarat University. He has been associated with SEL, our corporate Promoter, since May 23, 2000 and has over 12 years experience in the field of human resources and information technology and over two years of experience in the field of mining. He has been awarded the Business Leadership Award for Industrial Development by the All India Achievers Foundation. He has been the Director on our Board since incorporation.

**Nitinkumar R. Patel** is a Non-Independent and a Non-Executive Director of our Company. He holds a Bachelor's degree in Commerce from Gujarat University. He is a qualified chartered accountant from the Institute of Chartered Accountants of India and has 15 years experience in business strategy and corporate finance as a director of SEL. In the Sadbhav Group, he has been involved in policy implementation and liaising with banks and financial institutions for obtaining funds and also participates in the bidding process and execution of road projects. He was appointed as a Director on our Board on September 18, 2010.

**Sandip V. Patel** is an Independent and a Non-Executive Director of our Company. He holds a Bachelor's degree in Commerce from Gujarat University. He is a qualified chartered accountant from the Institute of Chartered Accountants of India. He was appointed as a director on the board of SEL in June 2006. He was appointed as a Director on our Board on March 1, 2012.

**Mirat N. Bhadlawala** is an Independent and a Non- Executive Director of our Company. He holds a Bachelors Degree in Commerce from Gujarat University. He was associated with Essar Oil Limited as Business Development Associate from 2005 and was involved in promotion of sales of high speed diesel and other products. He was appointed as a Director on the Board of our Company on October 22, 2014.

**Arunbhai S. Patel** is an Independent and a Non-Executive Director of our Company. He holds a Bachelors degree in Commerce from Gujarat University. He is a qualified chartered accountant from the Institute of Chartered Accountants of India. He was appointed as a director on the board of SEL in September 2012. He was appointed as a Director on the Board of our Company on October 22, 2014.

**Atul N. Ruparel** is an Independent and a Non-Executive Director of our Company. He holds a Bachelors Degree in Commerce from Saurashtra University. He is a qualified chartered accountant from the Institute of Chartered Accountants of India. He was appointed as a director on the board of SEL in October 2008. He is associated with A.N. Ruparel & Co. He was appointed as a Director on the Board of our Company on October 22, 2014.

**Daksha N. Shah** is an Independent and a Non-Executive Director of our Company. She holds a Post Graduate Diploma in Business Administration from the Indian Institute of Management – Ahmedabad. She has over 20

years of experience in the corporate sector and more than 15 years of experience in the micro-finance sector. In the past, she has held various posts including, as Managing Director in Pahal Financial Services Private Limited. She has been a Director on our Board since March 24, 2015.

**Dr. Jagdish Joshipura** is an Independent and a Non-Executive Director of our Company. He holds a Bachelor's degree in Commerce from Saurashtra University, a Bachelor's degree in law from Saurashtra University and a Doctor of Philosophy (Management Finance) from Hemchandracharya North Gujarat University, Patan. He has over 35 years of experience in the field of finance, accounts, recovery, disbursement and appraisal matters. He is a qualified Chartered Accountant. In the past, he has been associated as a general manager with Gujarat State Financial Corporation. He has been associated with Som-Lalit Institute of Management Studies as a director for the last 10 years. He has been a Director on our Board since April 13, 2015.

### Confirmations

None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange.

### Terms of Appointment of the Executive Directors

#### Vasistha Patel

Vasistha Patel was re-appointed as the Managing Director of our Company pursuant to the resolution passed by the Board of our Company on October 22, 2014 and the resolution passed by the Shareholders of our Company on October 22, 2014 for a period of three years from January 1, 2015. Pursuant to the employment agreement dated September 22, 2010 and resolution passed by the shareholders of our Company on October 22, 2014, Vasistha Patel is entitled to a remuneration of ₹ 0.25 million per month with effect from January 1, 2015 and commission on profits as decided by the Board subject to limits prescribed under the Companies Act. Further, pursuant to the resolution passed on October 22, 2014 by the shareholders of our Company, Vasistha Patel is also entitled to the following:

| Particulars        | Remuneration                                                                                                                                                                                                                                                                                             |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Perquisites        | a) Medical reimbursement for expenses incurred for himself and his family, not exceeding one month salary in the year or three months salary in a block of three years; and<br>b) Leave travel concession for expenses incurred for himself and his family, in accordance with the rules of our Company. |
| Statutory benefits | a) Earned privilege leave;<br>b) Contribution to provident fund and family benefit funds; and<br>c) Gratuity subject to a maximum ceiling as specified in the Gratuity Act.                                                                                                                              |

The aforesaid employment agreement does not provide any termination benefits to Vasistha Patel.

### Payment or benefit to Directors of our Company

The sitting fees / other remuneration paid to our Directors in financial year 2015 are as follows:

#### 1. Remuneration to Executive Directors:

The aggregate value of the remuneration paid to the Executive Directors in the financial year 2015 is ₹ 3.00 million.

#### 2. Remuneration to Non-Executive Directors:

Our Company has not paid any sitting fees to the Non-Executive Directors of our Company in the financial year 2015. The travel expenses for attending meetings of the Board of Directors or a committee thereof, site visits and other Company related expenses are borne by our Company, from

time to time.

Except as stated in this section, no amount or benefit has been paid within the two preceding years or is intended to be paid or given to any of our Company's officers including our Directors and key management personnel.

Except as disclosed in "Related Party Transactions" on page 286, none of the beneficiaries of loans, and advances and sundry debtors are related to the Directors of our Company. Further, except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our Directors and our key management personnel, are entitled to any benefits upon termination of employment.

No remuneration has been paid, or is payable, by our Subsidiaries to the Directors of our Company.

#### **Arrangement or understanding with major shareholders, customers, suppliers or others**

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors was appointed on the Board.

#### **Shareholding of Directors in our Company**

The shareholding of our Directors as of the date of filing this Draft Red Herring Prospectus is set forth below:

| <b>Name of Director</b>            | <b>Number of Equity Shares held</b> |
|------------------------------------|-------------------------------------|
| Vishnubhai M. Patel <sup>(1)</sup> | 1,100,110                           |
| Shashin V. Patel                   | 704,110                             |
| Vasistha Patel <sup>(2)</sup>      | 550,000                             |
| Nitinkumar R. Patel                | 396,110                             |

<sup>(1)</sup> This does not include shares jointly held by Vishnubhai M. Patel, where he is not the first holder.

<sup>(2)</sup> Jointly held with Rekhaben V. Patel/ Vishnubhai M. Patel.

Our Articles of Association do not require our Directors to hold any qualification shares.

#### **Shareholding of Directors in Subsidiaries**

The shareholding of the Directors in our Subsidiaries is set forth below<sup>(1)</sup>:

| <b>Name of the Subsidiary</b>                              | <b>Number of equity shares</b> | <b>Percentage Shareholding (%)</b> |
|------------------------------------------------------------|--------------------------------|------------------------------------|
| <b>Vishnubhai M. Patel</b>                                 |                                |                                    |
| Ahmedabad Ring Road Infrastructure Limited                 | 10                             | negligible                         |
| Nagpur – Seoni Express Way Limited                         | 10                             | negligible                         |
| Maharashtra Border Check Post Network Limited              | 10                             | 0.02                               |
| Hyderabad – Yadgiri Tollway Private Limited                | 10                             | negligible                         |
| Shreenathji – Udaipur Tollway Private Limited              | 10                             | negligible                         |
| Bhilwara – Rajsamand Tollway Private Limited               | 10                             | negligible                         |
| Aurangabad – Jalna Toll Way Limited                        | 10                             | negligible                         |
| Rohtak – Hissar Tollway Private Limited                    | 10                             | negligible                         |
| Rohtak – Panipat Tollway Private Limited                   | 10                             | negligible                         |
| Bijapur – Hungund Tollway Private Limited                  | 10                             | negligible                         |
| <b>Vasistha Patel</b>                                      |                                |                                    |
| Aurangabad – Jalna Toll Way Limited <sup>(2)</sup>         | 10                             | negligible                         |
| Hyderabad – Yadgiri Tollway Private Limited <sup>(2)</sup> | 10                             | negligible                         |
| Shreenathji – Udaipur Tollway Private Limited              | 10                             | negligible                         |
| Bhilwara – Rajsamand Tollway Private Limited               | 10                             | negligible                         |
| Rohtak – Hissar Tollway Private Limited                    | 10                             | negligible                         |

| Name of the Subsidiary                                   | Number of equity shares | Percentage Shareholding (%) |
|----------------------------------------------------------|-------------------------|-----------------------------|
| Rohtak – Panipat Tollway Private Limited                 | 10                      | negligible                  |
| Bijapur – Hungund Tollway Private Limited <sup>(2)</sup> | 10                      | negligible                  |
| <b>Shashin V. Patel</b>                                  |                         |                             |
| Ahmedabad Ring Road Infrastructure Limited               | 10                      | negligible                  |
| Nagpur – Seoni Express Way Limited                       | 10                      | negligible                  |
| Shreenathji – Udaipur Tollway Private Limited            | 10                      | negligible                  |
| Bhilwara – Rajsamand Tollway Private Limited             | 10                      | negligible                  |
| Aurangabad – Jalna Toll Way Limited                      | 10                      | negligible                  |
| Rohtak – Hissar Tollway Private Limited                  | 10                      | negligible                  |
| Rohtak – Panipat Tollway Private Limited                 | 10                      | negligible                  |
| Hyderabad – Yadgiri Tollway Private Limited              | 10                      | negligible                  |
| Bijapur – Hungund Tollway Private Limited                | 10                      | negligible                  |
| <b>Nitinkumar R. Patel</b>                               |                         |                             |
| Ahmedabad Ring Road Infrastructure Limited               | 10                      | negligible                  |
| Nagpur – Seoni Express Way Limited                       | 10                      | negligible                  |
| Maharashtra Border Check Post Network Limited            | 10                      | 0.02                        |
| Aurangabad – Jalna Toll Way Limited                      | 10                      | negligible                  |
| Rohtak – Panipat Tollway Private Limited                 | 10                      | negligible                  |

<sup>(1)</sup> The shares are held by the Directors on behalf of the beneficial owners in accordance with the Companies Act.

<sup>(2)</sup> Jointly held with Rekhaven V. Patel / Vishnubhai M. Patel.

#### **Appointment of relatives of Directors to any office or place of profit**

Except as disclosed in this Draft Red Herring Prospectus, none of the relatives of our Directors currently hold any office or place of profit in our Company.

#### **Interest of Directors**

All Directors may be deemed to be interested to the extent of travel expenses being borne by our Company for attending meetings of the Board of Directors or a committee thereof, site visits and other company related expenses. Further, all Non-Executive Directors may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of our Board and Committees thereof.

Our Directors may also be regarded as interested in the Equity Shares held by them or that may be subscribed by or Allotted to them under the Employee Reservation Portion or that may be subscribed or Allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to the Issue. All of our Directors may also be deemed to be interested to the extent of any dividends payable to them and other distributions in respect of the Equity Shares and preference shares, if any.

Except as disclosed in this Draft Red Herring Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors. Our Company has not entered into any service contracts with our Directors which provide for benefits upon termination of employment of our Directors.

Except for Vishnubhai M. Patel, our Directors have no interest in the promotion of our Company other than in the ordinary course of business.

Further, our Directors have no interest in any property acquired within two years from the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

Except as stated in “Related Party Transactions” on page 286 and described herein to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

No loans have been availed by our Directors or the Key Management Personnel from our Company.

#### Changes in the Board in the last three years

| Name                  | Date of Appointment/ Change/ Cessation | Reason                                                                |
|-----------------------|----------------------------------------|-----------------------------------------------------------------------|
| Jayant Goel           | July 28, 2012                          | Re-appointment as the Independent Director                            |
| Vaibhav Singh         | July 28, 2012                          | Re-appointment as the Director                                        |
| Sandip V. Patel       | July 28, 2012                          | Regularisation as the Independent Director                            |
| Vasistha Patel        | January 1, 2012                        | Re-appointment as the Managing Director                               |
| Narendrabhai Patel    | September 26, 2012                     | Appointment as Additional Director                                    |
| Shashin V. Patel      | September 20, 2013                     | Re-appointment as the Director                                        |
| Ravi Kapoor           | September 20, 2013                     | Re-appointment as the Director                                        |
| Narendrabhai Patel    | September 20, 2013                     | Regularisation as Independent Director                                |
| Vaibhav Singh         | March 12, 2014                         | Resignation                                                           |
| Apurv Gupta           | March 12, 2014                         | Appointment as Additional Independent Director                        |
| Sandip V. Patel       | September 5, 2014                      | Re-appointment as the Independent Director                            |
| Ravi Kapoor           | September 5, 2014                      | Re-appointment as the Independent Director                            |
| Vishnubhai M. Patel   | September 5, 2014                      | Re-appointment as the Director                                        |
| Nitinkumar R. Patel   | September 5, 2014                      | Reappointment as the Director                                         |
| Apurv Gupta           | September 5, 2014                      | Regularisation as Director                                            |
| Ravi Kapoor           | October 22, 2014                       | Resignation                                                           |
| Apurv Gupta           | October 22, 2014                       | Resignation                                                           |
| Jayant Goel           | October 22, 2014                       | Resignation                                                           |
| Narendrabhai Patel    | October 22, 2014                       | Resignation                                                           |
| Vasistha Patel        | October 22, 2014                       | Re-appointment as Managing Director with effect from January 1, 2015. |
| Mirat N. Bhadlawala   | October 22, 2014                       | Appointment as Additional Independent Director                        |
| Arunbhai S. Patel     | October 22, 2014                       | Appointment as Additional Independent Director                        |
| Atul N. Ruparel       | October 22, 2014                       | Appointment as Additional Independent Director                        |
| Nitinkumar R. Patel   | October 22, 2014                       | Change in designation                                                 |
| Daksha N. Shah        | March 24, 2015                         | Appointment as Additional Independent Director                        |
| Dr. Jagdish Joshipura | April 13, 2015                         | Appointment as Additional Independent Director                        |
| Mirat N. Bhadlawala   | April 15, 2015                         | Regularisation as Independent Director                                |
| Arunbhai S. Patel     | April 15, 2015                         | Regularisation as Independent Director                                |
| Atul N. Ruparel       | April 15, 2015                         | Regularisation as Independent Director                                |
| Daksha N. Shah        | April 15, 2015                         | Regularisation as Independent Director                                |
| Dr. Jagdish Joshipura | April 15, 2015                         | Regularisation as Independent Director                                |

#### Borrowing Powers of Board

Our Company has, pursuant to an EGM held on October 22, 2014 resolved that in accordance with the provisions of the Companies Act, 2013, our Board is authorised to borrow, from time to time, any sum or sums of money whether in India or in foreign currency, from any banks or financial institutions or any other institutions, firms, body corporates or other persons or from any other source in India or outside India whomsoever on such terms and conditions and with or without security as the Board may think fit which,

together with the monies already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business), may exceed the aggregate, for the time being, of the paid-up capital of our Company and its free reserves, provided that the total amount of money or monies so borrowed by the Board and remaining outstanding shall not, at any time, exceed the limit of ₹ 15,000 million.

### **Corporate Governance**

The provisions of the Equity Listing Agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the Equity Listing Agreement with the Stock Exchanges, the Companies Act, 2013 and the SEBI Regulations, in respect of corporate governance including constitution of the Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board has been constituted in compliance with the Companies Act, 2013 and Equity Listing Agreement with Stock Exchanges. The Board functions either as a full board or through various committees constituted to oversee specific functions. Our executive management provides our Board detailed reports on its performance periodically.

Currently, our Board has ten Directors. In compliance with the requirements of Clause 49 of the Equity Listing Agreement, our Chairman is a Promoter Non-Executive Director and we have one Executive Director, nine Non-Executive Directors including six Independent Directors, on our Board.

### **Committees of the Board**

In addition to the committees of the Board detailed below, our Board of Directors may, from time to time, constitute committees for various functions.

#### ***Audit Committee***

The members of the Audit Committee are:

1. Sandip V. Patel (Chairman);
2. Arunbhai S. Patel; and
3. Nitinkumar R. Patel.

The Audit Committee was constituted by a meeting of our Board held on September 23, 2010. The Audit Committee was reconstituted on October 22, 2014. Our Audit Committee met four times during the preceding financial year. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement and its terms of reference include the following:

- a) Overseeing our Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) Recommending to the Board, the appointment, re-appointment, and replacement, remuneration and terms of appointment of the statutory auditor and the fixation of audit fee;
- c) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- d) Approval of payments to the statutory auditors for any other services rendered by statutory auditors;
- e) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - i) Matters required to be included in the Director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - ii) Changes, if any, in accounting policies and practices and reasons for the same;

- iii) Major accounting entries involving estimates based on the exercise of judgment by management;
  - iv) Significant adjustments made in the financial statements arising out of audit findings;
  - v) Compliance with listing and other legal requirements relating to financial statements;
  - vi) Disclosure of any related party transactions;
  - vii) Qualifications in the draft audit report.
- f) Reviewing and examination, with the management, the quarterly, half-yearly and annual financial statements and the auditors' report thereon before submission to the Board for approval;
  - g) Scrutiny of inter-corporate loans and investments;
  - h) Valuation of undertakings or assets of the company, wherever it is necessary;
  - i) Evaluation of internal financial controls and risk management systems;
  - j) Approval or any subsequent modification of transactions of our Company with related parties;
  - k) Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  - l) Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
  - m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - n) Discussion with internal auditors any significant findings and follow up thereon;
  - o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  - p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - q) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - r) Approval of appointment of the chief financial officer (*i.e.*, the whole-time finance Director or any other person heading the finance function or discharging the function) after assessing the qualifications, experience and background, etc. of the candidate;
  - s) Reviewing the functioning of the whistle blower mechanism, in case the same is existing; and
  - t) Carrying out any other functions as is mentioned in the terms of reference of the Audit Committee.

The powers of the Audit Committee include the following:

- a) To investigate activity within its terms of reference;
- b) To seek information from any employees;
- c) To obtain outside legal or other professional advice; and

- d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee shall mandatorily review the following information:

- a) Management discussion and analysis of financial condition and result of operations;
- b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- c) Management letters/ letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses;
- e) The appointment, removal and terms of remuneration of the chief internal auditor.

#### ***Nomination and Remuneration Committee***

The members of the Nomination and Remuneration Committee are:

- 1. Vishnubhai M. Patel;
- 2. Atul N. Ruparel; and
- 3. Mirat N. Bhadlawala.

The Compensation Committee was re-constituted and renamed as the Nomination and Remuneration Committee by our Board on October 22, 2014. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013. The terms of reference of the Nomination and Remuneration Committee include the following:

- a) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b) Formulating of criteria for evaluation of the independent directors and the Board;
- c) Devising a policy on Board diversity;
- d) Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every director's performance;
- e) Analysing, monitoring and reviewing various human resource and compensation matters;
- f) Determining the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- g) Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
- h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- i) Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; or
  - (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.



- j) Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

The Chairman will be appointed at the next meeting of the Nomination and Remuneration Committee in accordance with Clause 49 of the Listing Agreement.

***Shareholder/Investor Grievance/ Stakeholder Relationship Committee***

The members of the Shareholder/Investor Grievance/ Stakeholder Relationship Committee are:

1. Nitinkumar R. Patel;
2. Vasistha Patel;
3. Arunbhai S. Patel; and
4. Sandip V. Patel.

The Shareholder/Investor Grievance/ Stakeholder Relationship Committee was constituted by our Board on October 22, 2014. This committee is responsible for the redressal of shareholder grievances.

The scope and function of the Shareholder/Investor Grievance/ Stakeholder Relationship Committee is in accordance with Section 178 of the Companies Act, 2013.

The terms of reference of the Shareholder/Investor Grievance/ Stakeholder Relationship Committee of our Company include the following:

- a) Redressal of shareholders'/investors' grievances;
- b) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- c) Issue of duplicate certificates and new certificates on split/consolidation/renewal;
- d) Non-receipt of declared dividends, balance sheets of our Company or any other documents or information to be sent by our Company to its shareholders; and
- e) Carrying out any other function as prescribed under the Equity Listing Agreement.

The Chairman will be appointed at the next meeting of the Shareholder/Investor Grievance/ Stakeholder Relationship Committee in accordance with Clause 49 of the Listing Agreement.

***Corporate Social Responsibility Committee:***

The members of the Corporate Social Responsibility Committee are:

1. Vasistha Patel (Chairman);
2. Nitinkumar R. Patel;
3. Sandip V. Patel; and
4. Atul N. Ruparel.

The Corporate Social Responsibility Committee was constituted by our Board on October 22, 2014. The scope and functions of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Companies Act, 2013.

The terms and reference of the Corporate Social Responsibility Committee include the following:

- a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by our Company as specified in Schedule VII of the Companies Act, 2013.

- b) Recommend the amount of expenditure to be incurred on activities referred in the Corporate Social Responsibility Policy.
- c) Monitor the Corporate Social Responsibility Policy of our Company and its implementation from time to time.

The quorum shall be two members present.

#### ***Finance and Investment Committee***

The members of the Finance and Investment Committee are:

- 1. Vishnubhai M. Patel;
- 2. Vasistha Patel;
- 3. Nitinkumar R. Patel; and
- 4. Arunbhai S. Patel.

The Finance and Investment Committee was constituted by our Board on October 22, 2014.

The terms and reference of the Finance and Investment Committee include the following:

- a) To borrow money and finalize the terms of borrowing within the limits approved by the Shareholders under Section 293 (1)(d) of Companies Act, 1956 or Section 180 (1)(c) of Companies Act, 2013 as may be applicable over and above the aggregate of the paid up capital and free reserves to our Company and to avail various non-fund based facilities and authorize any person(s) or Director(s) of our Company for execution of necessary agreements(s), deed(s), document(s), paper(s) etc and affixation of common seal on such documents as may be necessary for availing fund-based and non-fund based facilities from any person(s) including but not limited to banks and financial institutions.
- b) To invest the funds of our Company in share, securities, bonds or any other instruments issued by the companies (including the subsidiaries of our Company), make loans or provide guarantee/security in respect of the loans borrowed by our Company for an additional amount not exceeding ₹ 20,000 million.
- c) To grant loans or give guarantee or provide security in respect of loans borrowed by any of our Company's own or its step down subsidiary, where in the total amount of such loan, guarantee or security in respect of each subsidiary does not exceed ₹ 15,000 million.
- d) To mortgage and/or charge all or any of the movable and immovable properties, both present and future, or substantially the whole of the undertaking or any undertaking of the Company for securing any fund-based and/or non-fund based facilities obtained or as may be obtained from time to time from any financial institution(s)/bank(s)/body(ies) corporate or any other person(s) together with interest, costs, charges, expenses and any other money payable by the Company and authorize any person(s) or Director(s) of the Company for execution of necessary Agreement(s), Deed(s), Document(s), Paper(s) etc., and affixation of common seal on such documents as may be expedient and necessary for the purpose provided that the said creation of security is within the limits approved by the Shareholders under Section 293(1)(a) of Companies Act, 1956 or Section 180 (1)(a) of Companies Act, 2013 as may be applicable.
- e) To approve opening, operating and closing of banking account(s) of the Company and to authorize any person(s) or Director(s) of the Company to operate the same for and on behalf of the Company in any manner and/or amend/modify any such authorization(s).
- f) To approve taking on lease, hire purchase or any other mode of easy payment, assets, equipment's, machinery, vehicles etc. for the Company and authorize any person(s) or Director(s) of the company for execution of necessary Agreement(s) Deed(s), Document(s), Paper(s) etc., and affixation of Common seal on such documents as may be expedient and necessary for the purpose.
- g) To approve taking on lease or on rent or to buy or sell or otherwise dispose off immovable properties

including but not limited to factory premises, office premises, residential houses for executives of the Company or for guest house purposes, storerooms, godowns or other suitable premises for storing the products of our Company etc. and authorize any person(s) or Director(s) of our Company for execution of necessary agreement(s), deed(s), document(s), paper(s) etc., and affixation of Common seal on such documents as may be expedient and necessary for the purpose provided that the said creation of security is within the limits approved by the Shareholders under Section 293 (1)(a) of Companies Act, 1956 or Section 180 (1)(a) of Companies Act, 2013 as may be applicable.

- h) To sell/ disinvest or otherwise dispose off the shares/debentures/bonds and/or any others securities held by the Company with market value of such shares not exceeding ₹ 1,000 million.
- i) To approve issue of corporate guarantees/ indemnities in favor of any person(s) in connection with the business of the company and authorize execution of necessary documents for the said purpose.
- j) To authorize any person(s) or Director(s) of our Company to deal with and handle all matters with any government / semi government/ non-government authorities relating to the business of our Company, under various corporate / labour or other laws as may be applicable to the Company.
- k) To approve and authorize execution of joint venture agreement(s), memorandum of understanding(s) and/or any other arrangements in connection with the business of our Company.
- l) To authorize any person(s) or Director(s) of the company to sign, seal, swear, affirm, declare, deliver, execute, enter into, acknowledge, perfect all such contracts, conveyances, leases, mortgages, transfers, releases, agreements, re-conveyances, reassignments, releases, agreements, pleadings, affidavit, declarations, petitions, returns, refund orders of income-tax, excise, service tax, custom, sales tax, gift tax, expenditure tax and any other tax assurances, deeds, documents, instruments etc. as may be necessary in connection with the business of the Company and to authorize the affixation common seal on such documents as may be necessary.
- m) To incorporate/ promote a new public/private limited company as special purpose vehicle to undertake the awarded projects and authorized to give all necessary undertakings under the agreement to be executed with the project granting authority.

The quorum shall be two members present.

The Chairman will be appointed at the next meeting of the Finance and Investment Committee.

### ***Risk Management Committee***

The members of the Risk Management Committee are:

- 1. Nitinkumar R. Patel;
- 2. Vasistha Patel; and
- 3. Sandip V. Patel.

The Risk Management Committee was constituted by our Board on October 22, 2014. The Risk Management Committee has been authorised to do all the acts, deeds and things on such terms and conditions as laid before the Board and in such manner as they deem fit.

The quorum shall be two members present.

The Chairman will be appointed at the next meeting of the Risk Management Committee in accordance with Clause 49 of the Listing Agreement.

### ***IPO Committee***

The members of the IPO Committee are:

- 1. Vishnubhai M. Patel;
- 2. Vasistha Patel;

3. Shashin V. Patel; and
4. Nitinkumar R. Patel.

The IPO Committee was constituted by our Board on October 22, 2014. The IPO Committee meeting was held twice during the preceding financial year.

The terms and reference of the IPO Committee include the following:

- (a) To decide on the size, timing, pricing and all the terms and conditions of the issue of the Equity Shares for the Issue, including the number of the Equity Shares to be issued in the Issue, price and any discount as allowed under Applicable Laws that may be fixed and determined in accordance with the applicable law, and to accept any amendments, modifications, variations or alterations thereto;
- (b) To appoint and enter into arrangements with the BRLMs, underwriters to the Issue, syndicate members to the Issue, brokers to the Issue, escrow collection bankers to the Issue, refund bankers to the Issue, registrar(s), legal advisors, advertising agency(ies) and any other agencies or persons or intermediaries to the Issue and to negotiate and finalise the terms of their appointment, including but not limited to execution of the mandate letter with the BRLMs, negotiation, finalisation and execution of the offer agreement with the BRLMs, etc.;
- (c) To negotiate, finalise, settle, execute and deliver or arrange the delivery of the syndicate agreement, underwriting agreement, escrow agreement, agreements with the registrar to the Issue and the advertising agency(ies) and all other documents, deeds, agreements, memorandum of understanding and other instruments whatsoever with the registrar to the Issue, legal advisors, auditors, stock exchange(s), the BRLMs and any other agencies/intermediaries in connection with the Issue with the power to authorise one or more officers of our Company to execute all or any of the aforesaid documents;
- (d) To finalise, settle, approve and adopt the Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the preliminary and final international wrap for the issue of Equity Shares and take all such actions as may be necessary for filing of these documents including incorporating such alterations/corrections/ modifications as may be required by SEBI, RoC, or any other relevant governmental and statutory authorities;
- (e) To make applications, if necessary, to the Reserve Bank of India, or to any other statutory or governmental authorities in connection with the Issue and, wherever necessary, incorporate such modifications / amendments / alterations / corrections as may be required in the Draft Red Herring Prospectus, the Red Herring Prospectus, and the Prospectus;
- (f) To approve any corporate governance requirements that may be considered necessary by the Board or the IPO Committee or as may be required under the Applicable Laws or the listing agreement to be entered into by our Company with the relevant stock exchanges;
- (g) To seek, if required, the consent of the lenders to our Company, concessioning authorities, parties with whom our Company has entered into various commercial and other agreements, and any other consents that may be required in relation to the Issue;
- (h) To open and operate bank account(s) of our Company in terms of the escrow agreement for handling of refunds for the Issue and to authorise one or more officers of our Company to execute all documents/deeds as may be necessary in this regard;
- (i) To open and operate bank accounts of our Company in terms of Section 40(3) of the Companies Act, 2013, as amended, and to authorise one or more officers of our Company to execute all documents/deeds as may be necessary in this regard;
- (j) To determine and finalise the bid opening and bid closing dates (including bid opening and bid closing dates for anchor investors), the floor price/price band for the Issue (including issue price for anchor investors), approve the basis of allotment and confirm allocation/allotment of the Equity Shares to various categories of persons as disclosed in the Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus, in consultation with the BRLMs and the Selling Shareholders (to the extent applicable) and do all such acts and things as may be necessary and expedient for, and incidental and

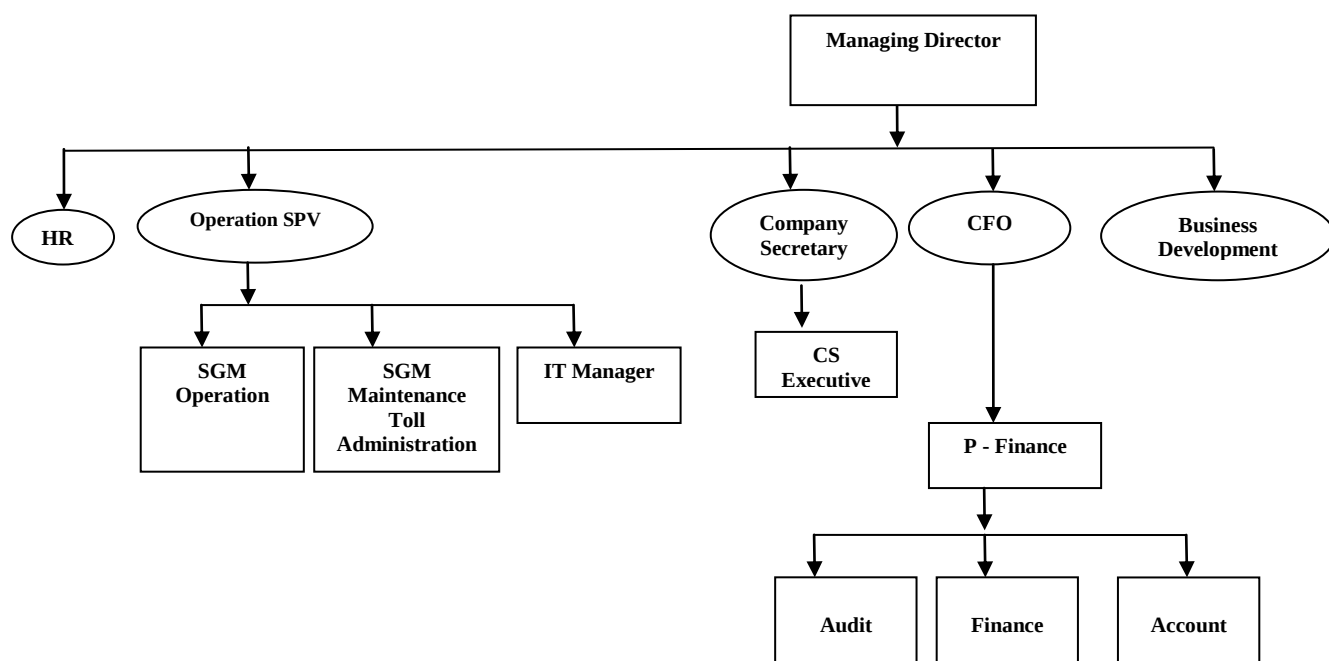
ancillary to the Issue including any alteration, addition or making any variation in relation to the Issue;

- (k) To issue receipts/allotment letters/confirmations of allotment notes either in physical or electronic mode representing the underlying Equity Shares in the capital of our Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorise one or more officers of our Company to sign all or any of the aforestated documents;
- (l) To make applications for listing of the shares in one or more recognised stock exchange(s) for listing of the Equity Shares of our Company and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s);
- (m) To do all such deeds and acts as may be required to dematerialise the Equity Shares of our Company and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with National Securities Depository Limited, Central Depository Services (India) Limited, registrar & transfer agents and such other agencies, as may be required in this connection with power to authorise one or more officers of our Company to execute all or any of the aforestated documents;
- (n) To authorize and approve the incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Issue;
- (o) To authorize and approve notices, advertisements in relation to the Issue in consultation with the relevant intermediaries appointed for the Issue;
- (p) To settle any question, difficulty or doubt that may arise in connection with the Issue including the issue and allotment of the Equity Shares as aforesaid and to further delegate the powers conferred hereunder subject to such restrictions and limitations as it may deem fit and in the interest of our Company and to the extent allowed under applicable laws and to do all such acts and deeds in connection therewith and incidental thereto, as the IPO Committee may in its absolute discretion deem fit; and
- (q) To execute and deliver any and all other documents or instruments and doing or causing to be done any and all acts or things as the IPO Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or in connection with the Issue and any documents or instruments so executed and delivered or acts and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing.

The quorum shall be two members present.

The Chairman will be appointed at the next meeting of the IPO Committee.

## Management Organisation Chart



## Key Management Personnel

### Brief Biographies of Key Management Personnel

**Vasistha Patel** is the Managing Director of our Company. For further details in relation to Vasistha Patel and other whole-time directors of our Company, see “Management – Brief Biographies of Directors” from page 259 to 260.

**Varun Mehta** is the Chief Financial Officer of our Company. He holds a Bachelor’s degree in Commerce from University of Mumbai. He is also a qualified Chartered Accountant from the Institute of Chartered Accountants of India, a Financial Risk Manager from GARP and has passed the CFA Examination from CFA Institute, USA. He has been associated with our Company since December, 2012. At our Company, he is responsible for, among other things, evaluating optimum financing options such as debt, equity, securitization, refinancing; submission of bids, building financial models, financial research and analysis, evolving Company strategy including mergers and acquisitions and negotiating transactions, policy implementation, liaising with banks and financial institutions for obtaining funds and also participates in the bidding process and execution of road projects. He has over four years of experience as manager. Prior to joining our Company, he was Assistant Manager at Inga Capital, Mumbai. During the financial year 2015, he was paid gross compensation of ₹ 1.78 million.

**Gaurav Vesasi** is the Company Secretary and Compliance Officer of our Company. He holds a Bachelor’s degree in Commerce from Gujarat University and in law from Gujarat University. He is a qualified Company Secretary. He also holds a post graduate diploma in Business Administration (specialized in Finance Management) from Symbiosis Centre of Distance Learning. He has been associated with ARRIL since 2008. He has been associated with our Company since December 18, 2012. At our Company, he is responsible for overall coordination of meetings of the board and shareholders of our Company, incorporation of new companies and SPVs, overall secretarial works covering compliance of various provisions of the Companies Act, and other prevailing laws and liaising activities with the officials of the statutory and regulatory authorities. He has about 10 years experience, including six years of experience as a company secretary. Prior to joining our Company and Sadbhav group, he was also associated with Ravi Kapoor & Associates as an apprenticeship trainee. During the financial year 2015, he was paid gross compensation of ₹ 0.64 million.

**Dr. Madhvesh Y S** is the Senior General Manager (Special Purpose Vehicles) of our Company. He holds a Bachelor’s degree in Engineering (Civil) from Bangalore University and a post graduate degree in Engineering (Highway Engineering) from Bangalore University. He holds a Doctor of Philosophy for thesis on Evaluation of

Geosynthetics in Bituminous Roads from Faculty of Engineering-Civil, Bangalore University. He has been associated with our Company since May 2014. At our Company, he is responsible for maintenance of project highway for all operational SPVs, monitoring of maintenance activities including DPR, MIS, specifications, quality execution and certification of billing and overall responsibility for maintenance budgeting, evaluation of agency for maintenance works, specifications, certification of works and strict compliance of works as per the concession agreement and for maintenance of project highway and contractual obligations related to safety reports, maintenance program, etc., as per the concession agreement. Prior to joining our Company, he has been associated with SAI Consulting Engineers Private Limited Ahmedabad from 2011 as a General Manager (Southern Region). During the financial year 2015, he was paid gross remuneration of ₹ 2.11 million.

**Rajkumar S. Dhoot** is the Vice President (Finance) of our Company. He holds a Bachelor's degree in Commerce from Gujarat University and is a qualified Cost Accountant and a qualified Company Secretary. He has been associated with our Company since November 2012. At our Company, he is responsible for toll operations for all operational SPVs, for internal audits and controls, overall responsibility for accounts, audits, statutory compliances of direct and indirect taxes and for obtaining Chartered Accountants certificates for under constructions SPVs for drawdowns and periodic certificates agreed as per the common loan agreements. Prior to joining our Company, he was associated with Gujarat Bulk Packs Limited from 1994 as an Executive-Costing and with Madhu Industries Limited from 1995 as a Deputy Chief Accountant. He was also associated with Kalpataru Power Transmission Limited from 1999. During the financial year 2015, he was paid gross compensation of ₹ 2.59 million.

**Darshan Bhatt** is the AGM (Accounts) of our Company. He holds a Bachelor's degree in Commerce from Gujarat University and a post graduate in Commerce (External) from Gujarat University. He is a qualified chartered accountant from the Institute of Chartered Accountants of India. He has been associated with ARRIL since 2006 and our Company since April 2013. At our Company SPVs, he is responsible for toll operations for all operational SPVs, for audited or unaudited quarterly and annual financial statements including consolidated financial statements, direct tax compliances, indirect tax compliances, co-ordination for certifications from statutory auditors for various covenant compliances under the financing documents and regular MIS as required by the management of our Company. During the financial year 2015, he was paid gross compensation of ₹ 1.33 million.

**Kunal N. Shah** is the Manager (Information Technology) of our Company. He holds a bachelor's degree in Engineering (Electronics and Communications) from Saurashtra University. He has been associated with SEL since October 2012 and our Company since July 2014. At our Company, he is responsible for, among other things, implementing and monitoring project specific toll and highway management strategies and performance of all toll, preparing toll policies and studying and analysing the toll revenue growth patterns, exempt traffic pattern. He has about seven years experience, including two years as Manager (Toll System) in SEL. Prior to joining our Company and SEL, he was associated with L&T Vadodara Bharuch Tollway Limited as Equipment Engineer and Fairtech Engineering Services as an Electrical and Instrumentation Engineer. During the financial year 2015, he was paid gross remuneration of ₹ 0.67 million.

None of our Key Management Personnel are related to each other.

All our Key Management Personnel are the permanent employees of our Company.

There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of our key management personnel were selected as members of our senior management.

#### Shareholding of Key Management Personnel

Except as disclosed below, none of our Key Management Personnel hold any Equity Shares in our Company as of the date of this Draft Red Herring Prospectus:

| Sr. No. | Name of the Key Management Personnel | No. of Equity Shares | Percentage (%) |
|---------|--------------------------------------|----------------------|----------------|
| 1.      | Vasistha Patel <sup>(1)</sup>        | 550,000              | 0.18           |
| 2.      | Darshan Bhatt                        | 44,000               | 0.01           |

(1) Jointly held with Rekhabe V. Patel/ Vishnubhai M. Patel.

### **Bonus or profit sharing plan of the key management personnel**

Our Company does not have any bonus or profit sharing plan for the Key Management Personnel, including the Managing Director.

### **Interests of key management personnel**

The Key Management Personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business and the employee stock options held, if any. The Key Management Personnel may be regarded as interested in the Equity Shares that may be subscribed by or Allotted to them under the Employee Reservation Portion. All the Key Management Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares, if any.

### **Changes in our Key Management Personnel**

The changes in our Key Management Personnel in the last three years are as follows:

| <b>Name</b>       | <b>Date of change</b> | <b>Reason for change</b>                                         |
|-------------------|-----------------------|------------------------------------------------------------------|
| Rajkumar S. Dhoot | November 20, 2012     | Appointment as Vice President (Finance)                          |
| Umang R Desai     | July 2, 2012          | Resignation as Company secretary and General Manager (Legal)     |
| Gaurav Vesasi     | December 18, 2012     | Appointment as Company Secretary                                 |
| Varun Mehta       | December 26, 2012     | Appointment as DGM (Finance)                                     |
| Darshan Bhatt     | April 1, 2013         | Appointment as Senior Manager                                    |
| Dr. Madhvesh Y S  | May 1, 2014           | Appointment as Senior General Manager (Special Purpose Vehicles) |
| Darshan Bhatt     | July 1, 2014          | Change in designation as AGM (Accounts)                          |
| Kunal N. Shah     | July 1, 2014          | Appointment as Manager (Information Technology)                  |
| Ruchir Gupta      | July 1, 2014          | Appointment as Deputy Manager (Construction & Contracts)         |
| Ruchir Gupta      | July 1, 2014          | Change in designation as Manager (Construction & Contracts)      |
| Varun Mehta       | October 22, 2014      | Change in designation as Chief Financial Officer                 |
| Ruchir Gupta      | April 4, 2015         | Resignation                                                      |

### **Payment or Benefit to officers of our Company**

No amount or benefit has been paid or given within the two preceding years or intended to be paid or given to any officer and consideration for payment of giving of the benefit.



## OUR PROMOTERS AND PROMOTER GROUP

SEL and Vishnubhai M. Patel are the Promoters of our Company.

### SEL

#### *Corporate Information*

SEL was originally incorporated as a private limited company on October 3, 1988 under the Companies Act, 1956. SEL was converted from a private limited company to a public limited company and a fresh certificate of incorporation was issued on May 17, 2001. The registered office of SEL is situated at Sadbhav House, Opposite Law Garden Police Chowki, Ellisbridge, Ahmedabad 380 006, Gujarat. The equity shares of SEL are listed on the BSE and the NSE. The main objects of SEL include:

1. carry on business as civil, electrical and mechanical contractors, designers and engineers, structural contractors, earthwork contractors and related consultancy services;
2. build, establish, maintain, operate, lease or transfer canals, irrigation projects, dams, bridges, roads, state and national highways, by-pass under various schemes, such as BOT, BOLT and BOOT; and
3. carry on business in both conventional and non conventional energy generation sector and to deal in any source of energy as may be developed or invented in future.

#### *Board of directors*

The board of directors of SEL comprises of:

1. Vishnubhai M. Patel
2. Shashin V. Patel
3. Vikram R. Patel
4. Vasistha Patel
5. Nitinkumar R. Patel
6. Sandip A. Sheth
7. Sandip V. Patel
8. Atul N. Ruparel
9. Arunbhai S. Patel
10. Mirat N. Bhadlawala
11. Purvi Parikh

#### *Changes in the management and control*

There has been no change in the management and control of SEL in the three years preceding the date of this Draft Red Herring Prospectus.

#### *Promoters of SEL:*

1. Vishnubhai M. Patel
2. Shantaben V. Patel

Our Company confirms that the permanent account number, bank account number, the company registration number of SEL and the address of the registrar of companies where SEL is registered shall be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

|                                                                                   |                                                                                                                                                                                                                                                                                                                               |
|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>Vishnubhai M. Patel is the Chairman and Non-Executive Director of our Company. He is a resident Indian national. For further details, see “Our Management” on pages 255 and 259.</p> <p>The driving license number of Vishnubhai M. Patel is GJ01 20010916373 and his voter identification number is GJ/11/068/039880.</p> |
|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Our Company confirms that the permanent account number, bank account number and passport number of Vishnubhai M. Patel shall be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

|                                                                                   |                                                                                                                                                                                                                                                                                                                                                           |
|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>Shantaben V. Patel is the promoter of SEL, our corporate Promoter. She is a resident Indian national.</p> <p>Shantaben V. Patel does not have a driver’s license. Her voter identification number is G-J/11/068/039810. The permanent account number is ABGPP7486A, the bank account number is 01702010005590 and the passport number is M6252758.</p> |
|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

### Interests of Promoters and Common Pursuits

Except as disclosed in this Draft Red Herring Prospectus, our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their shareholding in our Company and the dividend payable, if any and other distributions in respect of the shares held by them. For further information on shareholding of our Promoters in our Company, see “Capital Structure” and “Our Management” from pages 137 to 138 and 261, respectively.

Further, Vishnubhai M. Patel is a Director of our Company and may be deemed to be interested to the extent of the travel expenses being borne by our Company, from time to time, for attending meetings of the Board of Directors or a committee thereof, site visits and other company related expenses. He may also be deemed to be interested to the extent of sitting fees payable to him for attending meetings of our Board and Committees thereof. For further details, see “Our Management” on page 255.

Except the related party transactions entered into by our Company as disclosed in this Draft Red Herring Prospectus, our Company has not entered into any contract, agreements or arrangements which are not in the ordinary course of business during the preceding two years from the date of this Draft Red Herring Prospectus or proposes to enter into any such contract in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them. For further details of related party transactions, as per Accounting Standard 18, see “Related Party Transactions” on page 286.

Except as disclosed in this Draft Red Herring Prospectus, our Promoters have no interest in any property acquired within the two years from the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

None of our Promoters are interested as a member of a firm or company, and no sum has been paid or agreed to be paid to any of our Promoters or to such firm or company in cash or shares or otherwise by any person for services rendered by such Promoter(s) or by such firm or company in connection with the promotion or formation of our Company.

Except for BRTPL, BHTPL, HYTPL, MBCPNL, NSEL, RHTPL, RPTPL, SUTPL, DPTL, MBHPL and MNEL, SEL, our corporate Promoter, does not have any direct interest in any venture that is involved in any activities similar to those conducted by our Company. Our Company will adopt the necessary procedures and practices as permitted by law to address any conflict situation as and when they arise. Our Company has entered into an agreement dated October 22, 2014 with SEL, whereby in accordance with the overall strategy of SEL, the road and highways and related projects business on a BOT basis will be carried out by our Company and its subsidiaries and not by any other entity in the SEL group, subject to the requirements of the bid, concession and

financing documents. For further details, see “History and Certain Corporate Matters – Summary of Key Agreements” on pages 236 to 237.

Except for AJTL, ARRIL, BRTPL, BHTPL, HYTPL, MBCPNL, NSEL, RHTPL, RPTPL, SUTPL, DPTL, MNEL and MBHPL, Vishnubhai M. Patel does not have any direct interest in any venture that is involved in any activities similar to those conducted by our Company. Our Company will adopt the necessary procedures and practices as permitted by law to address any conflict situation as and when they arise.

Except as disclosed in the “Related Party Transactions” on page 286, our Promoters are not related to any of the sundry debtors of our Company.

#### **Payment of benefits to our Promoters or Promoter Group**

Except as stated in “Related Party Transactions”, “Our Management” and “Our Promoters and Promoter Group” on pages 286, 255 and 275 respectively, there has been no payment of benefits to our Promoters or Promoter Group during the two years preceding the filing of this Draft Red Herring Prospectus, nor is there any intention to pay or given any benefit to our Promoters or Promoter Group.

#### **Confirmations**

Our Promoters have not been declared as wilful defaulters by the RBI or any other government authority. Further, there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against them.

Our Promoters and Promoter Group entities or natural persons behind SEL have not been debarred from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Except as disclosed under “Outstanding Litigation and Material Developments” on pages 534 and 536, there is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last five years preceding the date of the Issue against our Promoters.

Our Promoters are not and have never been a promoter, director or person in control of any other company which is debarred from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Except as disclosed in this Draft Red Herring Prospectus, our Promoters are not interested in any entity which holds any intellectual property rights that are used by our Company.

#### **Companies with which our Promoters have disassociated in the last three years**

Our Promoters have not disassociated themselves from any of the companies during the three years preceding the date of this Draft Red Herring Prospectus.

#### **Change in the management and control of our Company**

There has been no change in the management and control of our Company since its incorporation.

#### **Promoter Group**

In addition to our Promoters named above, our Group Companies and certain Subsidiaries, the following individuals and the entities form part of our Promoter Group:

##### **1. Natural persons forming part of the Promoter Group**

Natural persons who form part of our Promoter Group (due to their relationship with our Promoters) other than our Promoters are as follows:

| <b>Name of the Promoter</b> | <b>Name of the Relative</b> | <b>Relationship with the Promoter</b> |
|-----------------------------|-----------------------------|---------------------------------------|
| Vishnubhai M. Patel*        | Shantaben V. Patel          | Spouse                                |
|                             | Jayantibhai Patel           | Brother                               |
|                             | Kailashben Patel            | Sister                                |

| Name of the Promoter | Name of the Relative       | Relationship with the Promoter |
|----------------------|----------------------------|--------------------------------|
|                      | Shashin V. Patel**         | Son                            |
|                      | Rajeshree Vishnubhai Patel | Daughter                       |
|                      | Mamtaben Patel             | Daughter                       |
|                      | Bhavtaben Patel            | Daughter                       |
|                      | Triptiben Patel            | Daughter                       |
|                      | Alpaben Patel              | Daughter                       |
|                      | Rekhaben Patel             | Daughter                       |

\* The Promoter Group of our Company does not include Kanubhai Patel and Govindbhai Patel, brothers of Vishnubhai M. Patel, our individual Promoter, or any entity in which Kanubhai Patel and Govindbhai Patel may have an interest. Whilst there is no formal disassociation arrangements between Vishnubhai M. Patel and Kanubhai Patel and Govindbhai Patel, Vishnubhai M. Patel has confirmed that he has disassociated with Kanubhai Patel and Govindbhai Patel. Further, Kanubhai Patel and other have filed a company petition before the Company Law Board, Regional Bench, Bombay against our Company, SEL, Vishnubhai M. Patel and others under Sections 397 and 398 read with 399, 402 and 403 of the Companies Act, 1956. For further details, see “Outstanding Litigation and Material Developments - Litigation involving our Company - Litigation filed against our Company” on pages 515 and 516.

\*\* Whilst Shashin V. Patel, Vasistha Patel and Vikram R. Patel have been named as promoters under the information memorandum dated May 28, 2014 issued by our Company, Shashin V. Patel, Vasistha Patel and Vikram R. Patel are not the promoters of our Company under the SEBI Regulations.

## 2. Hindu Undivided Families forming part of the Promoter Group

The Hindu Undivided Families forming part of our Promoter Group is as follows:

- a. V.M. Patel (HUF).

## 3. Entities forming part of the Promoter Group

- a. AVS Infracon Private Limited;
- b. Bhavna Engineering Company Private Limited; and
- c. Saakar Infra Nirmaan Private Limited.

## 4. Trusts forming part of the Promoter Group

The trusts forming a part of our Promoter Group are as follows:

- a. Kamaeshwar Mahadev Trust;
- b. Bindu Bhagat Jan Seva Trust;
- c. Samarpan Seva Trust;
- d. Saraswati Educatiaon Foundation Trust;
- e. Umiya Parivaar Charity Trust;
- f. Dharti Vikas Mandal;
- g. Santokba Trust;
- h. Sadbhav Public Charitable Trust;
- i. M.B. Patel Sarvajani Hospital – President;
- j. Lions Karnavati Shantaben Vishnubhai Eye Hospital – Chairman; and
- k. Shri Sarvoday Arogyamandal.

## OUR GROUP COMPANIES

Unless otherwise specified, all information in this section is as of the date of this Draft Red Herring Prospectus.

Besides our Subsidiaries, the following companies, firms, joint ventures, etc are promoted by our Promoters (including companies under the same management pursuant to Section 370(1B) of the Companies Act, 1956) and thus, are our Group Companies:

### A. Details of the five largest Group Companies (based on turnover)

#### 1. SEL – GKC Joint Venture

SEL – GKC Joint Venture (“SEL-GKC JV”) was constituted as an Association of Person (“AOP”) under applicable laws. Its income tax PAN is AADAS2664J. SEL-GKC JV is engaged in the business of construction of roads and canals, mining, etc.

##### *Interest of our Promoters*

SEL, our corporate Promoter, holds following stake in eight projects being undertaken by SEL-GKC JV:

| Sr. No. | Name of Projects                 | Stake of SEL (in percentage) |
|---------|----------------------------------|------------------------------|
| 1.      | SEL-GKC (Radhanpur-Manpura)      | 52.00                        |
| 2.      | SEL-GKC (Vishakhapatnam Project) | 50.00                        |
| 3.      | SEL-GKC (Omkareshwar Project)    | 60.00                        |
| 4.      | SEL-GKC (Karimnagar Project)     | 52.00                        |
| 5.      | SEL-GKC (Omkareshwar Project)    | 40.00                        |
| 6.      | SEL-GKC (Managuru Project)       | 51.00                        |
| 7.      | SEL-GKC-BSHIP-II                 | 50.00                        |
| 8.      | SEL-GKC-Govindpur Project        | 50.00                        |

##### *Financial Information*

The relevant details of operating results of SEL-GKC JV for the last three Financial Years to the extent that the last audited financial statements are available, as follows:

| Particulars               | (in ₹ million, except per share data) |          |          |
|---------------------------|---------------------------------------|----------|----------|
|                           | For the Financial Year                |          |          |
|                           | 2014                                  | 2013     | 2012     |
| Total Income              | 2,727.60                              | 4,882.25 | 3,211.47 |
| Profit/loss after tax     | -                                     | -        | -        |
| Partner’s capital account | -                                     | -        | -        |

#### 2. Dhule Palesner Tollway Limited

##### *Corporate Information*

Dhule Palesner Tollway Limited (“DPTL”) was incorporated on March 25, 2009 under the Companies Act, 1956 at Mumbai. DPTL is involved in the business of undertaking, designing, developing, engineering, financing, establishing, constructing, erecting, executing, carrying out, commissioning, operating, maintaining, improving, repairing, administering, managing four laning of Madhya Pradesh / Maharashtra border Dhule section of NH-3 from km 168.50 to km 265.00 in Maharashtra under NHDP Phase III on a DBFOT basis and construction of toll plazas and all other works of convenience of public or private utility for the purpose of smooth traffic on all roads and rendering of all services in connection thereto.

##### *Interest of our Promoters*

SEL, our corporate Promoter, holds 18,692,000 equity shares constituting 27.18% of the issued and paid up equity share capital of DPTL and Vishnubhai M. Patel holds 10 equity shares aggregating to a

negligible percentage of the issued and paid up equity share capital of DPTL.

#### Financial Information

The relevant details of operating results of DPTL for the last three Financial Years to the extent that the last audited financial statements are available, as follows:

(in ₹ million, except per share data)

| Particulars                                           | For the Financial Year |            |            |
|-------------------------------------------------------|------------------------|------------|------------|
|                                                       | 2015                   | 2014       | 2013       |
| Equity Capital                                        | 687.80                 | 630.00     | 630.00     |
| Reserves (excluding revaluation reserves) and Surplus | (2,485.46)             | (2,996.75) | (1,670.72) |
| Revenue from Operations and Other Income              | 1,340.99               | 1,120.42   | 782.14     |
| Profit / (Loss) after Tax                             | 511.30                 | (1,326.03) | (1,522.56) |
| Basic EPS (in ₹)                                      | 7.97                   | (21.05)    | (29.85)    |
| Diluted EPS (in ₹)                                    | 7.97                   | (21.05)    | (29.85)    |
| Net asset value per share (in ₹)                      | (26.14)                | (37.57)    | (16.52)    |

### 3. Mumbai Nasik Expressway Limited

#### Corporate Information

Mumbai Nasik Expressway Limited (“MNEL”) was incorporated on July 22, 2005 under the Companies Act, 1956 at Mumbai. MNEL is involved in the business of undertaking, designing, developing, establishing, constructing, erecting, executing, carrying out, commissioning, operating, maintaining, improving, repairing, administering, managing, levying, demanding, collecting and appropriating fee from vehicles and persons liable to payment of fee for using the project / project facility or any part thereof or control as required of a four lane carriageway on Mumbai Nasik section of NH-3 in Maharashtra on BOT basis or otherwise, by widening and rehabilitation of the existing two lane stretch and construction of toll plazas and all other works of convenience of public or private utility for the purpose of smooth traffic on all roads and rendering of all services in connection thereto.

#### Interest of our Promoters

SEL, our corporate Promoter, holds 10,400,000 equity shares constituting 20.00% of the issued and paid up equity share capital of MNEL.

#### Financial Information

The relevant details of operating results of MNEL for the last three Financial Years to the extent that the last audited financial statements are available, as follows:

(in ₹ million, except per share data)

| Particulars                                           | Nine months ended September 30, 2014 | Nine months ended December 31, 2013 <sup>(1)</sup> | Year ended March 31, 2013 |
|-------------------------------------------------------|--------------------------------------|----------------------------------------------------|---------------------------|
| Equity Capital                                        | 520.00                               | 520.00                                             | 520.00                    |
| Reserves (excluding revaluation reserves) and Surplus | 993.69                               | 1,006.40                                           | 998.75                    |
| Revenue from Operations & Other Income                | 1,193.96                             | 1,112.70                                           | 1,512.67                  |
| Profit / (Loss) after Tax                             | (12.71)                              | 7.65                                               | 409.84                    |
| Basic EPS (in ₹)                                      | (0.24)                               | 0.15                                               | 7.88                      |
| Diluted EPS (in ₹)                                    | (0.24)                               | 0.15                                               | 7.88                      |
| Net asset value per share (in ₹)                      | 29.11                                | 29.35                                              | 29.21                     |

<sup>(1)</sup> MNEL changed its financial year from period ending on March 31 every year to period ending on December 31 every year.

#### 4. **Sadbhav - Annapurna Joint Venture**

##### *Information*

Sadbhav - Annapurna Joint Venture (“Basantimata JV”) was constituted as an AOP on September 15, 2012 under applicable laws. Its PAN is AAJAS3296A. Basantimata JV is involved in the business of hiring of heavy earth moving and mining equipment for removal of over burden, extraction and transportation of coal from Khudia, Palasia, GP (Top), GP (Bottom), Brindabanpur (Top and Bottom) and Kalimati group of seams at Basantimata - Dahibari Patch of Dahibari Colliery of C.V. Area.

##### *Interest of our Promoters*

SEL, our corporate Promoter, holds 80.00% stake in the Basantimata JV.

##### *Financial Information*

The relevant details of operating results of Basantimata JV for the last three Financial Years to the extent that the last audited financial statements are available, as follows:

*(in ₹ million, except per stake data)*

| Particulars               | For the Financial Year |      |      |
|---------------------------|------------------------|------|------|
|                           | 2014                   | 2013 | 2012 |
| Total income              | 440.73                 | -    | N.A. |
| Profit/loss after tax     | -                      | -    | N.A. |
| Partner’s capital account | -                      | -    | N.A. |

#### 5. **Sadbhav - Vishnushiva Joint Venture**

##### *Information*

Sadbhav Vishnushiva Joint Venture (“Vishnushiva JV”) was constituted as an AOP on September 21, 2012 under applicable laws. Its income tax PAN is AAIAS2666P. Vishnushiva JV is involved in the business of hiring of heavy earth moving and mining equipment for removal of over burden, extraction and transportation of coal from XI, IX/X, VIIIC, VIIIB, VIIIA and V/ VI/ VII seams at Patch “F-1” of Maheshpur Colliery of Govindpur Area which has been completed. Vishnushiva JV is also undertaking hiring of heavy earth moving equipments and excavation work at Kapurdi, Barmer, Rajasthan under the Joint Venture Agreement dated June 25, 2014 entered into between SEL and Vishnushiva Infrastructures and for undertaking hiring of heavy earth moving equipments with operators, maintenance staff and facilities for excavation for Pit B at Kapurdi – Jalipa Lignite Mines Block of K-J Lignite Mining Project Barmer, Rajasthan under the Memorandum of Understanding dated May 30, 2014 and letter of intent dated July 10, 2014.

##### *Interest of our Promoters*

SEL, our corporate Promoter, holds following stake in three projects being undertaken by Vishnushiva JV:

| Sr. No. | Name of Projects                              | Stake of SEL (in percentage) |
|---------|-----------------------------------------------|------------------------------|
| 1.      | Vishnushiva JV (Maheshpur Colliery Project)   | 75.00                        |
| 2.      | Vishnushiva JV (Kapurdi Project)              | 75.00                        |
| 3.      | Vishnushiva JV (Jalipa Lignite Mines Project) | 75.00                        |

##### *Financial Information*

The relevant details of operating results of Vishnushiva JV for the last three Financial Years to the extent that the last audited financial statements are available, as follows:

*(in ₹ million, except per stake data)*

| Particulars | For the Financial Year |      |      |
|-------------|------------------------|------|------|
|             | 2014                   | 2013 | 2012 |

| Particulars               | For the Financial Year |      |      |
|---------------------------|------------------------|------|------|
|                           | 2014                   | 2013 | 2012 |
| Total income              | 173.50                 | -    | N.A. |
| Profit/loss after tax     | -                      | -    | N.A. |
| Partner's capital account | -                      | -    | N.A. |

## B. Details of other Group Companies

### 1. Corsan Corviam Const S.A.-Sadbhav Engineering Limited Joint Venture ("Corsan SEL JV")

#### *Information*

Corsan SEL JV was constituted as an AOP on April 23, 2013. Corsan SEL JV is carrying out works of part design and construction of: (i) elevated viaduct and three elevated station on Mundka – Bahadurgarh corridor of phase –III of Delhi MRTS ("Corsan Corviam Const S.A. - SEL JV DMRC-CC43"); and (ii) elevated viaduct from Mundka to Tikri Border and four elevated station including architectural finishing, water supply, sanitary installation, drainage and civil work related to E & M of Mundka – Bahadurgarh Corridor of phase–III of Delhi MRTS ("Corsan Corviam Const S.A.-SEL (DMRCCC47)") under the terms of August 13, 2013. By way of Memorandum of Understanding dated January 7, 2015, SEL has taken over the project assets and all responsibilities and the project will be completed solely by SEL with effect from November 19, 2014.

#### *Interest of our Promoters*

SEL, our corporate Promoter, holds following stake in two projects being undertaken by Corsan SEL JV:

| Sr. No. | Name of Projects                             | Stake of SEL (in percentage) |
|---------|----------------------------------------------|------------------------------|
| 1.      | Corsan Corviam Const S.A. - SEL JV DMRC-CC43 | 40.00                        |
| 2.      | Corsan Corviam Const S.A.-SEL (DMRCCC47)     | 40.00                        |

### 2. Mysore – Bellary Highway Private Limited

#### *Corporate Information*

Mysore – Bellary Highway Private Limited ("MBHPL") was incorporated on February 21, 2014 under the Companies Act, 1956 at Ahmedabad. MBHPL is currently involved in the business of designing, building, financing, operating, maintaining and transferring the existing state highway (SH-3 and 33) from Mallavali to Pavagada in Karnataka on DBFOT (annuity) basis.

#### *Interest of our Promoters*

SEL holds 33,699,560 equity shares constituting 74.00% of the issued and paid up equity share capital of MBHPL. Vishnubhai M. Patel holds 10 shares aggregating to a negligible percentage of the issued and paid up share capital of MBHPL.

### 3. Sadbhav Finstock Private Limited

#### *Corporate Information*

Sadbhav Finstock Private Limited ("SFPL") was incorporated on May 18, 1994 under the Companies Act, 1956 at Ahmedabad. It is an unlisted company. SFPL is involved in the business of *inter alia* manufacturing, developing, importing, exporting, buying, selling, distributing, transferring, hiring, leasing, licensing, using, disposing off, operating, fabricating, constructing, assembling, recording, maintaining, repairing, reconditioning, working, altering, converting, improving, procuring, installing and modifying and acting as a consultant, agent, broker, representative or otherwise for dealing in all kinds of electronic and electrical apparatuses, software, hardware, equipment, etc.

#### *Interest of our Promoters*



Vishnubhai M. Patel along with certain joint holders holds 5,440 equity shares constituting 54.40% of the issued and paid up equity share capital of SFPL.

#### **4. Sadbhav Engineering Limited-Vaishnovi Constructions Joint Venture**

##### *Information*

Sadbhav Engineering Limited-Vaishnovi Constructions Joint Venture (“Vaishnovi JV”) was constituted as an AOP on February 4, 2013 under applicable laws. Its income tax PAN is AAJAS3297B. Vaishnovi JV is involved in the business of execution of Halon irrigation project complete on turnkey basis, that is construction of earthen dam, central spillway, non over flow portion (composite dam) instrumentation, drilling and grouting, control room, radial gate and stop log with all hoisting arrangements, along with remote control system, trunnion bridge. Gantry crane consolidation/ curtain grouting, fish ladder, D/S bridge and any other related miscellaneous works.

##### *Interest of our Promoters*

SEL, our corporate Promoter, holds 72.00% stake in the Vaishnovi JV.

#### **5. Sadbhav Quarry Works Private Limited**

##### *Corporate Information*

SQWPL was incorporated on August 16, 1994 under the Companies Act, 1956 at Ahmedabad. It is an unlisted company. SQWPL is involved in the business of purchasing, taking on lease or otherwise acquiring any land to be used as quarry, acquiring quarry rights and undertaking and carrying on the business of quarry masters, explorers, prospectors and manufacturing, processing, designing, importing, purchasing, selling and generally dealing in and acting as brokers, agents, transporters, stockists, job workers and suppliers of gravel, rubble, grit, kapachi, stones of all types and size and sand.

##### *Interest of our Promoters*

Vishnubhai M. Patel along with certain joint holders hold 5,000 equity shares constituting 100.00% of the issued and paid up equity share capital of SQWPL.

#### **6. Sadbhav Realty Private Limited**

##### *Corporate Information*

Sadbhav Realty Private Limited (“SRPL”) was incorporated as Sadbhav Finvest Private Limited on November 30, 2005 under the Companies Act, 1956 at Ahmedabad. The name was subsequently changed to Sadbhav Realty Private Limited and a fresh certificate of incorporation was issued on February 9, 2007. It is an unlisted company. SRPL is involved in the business of *inter alia* construction and development of buildings, multiplexes, theatres, entertainment parks, holiday resorts, spa, lakes, canals, hotels, hospitals, schools, places of worship, infrastructure projects and acquisition of land for development purpose.

##### *Interest of our Promoters*

Vishnubhai M. Patel along with joint holders, holds 21,217,500 equity shares constituting 99.16% of the issued and paid up equity share capital of SRPL.

#### **7. V.M. Patel (HUF)**

##### *Information*

Vishnubhai M. Patel- HUF (“VMP HUF”) was created on April 2, 1981. The PAN number of VMP HUF is AABHP8777J. It is an unlisted entity.

##### *Interest of our Promoters*

Vishnubhai M. Patel, our Promoter, is the karta of VMP HUF.

## **8. Santokba Trust**

### *Information*

Santokba Trust was created on March 27, 2001. The PAN number of Santokba Trust is AACTS2065B.

### *Interest of our Promoters*

Vishnubhai M. Patel, our Promoter, is a trustee of Santokba Trust.

## **9. SPCT**

### *Information*

SPCT was incorporated on November 18, 1995 under the Bombay Public Trusts Act, 1950, at Ahmedabad. The trust registration number is ET-10841. It is an unlisted company. The main object of the company is to undertake all the activities of public interest, like ayurvedic reliefs, health, to construct hospitals, to construct and to run the dispensary/clinic, roads, wells, lakes, water works, reformation of backward communities, village upliftment, village industry activity, construct and run the shelter-homes for the elderly, and to help the families of poor and middle class and to take on hand activities in respect of public welfare. It also aims to construct, to take, to administer and to help to institutions giving non-religious and secular education like, pre-primary schools, primary schools, secondary schools, arts, science, commerce, medical, engineering, technical etc. colleges and to give financial assistance etc. in respect of education to such students.

### *Interest of our Promoters*

SEL, our corporate Promoter, has donated an amount upto ₹ 0.81 million to SPCT. Vishnubhai M. Patel, our Promoter, is a trustee of SPCT.

### **Nature and Extent of Interest of Group Companies**

#### **(a) *In the promotion of our Company***

None of our Group Companies have any interest in the promotion or any business interest or other interests in our Company.

#### **(b) *In the properties acquired or proposed to be acquired by our Company in the past two years before filing this Draft Red Herring Prospectus with SEBI***

None of our Group Companies is interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of this Draft Red Herring Prospectus.

#### **(c) *In transactions for acquisition of land, construction of building and supply of machinery***

None of our Group Companies is interested in any transactions for the acquisition of land, construction of building or supply of machinery.

### **Common Pursuits among the Group Companies with our Company**

There are no common pursuits between any of our Group Companies and our Company.

### **Related Business Transactions within the Group Companies and significance on the financial performance of our Company**

For more information, see “Related Party Transactions” on page 286.

### **Significant Sale/Purchase between Group Companies and our Company**

None of our Group Companies is involved in any sales or purchase with our Company where such sales or purchases exceed in value in the aggregate of 10% of the total sales or purchases of our Company.

#### **Business Interest of Group Companies**

We have entered into certain business contracts with our Group Companies. For details, see “Business” and “Related Party Transactions” beginning on pages 195 and 286, respectively.

Other than as stated above, none of our Group Companies have any business interest in our Company.

#### **Defunct Group Companies**

None of our Group Companies remain defunct and other than SBTPL, no application has been made to the Registrar of Companies for striking off the name of any of our Group Companies during the five years preceding the date of filing of this Draft Red Herring Prospectus with SEBI. Further, none of our Group Companies fall under the definition of sick companies under SICA and none of them is under winding up.

#### **Loss making Group Companies:**

The following tables set forth the details of our Group Companies which have incurred loss in the last Financial Year and profit/(loss) made by them in the last three Financial Years, on the basis of latest audited financial statements available:

| Sr.<br>No. | Name of the entity | Profit/(Loss) (Amount in ₹ million) |        |         |
|------------|--------------------|-------------------------------------|--------|---------|
|            |                    | For the Financial Year              |        |         |
|            |                    | 2014                                | 2013   | 2012    |
| 1.         | SRPL               | (1.79)                              | (5.49) | (92.07) |
| 2.         | SPCT               | (0.82)                              | (1.27) | (0.01)  |

None of the securities of our Group Companies are listed on any stock exchange and none of our Group Companies have made any public or rights issue of securities in the preceding three years.

None of the Group Companies have been debarred from accessing the capital market for any reasons by the SEBI or any other authorities.

None of the Group Companies have been identified as wilful defaulters by the RBI or other authorities.

## **RELATED PARTY TRANSACTIONS**

For details of related party transactions during the last five fiscal years and nine months period ended December 31, 2014, as per the requirements under Accounting Standard 18 “Related Party Disclosures” issued by the Institute of Chartered Accountants of India, see “Financial Statements – Annexure: XXVIII - Restated Unconsolidated Statement of Related Party” and “Financial Statements – Annexure: XXXIII - Restated Consolidated Statement of Related Parties” from page 338 to 349 and 432 to 437, respectively.

## **DIVIDEND POLICY**

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements, contractual obligations, applicable legal restrictions and overall financial position of our Company. Our Company has no formal dividend policy.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, see “Financial Indebtedness” beginning on page 448.

We have not declared any dividends in any of the Financial Years preceding the filing of this Draft Red Herring Prospectus.

## SECTION V: FINANCIAL INFORMATION

### FINANCIAL STATEMENTS

#### **Report of auditors on the Restated Unconsolidated Financial Information of Sadbhav Infrastructure Project Limited as at and for nine months period ended December 31, 2014 and as at and for each of the years ended March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010**

To  
The Board of Directors  
Sadbhav Infrastructure Project Limited  
Sadbhav House  
Opp. Law Garden Police Chowki  
Ellis bridge  
Ahmedabad – 380 006

Dear Sirs,

1. We, S.R.B.C. & Co. LLP ('SRBC') and Manubhai & Shah (formerly Manubhai & Co.) ('M&S'), have jointly examined the restated unconsolidated financial information of Sadbhav Infrastructure Project Limited ('Company') as at and for the nine-months period ended December 31, 2014 and as at and for the years ended March 31, 2014, 2013, 2012, 2011 and 2010, annexed to this report, prepared by the Company for the purpose of inclusion in the offer document ('Restated Unconsolidated Financial Information') in connection with its proposed Initial Public Offer ('IPO'). Such financial information, which has been approved by the Board of Directors of the Company, has been prepared in accordance with the requirements of:
  - a. Sub-clause (i), (ii) and (iii) of clause (b) of Sub-section (1) of Section 26 of Chapter III of the Companies Act, 2013 ('the Act') read with rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014; and
  - b. Relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ('the Regulations') issued by the Securities and Exchange Board of India ('SEBI') on August 26, 2009, as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992.

SRBC and M&S are collectively referred to as the "Joint Auditors", and the references to the Joint Auditors as "we", "us" or "our", in this report, shall be construed accordingly.

2. We have jointly examined such restated unconsolidated financial information taking into consideration:
  - a. the terms of our engagement agreed with you vide our engagement letter dated September 12, 2014, requesting us to carry out the assignment, in connection with the offer document being issued by the Company for its proposed IPO; and
  - b. The Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India.
3. The Company proposes to make an initial public offer of equity shares, and an offer for sale by certain shareholders, having a face value of ₹ 10 each, at an issue price to be arrived at by the book building process (referred to as the 'Offer'), as may be decided by the Board of Directors of the Company.
4. The Restated Unconsolidated Financial Information of the Company has been compiled by the management from the audited unconsolidated financial statements of the Company as at and for the nine-months period ended December 31, 2014 and as at and for each of the years ended March 31, 2014, 2013, 2012, 2011 and 2010, prepared in accordance with accounting principles generally accepted in India at the relevant time and which have been approved by the Board of Directors. The financial statements for the years ended March 31, 2014, 2013, 2012 and 2011 have been jointly audited by S.V. Ghatalia & Associates LLP (formerly, S.V. Ghatalia & Associates) and M&S and further, the financial statements for the year ended March 31, 2010 have been audited by M&S and have been solely relied upon by SRBC. The Company has also provided us with the financial and other records of the Company in relation to the years ended March 31,

2011 and 2010, to the extent considered necessary, for the presentation of the Restated Unconsolidated Financial Information under the requirements of the Revised Schedule VI of the Companies Act 1956. S.V. Ghatalia & Associates LLP is hereinafter referred to as erstwhile auditors.

5. In accordance with the requirements of Sub-clause (i), (ii) and (iii) of clause (b) of Sub-section (1) of Section 26 of Chapter III of the Act read with rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the Regulations and terms of our engagement agreed with you, we report that, read with paragraph 4 above, we have jointly examined the Restated Unconsolidated Summary Statements of Assets and Liabilities of the Company as at December 31, 2014, March 31, 2014, 2013, 2012, 2011 and 2010 and the related Restated Unconsolidated Summary Statement of Profits and Losses and Restated Unconsolidated Summary Statement of Cash Flows for nine-months period ended December 31, 2014 and for each of the years ended March 31, 2014, 2013, 2012, 2011 and 2010 and as set out in Annexures I to III.

6. Based on the above, we further report that:

- a. The Restated Summary Statement of Assets and Liabilities, Restated Summary Statement of Profit and Loss and Restated Summary of Cash Flows of the Company have been examined by us and have been arrived at after making such adjustments and regroupings as, in our opinion, are appropriate and more fully described in the notes appearing in Annexure IV to this report;
- b. The accounting policies as at and for the nine months period ended December 31, 2014 are materially consistent with the policies adopted for the years ended March 31, 2014, 2013, 2012, 2011 and 2010. Accordingly, no adjustments have been made to the audited financial statements of the respective periods presented on account of changes in accounting policies;
- c. Adjustments for the material amounts in the respective financial years to which they relate have been adjusted in the attached Restated Unconsolidated Financial Information;
- d. There are no extraordinary items which need to be disclosed separately in the Restated Unconsolidated Financial Information;
- e. There are no qualifications in the auditors' reports, which require any adjustments to the Restated Unconsolidated Financial Information;
- f. Other qualifications included in the Annexure to the auditor's report on the Financial Statements, a statement on certain matters specified in the Companies (Auditors Report) Order, 2003, for the years ended March 31, 2014, 2013, 2012, 2011 and 2010, which do not require any corrective adjustment in the financial information, are as follows:

1. For the financial year ended March 31, 2014

i. Clause (vii)

*During the year, no internal audit was carried out and accordingly, we are unable to comment on the internal audit system.*

ii. Clause (ix)(a)

Undisputed statutory dues including provident fund, income tax, sales tax, service tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities *though there has been a slight delay in few cases*. According to the information and explanation given to us there are no dues payable on account of Investors Education and Protection Fund, Employee's State Insurance, custom duty, excise duty and cess during the year.

iii. Clause (ix)(c)

According to the records of the Company, the dues outstanding of service tax on account of any dispute, is as follows:

| Nature of the Statute | Nature of the Dues | Amount (₹ in million) | Period to which amount relates | Forum where dispute is pending |
|-----------------------|--------------------|-----------------------|--------------------------------|--------------------------------|
| The Finance Act,      | Service tax        | 40.98                 | FY 2009-10 and                 | Appeal filed with              |

|      |  |  |            |                     |
|------|--|--|------------|---------------------|
| 1994 |  |  | FY 2010-11 | CESTAT<br>Ahmedabad |
|------|--|--|------------|---------------------|

iv. Clause (xvii)

According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds amounting to ₹ 2,980.68 million raised on short term basis in the form of unsecured loan from related party and have been used for investment in equity shares and sub-ordinate debts to its subsidiaries and associate as promoter's contributions.

2. For the financial year ended March 31, 2013

i. Clause (vii)

*During the year, no internal audit was carried out and accordingly, we are unable to comment on the internal audit system.*

ii. Clause (ix)(a)

Undisputed statutory dues including provident fund, income tax, sales tax, service tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in cases of provident fund, professional tax and tax deducted at source on professional fees. According to the information and explanation given to us there are no dues payable on account of Investors Education and Protection Fund, Employee's State Insurance, custom duty, excise duty and cess during the year.

iii. Clause (ix)(c)

According to the records of the Company, the dues outstanding of service tax on account of any dispute, is as follows:

| Nature of the Statute | Nature of the Dues | Amount (₹ in million) | Period to which amount relates | Forum where dispute is pending                    |
|-----------------------|--------------------|-----------------------|--------------------------------|---------------------------------------------------|
| The Finance Act, 1994 | Service tax        | 43.48*                | FY 2009-10 and FY 2010-11      | In process of filing appeal with CESTAT Ahmedabad |

\* Order received on May 10, 2013

3. For the financial year ended March 31, 2012

i. Clause (vii)

*During the year, no internal audit was carried out and accordingly, we are unable to comment on the internal audit system.*

4. For the financial year ended March 31, 2011

i. Clause (vii)

*The Company does not have an internal audit system.*

ii. Clause (ix)(a)

The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, cess and other material statutory dues applicable to it though there has been delay in deposit of service tax amounting to ₹ 24.20 million which has been deposited along with interest after significant period of delay.



Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act, 1956, we are not in a position to comment upon regularity or otherwise of the Company in depositing the same.

5. For the financial year ended March 31, 2010

i. Clause (vii)

The Company does not have an internal audit system.

7. We have not audited any financial statements of the Company as of any date or for any period subsequent to December 31, 2014. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the Company as of any date or for any period subsequent to December 31, 2014.

#### **Other Financial Information:**

8. At the Company's request, we have also examined the following unconsolidated financial information proposed to be included in the offer document, prepared by the management and approved by the Board of Directors of the Company and annexed to this report relating to the Company as at and for the nine-months period ended December 31, 2014 and as at and for each of the years ended March 31, 2014, 2013, 2012, 2011 and 2010:

- (i) Restated Unconsolidated Statement of Share Capital, enclosed as Annexure VI
- (ii) Restated Unconsolidated Statement of Reserves and Surplus, enclosed as Annexure VII
- (iii) Restated Unconsolidated Statement of Long term borrowings, enclosed as Annexure VIII
- (iv) Restated Unconsolidated Statement of Long term provisions, enclosed as Annexure IX
- (v) Restated Unconsolidated Statement of Short term borrowings, enclosed as Annexure IX
- (vi) Restated Unconsolidated Statement of Trade Payables, enclosed as Annexure X
- (vii) Restated Unconsolidated Statement of Other Current Liabilities, enclosed as Annexure XII
- (viii) Restated Unconsolidated Statement of Short term Provisions, enclosed as Annexure XIII
- (ix) Restated Unconsolidated Statement of Tangible Fixed Assets, enclosed as Annexure XIIIV
- (x) Restated Unconsolidated Statement of Non-Current Investments, enclosed as Annexure XV
- (xi) Restated Unconsolidated Statement of Long term Loans and Advances, enclosed as Annexure XVI
- (xii) Restated Unconsolidated Statement of Other Non-Current Assets, enclosed as Annexure XVII
- (xiii) Restated Unconsolidated Statement of Current Investments, enclosed as Annexure XVIII
- (xiv) Restated Unconsolidated Statement of Trade Receivables, enclosed as Annexure XIX
- (xv) Restated Unconsolidated Statement of Cash and Bank Balances, enclosed as Annexure XX
- (xvi) Restated Unconsolidated Statement of Short term Loans and Advances, enclosed as Annexure XXI
- (xvii) Restated Unconsolidated Statement of Other Current Assets, enclosed as Annexure XXII
- (xviii) Restated Unconsolidated Statement of Revenue from Operations, enclosed as Annexure XXIII
- (xix) Restated Unconsolidated Statement of Other Income, enclosed as Annexure XXIV
- (xx) Restated Unconsolidated Statement of Operating Expenses, enclosed as Annexure XXV
- (xxi) Restated Unconsolidated Statement of Employee Benefits Expense, enclosed as Annexure XXVI
- (xxii) Restated Unconsolidated Statement of Other expenses, enclosed as Annexure XXVII
- (xxiii) Restated Unconsolidated Statement of Finance Costs, enclosed as Annexure XXVIII
- (xxiv) Restated Unconsolidated Statement of Related Party Transactions As per Accounting Standard 18 Related Party Disclosures, enclosed as Annexure XXIX
- (xxv) Restated Unconsolidated Statement of Contingent Liabilities and Commitments, enclosed as Annexure XXX
- (xxvi) Restated Unconsolidated Statement of Accounting Ratios, enclosed as Annexure XXXI
- (xxvii) Restated Unconsolidated Statement of Segment Information, enclosed as Annexure XXXII
- (xxviii) Restated Unconsolidated Summary Statement of Dividend, enclosed as Annexure XXXIII
- (xxix) Statement of Tax Shelter, enclosed as Annexure XXXIV
- (xxx) Capitalisation Statement, enclosed as Annexure XXXV

9. In our opinion, the financial information as disclosed in the annexures to this report, read with the respective significant accounting policies and notes disclosed in Annexure V, and after making adjustments

and re-groupings as considered appropriate and disclosed in Annexure IV, have been prepared in accordance with the provisions of the Act and the Regulations.

10. This report should not be in any way construed as a reissuance or redating of any of the previous audit reports issued by us or by other firm of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. This report is intended solely for your information and for inclusion in the Offer Document in connection with the proposed IPO of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For S. R. B. C. & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No.: 324982E

Per Arpit K. Patel  
Partner  
Membership Number: 34032  
Place: Ahmedabad  
Date: April 14, 2015

For Manubhai & Shah  
Chartered Accountants  
ICAI Firm Registration No.: 106041W

Per K. C. Patel  
Partner  
Membership Number: 30083  
Place: Ahmedabad  
Date: April 14, 2015

**Sadbhav Infrastructure Project Limited**

**Annexure: I**

**Restated Unconsolidated Summary Statement of Assets and Liabilities**

(₹ in Million)

|            |                                    | Annexure | As at            | As at            | As at            | As at           | As at           | As at         |
|------------|------------------------------------|----------|------------------|------------------|------------------|-----------------|-----------------|---------------|
|            |                                    | No.      | December         | March            | March            | March           | March           | March         |
|            |                                    |          | 31,2014          | 31,2014          | 31,2013          | 31,2012         | 31,2011         | 31,2010       |
| <b>I</b>   | <b>Equity and Liabilities</b>      |          |                  |                  |                  |                 |                 |               |
| <b>(1)</b> | <b>Shareholders' Funds</b>         |          |                  |                  |                  |                 |                 |               |
|            | (a) Share Capital                  | VI       | 3 109.63         | 282.58           | 282.58           | 264.23          | 264.23          | 0.50          |
|            | (b) Reserves and Surplus           | VII      | 5 520.17         | 8 014.71         | 8 006.61         | 6 659.71        | 6 400.44        | 8.61          |
|            |                                    |          | <b>8 629.80</b>  | <b>8 297.29</b>  | <b>8 289.19</b>  | <b>6 923.94</b> | <b>6 664.67</b> | <b>9.11</b>   |
| <b>(2)</b> | <b>Non-Current Liabilities</b>     |          |                  |                  |                  |                 |                 |               |
|            | (a) Long-Term Borrowings           | VIII     | 5 632.48         | 2 550.00         | 2 550.00         | 650.00          | -               | -             |
|            | (b) Deferred Tax Liabilities (net) |          | -                | -                | -                | -               | -               | 0.27          |
|            | (c) Long- term Provisions          | IX       | 0.70             | 0.49             | 0.39             | 0.63            | 0.47            | -             |
|            |                                    |          | <b>5 633.18</b>  | <b>2 550.49</b>  | <b>2 550.39</b>  | <b>650.63</b>   | <b>0.47</b>     | <b>0.27</b>   |
| <b>(3)</b> | <b>Current Liabilities</b>         |          |                  |                  |                  |                 |                 |               |
|            | (a) Short-Term Borrowings          | X        | 5 230.68         | 4 163.06         | 925.61           | 597.88          | -               | 336.32        |
|            | (b) Trade Payables                 | XI       | 306.88           | 216.97           | 175.39           | 111.68          | 1.72            | 47.78         |
|            | (c) Other Current Liabilities      | XII      | 517.69           | 675.70           | 353.14           | 554.34          | 514.07          | 515.12        |
|            | (d) Short-Term Provisions          | XIII     | 0.03             | 0.03             | -                | 16.73           | 11.19           | -             |
|            |                                    |          | <b>6 055.28</b>  | <b>5 055.76</b>  | <b>1 454.14</b>  | <b>1 280.63</b> | <b>526.98</b>   | <b>899.22</b> |
|            | <b>Total</b>                       |          | <b>20 318.26</b> | <b>15 903.54</b> | <b>12 293.72</b> | <b>8 855.20</b> | <b>7 192.12</b> | <b>908.60</b> |
| <b>II</b>  | <b>Assets</b>                      |          |                  |                  |                  |                 |                 |               |
| <b>(1)</b> | <b>Non-current assets</b>          |          |                  |                  |                  |                 |                 |               |
|            | (a) Fixed Assets                   | XIV      | 13.15            | 14.07            | 15.21            | 16.50           | 0.13            | -             |
|            | (b) Non- Current Investments       | XV       | 3 513.93         | 3 133.16         | 2 100.00         | 1 944.02        | 1 092.84        | 0.05          |
|            | (c) Deferred Tax Assets (net)      |          | -                | 0.22             | 0.15             | 0.09            | -               | -             |
|            | (d) Long-Term Loans and Advances   | XVI      | 13 137.81        | 10 354.72        | 8 269.61         | 5 650.86        | 3 677.20        | 813.46        |
|            | (e) Other Non-Current Assets       | XVII     | 460.13           | 329.05           | 211.63           | 103.76          | 39.40           | -             |
|            |                                    |          | <b>17 125.02</b> | <b>13 831.22</b> | <b>10 596.60</b> | <b>7 715.23</b> | <b>4 809.57</b> | <b>813.51</b> |
| <b>(2)</b> | <b>Current assets</b>              |          |                  |                  |                  |                 |                 |               |
|            | (a) Current investments            | XVIII    | -                | -                | 10.03            | 0.08            | 45.74           | 0.81          |
|            | (b) Trade Receivables              | XIX      | 507.77           | 597.79           | 114.33           | 76.43           | 34.25           | -             |
|            | (c) Cash and Bank Balances         | XX       | 41.34            | 10.81            | 0.22             | 4.75            | 1.35            | 0.66          |
|            | (d) Short-term loans and advances  | XXI      | 2 271.41         | 1 411.15         | 1 268.86         | 1 058.71        | 2 257.61        | 50.02         |
|            | (e) Other Current Assets           | XXII     | 372.72           | 52.57            | 303.68           | -               | 43.60           | 43.60         |
|            |                                    |          | <b>3 193.24</b>  | <b>2 072.32</b>  | <b>1 697.12</b>  | <b>1 139.97</b> | <b>2 382.55</b> | <b>95.09</b>  |
|            | <b>Total</b>                       |          | <b>20 318.26</b> | <b>15 903.54</b> | <b>12 293.72</b> | <b>8 855.20</b> | <b>7 192.12</b> | <b>908.60</b> |

**Notes:**

1. The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV & V.

As per our report of even date

**For S. R. B. C. & Co. LLP**  
**Chartered Accountants**  
**ICAI Firm Registration No.:**  
**324982E**

**For Manubhai & Shah**  
**Chartered Accountants**  
**ICAI Firm Registration No.:**  
**106041W**

**For and on behalf of the Board of Directors of**  
**Sadbhav Infrastructure Project Limited**

**Arpit K. Patel**  
**Partner**  
**Membership No.: 34032**

**K. C Patel**  
**Partner**  
**Membership No.: 30083**

**Mr. Vasistha Patel**  
**Managing Director**

**Mr. Vishnubhai Patel**  
**Director**

**Place: Ahmedabad**  
**Date: April 14, 2015**

**Place: Ahmedabad**  
**Date: April 14, 2015**

**Mr. Gaurav Vesasi**  
**Company Secretary**

**Mr. Varun Mehta**  
**Chief Financial Officer**

**Place: Ahmedabad**  
**Date: April 14, 2015**

**Sadbhav Infrastructure Project Limited**

**Annexure: II**

**Restated Unconsolidated Summary Statement of Profits and Losses**

(₹ in Million)

|                                                                                                     | Annexure | Period ended     | Year ended      | Year ended      | Year ended    | Year ended    | Year ended    |
|-----------------------------------------------------------------------------------------------------|----------|------------------|-----------------|-----------------|---------------|---------------|---------------|
|                                                                                                     | No.      | December 31,2014 | March 31,2014   | March 31,2013   | March 31,2012 | March 31,2011 | March 31,2010 |
| Revenue from Operations                                                                             | XXIII    | 554.88           | 911.75          | 899.22          | 739.11        | 153.39        | 126.41        |
| Other income                                                                                        | XXIV     | 248.87           | 246.57          | 267.62          | 215.50        | 183.57        | 2.53          |
| <b>Total Revenue</b>                                                                                |          | <b>803.75</b>    | <b>1 158.32</b> | <b>1 166.84</b> | <b>954.61</b> | <b>336.96</b> | <b>128.94</b> |
| <b>Expenses</b>                                                                                     |          |                  |                 |                 |               |               |               |
| Operating Expenses                                                                                  | XXV      | 429.26           | 461.45          | 741.05          | 417.29        | -             | 7.21          |
| Employee benefits expense                                                                           | XXVI     | 28.20            | 29.57           | 12.01           | 6.49          | 5.65          | 2.03          |
| Other expenses                                                                                      | XXVII    | 76.90            | 106.09          | 31.64           | 100.58        | 65.31         | 1.32          |
|                                                                                                     |          | <b>534.36</b>    | <b>597.11</b>   | <b>784.70</b>   | <b>524.36</b> | <b>70.96</b>  | <b>10.56</b>  |
| <b>Restated Profit / (Loss) before Finance costs, depreciation and amortisation and tax expense</b> |          | <b>269.39</b>    | <b>561.21</b>   | <b>382.14</b>   | <b>430.25</b> | <b>266.00</b> | <b>118.38</b> |
| Finance costs                                                                                       | XXVIII   | 685.68           | 526.77          | 214.22          | 42.45         | 34.89         | 87.58         |
| Depreciation                                                                                        | XIV      | 0.98             | 1.14            | 1.29            | 0.55          | -             | -             |
|                                                                                                     |          |                  |                 |                 |               |               |               |
| <b>Restated Profit / (Loss) before tax</b>                                                          |          | <b>( 417.27)</b> | <b>33.30</b>    | <b>166.63</b>   | <b>387.25</b> | <b>231.11</b> | <b>30.80</b>  |
| <b>Tax expense:</b>                                                                                 |          |                  |                 |                 |               |               |               |
| (a) Current Tax                                                                                     |          | -                | 25.28           | 50.36           | 127.89        | 77.16         | 17.15         |
| (b) Deferred Tax - Charge/ (Credit)                                                                 |          | 0.22             | (0.08)          | (0.05)          | (0.09)        | (0.27)        | 0.27          |
| <b>Total Tax Expense</b>                                                                            |          | <b>0.22</b>      | <b>25.20</b>    | <b>50.31</b>    | <b>127.80</b> | <b>76.89</b>  | <b>17.42</b>  |
| <b>Restated Net Profit/(Loss) after tax</b>                                                         |          | <b>( 417.49)</b> | <b>8.10</b>     | <b>116.32</b>   | <b>259.45</b> | <b>154.22</b> | <b>13.38</b>  |

**Notes:**

- The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV & V.

As per our report of even date

For S. R. B. C. & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No.:  
324982E

For Manubhai & Shah  
Chartered Accountants  
ICAI Firm Registration No.:  
106041W

For and on behalf of the Board of Directors of  
Sadbhav Infrastructure Project Limited

Arpit K. Patel  
Partner  
Membership No.: 34032

K. C Patel  
Partner  
Membership No.: 30083

Mr. Vasistha Patel  
Managing Director

Mr. Vishnubhai Patel  
Director

Place: Ahmedabad  
Date: April 14, 2015

Place: Ahmedabad  
Date: April 14, 2015

Mr. Gaurav Vesasi  
Company Secretary

Mr. Varun Mehta  
Chief Financial Officer

Place: Ahmedabad  
Date: April 14, 2015

**Sadbhav Infrastructure Project Limited**

**Annexure: III**

**Restated Unconsolidated Summary Statement of Cash Flows**

(₹ in Million)

|            | Particulars                                                                            | Nine Months ended | Year ended    | Year ended       | Year ended    | Year ended      | Year ended    |
|------------|----------------------------------------------------------------------------------------|-------------------|---------------|------------------|---------------|-----------------|---------------|
|            |                                                                                        | December 31,2014  | March 31,2014 | March 31,2013    | March 31,2012 | March 31,2011   | March 31,2010 |
| <b>(A)</b> | <b>Cash flows from operating activities</b>                                            |                   |               |                  |               |                 |               |
|            | <b>Restated Profit / (Loss) before tax</b>                                             | <b>( 417.27)</b>  | <b>33.30</b>  | <b>166.63</b>    | <b>387.25</b> | <b>231.11</b>   | <b>30.80</b>  |
|            | <b>Adjustments for:</b>                                                                |                   |               |                  |               |                 |               |
|            | Depreciation and amortisation                                                          | 0.98              | 1.14          | 1.29             | 0.55          | -               | -             |
|            | Finance Costs                                                                          | 685.68            | 526.77        | 214.22           | 42.45         | 34.89           | 87.58         |
|            | Dividend income                                                                        | -                 | ( 0.03)       | ( 11.87)         | ( 3.22)       | ( 8.21)         | -             |
|            | Gain on sale of Investments (net)                                                      | ( 0.02)           | ( 0.26)       | ( 4.71)          | ( 0.37)       | ( 0.04)         | ( 0.01)       |
|            | Interest income                                                                        | ( 248.85)         | ( 246.28)     | ( 250.80)        | ( 211.86)     | ( 175.32)       | ( 2.52)       |
|            | Provision for Dimunition in value of Non-Current Investments                           | -                 | 0.37          | -                | -             | -               | -             |
|            | Trade Receivables written off                                                          | -                 | -             | 0.41             | 10.92         | -               | -             |
|            | <b>Operating Profit before working capital changes</b>                                 | <b>20.52</b>      | <b>315.01</b> | <b>115.17</b>    | <b>225.72</b> | <b>82.43</b>    | <b>115.85</b> |
|            | <b>Adjustments for:</b>                                                                |                   |               |                  |               |                 |               |
|            | Decrease/(Increase) in trade receivables                                               | 90.02             | ( 483.46)     | ( 38.30)         | ( 53.11)      | ( 34.25)        | 0.67          |
|            | Decrease/(Increase) in Long term Loans and Advances                                    | -                 | ( 62.23)      | -                | -             | -               | -             |
|            | Decrease/(Increase) in Short term Loans and Advances                                   | 20.35             | 2.52          | 70.88            | ( 129.65)     | 38.42           | ( 43.48)      |
|            | Decrease/(Increase) in other current assets                                            | ( 91.22)          | 289.02        | ( 301.38)        | 43.60         | -               | ( 43.60)      |
|            | Increase/(Decrease) in trade payables                                                  | 89.91             | 41.58         | 63.71            | 109.96        | ( 46.06)        | 47.68         |
|            | Increase/(Decrease) in other liabilities                                               | ( 68.67)          | 111.29        | ( 199.61)        | 11.60         | ( 1.05)         | 514.86        |
|            | Increase/(Decrease) in long term provisions                                            | 0.21              | 0.10          | ( 0.24)          | 0.16          | 0.47            | -             |
|            | Increase/(Decrease) in short term provisions                                           | -                 | 0.03          | -                | -             | -               | -             |
|            | <b>Cash generated/ (used) from/in operations</b>                                       | <b>61.12</b>      | <b>213.86</b> | <b>( 289.77)</b> | <b>208.28</b> | <b>39.96</b>    | <b>591.98</b> |
|            | Direct taxes paid (net)                                                                | (22.49)           | (21.03)       | (83.43)          | (126.29)      | (59.44)         | (23.69)       |
|            | <b>Net cash generated / (used) from / in operating activities</b>                      | <b>38.63</b>      | <b>192.83</b> | <b>( 373.20)</b> | <b>81.99</b>  | <b>( 19.48)</b> | <b>568.29</b> |
|            |                                                                                        |                   |               |                  |               |                 |               |
| <b>(B)</b> | <b>Cash flows from investing activities</b>                                            |                   |               |                  |               |                 |               |
|            | Purchase of tangible assets, Increase in Capital Work-in-Progress and Capital Advances | ( 0.06)           | ( 0.13)       | ( 3.32)          | ( 1.68)       | ( 11.95)        | -             |
|            | Purchase of Units of Mutual Fund                                                       | ( 7.50)           | ( 244.24)     | (3 580.57)       | (1 144.80)    | (3 588.03)      | ( 0.80)       |
|            | Proceeds from sale of Units of                                                         | 7.52              | 254.54        | 3 575.33         | 1 190.83      | 3 543.14        | -             |

| Particulars |                                                                                                                    | Nine Months ended | Year ended        | Year ended        | Year ended        | Year ended        | Year ended       |
|-------------|--------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|
|             |                                                                                                                    | December 31,2014  | March 31,2014     | March 31,2013     | March 31,2012     | March 31,2011     | March 31,2010    |
|             | Mutual Fund                                                                                                        |                   |                   |                   |                   |                   |                  |
|             | Dividend received                                                                                                  | -                 | 0.03              | 11.87             | 3.22              | 8.21              | -                |
|             | Loans Given to third parties                                                                                       | ( 248.80)         | ( 170.00)         | -                 | -                 | -                 | -                |
|             | Loans given to related parties                                                                                     | (1,558.02)        | (1,748.89)        | (3,275.06)        | (1,672.07)        | (4,653.27)        | -                |
|             | Loans received back from related parties                                                                           | 120.38            | 1 769.83          | 3 010.53          | 2 762.21          | 2 505.75          | -                |
|             | Sub-Ordinate Debt Given                                                                                            | (3 414.02)        | (2 828.21)        | (3 523.69)        | (1 900.72)        | (2 136.60)        | ( 811.02)        |
|             | Sub-Ordinate Debt received back                                                                                    | 1 584.22          | 545.85            | 950.00            | -                 | -                 | -                |
|             | Investment in share of subsidiary companies                                                                        | ( 196.33)         | (1 033.53)        | ( 154.19)         | ( 791.87)         | (1 090.35)        | -                |
|             | Investment in share of associate companies                                                                         | -                 | -                 | -                 | ( 57.28)          | -                 | -                |
|             | Purchase /refund of non-current investments (including share application money and advance against share purchase) | ( 309.41)         | 259.49            | ( 46.85)          | 155.40            | ( 822.79)         | ( 2.44)          |
|             | Interest received                                                                                                  | 35.39             | 90.96             | 140.62            | 147.49            | 135.93            | 2.52             |
|             | <b>Net cash used in investing activities</b>                                                                       | <b>(3 986.63)</b> | <b>(3 104.30)</b> | <b>(2 895.33)</b> | <b>(1 309.27)</b> | <b>(6 109.96)</b> | <b>( 811.74)</b> |
| <b>(C)</b>  | <b>Cash Flows from financing activities</b>                                                                        |                   |                   |                   |                   |                   |                  |
|             | Proceeds from issuance of share capital                                                                            | -                 | -                 | 18.35             | -                 | 263.73            | -                |
|             | Proceeds from securities premium on issuance of share capital                                                      | -                 | -                 | 1 231.65          | -                 | 6 338.08          | -                |
|             | Share issue expenses/ Initial Public Offer Expenses                                                                | ( 53.23)          | -                 | ( 1.25)           | -                 | ( 100.47)         | -                |
|             | Proceeds from long-term borrowings                                                                                 | 2 900.00          | -                 | 1 900.00          | 650.00            | -                 | -                |
|             | Proceeds from short-term borrowings                                                                                | 5 029.53          | 5 038.93          | 327.73            | 1 432.48          | 1 387.53          | 330.07           |
|             | Repayments of short-term borrowings                                                                                | (3 182.27)        | (1 801.47)        | -                 | ( 834.60)         | (1 723.85)        | -                |
|             | Finance Costs                                                                                                      | ( 715.50)         | ( 315.40)         | ( 212.48)         | ( 17.20)          | ( 34.89)          | ( 87.58)         |
|             | <b>Net cash generated from financing activities</b>                                                                | <b>3 978.53</b>   | <b>2 922.06</b>   | <b>3 264.00</b>   | <b>1 230.68</b>   | <b>6 130.13</b>   | <b>242.49</b>    |
|             | <b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>                                                | <b>30.53</b>      | <b>10.59</b>      | <b>( 4.53)</b>    | <b>3.40</b>       | <b>0.69</b>       | <b>( 0.96)</b>   |
|             | Cash and cash equivalents at beginning of the year / period                                                        | 10.81             | 0.22              | 4.75              | 1.35              | 0.66              | 1.62             |
|             | <b>Cash and cash equivalents at end of the year / period</b>                                                       | <b>41.34</b>      | <b>10.81</b>      | <b>0.22</b>       | <b>4.75</b>       | <b>1.35</b>       | <b>0.66</b>      |

**Notes:**

- (i) Components of cash and cash equivalents:

| (₹ in Million)                 |                  |               |               |               |               |               |
|--------------------------------|------------------|---------------|---------------|---------------|---------------|---------------|
| Particulars                    | December 31,2014 | March 31,2014 | March 31,2013 | March 31,2012 | March 31,2011 | March 31,2010 |
| Cash on hand                   | 0.02             | -             | 0.02          | 0.05          | 0.01          | 0.01          |
| Balances with scheduled banks: |                  |               |               |               |               |               |
| - In current accounts          | 20.24            | 10.81         | 0.20          | 4.70          | 1.34          | 0.65          |

| Particulars                                          | December 31, 2014 | March 31, 2014 | March 31, 2013 | March 31, 2012 | March 31, 2011 | March 31, 2010 |
|------------------------------------------------------|-------------------|----------------|----------------|----------------|----------------|----------------|
| - In Fixed Deposit Accounts                          | 21.08             | -              | -              | -              | -              | -              |
| <b>Cash and cash equivalents<br/>(Refer Note XX)</b> | <b>41.34</b>      | <b>10.81</b>   | <b>0.22</b>    | <b>4.75</b>    | <b>1.35</b>    | <b>0.66</b>    |

- (ii) The cash flow statement has been prepared under indirect method as per Accounting Standard -3 "Cash Flow Statement".
- (iii) The above cashflow does not include non cash items.
- (iv) Figures in brackets represent outflows
- (v) The above statement should be read with notes to restated unconsolidated summary statement of assets and liabilities, profit and loss and cash flows appearing in Annexure IV and V.

As per our report of even date

**For S. R. B. C. & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No.:  
324982E

**For Manubhai & Shah**  
Chartered Accountants  
ICAI Firm Registration No.:  
106041W

**For and on behalf of the Board of Directors of  
Sadbhav Infrastructure Project Limited**

**Arpit K. Patel**  
Partner  
Membership No.: 34032

**K. C Patel**  
Partner  
Membership No.: 30083

**Mr. Vasistha Patel**  
Managing Director

**Mr. Vishnubhai Patel**  
Director

**Place: Ahmedabad**  
**Date: April 14, 2015**

**Place: Ahmedabad**  
**Date: April 14, 2015**

**Mr. Gaurav Vesasi**  
Company Secretary

**Mr. Varun Mehta**  
Chief Financial Officer

**Place: Ahmedabad**  
**Date: April 14, 2015**



## Sadbhav Infrastructure Project Limited

### ANNEXURE IV

#### Notes on Material Adjustments

The summary of results of restatement made in the audited unconsolidated financial statements for the respective years and its impact on the profit of the Company is as follows:

(₹ in Million)

| Sr. No. | Particulars                                                                               | Nine Months Period Ended<br>December 31, 2014 | Year ended     |                |                |                |                |
|---------|-------------------------------------------------------------------------------------------|-----------------------------------------------|----------------|----------------|----------------|----------------|----------------|
|         |                                                                                           |                                               | March 31, 2014 | March 31, 2013 | March 31, 2012 | March 31, 2011 | March 31, 2010 |
| (a)     | Net Profit / (Loss) after tax as per audited financial statements                         | ( 438.81)                                     | 6.12           | 117.08         | 259.20         | 154.36         | 35.13          |
| (b)     | <b>Adjustments to net profit as per audited financial statements:</b>                     |                                               |                |                |                |                |                |
|         | Waiver of Interest on Sub Ordinate Debt given to subsidiary - (Note 1)                    | -                                             | 22.65          | -              | -              | -              | ( 22.65)       |
|         | Impact of Miscellaneous Expenditure written off adjusted from opening reserves - (Note 2) | -                                             | -              | -              | -              | -              | 0.90           |
|         | Total adjustments before tax                                                              | -                                             | 22.65          | -              | -              | -              | ( 21.75)       |
| (c)     | Restated Profit/(Loss) before tax (a+b)                                                   | ( 438.81)                                     | 28.77          | 117.08         | 259.20         | 154.36         | 13.38          |
| (d)     | Total current tax adjustment of earlier years (Note 3)                                    | 21.32                                         | ( 20.67)       | ( 0.76)        | 0.25           | ( 0.14)        | -              |
| (e)     | Restated Net Profit/(Loss) after tax (c+d)                                                | ( 417.49)                                     | 8.10           | 116.32         | 259.45         | 154.22         | 13.38          |

#### Note 1 Interest on Sub Ordinate Debt

In the year 2013-14, Sadbhav Infrastructure Project Limited ("the Company") wrote off Sub Ordinate Debt of ₹ 66.01 Million and waived off interest accrued but not due of ₹ 22.65 Million due from Maharashtra Border Check Post Network Limited which was accrued in the year 2009-10. Due to this the Company has restated the financial statement of financial year 2009-10 as the interest accrued in that year.

#### Note 2 Impact of Miscellaneous Expenditure written off adjusted from opening reserves

In the year 2008-09, the Company had incurred pre-operative expenditure of ₹ 4.42 million towards issue of shares which was carried forward in balance sheet as Miscellaneous Expenditure. The Company had written off ₹ 0.90 Million to the statement of profit & loss in the year 2009-10 and balance ₹ 3.52 Million was adjusted from securities premium in the year 2010-11. However, this should have been charged off to the statement of profit & loss in the year of expenditure itself. Thus, the Company has restated the same by reducing ₹ 3.52 Million from the opening reserves of the year 2010-11.

#### Note 3 Total current tax adjustment of earlier years

As a result of the adjustments to profit and loss account of respective years the current tax has changed in the restated financial as per following table:

(₹ in Million)

| Particulars                     | Nine Months Period Ended<br>December 31, 2014 | Year ended     |                |                |                |                |
|---------------------------------|-----------------------------------------------|----------------|----------------|----------------|----------------|----------------|
|                                 |                                               | March 31, 2014 | March 31, 2013 | March 31, 2012 | March 31, 2011 | March 31, 2010 |
| Increase / (Decrease) in profit | 21.32                                         | ( 20.67)       | ( 0.76)        | 0.25           | ( 0.14)        | -              |

| Particulars                   | Nine Months<br>Period Ended | Year ended        |                   |                   |                   |                   |
|-------------------------------|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                               | December 31,<br>2014        | March<br>31, 2014 | March<br>31, 2013 | March<br>31, 2012 | March<br>31, 2011 | March<br>31, 2010 |
| due to Income Tax adjustment: |                             |                   |                   |                   |                   |                   |

**Note 4** Restatement adjustments made in the audited opening balance figure in the net surplus in the Statement of Profit and Loss for the year ended March 31, 2010

| Particulars                                                                                                       | ₹ in Million |
|-------------------------------------------------------------------------------------------------------------------|--------------|
| Net Surplus/(Deficit) in the Statement of Profit and Loss as at April 1, 2009 as per audited financial statements | ( 0.35)      |
| Adjustment:                                                                                                       |              |
| Miscellaneous expenditure written off (refer note 2 above)                                                        | ( 4.42)      |
| Net Surplus/(deficit) in the Statement of Profit and Loss as at April 1, 2009 as restated                         | ( 4.77)      |

**Note 5 Material Regrouping**

Appropriate adjustments have been made in the Restated Unconsolidated Summary Statements of Assets and Liabilities, Profit and Losses and Cash Flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financials of the Company as at March 31, 2014, prepared in accordance with Revised Schedule VI and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

**Non Adjusting Items:**

**Note 6** Certain qualifications in the Companies (Auditors Report) Order, 2003, Annexure to the Auditor's report on the financial statements for the years ended March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010 which do not require any quantitative adjustment in the restated unconsolidated summary statements are as follows:

- (a) there was no internal audit carried out during the financial years ended March 31, 2014, 2013, 2012, 2011 and 2010
- (b) there were outstanding dues of service tax on account of dispute for the years ended March 31, 2014 and 2013.
- (c) in case of undisputed statutory dues including provident fund, income-tax, sales-tax, service tax and cess, there have been slight delays in deposit in a few cases during the years ended March 31, 2014 and 2013 and during the year ended March 31, 2011, there has been delay in deposit of service tax.
- (d) The funds raised on short term basis have been used for long term purposes during the year ended March 31, 2014.

**Note 7 Application of Revised Schedule VI**

During the year ended March 31, 2012, Revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company for preparation and presentation of its financial statements. The adoption of Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the figures for the years ended March 31, 2011 and 2010 in accordance with the requirements applicable for the year ended March 31, 2012.

## **Sadbhav Infrastructure Project Limited**

### **Annexure V**

#### **Notes to Restated Unconsolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows**

##### **A Corporate Information:**

Sadbhav Infrastructure Project Limited (“the Company” or “SIPL”) is engaged in development, construction as well as operation & maintenance of infrastructure projects and related consulting and advisory services. The Company undertakes development of infrastructure projects directly or indirectly through Special Purpose Vehicles (SPVs) as per the concession agreements in the form of subsidiaries, jointly controlled entities and associates.

The Company is a subsidiary of Sadbhav Engineering Limited (“SEL”), a listed company, engaged in providing engineering, procurement and construction services (“EPC”) in the road and other infrastructure projects.

In terms of Reserve Bank of India directive with regards to Systematically Important Core Investment Companies (Reserve Bank) Directions 2011, the Company is not required to be registered with Reserve Bank of India as on March 31, 2014 based on eligibility criteria.

##### **B Basis of preparation:**

The Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company as at December 31, 2014, March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010 and the related Restated Unconsolidated Summary Statement of Profits and Losses and Cash Flows Statement for the nine-months period ended December 31, 2014 and for the years ended March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010 (herein collectively referred to as 'Restated Unconsolidated Summary Statements') have been compiled by the management from the Unconsolidated financial statements of the Company for the nine-months period ended December 31, 2014 and for the years ended March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010.

The Restated Unconsolidated Financial Statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these Unconsolidated Financial Statements to comply in all material respects with the accounting standards specified under the Companies Act, 1956 (the “Act”) (as per section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India. The Unconsolidated Financial Statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the company and are consistent with those used for the purpose of preparation of financial statements as at and for the nine-month period ended December 31, 2014.

Restated Unconsolidated Summary Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India (‘SEBI’) and Registrar of Companies (ROC) in connection with its proposed Initial Public Offering.

These Restated Unconsolidated Summary Statements of assets and liabilities, profits and losses and cash flows have been prepared to comply in all material respects with the requirements of Sub-clause (i), (ii) and (iii) of clause (b) of Sub-section (1) of Section 26 of Chapter III of the Companies Act, 2013 read with rules 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“the SEBI Guidelines”) issued by SEBI on August 26, 2009 as amended from time to time.

##### **C Significant Accounting Policies:**

###### **(a) Use of Estimates:**

The preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts

of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**(b) Tangible Fixed Assets**

Tangible fixed assets acquired by the Company are stated at cost less accumulated depreciation and impairment losses, if any. Direct cost comprises of all expenditure of capital in nature attributable to bringing the tangible asset to working condition for its intended use and incidental expenses including interest relating to acquisition, until fixed assets are ready to be put to use.

**(c) Depreciation on tangible fixed assets:**

Upto March 31, 2014, the depreciation on Tangible Assets is provided using the Written Down Value method at rates prescribed under Schedule XIV to the Companies Act, 1956 and with effect from April 1, 2014, the depreciation is provided based on useful life prescribed under Schedule II of the Companies Act 2013. In respect of fixed assets purchased during the period, depreciation is provided on a pro-rata basis from the date on which such asset is ready to be put to use. All categories of assets costing less than ₹ 5,000 each are fully depreciated in the year of purchase.

**(f) Impairment of Assets:**

- (i) The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets net selling price 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. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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.
- (ii) The company bases its impairment calculation on detailed budget and forecast calculations. These budgets and forecasts calculations generally covers period of the concession agreement using long term growth rate applied to future cash flows.
- (iii) After impairment, depreciation/ amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

**(g) Revenue Recognition:**

Income is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following are specific recognition criteria must also be met before income is recognized;

*Income from sale of services:*

Revenue in respect of arrangements made for rendering services over specific contractual term is recognized on a straight line basis over the contractual term of the arrangement. In respect of arrangements, which provide for an upfront payment followed by additional payments as certain conditions are met (milestone payments), the amount of revenue recognized is based on the services delivered in the period as stated in the contract. In respect of arrangements where fees for services rendered are success based, revenue is recognized only when the

factors on which the fee is based, actually occurs.

*Contractual Income:*

Contract revenue and costs associated with project related activities is recognized as by reference to the stage of completion of the projects at the reporting date. The stage of completion of a project is determined by the proportion that the contract cost incurred for work performed up to the reporting date bears to the estimated total contract costs.

Any excess revenue recognized in accordance with the stage of completion of the project, in comparison to the amounts billed to the clients in accordance with the milestones completed as per the respective project, is carried forward as “Unearned Revenue”.

Any short revenue recognized in accordance with the stage of completion of the project, in comparison to the amounts billed to the clients in accordance with the milestones completed as per the respective project, is carried forward as “Unbilled Revenue”.

An expected loss on construction contract is recognized as an expense immediately when it is certain that total contract costs will exceed the total contract revenue

Price escalation and other claims and/or variation in the contract work are included in contract revenue only when it is probable that customer will accept the claim and the amount that is probable will be accepted by the customer can be measured reliably.

*Dividend:*

Income is recognized when the shareholders’ right to receive payment is established by the reporting date.

*Interest:*

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head “other income” in the statement of profit and loss.

**(h) Foreign Currency Transactions**

**(i) Initial Recognition:**

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

**(ii) Conversion:**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

**(iii) Exchange Difference:**

The company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

- Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.
- Exchange differences arising on other long-term foreign currency monetary items are accumulated in the “Foreign Currency Monetary Item Translation Difference Account” and amortized over the remaining life of the concerned monetary item.

- All other exchange differences are recognized as income or as expenses in the period in which they arise.

**(i) Investments:**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**(j) Employee Benefits:**

- (i) Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when an employee renders the related services. The company has no obligation, other than the contribution payable to the provident fund.
- (ii) The company operates one defined benefit plan for its employees, viz., gratuity liability. The costs of providing benefits under this plan are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method made at the end of each reporting date. Actuarial gains and losses for the defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.
- (iii) Compensated absences which accrue to employees and which is expected to be utilized or encashed within the next 12 months from reporting date, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. As per Company policy, no leave are expected to be carried forward beyond 12 months from the reporting date.

**(l) Leases :**

Where the Company is the lessee

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

**(m) Taxes on Income:**

- (i) Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.
- (ii) Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

- (iii) Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

**(n) Borrowing costs**

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings and premium payable on redemptions and discount on issue of debenture .

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 period they occur.

**(o) Segment Reporting**

**Identification of segments**

The Company's operating businesses are organized and managed separately according to the nature of services provided, with each segment representing a strategic business unit that offers different services, the risk return profile of individual business unit, the organizational structure and internal reporting system of the company. The analysis of geographical segments is not required as the company's operations are within single geographical segment i.e. India.

**Allocation of common costs**

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

**Unallocated items**

Unallocated items include general corporate income and expense items, which are not allocated to any business segment. Assets and liabilities (including investments made in infrastructure projects through special purpose vehicle) that cannot be allocated between the segments are shown as a part of unallocated corporate assets and liabilities respectively.

**Segment Policies**

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

**(p) Provisions, Contingent Liabilities and Contingent Assets:**

- (i) A provision is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

- (ii) Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**(q) Cash and Cash Equivalent:**

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

**(r) Earnings per share:**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference share dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(s) Measurement of EBITDA:**

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expenses.



**Sadbhav Infrastructure Project Limited**

**Annexure: VI**

**Restated Unconsolidated Statement of Share Capital**

(₹ in Million, other than figures in brackets)

| Particulars                                                                      | As at<br>December<br>31,2014 | As at<br>March<br>31,2014 | As at<br>March<br>31,2013 | As at<br>March<br>31,2012 | As at<br>March<br>31,2011 | As at<br>March<br>31,2010 |
|----------------------------------------------------------------------------------|------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| <b>Authorised</b>                                                                |                              |                           |                           |                           |                           |                           |
| Equity Shares of ₹10/- each                                                      | 4,030.00                     | 300.00                    | 300.00                    | 300.00                    | 300.00                    | 0.50                      |
|                                                                                  | (403,000,000)                | (30,000,000)              | (30,000,000)              | (30,000,000)              | (30,000,000)              | (50,000)                  |
| 0.01% Compulsory Convertible Cumulative Preference Shares (CCCPS) of ₹ 10/- each | -                            | 30.00                     | 30.00                     | 30.00                     | 30.00                     | -                         |
|                                                                                  | -                            | (3,000,000)               | (3,000,000)               | (3,000,000)               | (3,000,000)               | -                         |
|                                                                                  | <b>4,030.00</b>              | <b>330.00</b>             | <b>330.00</b>             | <b>330.00</b>             | <b>330.00</b>             | <b>0.50</b>               |
|                                                                                  |                              |                           |                           |                           |                           |                           |
| <b>Issued, Subscribed and Fully Paid Up</b>                                      |                              |                           |                           |                           |                           |                           |
| Equity Shares of ₹ 10/- each (Refer Note 3 below)                                | 3,109.63                     | 260.07                    | 260.07                    | 241.72                    | 241.72                    | 0.50                      |
|                                                                                  | (310,963,081)                | (26,007,170)              | (26,007,170)              | (24,172,254)              | (24,172,254)              | (50,000)                  |
| 0.01% Compulsory Convertible Cumulative Preference Shares (CCCPS) of ₹ 10/- each | -                            | 22.51                     | 22.51                     | 22.51                     | 22.51                     | -                         |
|                                                                                  | -                            | (2,250,774)               | (2,250,774)               | (2,250,774)               | (2,250,774)               | -                         |
| <b>Total Issued , Subscribed and Paid Up</b>                                     | <b>3,109.63</b>              | <b>282.58</b>             | <b>282.58</b>             | <b>264.23</b>             | <b>264.23</b>             | <b>0.50</b>               |
|                                                                                  |                              |                           |                           |                           |                           |                           |

**Notes**

- The figures in the bracket represent absolute number of shares.
- Terms/rights attached to equity shares:
  - The Company has only one class of equity shares having par value of ₹ 10/- per share. Each holder of Equity shares is entitled to one vote per share.
  - In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.
- In the financial year 2012-13, the Company issued additional 18,34,916 equity shares of ₹ 10 each to Sadbhav Engineering Limited on Preferential basis whereby outstanding equity shares of the Company increased to 26,007,170.
- The Company issued 282,693,710 equity shares of ₹ 10/- each as fully paid bonus shares in the ratio of 10 : 1 by utilizing ₹ 2,826.94 Million from Securities Premium Account aggregating ₹ 2,826.94 Million as per the resolution of Extra Ordinary General Meeting dated October 29, 2014.
- Compulsory Convertible Cumulative Preference Shares ('CCCPS') were converted into equity shares in accordance with the terms of the agreement as per Board resolution dated October 22, 2014. Pursuant to the conversion, the Company has issued 2,262,200 equity share against 2,250,774 CCCPS.

- 6 Terms of conversion of Compulsory Convertible Cumulative Preference Shares (CCCPS) upto Conversion in Equity
- (i) Each CCCPS shall be convertible, at the option of the holder thereof at any time into such number of fully paid Equity Shares determined by dividing the Initial Purchase Price by the Conversion Price in effect at the time of conversion. However, each Preference Share shall automatically be converted into Equity Shares, at the then effective Conversion Price applicable to such Preference Share at the earlier of (i) the tenth anniversary of the Closing Date i.e. 23rd September 2010 and (ii) immediately prior to the closing of an initial public offering of the Equity Shares.
- (ii) Each Preference Share shall entitle the holder thereof to receive, out of funds legally available, Cumulative cash dividends at the rate of 0.01% per annum of the initial purchase price. The preference share holders have waived their right to receive dividend upto the Financial Year 2013-14.
- 7 0.01% 1,100,950 Compulsory Convertible Debentures of ₹ 750 Million issued to Sadbhav Engineering Limited (CCDs') have been converted into one equity share as per Board Resolution dated October 22, 2014 .
- 8 Shares held by holding company

Details of shares held by Sadbhav Engineering Limited - holding company and its nominees out of issued, subscribed and paid up equity capital as at the period / year end are as under:

| Financial Year / Period | No. of Shares Held | % of Holding |
|-------------------------|--------------------|--------------|
| As at December 31, 2014 | 240,733,427        | 77.42%       |
| As at March 31, 2014    | 21,884,856         | 84.15%       |
| As at March 31, 2013    | 21,884,856         | 84.15%       |
| As at March 31, 2012    | 20,049,940         | 82.95%       |
| As at March 31, 2011    | 20,049,940         | 82.95%       |
| As at March 31, 2010    | 50,000             | 100.00%      |

- 9 The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 10 The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.

**Sadbhav Infrastructure Project Limited**

**Annexure: VII**

**Restated Unconsolidated Statement of Reserves and Surplus**

(₹ in Million)

| Particulars                                                                        | As at<br>December<br>31,2014 | As at<br>March<br>31,2014 | As at<br>March<br>31,2013 | As at<br>March<br>31,2012 | As at<br>March<br>31,2011 | As at<br>March<br>31,2010 |
|------------------------------------------------------------------------------------|------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| <b>Securities Premium Account</b>                                                  |                              |                           |                           |                           |                           |                           |
| Balance as per the last financial statements                                       | 7,468.01                     | 7,468.01                  | 6,237.61                  | 6,237.61                  | -                         | -                         |
| Add: Premium on issue of shares (refer note no 3 below)                            | -                            | -                         | 1,231.65                  | -                         | 6,338.08                  | -                         |
| Add: Premium on Conversion of CCDs                                                 | 750.00                       | -                         | -                         | -                         | -                         | -                         |
| Less: Utilisation of towards                                                       |                              |                           |                           |                           |                           |                           |
| - Conversion of CCCPS into Equity Shares                                           | (0.11)                       | -                         | -                         | -                         | -                         | -                         |
| - Issue of Bonus Shares                                                            | (2,826.94)                   | -                         | -                         | -                         | -                         | -                         |
| - Share Issue Expense                                                              | -                            | -                         | (1.25)                    | -                         | (100.47)                  | -                         |
| <b>Closing Balance</b>                                                             | <b>5,390.96</b>              | <b>7,468.01</b>           | <b>7,468.01</b>           | <b>6,237.61</b>           | <b>6,237.61</b>           | <b>-</b>                  |
| <b>Debenture Redemption Reserve</b>                                                |                              |                           |                           |                           |                           |                           |
| Balance as per last year's financial statements                                    | -                            | -                         | -                         | -                         | -                         | -                         |
| Add: Transferred from Statement of Profit and Loss during the period/year          | 47.04                        | -                         | -                         | -                         | -                         | -                         |
| <b>Closing Balance</b>                                                             | <b>47.04</b>                 | <b>-</b>                  | <b>-</b>                  | <b>-</b>                  | <b>-</b>                  | <b>-</b>                  |
| <b>Surplus / (Deficit) in Statement of Profit and Loss</b>                         |                              |                           |                           |                           |                           |                           |
| Balance as per the last year financial statements                                  | 546.70                       | 538.60                    | 422.10                    | 162.83                    | 8.61                      | (4.77)                    |
| Add: Profit / (Loss) for the period/year                                           | (417.49)                     | 8.10                      | 116.32                    | 259.45                    | 154.22                    | 13.38                     |
| Less: Proposed dividend on Preference Shares (including Dividend Distribution Tax) | -                            | -                         | -                         | (0.18)                    | -                         | -                         |
| Add: Dividend on Preference Shares waived by the shareholders                      | -                            | -                         | 0.18                      | -                         | -                         | -                         |
| Less: Transfer to Debenture Redemption Reserve during the period                   | (47.04)                      | -                         | -                         | -                         | -                         | -                         |
| <b>Closing Balance</b>                                                             | <b>82.17</b>                 | <b>546.70</b>             | <b>538.60</b>             | <b>422.10</b>             | <b>162.83</b>             | <b>8.61</b>               |
| <b>Total Reserves and Surplus</b>                                                  | <b>5,520.17</b>              | <b>8,014.71</b>           | <b>8,006.61</b>           | <b>6,659.71</b>           | <b>6,400.44</b>           | <b>8.61</b>               |

**Notes**

- 1 The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2 The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.
- 3 The Company issued 282,693,710 equity shares of ₹10/- each during the current period as fully paid bonus shares in the ratio of 10:1 by utilizing ₹ 2,826.94 Million from Securities Premium Account aggregating ₹

2,826.94 Million as per resolution of Extra Ordinary General Meeting dated October 29, 2014.

- 4 1,100,950 unsecured 0.01% CCDs issued to Sadbhav Engineering Limited, holding company, aggregating ₹ 750 Million was converted into 1 Equity share as per Shareholders Agreement and the amount is transferred to Securities Premium Amount.
- 5 Securities Premium includes premium of ₹ 977.49 Million on issue of 0.01% CCCPS in Financial Year 2010-11.

**Sadbhav Infrastructure Project Limited**

**Annexure: VIII**

**Restated Unconsolidated Statement of Long-Term Borrowings**

(₹ in Million)

| Particulars                                                                   | As at<br>December<br>31,2014 | As at<br>March<br>31,2014 | As at<br>March<br>31,2013 | As at<br>March<br>31,2012 | As at<br>March<br>31,2011 | As at<br>March<br>31,2010 |
|-------------------------------------------------------------------------------|------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| <b>Debentures</b>                                                             |                              |                           |                           |                           |                           |                           |
| 1600 , 9% Redeemable, Non Convertible Debentures of ₹1,000,000 each (Secured) | 1,600.00                     | -                         | -                         | -                         | -                         | -                         |
| Add: Accrued amount of Premium on Redemption                                  | 2.20                         | -                         | -                         | -                         | -                         | -                         |
|                                                                               | <b>1,602.20</b>              | -                         | -                         | -                         | -                         | -                         |
| 6% Non Convertible Debentures (NCDs) of ₹1000 each (Secured)                  | 1,405.41                     | -                         | -                         | -                         | -                         | -                         |
| Add: Accrued amount of Premium on Redemption                                  | 45.31                        | -                         | -                         | -                         | -                         | -                         |
|                                                                               | <b>1,450.72</b>              | -                         | -                         | -                         | -                         | -                         |
| 0.01% Compulsory Convertible Debentures (CCD) of ₹681.23 each (Unsecured)     | -                            | <b>750.00</b>             | <b>750.00</b>             | -                         | -                         | -                         |
| <b>Total (A)</b>                                                              | <b>3,052.92</b>              | <b>750.00</b>             | <b>750.00</b>             | -                         | -                         | -                         |
| <b>Term Loans (Secured)</b>                                                   |                              |                           |                           |                           |                           |                           |
| <b>From Banks</b>                                                             |                              |                           |                           |                           |                           |                           |
| <b>Rupee Loans</b>                                                            |                              |                           |                           |                           |                           |                           |
| Non-Current Portion                                                           | 1,800.00                     | 1,800.00                  | 1,800.00                  | 650.00                    | -                         | -                         |
| Current Maturities                                                            | -                            | -                         | -                         | -                         | -                         | -                         |
| <b>Total (B)</b>                                                              | <b>1,800.00</b>              | <b>1,800.00</b>           | <b>1,800.00</b>           | <b>650.00</b>             | -                         | -                         |
| <b>Interest Free Loan from Holding Company</b>                                | 779.56                       | -                         | -                         | -                         | -                         | -                         |
| (Unsecured)                                                                   |                              |                           |                           |                           |                           |                           |
| <b>Total (C)</b>                                                              | <b>779.56</b>                | -                         | -                         | -                         | -                         | -                         |
| <b>Total (A)+ (B)+ (C)</b>                                                    | <b>5,632.48</b>              | <b>2,550.00</b>           | <b>2,550.00</b>           | <b>650.00</b>             | -                         | -                         |

**Notes**

- 1 The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2 The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.
- 3 List of persons/entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors.
- 4 Amounts due to Directors/Promoters/Group Companies/Relatives of Promoters/Relatives of Directors.

(₹ in Million)

| Particulars | As at December<br>31,2014 | As at March<br>31,2014 | As at March<br>31,2013 | As at March<br>31,2012 | As at March<br>31,2011 | As at March<br>31,2010 |
|-------------|---------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Sadbhav     | 779.56                    | 750.00                 | 750.00                 | -                      | -                      | -                      |

| Particulars         | As at December 31,2014 | As at March 31,2014 | As at March 31,2013 | As at March 31,2012 | As at March 31,2011 | As at March 31,2010 |
|---------------------|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Engineering Limited |                        |                     |                     |                     |                     |                     |

5 The details in respect of long term borrowings are as under:

**(A) 9% 1,600 Redeemable , Non Convertible debentures (NCD) are secured by:**

- (i) an unconditional , irrevocable and continuing Corporate gurantee from Sadbhav Engineering Limited- holding company (SEL), covering the entire redemption amount. (ii) Pledge of 10,287,215 shares of SEL by Sadbhav Finstock Pvt. Ltd. (iii) Pledge of 67% of SPV shareholding i.e. DPTL. However, till such shares are transferred in the name of SIPL, 56% of shares of ARRIL would be pledged. (iv) WCDL facility of to the extent of next repayment to be lien marked for the NCD to be obtained by the Company/ SEL and to be utilised only towards repayment of the NCD atleast 20 days before each redemption payment date for amount which are due in next 20 days.

Terms of repayment are as under:

| Series of NCDs | As at<br>December 31, 2014                         |                       |                                |
|----------------|----------------------------------------------------|-----------------------|--------------------------------|
|                | No. of NCDs outstanding<br>as at December 31, 2014 | Terms of<br>Repayment | Earliest date of<br>redemption |
| Series I       | 480                                                | Bullet Repayment      | April 18, 2018                 |
| Series II      | 480                                                | Bullet Repayment      | April 18, 2019                 |
| Series III     | 640                                                | Bullet Repayment      | November 18, 2019              |

The debenture holders has right to seek prepayment / early redemption of Series II and Series III debentures in whole or part or in such proportion as it may deem fit at the end of year 3 and year 4. Thereupon, the Company shall be obliged to prepay such interest in such manner that debentureholders may achieve the IRR at the rate of 12.14% on the debentures based on the Put option exercised.

**(B) 6% Non Convertible debentures (NCD)**

- (i) Pledge of 16% shareholding in the company held by Sadbhav Engineering Limited (SEL) the holding Company.
- (ii) Pledge of 30% shareholding of Maharashtra Border Check Post Network Limited held by the Company and SEL.
- (iii) Unconditional and irrevocable corporate guarantee from SEL and personal guarantee from Promotor i.e. Mr. Vishnubhai M. Patel.
- (iv) Second charge by mortgage over all immovable property and hypothecation of all movable, tangible and intangible assets, receivable, cash and liquid investment of the Company.
- (v) All bank account & assignment of all contract, documents, insurance, clearances and interest of the Company.

NCD has been issued at discount.

NCD carries a interest rate of 6.33% as on December 31, 2014 which is linked to benchmark rate to be reset on a quarterly bases and are repayable in 6 structured installments starting from Jul 1, 2017 and ending on April 5, 2020.

The Company shall have an option to repay the Facility at End of 4th year and 5th year with the condition that the Minimum Yield on the entire Facility will get revised upwards by 0.50% per annum and 0.25% per annum, respectively.

**(C) Terms of 0.01% Compulsory Convertible Debentures upto conversion into equity share:**

During the year ended March 31, 2013, the Company had issued 11,00,950 unsecured 0.01% Compulsory Convertible Debentures (CCDs) of ₹ 681.23/- each to Sadbhav Engineering Limited (SEL) the holding company, which were convertible as under:

Each CCDs shall be automatically converted upon the earlier of (i) the final adjustment date as per shareholder's agreements and (ii) the date of closing of an initial public offering of the Equity Shares (such date, the "Conversion Date").

0.01% 1,100,950 Compulsory Convertible Debentures of ₹ 750 Million issued to Sadbhav Engineering Limited (CCDs) have been converted into equity share as per Board Resolution dated October 22, 2014 . Pursuant to the conversion, the Company has issued 1 equity share against 11,00,950 CCDs.

**(D) Term Loan from Bank availed by the Company :**

The long term loan from the bank as at December 31, 2014 of ₹ 1,800 Million, (March 31, 2014 ₹ 1,800 Million) carries a floating interest rate ranging from 13.25% to 13.50%. The loan is repayable in 4 annual installments commencing after 48 months from the date of 1st disbursement i.e. 06 March 2012.

The term loan is secured by;

- (i) A first charge on all movable assets including intangible assets, book debts and other receivables of the company.
- (ii) First charge on all bank accounts of the company.
- (iii) Corporate guarantee of Sadbhav Engineering Limited, Holding Company. The guarantee shall fall off in case the credit rating of the Company remains AA- for two consecutive years.

The Company has rights to pre-pay the loan amount before reset date (i.e. date falling at the end of 12 months from the date of first Disbursement and thereafter the date falling at the end of 12 months from the last Reset Date, as the case may be) along with prepayment premium. The Company needs to mandatory prepay the loan amount in case the Company receive proceeds from the (i) initial public offering of the Company, (ii) securitization of revenues of (a) the projects undertaken by the Company, and/or (b) project companies, that may be received by the Company; and (iii) disposal of assets of the projects or divestment of investments of the Company in the projects. In case of mandatory prepayment, the premium shall not be applicable if the above option is made on reset date.

**(E) Interest Free Loan from Holding Company:**

Pursuant to the conversion of CCCPs into equity shares, SIPL has entered into a Memorandum of Understanding with SEL on October 22, 2014, whereby SEL has given a commitment to keep interest free unsecured loan of ₹ 779.56 Million in SIPL for a period of 11 years.

**Sadbhav Infrastructure Project Limited****Annexure: IX****Restated Unconsolidated Statement of Long-term Provisions****(₹ in Million)**

| <b>Particulars</b>        | <b>As at<br/>December<br/>31,2014</b> | <b>As at<br/>March 31,<br/>2014</b> | <b>As at<br/>March 31,<br/>2013</b> | <b>As at<br/>March 31,<br/>2012</b> | <b>As at<br/>March 31,<br/>2011</b> | <b>As at<br/>March 31,<br/>2010</b> |
|---------------------------|---------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| <b>Provision for:</b>     |                                       |                                     |                                     |                                     |                                     |                                     |
| Employee Benefit-Gratuity | 0.70                                  | 0.49                                | 0.39                                | 0.63                                | 0.47                                | -                                   |
|                           |                                       |                                     |                                     |                                     |                                     |                                     |
| <b>Total</b>              | <b>0.70</b>                           | <b>0.49</b>                         | <b>0.39</b>                         | <b>0.63</b>                         | <b>0.47</b>                         | <b>-</b>                            |

**Notes**

- 1 The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
- 2 The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.



## Sadbhav Infrastructure Project Limited

### Annexure: X

#### Restated Unconsolidated Statement of Short Term Borrowings

(₹ in Million)

| Particulars                                             | As at<br>December<br>31,2014 | As at<br>March<br>31,2014 | As at<br>March<br>31,2013 | As at<br>March<br>31,2012 | As at<br>March<br>31,2011 | As at<br>March<br>31,2010 |
|---------------------------------------------------------|------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Working Capital Demand<br>Loan from Bank (Unsecured)    | -                            | 100.00                    | -                         | -                         | -                         | -                         |
| Loan from related parties<br>(Unsecured) (Refer Note 6) | 5,020.76                     | 3,953.06                  | 815.61                    | 487.88                    | -                         | 336.32                    |
| Interest free Loan - Others<br>(Unsecured)              | 110.00                       | 110.00                    | 110.00                    | 110.00                    | -                         | -                         |
| Temporary Overdraft in<br>Current account (Unsecured)   | 99.92                        | -                         | -                         | -                         | -                         | -                         |
| <b>Total</b>                                            | <b>5,230.68</b>              | <b>4,163.06</b>           | <b>925.61</b>             | <b>597.88</b>             | <b>-</b>                  | <b>336.32</b>             |

#### Notes

- The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.
- List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management.
- Amounts due to Directors/Promoters/Group Companies/Relatives of Promoters/Relatives of Directors.

| Particulars                                   | As at<br>December<br>31,2014 | As at<br>March<br>31,2014 | As at<br>March<br>31,2013 | As at<br>March<br>31,2012 | As at<br>March<br>31,2011 | As at<br>March<br>31,2010 |
|-----------------------------------------------|------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Sadbhav Engineering<br>Limited                | 5,007.38                     | 3,747.30                  | 544.11                    | 187.88                    | -                         | 336.32                    |
| Ahmedabad Ring Road<br>Infrastructure Limited | 13.38                        | 205.76                    | 271.50                    | 300.00                    | -                         | -                         |

The loan amount is repayable on call notice by the lender.

- Details of security and repayment terms are as under:
  - Working Capital Demand Loan facility from banks is secured against Corporate guarantee of Sadbhav Engineering Limited i.e. the Holding company.
  - The Working Capital Demand Loan is repayable within 90 days of borrowing and carries interest @ 12% p.a.
  - Unsecured loan from related parties carries interest @ 11% p.a. and is repayable on demand.
  - Interest free loan from others is repayable on demand.

## Sadbhav Infrastructure Project Limited

### Annexure: XI

#### Restated Unconsolidated Statement of Trade Payables

(₹ in Million)

| Particulars                                              | As at<br>December<br>31,2014 | As at<br>March<br>31,2014 | As at<br>March<br>31,2013 | As at<br>March<br>31,2012 | As at<br>March<br>31,2011 | As at<br>March<br>31,2010 |
|----------------------------------------------------------|------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Micro, Small and Medium Enterprises (Refer Note 6 below) | -                            | -                         | -                         | -                         | -                         | -                         |
| Others                                                   | 306.88                       | 216.97                    | 175.39                    | 111.68                    | 1.72                      | 47.78                     |
|                                                          |                              |                           |                           |                           |                           |                           |
| <b>Total</b>                                             | <b>306.88</b>                | <b>216.97</b>             | <b>175.39</b>             | <b>111.68</b>             | <b>1.72</b>               | <b>47.78</b>              |

#### Notes

- 1 The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2 The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.
- 3 List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management.
- 4 Amounts due to Directors/Promoters/Group Companies/Relatives of Promoters/Relatives of Directors.

| Particulars                            | As at<br>December<br>31,2014 | As at<br>March<br>31,2014 | As at<br>March<br>31,2013 | As at<br>March<br>31,2012 | As at<br>March<br>31,2011 | As at<br>March<br>31,2010 |
|----------------------------------------|------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Sadbhav Engineering Limited            | 109.84                       | 18.89                     | 0.61                      | 19.09                     | -                         | -                         |
| Rohtak Panipat Tollway Private Limited | -                            | 0.01                      | -                         | -                         | -                         | -                         |

- 5 For details of transactions with related parties, refer Annexure: XXIX.
- 6 Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of information available with the Company. There was no amount due to any such entities which needs to be disclosed.

**Sadbhav Infrastructure Project Limited**

**Annexure: XII**

**Restated Unconsolidated Statement of Other Current Liabilities**

(₹ in Million)

| Particulars                                        | As at<br>December 31,<br>2014 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2011 | As at<br>March 31,<br>2010 |
|----------------------------------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Advance from Customer                              | 186.12                        | 207.88                     | 306.40                     | 420.57                     | 510.99                     | 510.99                     |
| Interest accrued on borrowings                     | 148.98                        | 238.36                     | 26.99                      | 25.25                      | -                          | -                          |
| Payable towards Capital Expenditure                | -                             | -                          | 0.09                       | 3.43                       | -                          | -                          |
| Unearned Revenue                                   | 171.98                        | 200.87                     | -                          | 62.49                      | -                          | -                          |
| Due to bank in current account (Cheques Overdrawn) | -                             | 0.13                       | 14.61                      | -                          | 1.91                       | -                          |
| Statutory Dues                                     | 7.16                          | 26.51                      | 3.35                       | 26.61                      | 0.79                       | 4.13                       |
| Employee Emoluments                                | 3.45                          | 1.95                       | 1.70                       | 0.94                       | 0.38                       | -                          |
| Other Payables                                     | -                             | -                          | -                          | 15.05                      | -                          | -                          |
|                                                    |                               |                            |                            |                            |                            |                            |
| <b>Total</b>                                       | <b>517.69</b>                 | <b>675.70</b>              | <b>353.14</b>              | <b>554.34</b>              | <b>514.07</b>              | <b>515.12</b>              |

**Notes**

- 1 The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2 The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.
- 3 List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management.
- 4 Amounts due to Directors/Promoters/ Group Companies/Relatives of Promoters/Relatives of Directors.

(₹ in Million)

| Particulars                                   | As at<br>December<br>31, 2014 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2011 | As at<br>March 31,<br>2010 |
|-----------------------------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Maharashtra Border Check Post Network Limited | 186.12                        | 207.88                     | 306.40                     | 420.57                     | 510.99                     | 510.99                     |
| Sadbhav Engineering Limited                   | 131.03                        | 225.18                     | 4.41                       | 22.36                      | -                          | -                          |
| Ahmedabad Ring Road Infrastructure Limited    | 0.18                          | 1.53                       | 11.41                      | 17.90                      | -                          | -                          |

- 5 For details of transactions with related parties, refer Annexure: XXIX.

**Sadbhav Infrastructure Project Limited****Annexure: XIII****Restated Unconsolidated Statement of Short-term Provisions****(₹ in Million)**

| <b>Particulars</b>                                                                         | <b>As at<br/>December<br/>31, 2014</b> | <b>As at<br/>March<br/>31, 2014</b> | <b>As at<br/>March<br/>31, 2013</b> | <b>As at<br/>March<br/>31, 2012</b> | <b>As at<br/>March<br/>31, 2011</b> | <b>As at<br/>March<br/>31, 2010</b> |
|--------------------------------------------------------------------------------------------|----------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Provision for Income Tax                                                                   | -                                      | -                                   | -                                   | 16.55                               | 11.19                               | -                                   |
| Provision for proposed dividend on Preference Shares (including Dividend Distribution Tax) | -                                      | -                                   | -                                   | 0.18                                | -                                   | -                                   |
| Provision for Gratuity                                                                     | 0.03                                   | 0.03                                | -                                   | -                                   | -                                   | -                                   |
| <b>Total</b>                                                                               | <b>0.03</b>                            | <b>0.03</b>                         | <b>-</b>                            | <b>16.73</b>                        | <b>11.19</b>                        | <b>-</b>                            |

**Notes**

- 1 The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2 The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.

**Sadbhav Infrastructure Project Limited**

**Annexure: XIV**

**Restated Unconsolidated Statement of Tangible Fixed Assets**

|                                   |                           |                    |             |                  | (₹ in Million) |
|-----------------------------------|---------------------------|--------------------|-------------|------------------|----------------|
| Particulars                       | Building-Residential Flat | Furniture Fixtures | Computer    | Office Equipment | Total          |
| <b>Gross Block:</b>               |                           |                    |             |                  |                |
| As at April 1, 2009               | -                         | -                  | -           | -                | -              |
| Additions / (Deletion)            | -                         | -                  | -           | -                | -              |
| <b>As at March 31, 2010</b>       | -                         | -                  | -           | -                | -              |
| As at April 1, 2010               | -                         | -                  | -           | -                | -              |
| Additions / (Deletion)            | -                         | -                  | 0.03        | 0.10             | 0.13           |
| <b>As at March 31, 2011</b>       | -                         | -                  | <b>0.03</b> | <b>0.10</b>      | <b>0.13</b>    |
| As at April 1, 2011               | -                         | -                  | 0.03        | 0.10             | 0.13           |
| Additions / (Deletion)            | 13.48                     | 3.43               | -           | -                | 16.91          |
| <b>As at March 31, 2012</b>       | <b>13.48</b>              | <b>3.43</b>        | <b>0.03</b> | <b>0.10</b>      | <b>17.04</b>   |
| As at April 1, 2012               | 13.48                     | 3.43               | 0.03        | 0.10             | 17.04          |
| Additions / (Deletion)            | -                         | -                  | -           | -                | -              |
| <b>As at March 31, 2013</b>       | <b>13.48</b>              | <b>3.43</b>        | <b>0.03</b> | <b>0.10</b>      | <b>17.04</b>   |
| As at April 1, 2013               | 13.48                     | 3.43               | 0.03        | 0.10             | 17.04          |
| Additions / (Deletion)            | -                         | -                  | -           | -                | -              |
| <b>As at March 31, 2014</b>       | <b>13.48</b>              | <b>3.43</b>        | <b>0.03</b> | <b>0.10</b>      | <b>17.04</b>   |
| As at April 1, 2014               | 13.48                     | 3.43               | 0.03        | 0.10             | 17.04          |
| Additions / (Deletion)            | -                         | -                  | 0.06        | -                | 0.06           |
| <b>As at December 31, 2014</b>    | <b>13.48</b>              | <b>3.43</b>        | <b>0.09</b> | <b>0.10</b>      | <b>17.10</b>   |
|                                   |                           |                    |             |                  |                |
| <b>Accumulated Depreciation :</b> |                           |                    |             |                  |                |
| As at April 1, 2009               | -                         | -                  | -           | -                | -              |
| Charge for the year               | -                         | -                  | -           | -                | -              |
| <b>As at March 31, 2010</b>       | -                         | -                  | -           | -                | -              |
| As at April 1, 2010               | -                         | -                  | -           | -                | -              |
| Charge for the year               | -                         | -                  | -           | -                | -              |
| <b>As at March 31, 2011</b>       | -                         | -                  | -           | -                | -              |
| As at April 1, 2011               | -                         | -                  | -           | -                | -              |
| Charge for the year               | 0.49                      | 0.02               | 0.01        | 0.02             | 0.54           |
| <b>As at March 31, 2012</b>       | <b>0.49</b>               | <b>0.02</b>        | <b>0.01</b> | <b>0.02</b>      | <b>0.54</b>    |
| As at April 1, 2012               | 0.49                      | 0.02               | 0.01        | 0.02             | 0.54           |
| Charge for the year               | 0.64                      | 0.62               | 0.01        | 0.02             | 1.29           |
| <b>As at March 31, 2013</b>       | <b>1.13</b>               | <b>0.64</b>        | <b>0.02</b> | <b>0.04</b>      | <b>1.83</b>    |
| As at April 1, 2013               | 1.13                      | 0.64               | 0.02        | 0.04             | 1.83           |
| Charge for the year               | 0.62                      | 0.50               | 0.01        | 0.01             | 1.14           |
| <b>As at March 31, 2014</b>       | <b>1.75</b>               | <b>1.14</b>        | <b>0.03</b> | <b>0.05</b>      | <b>2.97</b>    |
| As at April 1, 2014               | 1.75                      | 1.14               | 0.03        | 0.05             | 2.97           |
| Charge for the year               | 0.44                      | 0.48               | 0.03        | 0.03             | 0.98           |
| <b>As at December 31, 2014</b>    | <b>2.19</b>               | <b>1.62</b>        | <b>0.06</b> | <b>0.08</b>      | <b>3.95</b>    |
|                                   |                           |                    |             |                  |                |
| <b>Net Block :</b>                |                           |                    |             |                  |                |
| <b>As At March 31, 2010</b>       | -                         | -                  | -           | -                | -              |
| <b>As At March 31, 2011</b>       | -                         | -                  | <b>0.03</b> | <b>0.10</b>      | <b>0.13</b>    |
| <b>As At March 31, 2012</b>       | <b>12.99</b>              | <b>3.41</b>        | <b>0.02</b> | <b>0.08</b>      | <b>16.50</b>   |
| <b>As At March 31, 2013</b>       | <b>12.35</b>              | <b>2.79</b>        | <b>0.01</b> | <b>0.06</b>      | <b>15.21</b>   |
| <b>As At March 31, 2014</b>       | <b>11.73</b>              | <b>2.29</b>        | -           | <b>0.05</b>      | <b>14.07</b>   |
| <b>As At December 31, 2014</b>    | <b>11.29</b>              | <b>1.81</b>        | <b>0.03</b> | <b>0.02</b>      | <b>13.15</b>   |

**Notes**

- 1 The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2 The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.

**Sadbhav Infrastructure Project Limited**

**Annexure: XV**

**Restated Unconsolidated Statement of Non-current Investments**

(₹ in Million, other than figures in brackets)

| Particulars                                                                | As at<br>December<br>31, 2014 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2011 | As at<br>March<br>31, 2010 |
|----------------------------------------------------------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>Trade Investments in<br/>Equity Shares-<br/>Unquoted, Fully paid up</b> |                               |                            |                            |                            |                            |                            |
| <b>1) Investment in<br/>Subsidiaries (No. of<br/>Shares in actual)</b>     |                               |                            |                            |                            |                            |                            |
| Ahmedabad Ring Road<br>Infrastructure Limited<br>(ARRIL)                   | 416.80                        | 416.80                     | 416.80                     | 416.80                     | 416.80                     | -                          |
|                                                                            | (8,368,000)                   | (8,368,000)                | (8,368,000)                | (8,368,000)                | (8,368,000)                | (-)                        |
| Aurangabad Jalna Tollway<br>Limited (AJTL)                                 | 835.73                        | 835.73                     | 835.73                     | 835.73                     | 279.48                     | -                          |
|                                                                            | (1,971,053)                   | (1,971,053)                | (1,971,053)                | (1,971,053)                | (1,005,237)                | (-)                        |
| Bijapur Hugund Tollway<br>Private Limited (BHTPL)                          | 777.39                        | 777.39                     | 210.98                     | 210.98                     | 210.98                     | -                          |
|                                                                            | (77,739,100)                  | (77,739,200)               | (21,098,000)               | (21,098,000)               | (2,816,660)                | (-)                        |
| Hyderabad Yadgiri<br>Tollway Private Limited<br>(HYTPL)                    | 173.24                        | 103.94                     | 103.94                     | 103.98                     | 36.00                      | -                          |
|                                                                            | (3,247,293)                   | (1,948,430)                | (1,948,430)                | (1,948,800)                | (1,269,000)                | (-)                        |
| Rohtak Panipat Tollway<br>Private Limited (RPTPL)                          | 217.74                        | 217.74                     | 217.74                     | 217.74                     | 50.10                      | -                          |
|                                                                            | (2,186,345)                   | (2,186,445)                | (2,186,445)                | (2,186,445)                | (510,050)                  | (-)                        |
| Maharashtra Border Check<br>Post Network Limited<br>(MBCPNL)               | 280.13                        | 96.99                      | 96.99                      | 96.99                      | 96.99                      | -                          |
|                                                                            | (38,910)                      | (13,510)                   | (13,510)                   | (13,510)                   | (13,510)                   | (-)                        |
| Nagpur Seoni Expressway<br>Limited (NSEL) (Refer<br>Note 4 below)          | 316.77                        | 316.77                     | -                          | -                          | -                          | -                          |
|                                                                            | (47,999,840)                  | (47,999,840)               | (-)                        | (-)                        | (-)                        | (-)                        |
| Shreenathji-Udaipur<br>Tollway Private Limited<br>(SUTPL)                  | 207.43                        | 153.50                     | 153.50                     | -                          | -                          | -                          |
|                                                                            | (20,743,137)                  | (15,349,995)               | (15,349,995)               | (-)                        | (-)                        | (-)                        |
| Bhilwara-Rajsamand<br>Tollway Private Limited<br>(BRTPL)                   | 173.40                        | 128.32                     | 0.37                       | -                          | -                          | -                          |
|                                                                            | (17,339,900)                  | (12,831,600)               | (37,000)                   |                            |                            |                            |
| Rohtak Hissar Tollway<br>Private Limited (RHTPL)                           | 107.68                        | 79.68                      | -                          | -                          | -                          | -                          |
|                                                                            | (10,767,900)                  | (7,968,320)                | (-)                        | (-)                        | (-)                        | (-)                        |
| Solapur-Bijapur Tollway<br>Private Limited (SBTPL)                         | 0.37                          | 0.37                       | 0.37                       | -                          | -                          | -                          |
|                                                                            | (37,000)                      | (37,000)                   | (37,000)                   | (-)                        | (-)                        | (-)                        |
| Provision for Permanent<br>Dimunition                                      | (0.37)                        | (0.37)                     | -                          | -                          | -                          | -                          |
| <b>Sub Total (1)</b>                                                       | <b>3,506.30</b>               | <b>3,126.86</b>            | <b>2,036.42</b>            | <b>1,882.22</b>            | <b>1,090.35</b>            | <b>-</b>                   |
|                                                                            |                               |                            |                            |                            |                            |                            |

| Particulars                                                                          | As at<br>December<br>31, 2014 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2011 | As at<br>March<br>31, 2010 |
|--------------------------------------------------------------------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>2) Investment in Associates</b>                                                   |                               |                            |                            |                            |                            |                            |
| Investment in Equity instruments (Unquoted)                                          |                               |                            |                            |                            |                            |                            |
| Fully paid up equity shares of ₹ 10/- Each of Nagpur Seoni Expressway Limited (NSEL) | -                             | -                          | 57.28                      | 57.28                      | -                          | -                          |
|                                                                                      | (-)                           | (-)                        | (18,720,000)               | (18,720,000)               | (-)                        | (-)                        |
| <b>Sub Total (2)</b>                                                                 | -                             | -                          | <b>57.28</b>               | <b>57.28</b>               | -                          | -                          |
| <b>3) Investment in Others</b>                                                       |                               |                            |                            |                            |                            |                            |
| Fully paid up equity shares of ₹ 10/- Each of Dhule Palenser Tollway Limited (DPTL)  | 6.30                          | 6.30                       | 6.30                       | 4.52                       | 2.49                       | 0.05                       |
|                                                                                      | (630,000)                     | (630,000)                  | (630,000)                  | (451,500)                  | (248,500)                  | (4,990)                    |
| <b>Sub Total (3)</b>                                                                 | <b>6.30</b>                   | <b>6.30</b>                | <b>6.30</b>                | <b>4.52</b>                | <b>2.49</b>                | <b>0.05</b>                |
| <b>Investment Property</b>                                                           |                               |                            |                            |                            |                            |                            |
| Land                                                                                 | 1.32                          | -                          | -                          | -                          | -                          | -                          |
| <b>Sub Total (4)</b>                                                                 | <b>1.32</b>                   | -                          | -                          | -                          | -                          | -                          |
| <b>Total</b>                                                                         | <b>3,513.93</b>               | <b>3,133.16</b>            | <b>2,100.00</b>            | <b>1,944.02</b>            | <b>1,092.84</b>            | <b>0.05</b>                |
| Aggregate amount of unquoted investments                                             | 3,514.30                      | 3,133.53                   | 2,100.00                   | 1,944.02                   | 1,092.84                   | 0.05                       |
| Aggregate provision for diminution in value of investments                           | 0.37                          | 0.37                       | -                          | -                          | -                          | -                          |

#### Notes

- The figures mentioned in the bracket represent absolute number of shares.
- The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.
- In terms of Share Purchase Agreement dated 22nd September, 2010, between Sadbhav Infrastructure Project Limited ("the Company" or "SIPL") and Sadbhav Engineering Limited ('SEL'), SIPL has acquired 24,479,940 shares of SEL in Nagpur Seoni Expressway Limited (NSEL). NSEL has received approval from National Highway Authority of India ('NHAI') for transfer of shares from SEL to SIPL on April 3, 2013. As at reporting date the transfer formalities for these shares are in process.
- During the year 2013-14, one of the Company's subsidiary i.e. Solapur Bijapur Tollway Private Limited (SBTPL) has entered the settlement and close out agreement with National Highway Authority of India ('NHAI') dated 23rd December 2013 for foreclose the concession agreement due to delay in handing over the land for the road project as per Concession agreement with NHAI.

During the period, SBTPL has filed winding up petition with Registrar of the Company, Gujarat, under Section 560 of the Companies Act 1956 on November 10, 2014. Hence sub-ordinate debt given to the SPVs has been waived off. Also, provision for diminution in value of Investment in the Subsidiary has been made.



Subsequent to reporting date, the Company has received Notice under sub section (3) of Section 560 of The Companies Act, 1956 dated March 11, 2015, whereby it mentioned that the name of the SBTPL will be struck off upon expiry of thirty days from the date of Notice.

- 6 The Company has pledged following equity shares from its holding in various SPVs, in favour of lenders for term loan facilities availed by the respective SPVs

| Name of the Entity     | December 31,<br>2014 | March 31,<br>2014 | March 31,<br>2013 | March 31,<br>2012 | March 31,<br>2011 | March 31,<br>2010 |
|------------------------|----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| ARRIL                  | 8,367,940            | 2,510,400         | 2,510,400         | 2,510,400         | -                 | -                 |
|                        | (100.00%)            | (30.00%)          | (30.00%)          | (30.00%)          | -                 | -                 |
| AJTL                   | 1,008,816            | 1,008,816         | 1,008,816         | 514,496           | -                 | -                 |
|                        | (51.18%)             | (51.18%)          | (51.18%)          | (26.10%)          | -                 | -                 |
| BRTPL                  | 8,843,400            | 5,034,516         | -                 | -                 | -                 | -                 |
|                        | (51.00%)             | (39.24%)          | -                 | -                 | -                 | -                 |
| BHTPL                  | 20,212,192           | 10,759,980        | 10,759,980        | 10,759,980        | -                 | -                 |
|                        | (26.00%)             | (13.84%)          | (51.00%)          | (51.00%)          | -                 | -                 |
| HYTPL                  | 1,656,355            | 993,888           | 993,888           | 874,892           | -                 | -                 |
|                        | (51.01%)             | (51.01%)          | (51.01%)          | (44.89%)          | -                 | -                 |
| MBCPNL                 | 28,452               | 3                 | 3                 | 3                 | -                 | -                 |
|                        | (73.12%)             | (0.02%)           | (0.02%)           | (0.02%)           | -                 | -                 |
| NSEL (Refer Note No 4) | 14,400,000           | 14,400,000        | -                 | -                 | -                 | -                 |
|                        | (30.00%)             | (30.00%)          | -                 | -                 | -                 | -                 |
| RHTPL                  | 5,491,681            | 4,063,844         | -                 | -                 | -                 | -                 |
|                        | (51.00%)             | (51.00%)          | -                 | -                 | -                 | -                 |
| RPTPL                  | 1,115,087            | 1,115,087         | 1,115,087         | -                 | -                 | -                 |
|                        | (51.00%)             | (51.00%)          | (51.00%)          | -                 | -                 | -                 |
| SUTPL                  | 10,579,052           | 7,828,498         | -                 | -                 | -                 | -                 |
|                        | (51.00%)             | (51.00%)          | -                 | -                 | -                 | -                 |
| SBTPL                  | 18,870               | 18,870            | 18,870            | -                 | -                 | -                 |
|                        | (51.00%)             | (51.00%)          | (51.00%)          | -                 | -                 | -                 |

**Sadbhav Infrastructure Project Limited**

**Annexure: XVI**

**Restated Unconsolidated Statement of Long-term Loans and Advances**

(₹ in Million)

| Particulars                                        | As at<br>December 31,<br>2014 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2011 | As at<br>March 31,<br>2010 |
|----------------------------------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>Capital Advances</b>                            |                               |                            |                            |                            |                            |                            |
| Unsecured, considered good                         | -                             | -                          | -                          | -                          | 11.82                      | -                          |
|                                                    |                               |                            |                            |                            |                            |                            |
| <b>Deposits</b>                                    |                               |                            |                            |                            |                            |                            |
| Unsecured, considered good                         | 2.51                          | 2.51                       | -                          | -                          | -                          | -                          |
|                                                    |                               |                            |                            |                            |                            |                            |
| <b>Loans and advances to related parties</b>       |                               |                            |                            |                            |                            |                            |
| Unsecured Loan Receivable                          | 137.16                        | 137.16                     | 137.16                     | 137.16                     | -                          | -                          |
| Advance against share purchases (Refer Note 5)     | 275.90                        | 450.94                     | 695.73                     | 650.62                     | 596.54                     | -                          |
| Share application money                            | -                             | -                          | -                          | 0.05                       | 121.22                     | 2.44                       |
| Sub-ordinate debt                                  | 12,362.42                     | 9,704.39                   | 7,422.03                   | 4,848.34                   | 2,947.62                   | 811.02                     |
|                                                    | 12,775.48                     | 10,292.49                  | 8,254.92                   | 5,636.17                   | 3,665.38                   | 813.46                     |
|                                                    |                               |                            |                            |                            |                            |                            |
| <b>Others loan &amp; advances</b>                  |                               |                            |                            |                            |                            |                            |
| Advance against share purchases                    | 300.00                        | -                          | 14.69                      | 14.69                      | -                          | -                          |
| Advance income tax (net of provision for taxation) | 59.82                         | 59.72                      | -                          | -                          | -                          | -                          |
|                                                    |                               |                            |                            |                            |                            |                            |
| <b>Total</b>                                       | <b>13,137.81</b>              | <b>10,354.72</b>           | <b>8,269.61</b>            | <b>5,650.86</b>            | <b>3,677.20</b>            | <b>813.46</b>              |

**Notes**

- 1 The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2 The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.
- 3 List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management.
- 4 For details of transactions with related parties, refer Annexure: XXIX.
- 5 Advance towards Shares Purchase represents payment made to the holding company and others towards purchase of equity shares and consequential economic interest /ownership rights thereunder in respect of some of the BOT project companies, having concession rights under BOT Projects. The Company is in the process of obtaining regulatory approvals to get such shares transferred in its own name.
- 6 The infrastructure project of the various SPVs have been funded through sub ordinate debt (in the nature of capital contribution) given by the Company (as a sponsor) in accordance with the Lender's Loan Agreements and Sponsor Support and Equity Contribution Agreement of the respective SPV entity. These sub-ordinate debt has been given interest free except sub-ordinate debt of ₹ 1,124 Million as at 31 December 2014, ₹1,124 Million as at 31 March 2014, ₹ 984.40 Million as at 31 March 2013, ₹ 860.40 Million as at 31 March 2012, ₹ 457.60 Million as at 31 March 2011 and ₹ 397.60 Million as at 31 March 2010 given to Dhule Palesnar Tollway Limited on which interest of ₹ 387.45 Million as at 31 December 2014, ₹ 303.62 Million as at 31 March 2014, ₹ 198.93 Million as at 31 March 2013, ₹ 103.76 Million as at 31 March 2012 and ₹ 39.40 Million as at 31 March 2011 has accrued as per terms of the Loan Agreement

with lenders of Dhule Palesnar Tollway Limited.

The Company also proposes to acquire 39% shareholding in Dhule Palesnar Tollway Limited and has also paid advance consideration against acquisition of 26% share holding.

- 7 The sub-ordinate debt including accrued interest is recoverable on fulfillment of financial performance / obligation as per terms and conditions of agreement with lenders of the respective SPV entities.
- 8 The Company has entered into agreement to acquire 20% shareholding of Ahmedabad Ring Road Infrastructure Limited. As at December 31, 2014, the Company has paid an advance consideration of ₹ 300 Million towards the proposed acquisition under an escrow arrangement. As per the Agreement closing date of transaction is February 15, 2015, however, as on date the transaction closing is pending. The company has also paid balance consideration which is acknowledged by seller to the escrow agent.

**Sadbhav Infrastructure Project Limited****Annexure: XVII****Restated Unconsolidated Statement of Other Non Current Assets****(₹ in Million)**

| <b>Particulars</b>                                                                               | <b>As at<br/>December<br/>31, 2014</b> | <b>As at<br/>March<br/>31, 2014</b> | <b>As at<br/>March<br/>31, 2013</b> | <b>As at<br/>March<br/>31, 2012</b> | <b>As at<br/>March<br/>31, 2011</b> | <b>As at<br/>March<br/>31, 2010</b> |
|--------------------------------------------------------------------------------------------------|----------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Interest receivable on Unsecured Loans/Sub-ordinate debt to related parties (Refer Note 4 below) | 387.45                                 | 329.05                              | 211.63                              | 103.76                              | 39.40                               | -                                   |
| Discount on debentures, pending amortisation (Refer Annexure: VIII)                              | 72.68                                  | -                                   | -                                   | -                                   | -                                   | -                                   |
| <b>Total</b>                                                                                     | <b>460.13</b>                          | <b>329.05</b>                       | <b>211.63</b>                       | <b>103.76</b>                       | <b>39.40</b>                        | <b>-</b>                            |

**Notes**

- 1 The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2 The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.
- 3 The interest receivable on Sub-ordinate debt is recoverable on fulfillment of financial performance / obligation as per terms and conditions of agreement with lenders of the Dhule Palesnar Tollway Limited.
- 4 For details of transactions with related parties, refer Annexure: XXIX.

**Sadbhav Infrastructure Project Limited**

**Annexure: XVIII**

**Restated Unconsolidated Statement of Current Investments**

(₹ in Million, other than figures in brackets)

| Particulars                                                                               | As at<br>December<br>31, 2014 | As at<br>March<br>31, 2014 | As at<br>March 31,<br>2013 | As at<br>March<br>31, 2012 | As at<br>March 31,<br>2011 | As at<br>March<br>31, 2010 |
|-------------------------------------------------------------------------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>Unquoted (Valued at lower of cost and fair value, unless stated otherwise)</b>         |                               |                            |                            |                            |                            |                            |
| Investment in units of Mutual Fund                                                        |                               |                            |                            |                            |                            |                            |
| Units of ₹ 1001.3715 each of Reliance Money Manager Fund - Daily Dividend Plan            | -                             | -                          | 10.03<br>(10,011.339)      | -                          | -                          | -                          |
| Units of ₹10 each of Religare Liquid Fund - Institutional Daily Dividend                  | -                             | -                          | -                          | 0.00<br>(1.891)            | -                          | -                          |
| Units of ₹ 10 each of Taurus Ultra Short Term Bond Fund - Super Insti Daily Dividend Plan | -                             | -                          | -                          | 0.08<br>(78.134)           | -                          | -                          |
| Units of ₹ 10 each of Religare Ultra Short Term Fund                                      | -                             | -                          | -                          | -                          | 14.53<br>(14,509)          | -                          |
| Units of ₹ 1,000 each of Tata Floater Fund                                                | -                             | -                          | -                          | -                          | 31.21<br>(3,109,676)       | -                          |
| Units of ₹ 100 each of ICICI Prudential Flexible Income Plan                              | -                             | -                          | -                          | -                          | -                          | 0.81<br>(4,841)            |
|                                                                                           |                               |                            |                            |                            |                            |                            |
| <b>Total</b>                                                                              | -                             | -                          | <b>10.03</b>               | <b>0.08</b>                | <b>45.74</b>               | <b>0.81</b>                |
|                                                                                           |                               |                            |                            |                            |                            |                            |
| Aggregate amount of unquoted investments                                                  | -                             | -                          | 10.03                      | 0.08                       | 45.74                      | 0.81                       |
| Aggregate provision for diminution in value of investments                                | -                             | -                          | -                          | -                          | -                          | -                          |

**Notes**

- 1 The figures mentioned in the bracket represent absolute number of investment units.
- 2 The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 3 The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.

## Sadbhav Infrastructure Project Limited

### Annexure: XIX

#### Restated Unconsolidated Statement of Trade Receivables

(₹ in Million)

| Particulars                                                                                | As at<br>December<br>31, 2014 | As at<br>March<br>31, 2014 | As at<br>March<br>31, 2013 | As at<br>March<br>31, 2012 | As at<br>March<br>31, 2011 | As at<br>March<br>31, 2010 |
|--------------------------------------------------------------------------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Debts outstanding for a period exceeding six months from the date they are due for payment |                               |                            |                            |                            |                            |                            |
| Unsecured - considered good                                                                | 367.50                        | 2.24                       | -                          | -                          | -                          | -                          |
| Other receivables, Unsecured - considered good                                             | 140.27                        | 595.55                     | 114.33                     | 76.43                      | 34.25                      | -                          |
| <b>Total</b>                                                                               | <b>507.77</b>                 | <b>597.79</b>              | <b>114.33</b>              | <b>76.43</b>               | <b>34.25</b>               | <b>-</b>                   |

#### Notes

- 1 The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2 The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.
- 3 List of persons/entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management.
- 4 Amounts due from Directors/Promoters/Group Companies/Relatives of Promoters/Relatives of Directors.

(₹ in Million)

| Particulars                                   | As at<br>December 31,<br>2014 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2011 | As at<br>March 31,<br>2010 |
|-----------------------------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Ahmedabad Ring Road Infrastructure Limited    | 62.90                         | 201.35                     | -                          | 53.41                      | -                          | -                          |
| Aurangabad Jalna Toll Way Limited             | 21.50                         | 12.28                      | -                          | -                          | -                          | -                          |
| Bijapur Hungund Tollway Private Limited       | 1.71                          | 1.54                       | -                          | 13.85                      | 21.74                      | -                          |
| Maharashtra Border Check Post Network Limited | 375.80                        | 346.83                     | 111.92                     | 7.59                       | -                          | -                          |
| Dhule Palesnar Tollway Limited                | 4.39                          | 3.47                       | 2.41                       | 1.59                       | 1.59                       | -                          |
| Rohtak Panipat Tollway Private Limited        | 5.83                          | 14.37                      | -                          | -                          | -                          | -                          |
| Hyderabad Yadgiri Tollway Private Limited     | 4.13                          | 11.80                      | -                          | -                          | -                          | -                          |
| Nagpur Seoni Express Way Limited              | 31.46                         | 6.14                       | -                          | -                          | 10.92                      | -                          |
| Rohtak Hissar Tollway Private Limited         | 0.06                          | -                          | -                          | -                          | -                          | -                          |

- 5 For details of transactions with related parties, refer Annexure: XXIX.

**Sadbhav Infrastructure Project Limited**

**Annexure: XX**

**Restated Unconsolidated Statement of Cash and Bank Balances**

(₹ in Million)

| Particulars                          | As at<br>December 31,<br>2014 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2011 | As at<br>March 31,<br>2010 |
|--------------------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>Cash and Cash<br/>Equivalents</b> |                               |                            |                            |                            |                            |                            |
| Balance with Banks                   |                               |                            |                            |                            |                            |                            |
| In Current accounts                  | 20.24                         | 10.81                      | 0.20                       | 4.70                       | 1.34                       | 0.65                       |
| In Fixed Deposit<br>accounts         | 21.08                         | -                          | -                          | -                          | -                          | -                          |
| Cash on hand                         | 0.02                          | -                          | 0.02                       | 0.05                       | 0.01                       | 0.01                       |
|                                      |                               |                            |                            |                            |                            |                            |
| <b>Total</b>                         | <b>41.34</b>                  | <b>10.81</b>               | <b>0.22</b>                | <b>4.75</b>                | <b>1.35</b>                | <b>0.66</b>                |

**Notes**

- 1 The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2 The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.

**Sadbhav Infrastructure Project Limited**

**Annexure: XXI**

**Restated Unconsolidated Statement of Short-term Loans and Advances**

(₹ in Million)

| Particulars                                        | As at<br>December 31,<br>2014 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2011 | As at<br>March 31,<br>2010 |
|----------------------------------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>Unsecured, considered good:</b>                 |                               |                            |                            |                            |                            |                            |
| <b>Deposits</b>                                    | 0.02                          | 0.03                       | 0.11                       | 0.14                       | 0.03                       | -                          |
|                                                    |                               |                            |                            |                            |                            |                            |
| <b>Loans and advances to related parties</b>       |                               |                            |                            |                            |                            |                            |
| Loans and advances given                           | 1,773.23                      | 1,163.81                   | 1,184.75                   | 920.22                     | 2,147.52                   | -                          |
| Share application money                            | -                             | -                          | -                          | -                          | 105.03                     | -                          |
| Others                                             | 0.83                          | 2.47                       | 4.38                       | 0.07                       | -                          | -                          |
|                                                    | 1,774.06                      | 1,166.28                   | 1,189.13                   | 920.29                     | 2,252.55                   | -                          |
|                                                    |                               |                            |                            |                            |                            |                            |
| <b>Advances receivable in cash or kind</b>         | 26.72                         | 29.82                      | 27.66                      | 125.51                     | -                          | 43.48                      |
|                                                    |                               |                            |                            |                            |                            |                            |
| <b>Inter corporate Loans</b>                       | 418.80                        | 170.00                     | -                          | -                          | -                          | -                          |
|                                                    |                               |                            |                            |                            |                            |                            |
| <b>Others loan &amp; advances</b>                  |                               |                            |                            |                            |                            |                            |
| Advance income tax (net of provision for taxation) | 38.42                         | 16.03                      | 20.28                      | 3.77                       | -                          | 6.54                       |
| Prepaid expenses                                   | 0.44                          | 0.43                       | 3.06                       | 0.30                       | 0.32                       | -                          |
| Tax Credits and Receivables                        | 12.95                         | 28.56                      | 28.62                      | 8.70                       | 4.71                       | -                          |
|                                                    |                               |                            |                            |                            |                            |                            |
| <b>Total</b>                                       | <b>2,271.41</b>               | <b>1,411.15</b>            | <b>1,268.86</b>            | <b>1,058.71</b>            | <b>2,257.61</b>            | <b>50.02</b>               |

**Notes**

- 1 The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2 The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.
- 3 List of persons/entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management.
- 4 For details of transactions with related parties, refer Annexure: XXIX.



**Sadbhav Infrastructure Project Limited****Annexure: XXII****Restated Unconsolidated Statement of Other Current Assets****(₹ in Million)**

| <b>Particulars</b>                                                  | <b>As at<br/>December<br/>31, 2014</b> | <b>As at<br/>March<br/>31, 2014</b> | <b>As at<br/>March<br/>31, 2013</b> | <b>As at<br/>March<br/>31, 2012</b> | <b>As at<br/>March<br/>31, 2011</b> | <b>As at<br/>March<br/>31, 2010</b> |
|---------------------------------------------------------------------|----------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Interest receivable from Related Parties                            | 166.97                                 | 31.28                               | 1.61                                | -                                   | -                                   | -                                   |
| Interest receivable from others                                     | 27.82                                  | 8.93                                | 0.69                                | -                                   | -                                   | -                                   |
| Interest accrued on fixed deposits with banks                       | 0.49                                   | -                                   | -                                   | -                                   | -                                   | -                                   |
| Unbilled Revenue                                                    | 103.54                                 | 12.36                               | 301.38                              | -                                   | 43.60                               | 43.60                               |
| Discount on debentures, pending amortisation (Refer Annexure: VIII) | 20.67                                  | -                                   | -                                   | -                                   | -                                   | -                                   |
| Initial Public Issue Expenses (Refer Note no 4)                     | 53.23                                  | -                                   | -                                   | -                                   | -                                   | -                                   |
| <b>Total</b>                                                        | <b>372.72</b>                          | <b>52.57</b>                        | <b>303.68</b>                       | <b>-</b>                            | <b>43.60</b>                        | <b>43.60</b>                        |

**Notes**

- 1 The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2 The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.
- 3 For details of transactions with related parties, refer Annexure: XXIX.
- 4 The Company is in the process of an Initial Public Offer in respect of its Equity Shares and in that connection has filed a Draft Red Herring Prospectus (DRHP) with the Securities and Exchange Board of India (SEBI) on 3 December, 2014. The related expenses incurred thereon upto December 31, 2014 has been shown as 'Unamortised Share Issue Expenses' in Other Current Assets. The Company will adjust the expense against the Securities premium balance in forthcoming period upon the finalisation of the proportion between the Company and the Selling Shareholders.

**Sadbhav Infrastructure Project Limited**

**Annexure: XXIII**

**Restated Unconsolidated Statement of Revenue from operations**

(₹ in Million)

| Particulars                                                   | For the period ended December 31, 2014 | For the Year ended March 31, 2014 | For the Year ended March 31, 2013 | For the Year ended March 31, 2012 | For the Year ended March 31, 2011 | For the Year ended March 31, 2010 |
|---------------------------------------------------------------|----------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| <b>Contractual Income</b>                                     |                                        |                                   |                                   |                                   |                                   |                                   |
| Engineering, Procurement & Construction (EPC) Contract Income | 151.84                                 | 228.77                            | 881.52                            | 499.46                            | -                                 | 76.41                             |
| Operation, Maintenance and Supervision Income                 | 327.24                                 | 321.66                            | -                                 | 54.83                             | 11.15                             | -                                 |
| <b>Sub-Total</b>                                              | <b>479.08</b>                          | <b>550.43</b>                     | <b>881.52</b>                     | <b>554.29</b>                     | <b>11.15</b>                      | <b>76.41</b>                      |
| <b>Sale of Services</b>                                       |                                        |                                   |                                   |                                   |                                   |                                   |
| Advisory, Project and Toll Management Fees                    | 75.80                                  | 361.32                            | 17.70                             | 184.82                            | 142.24                            | 50.00                             |
| <b>Total</b>                                                  | <b>554.88</b>                          | <b>911.75</b>                     | <b>899.22</b>                     | <b>739.11</b>                     | <b>153.39</b>                     | <b>126.41</b>                     |

**Notes**

- 1 The figures disclosed above are based on the restated unconsolidated summary statement of Profit and Loss of the Company.
- 2 The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.
- 3 During the nine months period ended December 31, 2014, the Company has accounted Contract Income in the nature of cost escalation, of ₹ 46.52 Million which is in line with cost inflation index principles (cost escalation formula) approved by independent consultant.
- 4 Revenue from Directors/Promoters/Group Companies/Relatives of Promoters/Relatives of Directors.

(₹ in Million)

| Particulars                                                                                            | For the period ended December 31, 2014 | For the Year ended March 31, 2014 | For the Year ended March 31, 2013 | For the Year ended March 31, 2012 | For the Year ended March 31, 2011 | For the Year ended March 31, 2010 |
|--------------------------------------------------------------------------------------------------------|----------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Sale of Services (including contract revenue, unearned and unbilled revenue but excluding service tax) | 554.88                                 | 911.75                            | 899.22                            | 739.11                            | 153.39                            | 126.41                            |

- 5 For details of transactions with related parties, refer Annexure: XXIX.

**Sadbhav Infrastructure Project Limited**

**Annexure: XXIV**

**Restated Unconsolidated Statement of Other Income**

(₹ in Million)

| Sources of Income                            | For the period ended December 31, 2014 | For the Year ended March 31, 2014 | For the Year ended March 31, 2013 | For the Year ended March 31, 2012 | For the Year ended March 31, 2011 | For the Year ended March 31, 2010 | Nature: Recurring / Non-Recurring | Related / Not related to Business Activity |
|----------------------------------------------|----------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|--------------------------------------------|
| <b>Interest income on:</b>                   |                                        |                                   |                                   |                                   |                                   |                                   |                                   |                                            |
| - Sub-Ordinate loan to related party         | 93.15                                  | 116.32                            | 105.76                            | 140.03                            | -                                 | 2.52                              | Non-Recurring                     | Related to Business Activity               |
| - Deposits with Banks                        | 0.49                                   | -                                 | -                                 | -                                 | 3.82                              | -                                 | Non-Recurring                     | Not related to Business Activity           |
| - Corporate loans to related parties         | 134.24                                 | 119.87                            | 144.35                            | 71.83                             | 171.50                            | -                                 | Non-Recurring                     | Not related to Business Activity           |
| - Others                                     | 20.97                                  | 10.09                             | 0.69                              | -                                 | -                                 | -                                 | Non-Recurring                     | Not related to Business Activity           |
|                                              |                                        |                                   |                                   |                                   |                                   |                                   |                                   |                                            |
| Profit on Sale of units of Mutual Fund (Net) | 0.02                                   | 0.26                              | 4.71                              | 0.37                              | 0.04                              | 0.01                              | Non-Recurring                     | Not related to Business Activity           |
| Dividend Income                              | -                                      | 0.03                              | 11.87                             | 3.22                              | 8.21                              | -                                 | Non-Recurring                     | Not related to Business Activity           |
| Sundry balances written back                 | -                                      | -                                 | 0.24                              | 0.05                              | -                                 | -                                 | Non-Recurring                     | Not related to Business Activity           |
|                                              |                                        |                                   |                                   |                                   |                                   |                                   |                                   |                                            |
| <b>Total</b>                                 | <b>248.87</b>                          | <b>246.57</b>                     | <b>267.62</b>                     | <b>215.50</b>                     | <b>183.57</b>                     | <b>2.53</b>                       |                                   |                                            |

**Notes**

- 1 The classification of other income as recurring/not-recurring, related/not-related to business activity is based on the current operations and business activity of the Company as determined by the management.
- 2 The figures disclosed above are based on the restated unconsolidated summary statement of Profit and Loss of the Company.
- 3 The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.
- 4 For details of transactions with related parties, refer Annexure: XXIX.

**Sadbhav Infrastructure Project Limited**

**Annexure: XXV**

**Restated Unconsolidated Statement of Operating Expenses**

(₹ in Million)

| Particulars                                          | For the period ended December 31, 2014 | For the Year ended March 31, 2014 | For the Year ended March 31, 2013 | For the Year ended March 31, 2012 | For the Year ended March 31, 2011 | For the Year ended March 31, 2010 |
|------------------------------------------------------|----------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Construction Contract charges to Sub Contractors     | 126.16                                 | 151.66                            | 741.05                            | 366.27                            | -                                 | 7.21                              |
| Operation and Maintenance charges to Sub Contractors | 293.71                                 | 300.14                            | -                                 | 51.02                             | -                                 | -                                 |
| Toll management charges to Sub Contractor            | 9.39                                   | 9.65                              | -                                 | -                                 | -                                 | -                                 |
| <b>Total</b>                                         | <b>429.26</b>                          | <b>461.45</b>                     | <b>741.05</b>                     | <b>417.29</b>                     | <b>-</b>                          | <b>7.21</b>                       |

**Notes**

- 1 The figures disclosed above are based on the restated unconsolidated summary statement of Profit and Loss of the Company.
- 2 The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.
- 3 List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management.
- 4 Operating Expenses to Directors/Promoters/Group Companies/Relatives of Promoters/Relatives of Directors.

(₹ in Million)

| Particulars                 | For the period ended December 31, 2014 | For the Year ended March 31, 2014 | For the Year ended March 31, 2013 | For the Year ended March 31, 2012 | For the Year ended March 31, 2011 | For the Year ended March 31, 2010 |
|-----------------------------|----------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Sadbhav Engineering Limited | 68.19                                  | -                                 | -                                 | -                                 | -                                 | -                                 |

- 5 For details of transactions with related parties, refer Annexure: XXIX.

**Sadbhav Infrastructure Project Limited**

**Annexure: XXVI**

**Restated Unconsolidated Statement of Employee benefits expense**

| (₹ in Million)                                |                                        |                                   |                                   |                                   |                                   |                                   |
|-----------------------------------------------|----------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Particulars                                   | For the period ended December 31, 2014 | For the Year ended March 31, 2014 | For the Year ended March 31, 2013 | For the Year ended March 31, 2012 | For the Year ended March 31, 2011 | For the Year ended March 31, 2010 |
| Salaries, Wages and Bonus                     | 27.49                                  | 29.29                             | 11.88                             | 6.28                              | 5.04                              | 2.03                              |
| Contribution to Provident Fund and Other Fund | 0.27                                   | 0.16                              | 0.11                              | 0.04                              | -                                 | -                                 |
| Gratuity Expense                              | 0.21                                   | 0.12                              | -                                 | 0.16                              | 0.47                              | -                                 |
| Staff Welfare Expenses                        | 0.23                                   | 0.00                              | 0.02                              | 0.01                              | 0.14                              | -                                 |
|                                               |                                        |                                   |                                   |                                   |                                   |                                   |
| <b>Total</b>                                  | <b>28.20</b>                           | <b>29.57</b>                      | <b>12.01</b>                      | <b>6.49</b>                       | <b>5.65</b>                       | <b>2.03</b>                       |

**Notes**

- 1 The figures disclosed above are based on the restated unconsolidated summary statement of Profit and Loss of the Company.
- 2 The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.
- 3 List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management.
- 4 Employee benefits expense to Directors/Promoters/Group Companies/Relatives of Promoters/Relatives of Directors.

| (₹ in Million)            |                                        |                                   |                                   |                                   |                                   |                                   |
|---------------------------|----------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Particulars               | For the period ended December 31, 2014 | For the Year ended March 31, 2014 | For the Year ended March 31, 2013 | For the Year ended March 31, 2012 | For the Year ended March 31, 2011 | For the Year ended March 31, 2010 |
| Employee benefits expense | 2.50                                   | 18.38                             | 3.25                              | 3.25                              | 3.25                              | 1.68                              |

- 5 For details of transactions with related parties, refer Annexure: XXIX.

**Sadbhav Infrastructure Project Limited**

**Annexure: XXVII**

**Restated Unconsolidated Statement of Other expenses**

(₹ in Million)

| Particulars                                     | For the period ended December 31, 2014 | For the Year ended March 31, 2014 | For the Year ended March 31, 2013 | For the Year ended March 31, 2012 | For the Year ended March 31, 2011 | For the Year ended March 31, 2010 |
|-------------------------------------------------|----------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Electricity                                     | 0.46                                   | 0.62                              | -                                 | -                                 | -                                 | -                                 |
| Rent                                            | 0.70                                   | 0.90                              | 1.27                              | 1.24                              | 0.45                              | -                                 |
| Insurance                                       | 0.18                                   | 0.44                              | 0.54                              | 0.63                              | 0.35                              | -                                 |
| Rates and Taxes                                 | 4.45                                   | 0.03                              | 0.54                              | 0.34                              | 23.09                             | 0.00                              |
| Repairs and Maintenance                         | 0.84                                   | 1.26                              | -                                 | -                                 | -                                 | -                                 |
| Stamp Duty and Filing Fees                      | 28.46                                  | -                                 | -                                 | 0.06                              | 9.00                              | 0.31                              |
| Legal and Professional Fees                     | 34.30                                  | 31.79                             | 25.73                             | 84.96                             | 30.53                             | 0.87                              |
| Travelling Expenses                             | 1.57                                   | 1.88                              | 1.70                              | 1.37                              | 0.99                              | 0.10                              |
| Auditors' Remuneration                          | 0.34                                   | 0.90                              | 0.91                              | 0.85                              | 0.59                              | 0.03                              |
| Trade Receivables written off                   | -                                      | -                                 | 0.41                              | -                                 | -                                 | -                                 |
| Interest receivable written off                 | -                                      | 0.00                              | -                                 | 10.92                             | -                                 | -                                 |
| Waiver of subordinate debt                      | -                                      | 66.02                             | -                                 | -                                 | -                                 | -                                 |
| Provision for Diminution in Value of Investment | -                                      | 0.37                              | -                                 | -                                 | -                                 | -                                 |
| Communication Expense                           | 2.73                                   | -                                 | -                                 | -                                 | -                                 | -                                 |
| Miscellaneous Expenses                          | 2.85                                   | 1.88                              | 0.54                              | 0.21                              | 0.31                              | 0.01                              |
| <b>Total</b>                                    | <b>76.90</b>                           | <b>106.09</b>                     | <b>31.64</b>                      | <b>100.58</b>                     | <b>65.31</b>                      | <b>1.32</b>                       |

**Notes**

- 1 The figures disclosed above are based on the restated unconsolidated summary statement of Profit and Loss of the Company.
- 2 The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.
- 3 List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management.
- 4 Other expense to Directors/Promoters/Group Companies/Relatives of Promoters/Relatives of Directors.

(₹ in Million)

| Particulars    | For the period ended December 31, 2014 | For the Year ended March 31, 2014 | For the Year ended March 31, 2013 | For the Year ended March 31, 2012 | For the Year ended March 31, 2011 | For the Year ended March 31, 2010 |
|----------------|----------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Other Expenses | 0.68                                   | 4.11                              | 24.02                             | 23.61                             | 11.79                             | 4.43                              |

- 5 For details of transactions with related parties, refer Annexure: XXIX.

**Sadbhav Infrastructure Project Limited**

**Annexure: XXVIII**

**Restated Unconsolidated Statement of Finance costs**

(₹ in Million)

| Particulars                                                | For the period ended December 31, 2014 | For the Year ended March 31, 2014 | For the Year ended March 31, 2013 | For the Year ended March 31, 2012 | For the Year ended March 31, 2011 | For the Year ended March 31, 2010 |
|------------------------------------------------------------|----------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Interest on                                                |                                        |                                   |                                   |                                   |                                   |                                   |
| Loans from Banks and Others                                | 615.26                                 | 523.11                            | 173.92                            | 31.74                             | 28.06                             | 6.26                              |
| Other                                                      | 0.81                                   | 0.82                              | -                                 | 3.04                              | 2.71                              | -                                 |
| Other Finance Cost                                         | 10.04                                  | 2.84                              | 40.30                             | 7.67                              | 4.12                              | 81.32                             |
| Premium on Redemption of Non Convertible Debentures (NCDs) | 47.51                                  | -                                 | -                                 | -                                 | -                                 | -                                 |
| Amortisation of discount on issue of NCDs                  | 12.06                                  | -                                 | -                                 | -                                 | -                                 | -                                 |
| <b>Total</b>                                               | <b>685.68</b>                          | <b>526.77</b>                     | <b>214.22</b>                     | <b>42.45</b>                      | <b>34.89</b>                      | <b>87.58</b>                      |

**Notes**

- 1 The figures disclosed above are based on the restated unconsolidated summary statement of Profit and Loss of the Company.
- 2 The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.
- 3 List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management.
- 4 Finance cost to Directors/Promoters/Group Companies/Relatives of Promoters/Relatives of Directors.

(₹ in Million)

| Particulars   | For the period ended December 31, 2014 | For the Year ended March 31, 2014 | For the Year ended March 31, 2013 | For the Year ended March 31, 2012 | For the Year ended March 31, 2011 | For the Year ended March 31, 2010 |
|---------------|----------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Finance costs | 365.82                                 | 276.71                            | 35.18                             | 23.76                             | 28.06                             | 30.77                             |

- 5 For details of transactions with related parties, refer Annexure: XXIX.

**Sadbhav Infrastructure Project Limited**

**Annexure: XXIX**

**Restated Unconsolidated Statement of Related Party**

**Name of Related Parties and related party relationship**

| Particulars     | For the period ended December 31, 2014             | For the Year ended March 31, 2014                  | For the Year ended March 31, 2013                  | For the Year ended March 31, 2012                                                       | For the Year ended March 31, 2011                                     | For the Year ended March 31, 2010 |
|-----------------|----------------------------------------------------|----------------------------------------------------|----------------------------------------------------|-----------------------------------------------------------------------------------------|-----------------------------------------------------------------------|-----------------------------------|
| Holding Company | Sadbhav Engineering Limited (SEL)                  | Sadbhav Engineering Limited (SEL)                  | Sadbhav Engineering Limited (SEL)                  | Sadbhav Engineering Limited (SEL)                                                       | Sadbhav Engineering Limited (SEL)                                     | Sadbhav Engineering Limited (SEL) |
| Subsidiaries    | Ahmedabad Ring Road Infrastructure Limited (ARRIL) | Ahmedabad Ring Road Infrastructure Limited (ARRIL) | Ahmedabad Ring Road Infrastructure Limited (ARRIL) | Ahmedabad Ring Road Infrastructure Limited (ARRIL)                                      | Ahmedabad Ring Road Infrastructure Limited (ARRIL) (w.e.f 05-09-2010) | -                                 |
|                 | Aurangabad Jalna Tollway Limited (AJTL)            | Aurangabad Jalna Tollway Limited (AJTL)            | Aurangabad Jalna Tollway Limited (AJTL)            | Aurangabad Jalna Tollway Limited (AJTL) (converted to 100% subsidiary w.e.f 05-05-2011) | Aurangabad Jalna Tollway Limited (AJTL) (w.e.f 05-09-2010)            | -                                 |
|                 | Bijapur Hugund Tollway Private Limited (BHTPL)     | Bijapur Hugund Tollway Private Limited (BHTPL)     | Bijapur Hugund Tollway Private Limited (BHTPL)     | Bijapur Hugund Tollway Private Limited (BHTPL)                                          | Bijapur Hugund Tollway Private Limited (BHTPL) (w.e.f 06-04-2010)     | -                                 |
|                 | Hyderabad Yadgiri Tollway Private Limited (HYTPL)  | Hyderabad Yadgiri Tollway Private Limited (HYTPL)  | Hyderabad Yadgiri Tollway Private Limited (HYTPL)  | Hyderabad Yadgiri Tollway Private Limited (HYTPL)                                       | Hyderabad Yadgiri Tollway Private Limited (HYTPL) (w.e.f 07-04-2010)  | -                                 |
|                 | Rohtak Panipat Tollway Private Limited (RPTPL)     | Rohtak Panipat Tollway Private Limited (RPTPL)     | Rohtak Panipat Tollway Private Limited (RPTPL)     | Rohtak Panipat Tollway Private Limited (RPTPL)                                          | Rohtak Panipat Tollway Private Limited (RPTPL) (w.e.f 31-08-2010)     | -                                 |
|                 | Maharashtra Border Check Post Network              | Maharashtra Border Check Post Network              | Maharashtra Border Check Post Network              | Maharashtra Border Check Post Network                                                   | Maharashtra Border Check Post Network                                 | -                                 |



| Particulars                    | For the period ended December 31, 2014                                                            | For the Year ended March 31, 2014                                          | For the Year ended March 31, 2013                                          | For the Year ended March 31, 2012                                          | For the Year ended March 31, 2011                                                             | For the Year ended March 31, 2010 |
|--------------------------------|---------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|----------------------------------------------------------------------------|----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-----------------------------------|
|                                | Limited (MBCPNL) - (Through board control & contractual economic interest till November 11, 2014) | Limited (MBCPNL) - (Through board control & contractual economic interest) | Limited (MBCPNL) - (Through board control & contractual economic interest) | Limited (MBCPNL) - (Through board control & contractual economic interest) | Limited (MBCPNL) - (Through board control & contractual economic interest) (w.e.f 11-05-2010) |                                   |
|                                | Shreenathji-Udaipur Tollway Private Limited (SUTPL)                                               | Shreenathji-Udaipur Tollway Private Limited (SUTPL)                        | Shreenathji-Udaipur Tollway Private Limited (SUTPL) (w.e.f 30-03-2012)     | -                                                                          | -                                                                                             | -                                 |
|                                | Solapur-Bijapur Tollway Private Limited (SBTPL)                                                   | Solapur-Bijapur Tollway Private Limited (SBTPL)                            | Solapur-Bijapur Tollway Private Limited (SBTPL) (w.e.f 19-04-2012)         | -                                                                          | -                                                                                             | -                                 |
|                                | Bhilwara-Rajsamand Tollway Private Limited (BRTPL)                                                | Bhilwara-Rajsamand Tollway Private Limited (BRTPL)                         | Bhilwara-Rajsamand Tollway Private Limited (BRTPL) (w.e.f 05-12-2012)      | -                                                                          | -                                                                                             | -                                 |
|                                | Rohtak Hissar Tollway Private Limited (RHTPL)                                                     | Rohtak Hissar Tollway Private Limited (RHTPL) (w.e.f 11-04-2013)           | -                                                                          | -                                                                          | -                                                                                             | -                                 |
|                                | Nagpur Seoni Expressway Limited (NSEL)                                                            | Nagpur Seoni Expressway Limited (NSEL) (w.e.f 02-04-2013)                  | -                                                                          | -                                                                          | -                                                                                             | -                                 |
| Key management personnel (KMP) | Mr. Vasistha C Patel, Managing Director                                                           | Mr. Vasistha C Patel, Managing Director                                    | Mr. Vasistha C Patel, Managing Director                                    | Mr. Vasistha C Patel, Managing Director                                    | Mr. Vasistha C Patel, Managing Director                                                       |                                   |
| Directors                      | Mr. Vishnubhai Patel                                                                              |                                                                            |                                                                            |                                                                            |                                                                                               |                                   |
|                                | Mr. Shashin V Patel                                                                               |                                                                            |                                                                            |                                                                            |                                                                                               |                                   |
|                                | Mr. Nitin Patel                                                                                   |                                                                            |                                                                            |                                                                            |                                                                                               |                                   |

| Particulars                                                       | For the period ended December 31, 2014             | For the Year ended March 31, 2014                        | For the Year ended March 31, 2013                  | For the Year ended March 31, 2012                                               | For the Year ended March 31, 2011                  | For the Year ended March 31, 2010                      |
|-------------------------------------------------------------------|----------------------------------------------------|----------------------------------------------------------|----------------------------------------------------|---------------------------------------------------------------------------------|----------------------------------------------------|--------------------------------------------------------|
| Relatives of Directors                                            | Rajshreeben Patel<br>(Daughter of Director)        | Rajshreeben Patel<br>(Daughter of Director)              | Rajshreeben Patel<br>(Daughter of Director)        | Rajshreeben Patel<br>(Daughter of Director)                                     | Rajshreeben Patel<br>(Daughter of Director)        | Rajshreeben Patel<br>(Daughter of Director)            |
|                                                                   | Girish Patel<br>(Son-in-law of Director)           | Girish Patel<br>(Son-in-law of Director)                 | Girish Patel<br>(Son-in-law of Director)           | Girish Patel<br>(Son-in-law of Director)                                        | Girish Patel<br>(Son-in-law of Director)           | Girish Patel<br>(Son-in-law of Director)               |
|                                                                   | Vikram Patel<br>(Son-in-law of Director)           | Vikram Patel<br>(Son-in-law of Director)                 | Vikram Patel<br>(Son-in-law of Director)           | Vikram Patel<br>(Son-in-law of Director)                                        | Vikram Patel<br>(Son-in-law of Director)           | Vikram Patel<br>(Son-in-law of Director)               |
|                                                                   |                                                    |                                                          |                                                    |                                                                                 |                                                    |                                                        |
| Enterprise over which the company is having significant influence | Dhule Palesnar Tollway Limited (DPTL)              | Dhule Palesnar Tollway Limited (DPTL)                    | Dhule Palesnar Tollway Limited (DPTL)              | Dhule Palesnar Tollway Limited (DPTL)                                           | Dhule Palesnar Tollway Limited (DPTL)              | Dhule Palesnar Tollway Limited (DPTL)                  |
|                                                                   | -                                                  | Nagpur Seoni Expressway Limited (NSEL) (upto 01-04-2013) | Nagpur Seoni Expressway Limited (NSEL)             | Nagpur Seoni Expressway Limited (NSEL) (converted to associate from 14-10-2011) | -                                                  |                                                        |
|                                                                   |                                                    |                                                          |                                                    |                                                                                 |                                                    |                                                        |
| Fellow Subsidiary                                                 | -                                                  | -                                                        | -                                                  | Nagpur Seoni Expressway Limited (NSEL) (Up to 13-10-2011)                       | Nagpur Seoni Expressway Limited (NSEL)             | Maharashtra Border Check Post Network Limited (MBCPNL) |
| Enterprise having significant influence under contract            | Norwest Venture Partners VII-A-Mauritius (Norwest) | Norwest Venture Partners VII-A-Mauritius (Norwest)       | Norwest Venture Partners VII-A-Mauritius (Norwest) | Norwest Venture Partners VII-A-Mauritius (Norwest)                              | Norwest Venture Partners VII-A-Mauritius (Norwest) |                                                        |
|                                                                   | Xander Investment Holding XVII Limited (Xander)    | Xander Investment Holding XVII Limited (Xander)          | Xander Investment Holding XVII Limited (Xander)    | Xander Investment Holding XVII Limited (Xander)                                 | Xander Investment Holding XVII Limited (Xander)    |                                                        |
|                                                                   |                                                    |                                                          |                                                    |                                                                                 |                                                    |                                                        |
|                                                                   |                                                    |                                                          |                                                    |                                                                                 |                                                    | Hyderabad Yadgiri Tollway Private Limited (HYTPL)      |
|                                                                   |                                                    |                                                          |                                                    |                                                                                 |                                                    | Ahmedabad Ring Road Infrastructure Limited (ARRIL)     |
| Enterprises over which holding                                    | Mysore-Bellary                                     | Mysore-Bellary                                           | -                                                  | -                                                                               | -                                                  | -                                                      |

| Particulars                                       | For the period ended December 31, 2014  | For the Year ended March 31, 2014       | For the Year ended March 31, 2013       | For the Year ended March 31, 2012       | For the Year ended March 31, 2011       | For the Year ended March 31, 2010 |
|---------------------------------------------------|-----------------------------------------|-----------------------------------------|-----------------------------------------|-----------------------------------------|-----------------------------------------|-----------------------------------|
| company is able to exercise significant influence | Highway Pvt.Ltd. (MBHPL)                | Highway Pvt.Ltd. (MBHPL)                |                                         |                                         |                                         |                                   |
|                                                   | Mumbai Nasik Express Way Limited (MNEL) | Mumbai Nasik Express Way Limited (MNEL) | Mumbai Nasik Express Way Limited (MNEL) | Mumbai Nasik Express Way Limited (MNEL) | Mumbai Nasik Express Way Limited (MNEL) |                                   |

**(a) Transactions during the period / year**

| (₹ in Million)                                                          |                                        |                                   |                                   |                                   |                                   |                                   |
|-------------------------------------------------------------------------|----------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Name of the transactions                                                | For the period ended December 31, 2014 | For the Year ended March 31, 2014 | For the Year ended March 31, 2013 | For the Year ended March 31, 2012 | For the Year ended March 31, 2011 | For the Year ended March 31, 2010 |
| <b>Issuance of Share Capital (Including securities premium)</b>         |                                        |                                   |                                   |                                   |                                   |                                   |
| SEL                                                                     | -                                      | -                                 | 1,250.00                          | -                                 | 2,596.80                          | -                                 |
| Norwest                                                                 | -                                      | -                                 | -                                 | -                                 | 2,000.00                          | -                                 |
| Xander                                                                  | -                                      | -                                 | -                                 | -                                 | 2,000.00                          | -                                 |
| Others                                                                  | -                                      | -                                 | -                                 | -                                 | 3.69                              | -                                 |
| <b>Issue of Compulsory Convertible Debentures (CCDs)</b>                |                                        |                                   |                                   |                                   |                                   |                                   |
| SEL                                                                     | -                                      | -                                 | 750.00                            | -                                 | -                                 | -                                 |
| <b>Conversion of SEL CCDs in to Equity (Including Security Premium)</b> |                                        |                                   |                                   |                                   |                                   |                                   |
| SEL                                                                     | 750.00                                 | -                                 | -                                 | -                                 | -                                 | -                                 |
| <b>Interest Paid on CCDs</b>                                            |                                        |                                   |                                   |                                   |                                   |                                   |
| SEL                                                                     | 0.05                                   | 0.08                              | 0.03                              | -                                 | -                                 | -                                 |
| <b>Issue of Bonus Share</b>                                             |                                        |                                   |                                   |                                   |                                   |                                   |
| SEL                                                                     | 2,188.49                               | -                                 | -                                 | -                                 | -                                 | -                                 |
| Norwest Venture Partners VII-A-Mauritius (Norwest)                      | 294.16                                 | -                                 | -                                 | -                                 | -                                 | -                                 |

| Name of the transactions                                                   | For the period ended December 31, 2014 | For the Year ended March 31, 2014 | For the Year ended March 31, 2013 | For the Year ended March 31, 2012 | For the Year ended March 31, 2011 | For the Year ended March 31, 2010 |
|----------------------------------------------------------------------------|----------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Xander Investment Holding XVII Limited (Xander)                            | 294.16                                 | -                                 | -                                 | -                                 | -                                 | -                                 |
| Other                                                                      | 37.00                                  |                                   |                                   |                                   |                                   |                                   |
|                                                                            |                                        |                                   |                                   |                                   |                                   |                                   |
| <b>Conversion of CCCPS into Equity Shares (Including Security Premium)</b> |                                        |                                   |                                   |                                   |                                   |                                   |
| Norwest Venture Partners VII-A-Mauritius (Norwest)                         | 511.26                                 |                                   |                                   |                                   |                                   |                                   |
| Xander Investment Holding XVII Limited (Xander)                            | 511.26                                 |                                   |                                   |                                   |                                   |                                   |
|                                                                            |                                        |                                   |                                   |                                   |                                   |                                   |
| <b>Unsecured Loan converted in to Interest free Loan</b>                   |                                        |                                   |                                   |                                   |                                   |                                   |
| SEL                                                                        | 779.56                                 | -                                 | -                                 | -                                 | -                                 | -                                 |
|                                                                            |                                        |                                   |                                   |                                   |                                   |                                   |
| <b>Unsecured Loan Taken</b>                                                |                                        |                                   |                                   |                                   |                                   |                                   |
| SEL                                                                        | 5,029.53                               | 4,466.11                          | 694.73                            | 912.48                            | 1,267.92                          | 336.32                            |
| ARRIL                                                                      | -                                      | 43.82                             | -                                 | 310.00                            | -                                 | -                                 |
| RPTPL                                                                      | -                                      | -                                 | -                                 | -                                 | 66.47                             | -                                 |
|                                                                            |                                        |                                   |                                   |                                   |                                   |                                   |
| <b>Unsecured Loan repaid (Including Interest)</b>                          |                                        |                                   |                                   |                                   |                                   |                                   |
| SEL                                                                        | 3,444.29                               | 1,262.93                          | 338.49                            | 724.60                            | 1,604.24                          | -                                 |
| ARRIL                                                                      | 199.25                                 | 145.69                            | 60.41                             | 10.00                             | -                                 | -                                 |
| RPTPL                                                                      | -                                      | -                                 | -                                 | -                                 | 66.47                             | -                                 |
|                                                                            |                                        |                                   |                                   |                                   |                                   |                                   |
| <b>Interest Expense</b>                                                    |                                        |                                   |                                   |                                   |                                   |                                   |
| SEL                                                                        | 360.26                                 | 250.20                            | 6.91                              | 3.88                              | 25.86                             | 30.77                             |
| RPTPL                                                                      | -                                      | -                                 | -                                 | -                                 | 2.20                              | -                                 |
| ARRIL                                                                      | 5.51                                   | 26.43                             | 28.24                             | 19.88                             | -                                 | -                                 |
|                                                                            |                                        |                                   |                                   |                                   |                                   |                                   |
| <b>Investments made during the year</b>                                    |                                        |                                   |                                   |                                   |                                   |                                   |
| BRTPL                                                                      | -                                      | 127.95                            | 0.37                              | -                                 | -                                 | -                                 |
| SBTPL                                                                      | -                                      | -                                 | 0.37                              | -                                 | -                                 | -                                 |
| SUTPL                                                                      | -                                      | -                                 | 153.50                            | -                                 | -                                 | -                                 |
| DPTL                                                                       | -                                      | -                                 | 1.79                              | 2.03                              | 2.44                              | 0.05                              |
| BHTPL                                                                      | -                                      | 566.41                            | -                                 | -                                 | 210.83                            | -                                 |
| RPTPL                                                                      | -                                      | -                                 | -                                 | 167.64                            | 50.00                             | -                                 |

| Name of the transactions                   | For the period ended December 31, 2014 | For the Year ended March 31, 2014 | For the Year ended March 31, 2013 | For the Year ended March 31, 2012 | For the Year ended March 31, 2011 | For the Year ended March 31, 2010 |
|--------------------------------------------|----------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| HYTPL                                      | 69.30                                  | -                                 | -                                 | 67.98                             | 35.90                             | -                                 |
| RHTPL                                      | -                                      | 79.68                             | -                                 | -                                 | -                                 | -                                 |
| MBHPL                                      | -                                      | 0.12                              | -                                 | -                                 | -                                 | -                                 |
|                                            |                                        |                                   |                                   |                                   |                                   |                                   |
| <b>Sale of Investment during the year</b>  |                                        |                                   |                                   |                                   |                                   |                                   |
| SEL                                        | -                                      | 0.12                              | -                                 | -                                 | -                                 | -                                 |
|                                            |                                        |                                   |                                   |                                   |                                   |                                   |
| <b>Purchase of Investments</b>             |                                        |                                   |                                   |                                   |                                   |                                   |
| SEL                                        | 310.14                                 | -                                 | -                                 | -                                 | 793.63                            | -                                 |
|                                            |                                        |                                   |                                   |                                   |                                   |                                   |
| <b>Receipt of services</b>                 |                                        |                                   |                                   |                                   |                                   |                                   |
| SEL                                        | 68.19                                  | -                                 | -                                 | -                                 | -                                 | -                                 |
|                                            |                                        |                                   |                                   |                                   |                                   |                                   |
| <b>Share Application Money Given</b>       |                                        |                                   |                                   |                                   |                                   |                                   |
| BHTPL                                      | -                                      | -                                 | -                                 | -                                 | 210.83                            | -                                 |
| MNEL                                       | -                                      | -                                 | -                                 | 32.13                             | 105.03                            | -                                 |
| RPTPL                                      | -                                      | -                                 | -                                 | -                                 | -                                 | -                                 |
| DPTL                                       | -                                      | -                                 | -                                 | 0.05                              | -                                 | 2.44                              |
| SBTPL                                      | -                                      | 153.47                            | -                                 | -                                 | -                                 | -                                 |
|                                            |                                        |                                   |                                   |                                   |                                   |                                   |
| <b>Share Application Money Refunded</b>    |                                        |                                   |                                   |                                   |                                   |                                   |
| MNEL                                       | -                                      | -                                 | -                                 | 137.16                            | -                                 | -                                 |
| SBTPL                                      | -                                      | 153.47                            | -                                 | -                                 | -                                 | -                                 |
|                                            |                                        |                                   |                                   |                                   |                                   |                                   |
| <b>Advance for purchase of investments</b> |                                        |                                   |                                   |                                   |                                   |                                   |
| SEL                                        | 135.20                                 | -                                 | 45.11                             | 54.08                             | 596.54                            | -                                 |
|                                            |                                        |                                   |                                   |                                   |                                   |                                   |
| <b>Unsecured Loan Given</b>                |                                        |                                   |                                   |                                   |                                   |                                   |
| AJTL                                       | 307.80                                 | 314.92                            | 99.73                             | 89.79                             | 101.77                            | -                                 |
| BHTPL                                      | -                                      | 111.69                            | 1,716.72                          | 584.28                            | 2,802.03                          | -                                 |
| HYTPL                                      | 103.70                                 | 303.85                            | 458.16                            | 461.50                            | 385.37                            | -                                 |
| RPTPL                                      | 485.30                                 | 114.25                            | 333.95                            | -                                 | 53.14                             | -                                 |
| RHTPL                                      | 11.00                                  | 59.57                             | -                                 | -                                 | -                                 | -                                 |
| MBCPNL                                     | 534.70                                 | 449.35                            | 294.57                            | 91.84                             | 790.65                            | -                                 |
| SBTPL                                      | -                                      | 29.16                             | 77.14                             | -                                 | -                                 | -                                 |
| SUTPL                                      | -                                      | 23.60                             | 21.64                             | -                                 | -                                 | -                                 |
| BRTPL                                      | 51.85                                  | 35.38                             | -                                 | -                                 | -                                 | -                                 |
| NSEWL                                      | 26.20                                  | 307.13                            | 273.15                            | 307.50                            | 520.31                            | -                                 |
| MBHPL                                      | 37.47                                  |                                   |                                   |                                   |                                   |                                   |
| MNEL                                       | -                                      | -                                 | -                                 | 137.16                            | -                                 | -                                 |
|                                            |                                        |                                   |                                   |                                   |                                   |                                   |
| <b>Receipt of</b>                          |                                        |                                   |                                   |                                   |                                   |                                   |

| Name of the transactions                           | For the period ended December 31, 2014 | For the Year ended March 31, 2014 | For the Year ended March 31, 2013 | For the Year ended March 31, 2012 | For the Year ended March 31, 2011 | For the Year ended March 31, 2010 |
|----------------------------------------------------|----------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| <b>Unsecured Loan Given (Including Interest)</b>   |                                        |                                   |                                   |                                   |                                   |                                   |
| AJTL                                               | 3.41                                   | 233.87                            | 30.70                             | 18.09                             | 67.60                             | -                                 |
| BHTPL                                              | -                                      | 215.00                            | 1,613.41                          | 1,848.60                          | 1,537.71                          | -                                 |
| HYTPL                                              | 15.14                                  | 380.12                            | 381.48                            | 473.97                            | 372.90                            | -                                 |
| RPTPL                                              | 3.21                                   | 43.60                             | 333.95                            | -                                 | 53.14                             | -                                 |
| RHTPL                                              | 0.18                                   | 5.96                              | -                                 | -                                 | -                                 | -                                 |
| MBCPNL                                             | 63.38                                  | 106.40                            | 294.57                            | 415.69                            | 466.80                            | -                                 |
| SBTPL                                              | -                                      | 101.00                            | 5.30                              | -                                 | -                                 | -                                 |
| SUTPL                                              | -                                      | 45.23                             | -                                 | -                                 | -                                 | -                                 |
| BRTPL                                              | 51.96                                  | 35.38                             | -                                 | -                                 | -                                 | -                                 |
| NSEL                                               | 4.21                                   | 520.00                            | 349.52                            | 5.85                              | 7.60                              | -                                 |
| MBHPL                                              | 0.20                                   | -                                 | -                                 | -                                 | -                                 | -                                 |
| DPTL                                               | 9.32                                   | -                                 | -                                 | -                                 | -                                 | -                                 |
| MNEL                                               | 1.29                                   | -                                 | -                                 | -                                 | -                                 | -                                 |
|                                                    |                                        |                                   |                                   |                                   |                                   |                                   |
| <b>Unsecured loan converted to Sub Debt</b>        |                                        |                                   |                                   |                                   |                                   |                                   |
| MBCPNL                                             | 817.23                                 | -                                 | -                                 | -                                 | -                                 | -                                 |
| RHTPL                                              | 11.00                                  | -                                 | -                                 | -                                 | -                                 | -                                 |
|                                                    |                                        |                                   |                                   |                                   |                                   |                                   |
| <b>Advance Received</b>                            |                                        |                                   |                                   |                                   |                                   |                                   |
| MBCPNL                                             | -                                      | -                                 | -                                 | -                                 | -                                 | 510.99                            |
|                                                    |                                        |                                   |                                   |                                   |                                   |                                   |
| <b>Sub Ordinate Loan Given</b>                     |                                        |                                   |                                   |                                   |                                   |                                   |
| AJTL                                               | -                                      | 5.58                              | -                                 | 135.45                            | 140.97                            | -                                 |
| BHTPL                                              | -                                      | -                                 | -                                 | 80.00                             | 843.92                            | -                                 |
| HYTPL                                              | 192.70                                 | 328.47                            | 80.14                             | 271.92                            | 144.00                            | -                                 |
| RPTPL                                              | -                                      | 449.95                            | 888.15                            | 385.52                            | 485.44                            | -                                 |
| RHTPL                                              | 634.99                                 | 59.57                             | -                                 | -                                 | -                                 | -                                 |
| MBCPNL                                             | 2.00                                   | 652.37                            | 1,817.40                          | 527.07                            | 441.95                            | 413.42                            |
| SUTPL                                              | 1,273.07                               | -                                 | 614.00                            | -                                 | -                                 | -                                 |
| SBTPL                                              | -                                      | 415.85                            | -                                 | -                                 | -                                 | -                                 |
| DPTL                                               | -                                      | 139.60                            | 124.00                            | 402.80                            | 60.00                             | 397.60                            |
| NSEWL                                              | -                                      | -                                 | -                                 | 97.96                             | 20.30                             | -                                 |
| BRTPL                                              | 1,311.26                               | 513.26                            | -                                 | -                                 | -                                 | -                                 |
|                                                    |                                        |                                   |                                   |                                   |                                   |                                   |
| <b>Sub ordinate Debt received in SPVS entities</b> |                                        |                                   |                                   |                                   |                                   |                                   |
| MBCPNL                                             | 305.30                                 | 50.00                             | 950.00                            | -                                 | -                                 | -                                 |
| BHTPL                                              | -                                      | 80.00                             | -                                 | -                                 | -                                 | -                                 |
| BRTPL                                              | 664.92                                 | -                                 | -                                 | -                                 | -                                 | -                                 |
| SBTPL                                              | -                                      | 349.83                            | -                                 | -                                 | -                                 | -                                 |
| SUTPL                                              | 614.00                                 | -                                 | -                                 | -                                 | -                                 | -                                 |
|                                                    |                                        |                                   |                                   |                                   |                                   |                                   |
| <b>Sub ordinate Debt waived off</b>                |                                        |                                   |                                   |                                   |                                   |                                   |
| SBTPL                                              | -                                      | 66.01                             | -                                 | -                                 | -                                 |                                   |

| Name of the transactions                                | For the period ended December 31, 2014 | For the Year ended March 31, 2014 | For the Year ended March 31, 2013 | For the Year ended March 31, 2012 | For the Year ended March 31, 2011 | For the Year ended March 31, 2010 |
|---------------------------------------------------------|----------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|                                                         |                                        |                                   |                                   |                                   |                                   |                                   |
| <b>Sale of Services (Including Contract Revenue)</b>    |                                        |                                   |                                   |                                   |                                   |                                   |
| <b>(excluding tax, unbilled &amp; unearned revenue)</b> |                                        |                                   |                                   |                                   |                                   |                                   |
| ARRIL                                                   | 133.92                                 | 300.83                            | -                                 | 54.83                             | -                                 | -                                 |
| BHTPL                                                   | 13.50                                  | 18.00                             | 16.50                             | 83.22                             | 70.64                             | -                                 |
| HYTPL                                                   | 18.07                                  | 12.53                             | -                                 | -                                 | 50.00                             | 50.00                             |
| MBCPNL                                                  | 173.32                                 | 788.29                            | 580.14                            | 499.46                            | -                                 | 76.41                             |
| DPTL                                                    | 0.90                                   | 1.20                              | 1.20                              | 1.60                              | 21.60                             | -                                 |
| AJTWL                                                   | 9.00                                   | 12.00                             | -                                 | -                                 | -                                 | -                                 |
| BRTPL                                                   | -                                      | 75.00                             | -                                 | -                                 | -                                 | -                                 |
| NSEL                                                    | 76.66                                  | 6.00                              | -                                 | -                                 | 11.16                             | -                                 |
| RHTPL                                                   | -                                      | 100.00                            | -                                 | -                                 | -                                 | -                                 |
| RPTPL                                                   | 41.81                                  | 21.08                             | -                                 | 100.00                            | -                                 | -                                 |
| SUTPL                                                   | -                                      | 100.00                            | -                                 | -                                 | -                                 | -                                 |
| <b>Expenses incurred on behalf</b>                      |                                        |                                   |                                   |                                   |                                   |                                   |
| MBCPNL                                                  | -                                      | -                                 | 1.62                              | 0.07                              | 0.10                              | -                                 |
| BRTPL                                                   | -                                      | -                                 | 1.08                              | -                                 | -                                 | -                                 |
| SBTPL                                                   | 0.15                                   | -                                 | 0.01                              | -                                 | -                                 | -                                 |
| SUTPL                                                   | 0.00                                   | 0.02                              | 1.67                              | -                                 | -                                 | -                                 |
| RPTPL                                                   | -                                      | 0.00                              | -                                 | -                                 | 0.73                              | -                                 |
| RHTPL                                                   | 9.39                                   | 0.01                              | -                                 | -                                 | -                                 | -                                 |
| BHTPL                                                   | -                                      | 0.03                              | -                                 | -                                 | -                                 | -                                 |
| MBHPL                                                   | 0.27                                   | -                                 | -                                 | -                                 | -                                 | -                                 |
| ARRIL                                                   | -                                      | -                                 | -                                 | 0.08                              | -                                 | -                                 |
|                                                         |                                        |                                   |                                   |                                   |                                   |                                   |
| <b>Receivable written off</b>                           |                                        |                                   |                                   |                                   |                                   |                                   |
| DPTL                                                    | -                                      | -                                 | 0.41                              | -                                 | -                                 | -                                 |
| NSEWL                                                   | -                                      | -                                 | -                                 | 10.92                             | -                                 | -                                 |
| MBCPNL                                                  | -                                      | -                                 | -                                 | -                                 | -                                 | -                                 |
|                                                         |                                        |                                   |                                   |                                   |                                   |                                   |
| <b>Reimbursement of Expenses</b>                        |                                        |                                   |                                   |                                   |                                   |                                   |
| SEL                                                     | -                                      | 18.40                             | 23.12                             | 22.69                             | 11.38                             | 4.43                              |
| MBCPNL                                                  | -                                      | -                                 | -                                 | -                                 | -                                 | -                                 |
|                                                         |                                        |                                   |                                   |                                   |                                   |                                   |
| <b>Interest Income</b>                                  |                                        |                                   |                                   |                                   |                                   |                                   |
| AJTL                                                    | 34.08                                  | 18.74                             | 15.43                             | 6.89                              | 0.97                              | -                                 |
| BHTPL                                                   | -                                      | 1.24                              | 24.02                             | 56.18                             | 80.65                             | -                                 |
| HYTPL                                                   | 3.41                                   | 13.61                             | 4.09                              | 9.77                              | 4.14                              | -                                 |
| RPTPL                                                   | 32.05                                  | 0.77                              | 0.75                              | -                                 | -                                 | -                                 |
| RHTPL                                                   | 0.28                                   | 1.05                              | -                                 | -                                 | -                                 | -                                 |
| BRTPL                                                   | 0.76                                   | 1.47                              | -                                 | -                                 | -                                 | -                                 |
| MBCPNL                                                  | 7.36                                   | 7.13                              | 0.57                              | 2.17                              | 17.99                             | 2.52                              |
| SBTPL                                                   | -                                      | 7.57                              | 1.50                              | -                                 | -                                 | -                                 |
| SUTPL                                                   | -                                      | 0.82                              | 0.29                              | -                                 | -                                 | -                                 |

| Name of the transactions                    | For the period ended December 31, 2014 | For the Year ended March 31, 2014 | For the Year ended March 31, 2013 | For the Year ended March 31, 2012 | For the Year ended March 31, 2011 | For the Year ended March 31, 2010 |
|---------------------------------------------|----------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| NSEL                                        | 42.07                                  | 53.35                             | 83.56                             | 65.33                             | 23.98                             | -                                 |
| DPTL                                        | 93.15                                  | 116.32                            | 105.76                            | 71.51                             | 43.77                             | -                                 |
| MNEL                                        | 12.91                                  | 14.13                             | 14.13                             | -                                 | -                                 | -                                 |
|                                             |                                        |                                   |                                   |                                   |                                   |                                   |
| <b>Rent Paid</b><br>(Excluding Service Tax) |                                        |                                   |                                   |                                   |                                   |                                   |
| SEL                                         | 0.68                                   | 0.90                              | 0.90                              | 0.92                              | 0.41                              | -                                 |
|                                             |                                        |                                   |                                   |                                   |                                   |                                   |
| <b>Managerial Remuneration</b>              |                                        |                                   |                                   |                                   |                                   |                                   |
| Vasistha Patel                              | 2.50                                   | 3.19                              | 3.25                              | 3.25                              | 3.25                              | 1.68                              |

(b) Outstanding balance as at Balance Sheet Date

| (₹ in Million)                                         |                         |                      |                      |                      |                      |                      |
|--------------------------------------------------------|-------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Name of the transactions                               | As at December 31, 2014 | As at March 31, 2014 | As at March 31, 2013 | As at March 31, 2012 | As at March 31, 2011 | As at March 31, 2010 |
|                                                        |                         |                      |                      |                      |                      |                      |
| <b>Trade Receivable</b><br>(including retention money) |                         |                      |                      |                      |                      |                      |
| ARRIL                                                  | 62.90                   | 201.35               | -                    | 53.41                | -                    | -                    |
| AJTL                                                   | 21.50                   | 12.28                | -                    | -                    | -                    | -                    |
| BHTPL                                                  | 1.71                    | 1.54                 | -                    | 13.85                | 21.74                | -                    |
| MBCPNL                                                 | 375.80                  | 346.83               | 111.92               | 7.59                 | -                    | -                    |
| DPTL                                                   | 4.39                    | 3.47                 | 2.41                 | 1.59                 | 1.59                 | -                    |
| RPTPL                                                  | 5.83                    | 14.37                | -                    | -                    | -                    | -                    |
| HYTPL                                                  | 4.13                    | 11.80                | -                    | -                    | -                    | -                    |
| NSEL                                                   | 31.46                   | 6.14                 | -                    | -                    | 10.92                | -                    |
| RHTPL                                                  | 0.06                    | -                    | -                    | -                    | -                    | -                    |
|                                                        |                         |                      |                      |                      |                      |                      |
| <b>Unsecured Loan Receivable</b>                       |                         |                      |                      |                      |                      |                      |
| AJTL                                                   | 556.55                  | 248.75               | 174.91               | 105.87               | 34.17                | -                    |
| BHTPL                                                  | -                       | -                    | 103.31               | -                    | 1,264.32             | -                    |
| HYTPL                                                  | 91.65                   | 0.41                 | 76.68                | -                    | 12.47                | -                    |
| MBCPNL                                                 |                         | 338.40               | -                    | -                    | 323.85               | -                    |
| SBTPL                                                  |                         | -                    | 70.49                | -                    | -                    | -                    |
| SUTPL                                                  |                         | -                    | 21.37                | -                    | -                    | -                    |
| RPTPL                                                  | 555.30                  | 70.00                | -                    | -                    | -                    | -                    |
| RHTPL                                                  | -                       | -                    | -                    | -                    | -                    | -                    |
| NSEL                                                   | 532.45                  | 506.25               | 737.99               | 814.36               | 512.71               | -                    |
| MNEL                                                   | 137.16                  | 137.16               | 137.16               | 137.16               | -                    | -                    |
| MBHPL                                                  | 37.27                   | -                    | -                    | -                    | -                    | -                    |
|                                                        |                         |                      |                      |                      |                      |                      |
| <b>Sub-Ordinate debt Receivable</b>                    |                         |                      |                      |                      |                      |                      |
| AJTL                                                   | 282.00                  | 282.00               | 276.42               | 276.42               | 140.97               | -                    |
| BRTPL                                                  | 1,159.60                | 513.26               | -                    | -                    | -                    | -                    |
| BHTPL                                                  | 843.92                  | 843.92               | 923.92               | 923.92               | 843.92               | -                    |



| Name of the transactions                                       | As at December 31, 2014 | As at March 31, 2014 | As at March 31, 2013 | As at March 31, 2012 | As at March 31, 2011 | As at March 31, 2010 |
|----------------------------------------------------------------|-------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| HYTPL                                                          | 1,017.23                | 824.53               | 496.06               | 415.92               | 144.00               | -                    |
| MBCPNL                                                         | 3,366.13                | 2,852.20             | 2,249.84             | 1,382.44             | 855.36               | 413.42               |
| SUTPL                                                          | 1,273.07                | 614.00               | 614.00               | -                    | -                    | -                    |
| RPTPL                                                          | 2,209.06                | 2,209.06             | 1,759.11             | 870.96               | 485.44               |                      |
| RHTPL                                                          | 969.12                  | 323.13               | -                    | -                    | -                    | -                    |
| NSEL                                                           | 118.29                  | 118.29               | 118.29               | 118.29               | 20.33                | -                    |
| DPTL                                                           | 1,124.00                | 1,124.00             | 984.40               | 860.40               | 457.60               | 397.60               |
| <b>Advance towards purchase of shares</b>                      |                         |                      |                      |                      |                      |                      |
| SEL                                                            | 275.90                  | 450.94               | 695.73               | 650.62               | 596.54               | -                    |
|                                                                |                         |                      |                      |                      |                      |                      |
| <b>Investment in Share Application Money pending allotment</b> |                         |                      |                      |                      |                      |                      |
| DPTL                                                           | -                       | -                    | -                    | 0.05                 | -                    | 2.44                 |
| RPTPL                                                          | -                       | -                    | -                    | -                    | 71.26                | -                    |
| NSEWL                                                          | -                       | -                    | -                    | -                    | 49.96                | -                    |
| MNEL                                                           | -                       | -                    | -                    | -                    | 105.03               | -                    |
|                                                                |                         |                      |                      |                      |                      |                      |
|                                                                |                         |                      |                      |                      |                      |                      |
| <b>Interest Receivable</b>                                     |                         |                      |                      |                      |                      |                      |
| DPTL                                                           | 387.46                  | 303.62               | 198.93               | 103.76               | 39.40                | -                    |
| MNEL                                                           | 37.05                   | 25.43                | 12.70                | -                    | -                    | -                    |
| NSEWL                                                          | 56.72                   | 18.86                | -                    | -                    | -                    | -                    |
| MBCPNL                                                         | 4.41                    | 4.56                 | -                    | -                    | -                    | -                    |
| AJTL                                                           | 37.88                   | 7.21                 | -                    | -                    | -                    | -                    |
| HYTPL                                                          | 0.73                    | 0.01                 | -                    | -                    | -                    | -                    |
| RHTPL                                                          |                         | -                    | -                    | -                    | -                    | -                    |
| RPTPL                                                          | 29.50                   | 0.65                 | -                    | -                    | -                    | -                    |
| SBTPL                                                          | -                       | -                    | 1.35                 | -                    | -                    | -                    |
| BRTPL                                                          | 0.68                    |                      |                      |                      |                      |                      |
| SUTPL                                                          | -                       | -                    | 0.26                 | -                    | -                    | -                    |
|                                                                |                         |                      |                      |                      |                      |                      |
| <b>Interest Payable</b>                                        |                         |                      |                      |                      |                      |                      |
| SEL                                                            | 131.03                  | 225.18               | 4.41                 | 3.88                 | -                    | -                    |
| ARRIL                                                          | 0.18                    | 1.53                 | 11.41                | 17.90                | -                    | -                    |
|                                                                |                         |                      |                      |                      |                      |                      |
| <b>Interest payable on CCD</b>                                 |                         |                      |                      |                      |                      |                      |
| SEL                                                            | 0.14                    | 0.10                 | 0.03                 | -                    | -                    | -                    |
|                                                                |                         |                      |                      |                      |                      |                      |
| <b>Advance from customer</b>                                   |                         |                      |                      |                      |                      |                      |
| MBCPNL                                                         | 186.12                  | 207.88               | 306.40               | 420.57               | 510.99               | 510.99               |
|                                                                |                         |                      |                      |                      |                      |                      |
| <b>Payable against purchase of asset</b>                       |                         |                      |                      |                      |                      |                      |
| SEL                                                            | -                       | -                    | -                    | 3.43                 | -                    | -                    |
| <b>Loans &amp;</b>                                             |                         |                      |                      |                      |                      |                      |

| Name of the transactions                               | As at December 31, 2014 | As at March 31, 2014 | As at March 31, 2013 | As at March 31, 2012 | As at March 31, 2011 | As at March 31, 2010 |
|--------------------------------------------------------|-------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>advances - Other</b>                                |                         |                      |                      |                      |                      |                      |
| BRTPL                                                  | 1.08                    | 1.08                 | 1.08                 | -                    | -                    | -                    |
| MBCPNL                                                 | 0.82                    | 1.35                 | 1.62                 | 0.07                 | -                    | -                    |
| SBTPL                                                  | -                       | -                    | 0.01                 | -                    | -                    | -                    |
| SUTPL                                                  | 0.00                    | -                    | 1.67                 | -                    | -                    | -                    |
| RHTPL                                                  | 0.06                    | 0.03                 | -                    | -                    | -                    | -                    |
| MBHPL                                                  | 0.25                    | -                    | -                    | -                    | -                    | -                    |
|                                                        |                         |                      |                      |                      |                      |                      |
| <b>0.01% Unsecured CCD</b>                             |                         |                      |                      |                      |                      |                      |
| SEL                                                    | -                       | 750.00               | 750.00               | -                    | -                    | -                    |
|                                                        |                         |                      |                      |                      |                      |                      |
| <b>Unsecured Loan Taken</b>                            |                         |                      |                      |                      |                      |                      |
| SEL                                                    | 5,007.38                | 3,747.30             | 544.11               | 187.88               | -                    | 336.32               |
| ARRIL                                                  | 13.38                   | 205.76               | 271.50               | 300.00               | -                    | -                    |
|                                                        |                         |                      |                      |                      |                      |                      |
| <b>Interest Free Unsecured Loan Taken</b>              |                         |                      |                      |                      |                      |                      |
| SEL                                                    | 779.56                  | -                    | -                    | -                    | -                    | -                    |
|                                                        |                         |                      |                      |                      |                      |                      |
| <b>Provision for Diminution in Value of Investment</b> |                         |                      |                      |                      |                      |                      |
| SBTPL                                                  | 0.37                    | 0.37                 | -                    | -                    | -                    | -                    |
|                                                        |                         |                      |                      |                      |                      |                      |
| <b>Trade payables</b>                                  |                         |                      |                      |                      |                      |                      |
| SEL                                                    | 109.84                  | 18.89                | 0.61                 | 19.09                | -                    | -                    |
| RPTPL                                                  | -                       | 0.01                 | -                    | -                    | -                    | -                    |
|                                                        |                         |                      |                      |                      |                      |                      |
| <b>Other Payable</b>                                   |                         |                      |                      |                      |                      |                      |
| SEL                                                    | -                       | -                    | -                    | 15.06                | -                    | -                    |
|                                                        |                         |                      |                      |                      |                      |                      |
| <b>Managerial Remuneration Payable</b>                 |                         |                      |                      |                      |                      |                      |
| Vasistha Patel                                         | 0.44                    | 0.39                 | 0.43                 | 0.41                 | -                    | -                    |

**Notes:**

- 1 Term loan of ₹ 1,800 Million as at December 31, 2014 (31 March 2014: ₹ 1,800 Million) (31 March 2013: ₹ 1,800 Million) (31 March 2012: ₹ 650 Million) and WCDL loan of ₹ 100 Million as at December 31, 2014 (31 March 2014: ₹ 100 Million) from bank is guaranteed by the corporate guarantee of Sadbhav Engineering Limited, the holding company.
- 2 Non convertible debenture of ₹ 3,005.41 Million as at 31 Dec 2014 (31 March 2014: ₹ Nil) (31 March 2013: ₹ Nil) (31 March 2012: ₹ Nil ) is guaranteed by the corporate guarantee of Sadbhav Engineering Limited, the holding company and personal guarantee of Mr. Vishnubhai Patel (Promoter of holding company (SEL)). Further, Sadbhav Engineering Limited has pledged 16% shareholding in the Company to the lenders.
- 3 Compulsory Convertible Cumulative Preference Shares ('CCCPs') were converted into equity shares in accordance with the terms of the agreement as per Board resolution dated October 22, 2014. Pursuant to the

conversion, the Company has issued to Norwest and Xander 1,131,100 equity share each against 1,125,387 CCCPS.

- 4 Company has received a waiver from preference shareholders for dividend payable in respect of financial year up to March 31, 2014.
- 5 During the year ended March 31, 2012, the company has converted share application money of ₹49.96 Million given to NSEL into Sub Ordinate Debt.
- 6 During the period ended December 31, 2014 short term loan of ₹ 779.56 Million from SEL was converted into interest free long term loan.
- 7 The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities and Unconsolidated summary statement of profit and loss of the Company.
- 8 The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.

**Sadbhav Infrastructure Project Limited**

**Annexure: XXX**

**Restated Unconsolidated Statement of Contingent Liabilities and commitments**

**(A) Contingent Liabilities**

(₹ in Million)

| Particulars                                                 | As at December 31, 2014 | As at March 31, 2014 | As at March 31, 2013 | As at March 31, 2012 | As at March 31, 2011 | As at March 31, 2010 |
|-------------------------------------------------------------|-------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                                             |                         |                      |                      |                      |                      |                      |
| <b>Claims against the Company not acknowledged as debts</b> |                         |                      |                      |                      |                      |                      |
| Service Tax*                                                | 43.48                   | 43.48                | 43.48                | -                    | -                    | -                    |

\* Towards service tax demand from authorities for recovery of CENVAT credit on input service availed during the financial years 2009-10 and 2010-11. In respect of said matter, the Company has preferred appeal with Tribunal, for which Company has deposited ₹ 2.5 Million in year 2013-14 and received stay order from tribunal for recoveries of demands. Further, the matter is pending with Tribunal as at reporting date.

**(B) Other Commitments**

(₹ in Million)

The following are the estimated amount of contractual commitments of the company:

| Particulars                                                                          | As at December 31, 2014 | As at March 31, 2014 | As at March 31, 2013 | As at March 31, 2012 | As at March 31, 2011 | As at March 31, 2010 |
|--------------------------------------------------------------------------------------|-------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 1) EPC Sub-Contract commitments                                                      | 992.54                  | 1,333.05             | 1,488.63             | 1,562.57             | -                    | -                    |
| 2) Other Commitments towards subordinate debts/equity shares in various subsidiaries | 1,634.10                | 2,276.16             | 6,157.18             | 2,888.89             | 4,237.39             | -                    |
|                                                                                      |                         |                      |                      |                      |                      |                      |

3) The BOT projects of subsidiary companies viz. ARRIL, AJTL, MBCPNL, BHTPL, HYTPL, RPTPL, NSEL, SUTPL, BRTPL and RHTPL have been funded through various debt facilities agreements with banks. Against the said credit facilities availed by the respective subsidiary companies from the banks, the Company has executed agreements with lenders whereby the Company has committed to hold minimum shareholding and also pledge of its shares in the respective subsidiary company, details of which is as follows:

| Name of Subsidiary | % of Non Disposal Undertaking  |                                 | % of Shares to Pledge |
|--------------------|--------------------------------|---------------------------------|-----------------------|
|                    | Upto Commercial Operation Date | After Commercial Operation Date |                       |
| ARRIL              | 70%                            | 45%*                            | 30.00%                |
| BHTPL              | 51%                            | 51%                             | 51.00%                |
| RPTPL              | 51%                            | 51%                             | 51.00%                |
| HYTPL              | 51%                            | 51%                             | 51.01%                |
| RHTPL              | 51%                            | 51%                             | 51.00%                |
| NSEL               | 51%                            | 51%                             | 51.00%                |
| AJTL               | 51%                            | 51%                             | 51.00%                |

| Name of Subsidiary | % of Non Disposal Undertaking  |                                 | % of Shares to Pledge |
|--------------------|--------------------------------|---------------------------------|-----------------------|
|                    | Upto Commercial Operation Date | After Commercial Operation Date |                       |
| MBCPNL             | 70%                            | 51%                             | 51.00%                |
| SUTPL              | 51%                            | 51%                             | 51.00%                |
| BRTPL              | 51%                            | 51%                             | 51.00%                |

\* In case of ARRIL the undertaking for non disposal of shares shall be reduced to 21% on repayment of 80% of the total Loan given by lenders.

- (C) The Company has entered into agreements with various parties to acquire equity shareholding of 20%, 39%, 20% and 74% in Mumbai Nasik Expressway Limited, Dhule Palesnar Tollway Limited, Ahmedabad Ring Road Infrastructure Limited and Mysore Bellari Highway Private Limited, respectively, subject to relevant approvals from the government authorities and the lenders.
- (D) As regards acquisition of 20% share holding in Mumbai Nasik Expressway Limited (MNEL) an inprincipal understanding has been reach with Gammon Infrastructure Project Limited for sale of share holding although detailed agreement is pending to be executed.

#### Notes

- The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.
- During the year 2013-14, minority shareholders of Bijapur Hungud Tollway Private Limited ('BHTPL') (a subsidiary of the Company) has filed company petition under section 397 and 398 of the Companies Act, 1956 with the Company Law Board – Mumbai Bench against Sadbhav Engineering Ltd (SEL), a holding Company and its associates/affiliates wherein the company is also defendant. The minority shareholders has pleaded that BHTPL awarded EPC and other contracts to SEL / affiliates which are prejudicial to the interest of BHTPL and hence should be terminated. The Company Law Board (CLB) passed an order in favour of the minority shareholder although Company pleaded that matter should be referred for arbitration as per terms of shareholder agreement (SHA). Against the CLB order the Company filed Special Civil Application (SCA) with Hon'ble High Court of Gujarat that matter of minority shareholder should be dealt as per SHA. Hon'ble High Court accepted SCA of the Company and granted interim relief whereby further proceeding of CLB have been stayed. Hon'ble High Court then upheld the order of the Company Law Board, vacated the interim order and dismissed the SCA. The Company had filed an appeal under Letters Petent Act (LPA) before the Division Bench of Hon'ble Gujarat High Court ("the Bench"). The Bench ordered a stay on the further proceedings of CLB. The Company, based on the representations made before the Hon'ble Gujarat High Court, has defended the matter stating that the dispute is there between the shareholders of BHTPL instead of relating to oppression and mismanagement in BHTPL. Further, it is represented that such dispute should be resolved through arbitration agreement. The LPA is pending for final hearing before division bench of Hon'ble Gujarat High Court. The management represents that no liability is likely to devolve in the matter on the Company.

#### Notes

- The figures disclosed above are based on the restated Unconsolidated summary statement of assets and liabilities of the Company.
- The above statement should be read with the notes to restated Unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.

**Sadbhav Infrastructure Project Limited**

**Annexure: XXXI**

**Restated Unconsolidated Statement of Accounting Ratios**

(₹ in Million)

| Sr. No. | Particulars                                                                                                     | As at December 31, 2014 | As at March 31, 2014 | As at March 31, 2013 | As at March 31, 2012 | As at March 31, 2011 | As at March 31, 2010 |
|---------|-----------------------------------------------------------------------------------------------------------------|-------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| (i)     | <b>Basic Earning / (Loss) Per Share</b>                                                                         |                         |                      |                      |                      |                      |                      |
|         | Restated Net Profit/(Loss) after tax for the period / year available for equity shareholders (₹ in Million) (A) | (417.49)                | 8.10                 | 116.32               | 259.45               | 154.22               | 13.38                |
|         | Number of equity shares                                                                                         | 310,963,081             | 308,700,880          | 308,700,880          | 306,865,964          | 306,865,964          | 282,743,710          |
|         | Weighted average number of equity shares outstanding during the period / year (B)                               | 309,284,939             | 308,700,880          | 307,655,230          | 306,865,964          | 295,515,250          | 282,743,710          |
|         | Basic Earnings / (Loss) Per Share (in ₹) - (A/B)                                                                | (1.35)                  | 0.03                 | 0.38                 | 0.85                 | 0.52                 | 0.05                 |
|         | <b>Diluted Earning / (Loss) Per Share (Refer Note 6 below)</b>                                                  |                         |                      |                      |                      |                      |                      |
|         | Restated Net Profit/(Loss) after tax for the period / year available for equity shareholders (₹ in Million) (A) | (417.49)                | 8.10                 | 116.32               | 259.45               | 154.22               | 13.38                |
|         | Add : Interest on Compulsory Convertible Debenture (Net of Tax)                                                 | 0.03                    | 0.05                 | 0.02                 | -                    | -                    | -                    |
|         | Restated Net Profit/(Loss) after tax for calculation of Diluted EPS (₹ in Million) (A)                          | (417.46)                | 8.15                 | 116.34               | 259.45               | 154.22               | 13.38                |
|         | Number of equity shares                                                                                         | 310,963,081             | 308,700,880          | 308,700,880          | 306,865,964          | 306,865,964          | 282,743,710          |
|         | Weighted average number of equity shares outstanding during the period / year (B) (refer note no 6)             | 309,284,939             | 308,700,880          | 307,655,230          | 306,865,964          | 295,515,250          | 282,743,710          |

| Sr. No. | Particulars                                                                                                  | As at December 31, 2014 | As at March 31, 2014 | As at March 31, 2013 | As at March 31, 2012 | As at March 31, 2011 | As at March 31, 2010 |
|---------|--------------------------------------------------------------------------------------------------------------|-------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|         | Diluted Earnings / (Loss) Per Share (in ₹) - (A/B)                                                           | (1.35)                  | 0.03                 | 0.38                 | 0.85                 | 0.52                 | 0.05                 |
| (ii)    | <b>Return on Net Worth</b>                                                                                   |                         |                      |                      |                      |                      |                      |
|         | Restated Net Profit after tax (₹ in Million) (C)                                                             | (417.49)                | 8.10                 | 116.32               | 259.45               | 154.22               | 13.38                |
|         | Net Worth excluding preference share capital at the end of the period / year, as restated (₹ in Million) (D) | 8,629.80                | 8,274.79             | 8,266.69             | 6,901.44             | 6,642.17             | 9.11                 |
|         | Return on Net Worth (%) (C/D)                                                                                | -4.84%                  | 0.10%                | 1.41%                | 3.76%                | 2.32%                | 146.86%              |
| (iii)   | <b>Net Asset Value Per Equity Share</b>                                                                      |                         |                      |                      |                      |                      |                      |
|         | Net Worth excluding preference share capital at the end of the period / year, as restated (₹ in Million) (E) | 8,629.80                | 8,274.79             | 8,266.69             | 6,901.44             | 6,642.17             | 9.11                 |
|         | Number of Equity share outstanding at the end of the period/year (F)                                         | 310,963,081             | 308,700,880          | 308,700,880          | 306,865,964          | 306,865,964          | 282,743,710          |
|         | Net Asset Value Per Equity Share (E/F)                                                                       | 27.75                   | 26.81                | 26.78                | 22.49                | 21.65                | 0.03                 |

#### Notes

- The ratios have been computed as below:

$$\text{Basic Earnings per share (₹)} = \frac{\text{Net profit attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year / period}}$$

- Return on net worth (%) 
$$= \frac{\text{Net profit attributable to equity shareholders}}{\text{Net worth excluding preference share capital at the end of the period / year}}$$

- Net asset value per equity share (₹) 
$$= \frac{\text{Net worth excluding preference share capital at the end of the period / year}}{\text{Number of equity shares outstanding at the end of the year / period}}$$

- Compulsory Convertible Cumulative Preference Shares ('CCCPs') were converted into equity shares in accordance with the terms of the agreement as per Board resolution dated October 22, 2014. Pursuant to the conversion, the Company has issued 2,262,200 equity share against 2,250,774 CCCPS.

5 0.01% 1,100,950 Compulsory Convertible Debentures of ₹ 750 Million issued to Sadbhav Engineering Limited (CCDs') have been converted into one equity share as per Board Resolution dated October 22, 2014 .

6 The Company issued 282,693,710 equity shares of ₹10/- each as fully paid bonus shares in the ratio of 10 : 1 by utilizing ₹ 2,826.94 Million from Securities Premium Account aggregating ₹ 2,826.94 Million as per the resolution of Extra Ordinary General Meeting dated October 29, 2014.

Also refer note 4 of Annexure VI.

7 Net profit/(Loss), as restated as appearing in the Statement of profits and losses, as restated has been considered for the purpose of computing the above ratios. These ratios are computed on the basis of the unconsolidated restated financial statements of the Company.

8 Considering that the Company has incurred losses during the period ended December 31, 2014, the conversion of potential equity shares would decrease the loss per share and hence, it has been ignored for the purpose of calculation of diluted EPS.

9 Net worth for ratios mentioned represent equity share capital and reserves and surplus. Refer Annexure VII for components of Resreves and Surplus.

10 Earnings per share calculations are done in accordance with Accounting Standard 20 "Earnings Per Share" issued by the Institute of Chartered Accountants of India.



## Sadbhav Infrastructure Project Limited

### Annexure: XXXII

#### Restated Unconsolidated Statement of Segment Information

The Company has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of services, the differing risks and returns and internal reporting system.

The Company's operations predominately relate to Contract Income and Project Management and Advisory Services. For the purpose of reporting, business segment is the primary segment.

Segments have been identified and reported taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

| (₹ in Million)                              |                                |                           |                           |                           |                           |                           |
|---------------------------------------------|--------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Particulars                                 | Period Ended December 31, 2014 | Year Ended March 31, 2014 | Year Ended March 31, 2013 | Year Ended March 31, 2012 | Year Ended March 31, 2011 | Year Ended March 31, 2010 |
| <b>Revenue</b>                              |                                |                           |                           |                           |                           |                           |
| External Revenue                            |                                |                           |                           |                           |                           |                           |
| Contractual Income                          | 479.07                         | 550.43                    | 881.52                    | 554.29                    | 11.15                     | 76.41                     |
| Project Management and Advisory Services    | 65.90                          | 351.20                    | 17.70                     | 184.82                    | 142.24                    | 50.00                     |
| Others                                      | 9.90                           | 10.13                     | -                         | -                         | -                         | -                         |
| <b>Total</b>                                | <b>554.87</b>                  | <b>911.76</b>             | <b>899.22</b>             | <b>739.11</b>             | <b>153.39</b>             | <b>126.41</b>             |
| <b>Segment Result</b>                       |                                |                           |                           |                           |                           |                           |
| Contractual Income                          | 44.75                          | 83.90                     | 137.28                    | 134.56                    | 10.91                     | 68.18                     |
| Project Management and Advisory Services    | 34.84                          | 332.19                    | 17.64                     | 184.01                    | 139.22                    | 49.34                     |
| Others                                      | 0.51                           | 2.59                      | -                         | -                         | -                         | -                         |
| <b>Total</b>                                | <b>80.11</b>                   | <b>418.68</b>             | <b>154.92</b>             | <b>318.57</b>             | <b>150.13</b>             | <b>117.52</b>             |
| <b>Unallocated Income/(Expense)</b>         | ( 60.57)                       | ( 105.18)                 | ( 41.69)                  | ( 104.37)                 | ( 67.70)                  | ( 1.67)                   |
| Finance Costs                               | ( 685.68)                      | ( 526.77)                 | ( 214.22)                 | ( 42.45)                  | ( 34.89)                  | ( 87.58)                  |
| Other income including Finance income       | 248.87                         | 246.57                    | 267.62                    | 215.50                    | 183.57                    | 2.53                      |
| Tax Expense                                 | ( 0.22)                        | ( 25.20)                  | ( 50.31)                  | ( 127.80)                 | ( 76.89)                  | ( 17.42)                  |
| <b>Restated Net Profit/(Loss) after tax</b> | <b>( 417.49)</b>               | <b>8.10</b>               | <b>116.32</b>             | <b>259.45</b>             | <b>154.22</b>             | <b>13.38</b>              |

| (₹ in Million)                           |                         |                      |                      |                      |                      |                      |
|------------------------------------------|-------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Particulars                              | As At December 31, 2014 | As At March 31, 2014 | As At March 31, 2013 | As At March 31, 2012 | As At March 31, 2011 | As At March 31, 2010 |
| <b>Assets</b>                            |                         |                      |                      |                      |                      |                      |
| Segment Assets                           |                         |                      |                      |                      |                      |                      |
| Contractual Income                       | 646.74                  | 574.21               | 457.70               | 185.32               | 43.60                | 43.60                |
| Project Management and Advisory Services | 42.60                   | 49.61                | 2.41                 | 15.44                | 34.25                | -                    |
| Unallocated                              | 19 628.91               | 15 279.72            | 11 833.61            | 8 654.44             | 7 114.27             | 865.00               |
| <b>Total</b>                             | <b>20 318.26</b>        | <b>15 903.54</b>     | <b>12 293.72</b>     | <b>8 855.20</b>      | <b>7 192.12</b>      | <b>908.60</b>        |
| <b>Segment Liabilities</b>               |                         |                      |                      |                      |                      |                      |
| Contractual Income                       | 618.78                  | 625.08               | 476.52               | 570.20               | 510.99               | 510.99               |
| Project Management and Advisory Services | -                       | -                    | -                    | 25.07                | -                    | -                    |

| Particulars  | As At<br>December<br>31, 2014 | As At<br>March<br>31, 2014 | As At<br>March<br>31, 2013 | As At<br>March<br>31, 2012 | As At<br>March<br>31, 2011 | As At<br>March<br>31, 2010 |
|--------------|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Unallocated  | 11 069.68                     | 6 981.17                   | 3 528.01                   | 1 335.99                   | 16.46                      | 388.50                     |
| <b>Total</b> | <b>11 688.46</b>              | <b>7 606.25</b>            | <b>4 004.53</b>            | <b>1 931.26</b>            | <b>527.45</b>              | <b>899.49</b>              |

(₹ in Million)

| Particulars                     | Period<br>Ended<br>December<br>31, 2014 | Year<br>Ended<br>March<br>31, 2014 | Year<br>Ended<br>March<br>31, 2013 | Year<br>Ended<br>March<br>31, 2012 | Year<br>Ended<br>March<br>31, 2011 | Year<br>Ended<br>March<br>31, 2010 |
|---------------------------------|-----------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Unallocated capital expenditure | 0.06                                    | -                                  | -                                  | 16.91                              | 0.13                               | -                                  |
| Unallocated depreciation        | 0.98                                    | 1.14                               | 1.29                               | 0.55                               | -                                  | -                                  |

#### Notes

1. The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.
3. Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. The net expenses, which are not directly attributable to the Business Segment, are shown as unallocated corporate cost.

Assets and Liabilities that cannot be allocated amongst the segments are shown as part of unallocated assets and liabilities respectively.

4. The Secondary segment i.e. geographical segment is not a reportable segment as per Accounting Standard 17, Segment reporting, and hence, the details thereof are not given.

**Sadbhav Infrastructure Project Limited**

**Annexure: XXXIII**

**Restated Unconsolidated Summary Statement of Dividend**

(₹ in Million)

| Particular                                                               | Period Ended December 31, 2014 | Year Ended March 31, 2014 | Year Ended March 31, 2013 | Year Ended March 31, 2012 | Year Ended March 31, 2011 | Year Ended March 31, 2010 |
|--------------------------------------------------------------------------|--------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| <b>Issued, subscribed and fully paid-up shares:</b>                      |                                |                           |                           |                           |                           |                           |
| <b>Equity Shares:</b>                                                    |                                |                           |                           |                           |                           |                           |
| Number of Equity Shares of ₹ 10 each                                     | 310,963,081                    | 26,007,170                | 26,007,170                | 24,172,254                | 24,172,254                | 50,000                    |
| Rate of dividend (%)                                                     | -                              | -                         | -                         | -                         | -                         | -                         |
| Dividend amount (₹ in million)                                           | -                              | -                         | -                         | -                         | -                         | -                         |
| Tax on dividend (₹ in million)                                           | -                              | -                         | -                         | -                         | -                         | -                         |
|                                                                          |                                |                           |                           |                           |                           |                           |
| <b>0.01% Compulsory Convertible Cumulative Preference Shares (CCCPS)</b> |                                |                           |                           |                           |                           |                           |
| Number of Preference Shares of ₹ 10 each                                 | -                              | 2,250,774                 | 2,250,774                 | 2,250,774                 | 2,250,774                 | -                         |
| Rate of dividend (%)                                                     | 0.00%                          | 0.01%                     | 0.01%                     | 0.01%                     | 0.01%                     | -                         |
| Dividend amount (₹ in million)                                           | -                              | -                         | -                         | 0.18                      | -                         | -                         |
| Tax on dividend (₹ in million)                                           | -                              | -                         | -                         | -                         | -                         | -                         |
| Dividend amount waived off (₹ in million)                                | -                              | -                         | (0.18)                    | -                         | -                         | -                         |

**Notes**

- 1 The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2 The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.
- 3 Compulsory Convertible Cumulative Preference Shares ('CCCPS') were converted into equity shares in accordance with the terms of the agreement as per Board resolution dated October 22, 2014. Pursuant to the conversion, the Company has issued 2,262,200 equity share against 2,250,774 CCCPS.
- 4 Up to date of Conversion , Each Preference Share was entitle the holder thereof to receive, out of funds legally available, Cumulative cash dividends at the rate of 0.01% per annum of the initial purchase price. The preference share holders have waived their right to receive dividend upto the Financial Year 2013-14.

**Sadbhav Infrastructure Project Limited**

**Annexure: XXXIV**

**Statement of Tax Shelter**

(₹ in Million)

| Particulars                                                                   |                       | Period Ended<br>December<br>31, 2014 | Year ended<br>March<br>31, 2014 | Year ended<br>March<br>31, 2013 | Year ended<br>March<br>31, 2012 | Year ended<br>March<br>31, 2011 | Year ended<br>March<br>31, 2010 |
|-------------------------------------------------------------------------------|-----------------------|--------------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Restated profit / (loss) before tax                                           | (A)                   | (417.27)                             | 33.30                           | 166.63                          | 387.25                          | 231.11                          | 30.80                           |
| Marginal tax rate (%)                                                         | (B)                   | 33.99%                               | 33.99%                          | 32.45%                          | 32.45%                          | 33.22%                          | 33.99%                          |
| Tax at notional rate                                                          | (C) =<br>(A) *<br>(B) | (141.83)                             | 11.32                           | 54.07                           | 125.66                          | 76.77                           | 10.47                           |
|                                                                               |                       |                                      |                                 |                                 |                                 |                                 |                                 |
|                                                                               |                       |                                      |                                 |                                 |                                 |                                 |                                 |
| <b><u>Permanent Differences:</u></b>                                          |                       |                                      |                                 |                                 |                                 |                                 |                                 |
| Dividend - exempt under Income Tax Act                                        |                       | -                                    | (0.01)                          | (3.85)                          | (1.04)                          | (2.73)                          | -                               |
| Capital Expenditure Disallowable under Income Tax Act                         |                       | -                                    | 21.29                           | 0.06                            | 1.04                            | 3.13                            | -                               |
| Lower tax rate on Profit on sale of Mutual funds                              |                       | -                                    | 0.04                            | 0.73                            | 0.06                            | 0.01                            | -                               |
| Waiver of Interest on Sub Ordinate Debt given to subsidiary                   |                       | -                                    | (7.70)                          | -                               | -                               | -                               | 7.70                            |
| Differed tax assets not recognised on account of absence of virtual Certainty |                       | 142.05                               | -                               | -                               | -                               | -                               | -                               |
| Others permanent differences                                                  |                       | -                                    | 0.25                            | (0.70)                          | 2.08                            | (0.30)                          | (0.75)                          |
| Total savings / charge                                                        | (D)                   | 142.05                               | 13.87                           | (3.76)                          | 2.14                            | 0.11                            | 6.95                            |
| Total current tax as per restated books of account                            | (E) =<br>(C) +<br>(D) | 0.22                                 | 25.20                           | 50.31                           | 127.80                          | 76.89                           | 17.42                           |

**Notes**

- 1 The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2 The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.

**Sadbhav Infrastructure Project Limited****Annexure: XXXV****Capitalisation Statement**

|                                      |                  | <b>(₹ in Million)</b>                            |                               |
|--------------------------------------|------------------|--------------------------------------------------|-------------------------------|
| <b>Class of Shares</b>               |                  | <b>Pre-Issue as at<br/>December 31,<br/>2014</b> | <b>Post-Issue as at<br/>*</b> |
| <b>Borrowings:</b>                   |                  |                                                  |                               |
| Long term debt                       | <b>(A)</b>       | 5,632.48                                         |                               |
| Short term debt                      |                  | 5,230.68                                         |                               |
| <b>Total debt</b>                    |                  | <b>10,863.16</b>                                 |                               |
|                                      |                  |                                                  |                               |
| <b>Shareholders' funds:</b>          |                  |                                                  |                               |
| Share capital                        |                  | 3,109.63                                         |                               |
| Reserves and surplus                 |                  | 5,520.17                                         |                               |
| <b>Total shareholders' funds</b>     | <b>(B)</b>       | <b>8,629.80</b>                                  |                               |
|                                      |                  |                                                  |                               |
| <b>Long Term Debt / Equity ratio</b> | <b>(A) / (B)</b> | <b>0.65:1</b>                                    |                               |

\* Share capital and Reserves & Surplus Post issue can be calculated only on the conclusion of Book Building Process.

**Notes**

- 1 The above has been computed on the basis of the restated unconsolidated summary statements of assets and liabilities of the Company as on 31st December 2014.
- 2 Short term debt is considered as borrowing due within 12 months from the balance sheet date.
- 3 Long term debt is considered as borrowing other than short term debt, as defined above and also includes the current maturities of long term debt. Premium obligation to NHAI is not considered as long term debt.

**Report of auditors on the Restated Consolidated Financial Information of Sadbhav Infrastructure Project Limited as at and for nine months period ended December 31, 2014 and as at and for each of the years ended March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011**

To  
The Board of Directors  
Sadbhav Infrastructure Project Limited  
Sadbhav House  
Opp. Law Garden Police Chowki  
Ellis bridge  
Ahmedabad – 380 006

Dear Sirs,

1. We, S.R.B.C. & Co. LLP ('SRBC') and Manubhai & Shah (formerly Manubhai & Co.) ('M&S'), have jointly examined the restated consolidated financial information of Sadbhav Infrastructure Project Limited ('Company'), and its subsidiaries, jointly controlled entities and an associate, (together referred to as 'the Group') as at and for the nine-months period ended December 31, 2014 and as at and for the years ended March 31, 2014, 2013, 2012 and 2011, annexed to this report, prepared by the Company for the purpose of inclusion in the offer document ('Restated Consolidated Financial Information') in connection with its proposed Initial Public Offer ('IPO'). Such financial information, which has been approved by the Board of Directors of the Company, has been prepared in accordance with the requirements of:
  - c. Sub-clause (i), (ii) and (iii) of clause (b) of Sub-section (1) of Section 26 of Chapter III of the Companies Act, 2013 ('the Act') read with rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014; and
  - d. Relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ('the Regulations') issued by the Securities and Exchange Board of India ('SEBI') on August 26, 2009, as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992.

SRBC and M&S are collectively referred to as the "Joint Auditors", and the references to the Joint Auditors as "we", "us" or "our", in this report, shall be construed accordingly.

2. We have jointly examined such restated consolidated financial information taking into consideration:
  - c. the terms of our engagement agreed with you vide our engagement letter dated September 12, 2014, requesting us to carry out the assignment, in connection with the offer document being issued by the Company for its proposed IPO; and
  - d. The Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India.
3. The Company proposes to make an initial public offer of equity shares and an offer for sale by certain shareholders having a face value of ₹ 10 each, at an issue price to be arrived at by the book building process (referred to as the 'Offer'), as may be decided by the Board of Directors of the Company.
4. The Restated Consolidated Financial Information of the Group has been compiled by the management from the audited consolidated financial statements of the Group as at and for the nine-months period ended December 31, 2014 and as at and for each of the years ended March 31, 2014, 2013, 2012 and 2011, prepared in accordance with accounting principles generally accepted in India at the relevant time and which have been approved by the Board of Directors. The Company has also provided us with the financial and other records of the Group in relation to the year ended March 31, 2011, to the extent considered necessary, for the presentation of the Restated Consolidated Financial Information under the requirements of the Revised Schedule VI of the Companies Act 1956.
  - a. Our joint audit report on the consolidated financial statements as at and for the nine-months period ended December 31, 2014 indicated that the financial statements of the subsidiaries Rohtak Hissar Tollway Private Limited and Nagpur Seoni Express Way Limited, whose financial statements reflect (a) total assets of ₹ 8,395.03 Million as at December 31, 2014, (b) total revenue of ₹ 291.67 Million for the nine months period ended December 31, 2014, and (c) net cash outflows amounting to ₹

131.94 Million for the nine months period ended December 31, 2014, have been audited by other auditors whose reports were furnished to us, and our opinion was based solely on the report of the other auditors and our opinion in so far as it relates to the amounts included in these Restated Consolidated Summary Statement of Assets and Liabilities, Restated Consolidated Statement of Profit and Loss and Restated Consolidated Cash Flow Statement are based solely on the reports of the other auditors.

- b. The consolidated financial statements of the Group for the years ended March 31, 2014, 2013, 2012 and 2011 have been audited by solely M&S and have been relied upon by SRBC.
  - c. Audit report of M&S on the consolidated financial statements as at and for the years ended March 31, 2013 and 2012 indicated that the financial statements of the associate company, Nagpur Seoni Express Way Limited, whose financial statements reflect Company's share of net profit after tax of ₹ 22.55 Million for the year ended March 31, 2013 and net loss after tax of ₹ 51.54 Million for the year ended March 31, 2012, have been audited by other auditor whose reports were furnished to M&S, and the opinion was based solely on the reports of the other auditors and our opinion in so far as it relates to the amounts included in these Restated Consolidated Summary Statement of Assets and Liabilities, Restated Consolidated Statement of Profit and Loss and Restated Consolidated Cash Flow Statement are based solely on the report of the other auditors.
  - d. Audit report of M&S on the consolidated financial statements as at and for the year ended March 31, 2014 indicated that the financial statements of the subsidiaries Rohtak Hissar Tollway Private Limited, Nagpur Seoni Express Way Limited and Solapur-Bijapur Tollway Private Limited, whose financial statements reflect (a) total assets of ₹ 5,483.17 Million as at March 31, 2014, (b) total revenue of ₹ 474.69 Million for the year ended March 31, 2014, and (c) net cash inflows amounting to ₹ 242.32 Million for the year ended March 31, 2014, have been audited by other auditors whose reports were furnished to M&S, and opinion was based solely on the report of the other auditors and our opinion in so far as it relates to the amounts included in these Restated Consolidated Summary Statement of Assets and Liabilities, Restated Consolidated Statement of Profit and Loss and Restated Consolidated Cash Flow Statement are based solely on the reports of the other auditors.
5. In accordance with the requirements of Sub-clause (i), (ii) and (iii) of clause (b) of Sub-section (1) of Section 26 of Chapter III of the Act read with rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the Regulations and terms of our engagement agreed with you, we report that, read with paragraph 4 above, we have jointly examined the Restated Consolidated Summary Statements of Assets and Liabilities of the Group as at December 31, 2014, March 31, 2014, 2013, 2012 and 2011 and the related Restated Consolidated Summary Statement of Profits and Losses and Restated Consolidated Summary Statement of Cash Flows for nine-months period ended December 31, 2014 and for each of the years ended March 31, 2014, 2013, 2012 and 2011 and as set out in Annexures I to III.
  6. Based on our examination and reliance placed on the reports of the auditors of the subsidiaries and an associate not audited by us as referred to in paragraph 4 above to the extent applicable, we further report that:
    - a. The Restated Consolidated Summary Statement of Assets and Liabilities, Restated Consolidated Summary Statement of Profit and Loss and Restated Consolidated Summary Statement of Cash Flows of the Group have been arrived at after making such adjustments and regroupings as, in our opinion, are appropriate and more fully described in the notes appearing in Annexure IV to this report;
    - b. The impact arising on account of changes in accounting policies adopted by the Group as at and for the nine-months period ended December 31, 2014 is applied with retrospective effect in the Restated Consolidated Financial Information, to the extent applicable;
    - c. Adjustments for the material amounts in the respective financial years to which they relate have been adjusted in the attached Restated Consolidated Financial Information;
    - d. There are no extraordinary items which need to be disclosed separately in the Restated Consolidated Financial Information;

- e. There are no qualifications in the auditors' reports, which require any adjustments to the Restated Consolidated Financial Information;
- f. Emphasis of matter paragraphs included in the independent auditors' report to the consolidated financial statements which have been adjusted to the restated consolidated financial information are stated below (refer note 1 of Annexure IV):
  - i. For the year ended March 31, 2013, we draw attention to note no. 32 to the Consolidated Financial Statements relating to amortization of intangible assets on straight line basis for the reasons stated in the said note.

Note 32 to the Consolidated Financial Statements mentioned above, reads as follows:

“According to the management, the intangible assets to be amortized is in the form of right to operate the project road, and hence, proper amortization method should be based on use of which contractual right rather than use of underlying tangible asset. The right is consumed through passage of time and hence straight line method of amortization is more appropriate. The accumulated amount of amortization under straight line method is higher than the amortization computed in terms of Notification no. GSR 298(E) dated April 17, 2012 issued by Ministry of Corporate Affairs.”

- ii. For the nine months period ended December 31, 2014, we draw attention to note 34 to the Consolidated Financial Statements, regarding accounting of CENVAT credit and service tax charge on user fee collected by Maharashtra Border Check Post Network Limited ('MBCPNL', a subsidiary of the Company) under the Concession agreement. During the period, MBCPNL has recorded service tax liability on user services income rendered since commencement of collection of user fees (i.e. April 2013) and also accounted CENVAT credit of service tax paid on input services / materials availed since financial year 2009-10, pending revision of its tax returns filed with government authorities. Our opinion is not qualified in respect of this matter.

Note 34 to the Consolidated Financial Statements mentioned above, read as follows:

“Till June 30, 2014, Maharashtra Border Check Post Network Limited (“MBCPNL”) has not recorded the service tax liability on User Fee income collected at various checkpoint in terms of amendments as per Finance Act, 2012 as the Company has made the representations in the matter to various Excise and Customs authorities to seek clarifications/ applicability of the amendment so as to determine its liability to pay service tax. The Company also didn't accounted CENVAT credit on input services and materials utilized towards construction of the check posts infrastructure in terms of the Concession agreement and input services availed during operations of the checkpoints.

The management has now decided to recognize service tax liability of ₹ 107.27 million (on the User fee Income earned since 2012). Current period's service tax charge is adjusted against User Fee Income and earlier years charge is accounted as expense in statement of profit and loss. The company also recorded CENVAT credit of ₹ 205.37 million (including ₹ 71.98 million on works contract towards services for construction of building and civil infrastructure) on project input services/materials, as applicable. CENVAT credit of ₹ 16.07 million on services availed during operations of the checkpoints since 2012 was accounted in books of account.

The CENVAT credit on project input material/ services is recorded by adjusting the cost of the intangible assets (including under constructions) and CENVAT credit on operational services is adjusted to the cost of the services, except ₹ 7.22 million relating to earlier years, which is accounted as prior period adjustment account. The Company has accounted the credit based on legal opinion obtained by the Company.

Of the above, the CENVAT credit of ₹ 71.98 million on works contract for construction of building and civil infrastructure have been accounted as Deferred CENVAT credit account, pending assessment by the statutory authority. The service tax liability of ₹ 107.27 million on the user fee income have been discharged by adjusting the same against balance in CENVAT Credit Account. The Company is in process of filing the service tax return with statutory authorities to



give effect of above.

The Company (Concessionaire) also propose to represents to the Government of Maharashtra (Licensor) as per the rights given in the Concession agreement for possible amendment in the Concession agreement, due to the change in service tax law under Finance Act 2012, whereby there is no financial loss to the Company.”

g. Emphasis of matter paragraph included in the independent auditors' report to the consolidated financial statements which do not require adjustments to the restated consolidated summary statements are stated below:

- i. For the year ended March 31, 2014, without qualifying our opinion, we draw attention to note no. 33 of the Consolidated Financial Statements. During the year, Solapur-Bijapur Tollway Private Limited, subsidiary company has foreclosed concession agreement with National Highway Authority of India (‘NHAI’) as per Settlement and Close Out Agreement dated December 23, 2013 and the management has intended to liquidate the Subsidiary. Accordingly, the financial statements of the said subsidiary have been prepared on the basis that it is no longer a ‘going concern’. The assets and liabilities are stated at their expected realizable / settlement values as determined by management and relied upon by the auditors of the subsidiary.

Note 33 to the Consolidated Financial Statements mentioned above, read as follows:

“During the year, one of the subsidiary company, i.e. Solapur-Bijapur Tollway Private Limited has entered the Settlement and Close Out Agreement with National Highway Authority of India (‘NHAI’) dated December 23, 2013 for foreclose the concession agreement due to delay in handing over the land for the road project as per Concession Agreement with NHAI. Since, the subsidiary was promoted for purpose of execution of above road project under the concession agreement which is foreclosed and hence, the sub-ordinate debt given to the SPVs has been waived off.

7. We have not audited any financial statements of the Group as of any date or for any period subsequent to December 31, 2014. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the Group as of any date or for any period subsequent to December 31, 2014.

#### **Other Financial Information:**

8. At the Company’s request, we have also examined the following consolidated financial information proposed to be included in the offer document, prepared by the management and approved by the Board of Directors of the Company and annexed to this report relating to the Group as at and for the nine-months period ended December 31, 2014 and as at and for each of the years ended March 31, 2014, 2013, 2012 and 2011:

- i. Restated Consolidated Statement of Share Capital, enclosed as Annexure VI
- ii. Restated Consolidated Statement of Reserves and Surplus, enclosed as Annexure VII
- iii. Restated Consolidated Statement of Long term borrowings, enclosed as Annexure VIII
- iv. Restated Consolidated Statement of Other Long term Liabilities, enclosed as Annexure IX
- v. Restated Consolidated Statement of Long term Provisions, enclosed as Annexure X
- vi. Restated Consolidated Statement of Short term borrowings, enclosed as Annexure XI
- vii. Restated Consolidated Statement of Trade Payables, enclosed as Annexure XII
- viii. Restated Consolidated Statement of Other Current Liabilities, enclosed as Annexure XIII
- ix. Restated Consolidated Statement of Short term Provisions, enclosed as Annexure XIV
- x. Restated Consolidated Statement of Tangible Fixed Assets, enclosed as Annexure XV
- xi. Restated Consolidated Statement of Intangible Fixed Assets, enclosed as Annexure XVI
- xii. Restated Consolidated Statement of Capital Work in Progress, enclosed as Annexure XVII
- xiii. Restated Consolidated Statement of Intangible Assets Under Development, enclosed as Annexure XVIII
- xiv. Restated Consolidated Statement of Non-Current Investments, enclosed as Annexure XIX
- xv. Restated Consolidated Statement of Long term Loans and Advances, enclosed as Annexure XX
- xvi. Restated Consolidated Statement of Other Non-Current Assets, enclosed as Annexure XXI
- xvii. Restated Consolidated Statement of Current Investments, enclosed as Annexure XXII

- xviii. Restated Consolidated Statement of Trade Receivables, enclosed as Annexure XXIII
  - xix. Restated Consolidated Statement of Cash and Bank Balances, enclosed as Annexure XXIV
  - xx. Restated Consolidated Statement of Short term Loans and Advances, enclosed as Annexure XXV
  - xxi. Restated Consolidated Statement of Other Current Assets, enclosed as Annexure XXVI
  - xxii. Restated Consolidated Statement of Revenue from Operations, enclosed as Annexure XXVII
  - xxiii. Restated Consolidated Statement of Other Income, enclosed as Annexure XXVIII
  - xxiv. Restated Consolidated Statement of Operating Expenses, enclosed as Annexure XXIX
  - xxv. Restated Consolidated Statement of Employee Benefits Expense, enclosed as Annexure XXX
  - xxvi. Restated Consolidated Statement of Other Expenses, enclosed as Annexure XXXI
  - xxvii. Restated Consolidated Statement of Finance Costs, enclosed as Annexure XXXII
  - xxviii. Restated Consolidated Statement of Related Party Transactions –As per Accounting Standard 18  
Related Party Disclosures, enclosed as Annexure XXXIII
  - xxix. Restated Consolidated Statement of Segment Information, enclosed as Annexure XXXIV
  - xxx. Restated Consolidated Statement of Contingent Liabilities and Commitments, enclosed as  
Annexure XXXV
  - xxxi. Restated Consolidated Statement of Accounting Ratios, enclosed as Annexure XXXVI
  - xxxii. Capitalisation Statement, enclosed as Annexure XXXVII
9. In our opinion, the financial information as disclosed in the annexures to this report, read with the respective significant accounting policies and notes disclosed in Annexure V, and after making adjustments and re-groupings as considered appropriate and disclosed in Annexure IV, have been prepared in accordance with the provisions of the Act and the Regulations.
  10. This report should not be in any way construed as a reissuance or redating of any of the previous audit reports issued by us or by other firm of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
  11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
  12. This report is intended solely for your information and for inclusion in the Offer Document in connection with the proposed IPO of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For S. R. B. C. & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No.:324982E

For Manubhai & Shah  
Chartered Accountants  
ICAI Firm Registration No.: 106041W

Per Arpit K. Patel  
Partner  
Membership Number: 34032  
Place: Ahmedabad  
Date: April 14, 2015

Per K. C. Patel  
Partner  
Membership Number: 30083  
Place: Ahmedabad  
Date: April 14, 2015

**Sadbhav Infrastructure Project Limited**

**Annexure: I**

**Restated Consolidated Summary Statement of Assets and Liabilities**

(₹ in Million)

|            |                                          | Annexure No. | As at<br>December 31,2014 | As at<br>March 31,2014 | As at<br>March 31,2013 | As at<br>March 31,2012 | As at<br>March 31,2011 |
|------------|------------------------------------------|--------------|---------------------------|------------------------|------------------------|------------------------|------------------------|
| <b>I</b>   | <b>Equity and Liabilities</b>            |              |                           |                        |                        |                        |                        |
| <b>(1)</b> | <b>Shareholders' Funds</b>               |              |                           |                        |                        |                        |                        |
|            | (a) Share Capital                        | VI           | 3,109.63                  | 282.58                 | 282.58                 | 264.23                 | 264.23                 |
|            | (b) Reserves and Surplus                 | VII          | 4,860.85                  | 7,950.70               | 9,456.43               | 8,234.14               | 6,786.37               |
|            |                                          |              | <b>7,970.48</b>           | <b>8,233.28</b>        | <b>9,739.01</b>        | <b>8,498.37</b>        | <b>7,050.60</b>        |
| <b>(2)</b> | <b>Minority Interest</b>                 |              | <b>676.98</b>             | <b>1,872.06</b>        | <b>1,593.09</b>        | <b>1,269.30</b>        | <b>984.27</b>          |
| <b>(3)</b> | <b>Non-Current Liabilities</b>           |              |                           |                        |                        |                        |                        |
|            | (a) Long-Term Borrowings                 | VIII         | 53,162.19                 | 45,010.40              | 35,778.38              | 27,614.71              | 13,143.69              |
|            | (b) Other Long Term Liabilities          | IX           | 22,318.81                 | 22,414.90              | 4,180.58               | 0.73                   | 0.87                   |
|            | (c) Long-Term Provisions                 | X            | 786.40                    | 411.77                 | 114.98                 | 390.98                 | 270.67                 |
|            |                                          |              | <b>76,267.40</b>          | <b>67,837.07</b>       | <b>40,073.94</b>       | <b>28,006.42</b>       | <b>13,415.23</b>       |
| <b>(4)</b> | <b>Current Liabilities</b>               |              |                           |                        |                        |                        |                        |
|            | (a) Short-Term Borrowings                | XI           | 5,320.30                  | 4,007.30               | 651.79                 | 297.88                 | -                      |
|            | (b) Trade Payables                       | XII          | 439.22                    | 425.88                 | 235.21                 | 125.51                 | 12.69                  |
|            | (c) Other Current Liabilities            | XIII         | 4,181.02                  | 3,525.34               | 1,147.16               | 1,717.80               | 1,538.76               |
|            | (d) Short-Term Provisions                | XIV          | 222.51                    | 317.49                 | 405.69                 | 17.65                  | 12.13                  |
|            |                                          |              | <b>10,163.05</b>          | <b>8,276.01</b>        | <b>2,439.85</b>        | <b>2,158.84</b>        | <b>1,563.58</b>        |
|            | <b>Total</b>                             |              | <b>95,077.91</b>          | <b>86,218.42</b>       | <b>53,845.89</b>       | <b>39,932.93</b>       | <b>23,013.68</b>       |
| <b>II</b>  | <b>Assets</b>                            |              |                           |                        |                        |                        |                        |
| <b>(1)</b> | <b>Non-current assets</b>                |              |                           |                        |                        |                        |                        |
|            | (a) Fixed Assets                         |              |                           |                        |                        |                        |                        |
|            | (i) Tangible Assets                      | XV           | 230.23                    | 248.26                 | 248.17                 | 235.66                 | 203.18                 |
|            | (ii) Intangible Assets                   | XVI          | 70,945.45                 | 69,791.03              | 30,531.00              | 6,733.54               | 6,914.80               |
|            | (iii) Capital Work-in-Progress           | XVII         | 6.68                      | 7.18                   | 8.77                   | 1.08                   | -                      |
|            | (iv) Intangible Assets under Development | XVIII        | 14,983.95                 | 7,761.58               | 16,652.60              | 26,216.89              | 9,681.71               |
|            |                                          |              | <b>86,166.31</b>          | <b>77,808.05</b>       | <b>47,440.54</b>       | <b>33,187.17</b>       | <b>16,799.69</b>       |
|            | (b) Goodwill on Consolidation            |              | 612.93                    | 449.10                 | 475.65                 | 498.93                 | 153.83                 |
|            | (c) Non-Current Investments              | XIX          | 24.73                     | 23.41                  | 11.70                  | 49.02                  | 4.47                   |
|            | (d) Deferred Tax Assets (net)            |              | -                         | 0.22                   | 0.15                   | 0.09                   | -                      |
|            | (e) Long-Term                            | XX           | 4,489.57                  | 5,239.92               | 3,565.17               | 3,484.47               | 4,213.75               |

|            |                                   | Annexure No. | As at            | As at            | As at            | As at            | As at            |
|------------|-----------------------------------|--------------|------------------|------------------|------------------|------------------|------------------|
|            |                                   |              | December 31,2014 | March 31,2014    | March 31,2013    | March 31,2012    | March 31,2011    |
|            | Loans and Advances                |              |                  |                  |                  |                  |                  |
|            | (f) Other Non-Current Assets      | XXI          | 517.82           | 401.24           | 303.09           | 214.48           | 39.40            |
|            |                                   |              | <b>91,811.36</b> | <b>83,921.94</b> | <b>51,796.30</b> | <b>37,434.16</b> | <b>21,211.14</b> |
| <b>(2)</b> | <b>Current assets</b>             |              |                  |                  |                  |                  |                  |
|            | (a) Current Investments           | XXII         | 51.07            | 1,028.61         | 81.85            | 117.47           | 60.75            |
|            | (b) Trade Receivables             | XXIII        | 46.98            | 143.22           | 5.42             | 4.21             | 14.93            |
|            | (c) Cash and Bank Balances        | XXIV         | 1,235.17         | 518.35           | 516.67           | 1,236.39         | 518.21           |
|            | (d) Short-Term Loans and Advances | XXV          | 763.51           | 464.37           | 1,003.73         | 1,042.69         | 696.72           |
|            | (e) Other Current Assets          | XXVI         | 1,169.82         | 141.93           | 441.92           | 98.01            | 511.93           |
|            |                                   |              | <b>3,266.55</b>  | <b>2,296.48</b>  | <b>2,049.59</b>  | <b>2,498.77</b>  | <b>1,802.54</b>  |
|            | <b>Total</b>                      |              | <b>95,077.91</b> | <b>86,218.42</b> | <b>53,845.89</b> | <b>39,932.93</b> | <b>23,013.68</b> |

**Note:**

1. The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV & V.

As per our report of even date

**For S. R. B. C. & Co.  
LLP  
Chartered Accountants  
ICAI Firm Registration  
No.: 324982E**

**For Manubhai & Shah  
Chartered Accountants  
ICAI Firm Registration  
No.: 106041W**

**For and on behalf of the Board of Directors of  
Sadbhav Infrastructure Project Limited**

**Arpit K. Patel  
Partner  
Membership No.: 34032**

**K. C Patel  
Partner  
Membership No.: 30083**

**Mr. Vasistha Patel  
Managing Director**

**Mr. Vishnubhai Patel  
Director**

**Mr. Gaurav Vesasi  
Company Secretary**

**Mr. Varun Mehta  
Chief Financial Officer**

**Place: Ahmedabad  
Date: April 14, 2015**

**Place: Ahmedabad  
Date: April 14, 2015**

**Place: Ahmedabad  
Date: April 14, 2015**

**Sadbhav Infrastructure Project Limited**  
**Annexure: II**

**Restated Consolidated Summary Statement of Profit and Loss**

(₹ in Million)

|                                                                                                                      | Annexure No. | Nine months Period ended | Year ended        | Year ended      | Year ended      | Year ended    |
|----------------------------------------------------------------------------------------------------------------------|--------------|--------------------------|-------------------|-----------------|-----------------|---------------|
|                                                                                                                      |              | December 31,2014         | March 31,2014     | March 31,2013   | March 31,2012   | March 31,2011 |
|                                                                                                                      |              |                          |                   |                 |                 |               |
| Revenue from Operations                                                                                              | XXVII        | 3,745.19                 | 3,710.71          | 2,872.15        | 1,759.57        | 694.90        |
| Other income                                                                                                         | XXVIII       | 212.91                   | 215.89            | 282.10          | 227.91          | 201.75        |
| <b>Total Revenue</b>                                                                                                 |              | <b>3,958.10</b>          | <b>3,926.60</b>   | <b>3,154.25</b> | <b>1,987.48</b> | <b>896.65</b> |
|                                                                                                                      |              |                          |                   |                 |                 |               |
| <b>Expenses</b>                                                                                                      |              |                          |                   |                 |                 |               |
| Operating Expenses                                                                                                   | XXIX         | 1,155.96                 | 885.20            | 970.94          | 646.72          | 120.00        |
| Employee benefits expense                                                                                            | XXX          | 171.26                   | 163.52            | 102.84          | 61.51           | 33.13         |
| Other expenses                                                                                                       | XXXI         | 195.41                   | 246.15            | 102.56          | 120.01          | 93.85         |
|                                                                                                                      |              | <b>1,522.63</b>          | <b>1,294.87</b>   | <b>1,176.34</b> | <b>828.24</b>   | <b>246.98</b> |
|                                                                                                                      |              |                          |                   |                 |                 |               |
| <b>Earnings before interest, tax and depreciation and amortisation</b>                                               |              | <b>2,435.47</b>          | <b>2,631.73</b>   | <b>1,977.91</b> | <b>1,159.24</b> | <b>649.67</b> |
|                                                                                                                      |              |                          |                   |                 |                 |               |
| Finance costs                                                                                                        | XXXII        | 3,861.09                 | 3,552.44          | 1,951.76        | 718.44          | 399.02        |
| Depreciation and Amortisation                                                                                        |              | 1,030.74                 | 915.01            | 498.95          | 215.04          | 102.61        |
|                                                                                                                      |              |                          |                   |                 |                 |               |
| <b>Profit / (Loss) before tax</b>                                                                                    |              | <b>(2,456.36)</b>        | <b>(1,835.72)</b> | <b>(472.80)</b> | <b>225.76</b>   | <b>148.04</b> |
|                                                                                                                      |              |                          |                   |                 |                 |               |
| <b>Tax expense:</b>                                                                                                  |              |                          |                   |                 |                 |               |
| (a) Current Tax                                                                                                      |              | -                        | 121.74            | 50.36           | 127.89          | 77.84         |
| (b) Deferred Tax - Charge/ (Credit)                                                                                  |              | 0.22                     | (0.08)            | (0.05)          | (0.09)          | (0.27)        |
| <b>Total Tax Expense</b>                                                                                             |              | <b>0.22</b>              | <b>121.66</b>     | <b>50.31</b>    | <b>127.80</b>   | <b>77.57</b>  |
|                                                                                                                      |              |                          |                   |                 |                 |               |
| <b>Profit / (Loss) after tax for the period/ year and before share of losses of minority interest and associates</b> |              | <b>(2,456.58)</b>        | <b>(1,957.38)</b> | <b>(523.11)</b> | <b>97.96</b>    | <b>70.47</b>  |
|                                                                                                                      |              |                          |                   |                 |                 |               |
| Share of (Profit)/Loss attributable to Minority Interest                                                             |              | 224.88                   | 398.01            | 133.55          | 18.22           | 28.37         |
| Share of Profit/(Loss) from Associate Company                                                                        |              | -                        | -                 | (67.09)         | (18.19)         | -             |
| <b>Net Profit / (Loss) for the period / year</b>                                                                     |              | <b>(2,231.70)</b>        | <b>(1,559.37)</b> | <b>(456.66)</b> | <b>97.99</b>    | <b>98.84</b>  |
|                                                                                                                      |              |                          |                   |                 |                 |               |

**Note:**

- The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV & V.

As per our report of even date

**For S. R. B. C. & Co.  
LLP  
Chartered Accountants  
ICAI Firm Registration  
No.: 324982E**

**For Manubhai & Shah  
Chartered Accountants  
ICAI Firm Registration  
No.: 106041W**

**For and on behalf of the Board of Directors of  
Sadbhav Infrastructure Project Limited**

**Arpit K. Patel  
Partner  
Membership No.: 34032**

**K. C Patel  
Partner  
Membership No.: 30083**

**Mr. Vasistha Patel  
Managing Director**

**Mr. Vishnubhai Patel  
Director**

**Mr. Gaurav Vesasi  
Company Secretary**

**Mr. Varun Mehta  
Chief Financial Officer**

**Place: Ahmedabad  
Date: April 14, 2015**

**Place: Ahmedabad  
Date: April 14, 2015**

**Place: Ahmedabad  
Date: April 14, 2015**

**Sadbhav Infrastructure Project Limited**

**Annexure: III**

**Restated Consolidated Summary Statement of Cash Flows**

(₹ in Million)

| Particulars |                                                        | Nine months<br>Period<br>ended | Year<br>ended    | Year<br>ended    | Year ended       | Year<br>ended    |
|-------------|--------------------------------------------------------|--------------------------------|------------------|------------------|------------------|------------------|
|             |                                                        | December<br>31,2014            | March<br>31,2014 | March<br>31,2013 | March<br>31,2012 | March<br>31,2011 |
| (A)         | Cash flows from operating activities                   |                                |                  |                  |                  |                  |
|             | Profit/(Loss) before tax                               | (2,456.36)                     | (1,835.72)       | (472.80)         | 225.76           | 148.04           |
|             | Adjustments for:                                       |                                |                  |                  |                  |                  |
|             | Depreciation and amortisation                          | 1,030.74                       | 915.01           | 498.95           | 215.04           | 102.61           |
|             | (Profit)/Loss on sale of tangible assets               | (0.12)                         | (0.03)           | 8.32             | -                | -                |
|             | Finance Costs                                          | 3,861.08                       | 3,552.44         | 1,951.76         | 718.44           | 399.02           |
|             | Dividend income                                        | (0.62)                         | (0.74)           | (22.97)          | (3.40)           | -                |
|             | Gain on sale of investments (net)                      | (68.55)                        | (41.82)          | (26.48)          | (11.49)          | (30.02)          |
|             | Interest income                                        | (141.17)                       | (148.16)         | (232.34)         | (212.86)         | (171.50)         |
|             | Sundry balances written back                           | (1.69)                         | (23.49)          | (0.31)           | (0.01)           | -                |
|             | Trade receivables written off                          | -                              | 0.48             | 0.41             | 0.03             | -                |
|             | Provision for doubtful debt                            | 1.10                           | -                | -                | -                | -                |
|             | Interest receivable written off                        | -                              | -                | -                | 10.92            | -                |
|             | Assets under construction written off                  | -                              | 82.01            | -                | -                | -                |
|             | <b>Operating Profit before working capital changes</b> | <b>2,224.41</b>                | <b>2,499.98</b>  | <b>1,704.54</b>  | <b>942.43</b>    | <b>448.15</b>    |
|             | Adjustments for:                                       |                                |                  |                  |                  |                  |
|             | Decrease/(Increase) in trade receivables               | 95.14                          | 231.21           | (1.62)           | (0.23)           | (5.77)           |
|             | Decrease/(Increase) in short-term loans and advances   | 7.65                           | (28.15)          | (15.17)          | (140.04)         | (77.07)          |
|             | Decrease/(Increase) in long-term loans and advances    | (3.00)                         | (0.74)           | (0.61)           | (0.09)           | 448.50           |
|             | Decrease/(Increase) in other assets                    | (90.93)                        | 309.01           | (357.73)         | 43.60            | (3.52)           |
|             | Increase/(Decrease) in trade payables                  | 15.03                          | (40.85)          | 109.97           | 112.79           | (546.09)         |
|             | Increase/(Decrease) in other long-term liabilities     | 0.45                           | (0.63)           | 0.78             | (0.13)           | (3.07)           |
|             | Increase/(Decrease) in other current liabilities       | (68.68)                        | 290.65           | (125.34)         | 121.34           | (139.89)         |
|             | Increase/(Decrease) in provisions                      | 298.31                         | 93.53            | 128.76           | 120.82           | 271.08           |
|             | <b>Cash generated from operations</b>                  | <b>2,478.38</b>                | <b>3,354.01</b>  | <b>1,443.58</b>  | <b>1,200.49</b>  | <b>392.32</b>    |

| Particulars |                                                               |            | Nine months<br>Period<br>ended | Year<br>ended     | Year<br>ended     | Year ended         | Year<br>ended     |
|-------------|---------------------------------------------------------------|------------|--------------------------------|-------------------|-------------------|--------------------|-------------------|
|             |                                                               |            | December<br>31,2014            | March<br>31,2014  | March<br>31,2013  | March<br>31,2012   | March<br>31,2011  |
|             | Direct taxes paid (net)                                       |            | (37.54)                        | (107.88)          | (105.03)          | (133.47)           | (68.91)           |
|             | <b>Net cash generated from operating activities</b>           | <b>(A)</b> | <b>2,440.84</b>                | <b>3,246.13</b>   | <b>1,338.55</b>   | <b>1,067.02</b>    | <b>323.41</b>     |
|             |                                                               |            |                                |                   |                   |                    |                   |
| <b>(B)</b>  | <b>Cash flows from investing activities</b>                   |            |                                |                   |                   |                    |                   |
|             | Purchase of Fixed Assets (including Work-in-Progress)         |            | (7,369.98)                     | (8,865.44)        | (9,186.41)        | (13,227.88)        | (6,861.76)        |
|             | Proceeds from sale of tangible assets                         |            | 0.25                           | 3.01              | 10.18             | -                  | 0.16              |
|             | Payment of Additional Concession Fees                         |            | (96.53)                        | (186.45)          | (29.25)           | -                  | -                 |
|             | Proceeds from sale of / (Purchase of) mutual funds (Net)      |            | 1,046.09                       | (904.93)          | 62.10             | (45.23)            | 230.83            |
|             | Dividend received                                             |            | 0.62                           | 0.74              | 22.97             | 3.40               | -                 |
|             | Sub-Ordinate Debt Given                                       |            | -                              | (21.31)           | (124.00)          | (450.80)           | (64.52)           |
|             | Unsecured Loans Given                                         |            | (286.08)                       | (170.00)          | (273.15)          | (444.66)           | (520.31)          |
|             | Proceeds from Repayment of Unsecured Loan Given               |            | -                              | 737.99            | 349.52            | 5.85               | 7.60              |
|             | Payment towards acquisition of Subsidiary/ Minority Interest  |            | (896.95)                       | -                 | -                 | (556.25)           | (807.29)          |
|             | Advance towards Purchase of Shares                            |            | (308.09)                       | -                 | (45.11)           | (68.77)            | (596.54)          |
|             | Share Application money given                                 |            | -                              | -                 | -                 | (32.18)            | (154.99)          |
|             | Share Application money received back                         |            | -                              | -                 | -                 | 137.16             | -                 |
|             | Payment towards Purchase of Non-Current Investments           |            | (1.32)                         | (11.72)           | (1.72)            | (62.74)            | (4.41)            |
|             | Interest received                                             |            | 25.44                          | 25.36             | 174.48            | 160.88             | 128.73            |
|             | <b>Net cash used in investing activities</b>                  | <b>(B)</b> | <b>(7,886.55)</b>              | <b>(9,392.75)</b> | <b>(9,040.39)</b> | <b>(14,581.22)</b> | <b>(8,642.50)</b> |
|             |                                                               |            |                                |                   |                   |                    |                   |
| <b>(C)</b>  | <b>Cash Flows from financing activities</b>                   |            |                                |                   |                   |                    |                   |
|             | Proceeds from issuance of share capital                       |            | -                              | -                 | 18.35             | -                  | 263.73            |
|             | Proceeds from securities premium on issuance of share capital |            | -                              | -                 | 1,231.65          | -                  | 6,341.60          |
|             | Share issue expenses                                          |            | (53.23)                        | -                 | (1.25)            | -                  | (100.47)          |
|             | Proceeds from Issue of share capital to Minority Shareholders |            | -                              | 242.14            | 54.23             | 45.26              | 80.63             |
|             | Grant received during the year                                |            | 337.40                         | -                 | 582.30            | 2,153.69           | -                 |
|             | Proceeds from Sub-ordinate from Minority Shareholders         |            | -                              | 434.78            | 269.15            | 181.28             | 348.08            |
|             | Repayment of Sub-                                             |            | -                              | -                 | -                 | (135.45)           | (441.95)          |



| Particulars |                                                              |                 | Nine months Period ended | Year ended      | Year ended      | Year ended       | Year ended      |
|-------------|--------------------------------------------------------------|-----------------|--------------------------|-----------------|-----------------|------------------|-----------------|
|             |                                                              |                 | December 31,2014         | March 31,2014   | March 31,2013   | March 31,2012    | March 31,2011   |
|             | Ordinate debt to Minority Shareholders                       |                 |                          |                 |                 |                  |                 |
|             | Proceeds from long-term borrowings                           |                 | 8,709.59                 | 8,447.66        | 8,510.85        | 14,606.52        | 10,080.19       |
|             | Repayment of long- term borrowings                           |                 | (714.79)                 | (696.59)        | (173.46)        | (103.98)         | (5,833.10)      |
|             | Proceeds from short-term borrowings                          |                 | 5,542.71                 | 4,766.31        | 701.64          | 1,026.36         | 1,684.57        |
|             | Repayment of short-term borrowings                           |                 | (3,450.14)               | (2,148.79)      | (347.73)        | (728.48)         | (2,648.03)      |
|             | Finance Costs                                                |                 | (4,209.01)               | (4,897.71)      | (3,863.61)      | (2,812.82)       | (966.68)        |
|             | <b>Net cash from financing activities</b>                    | <b>(C)</b>      | <b>6,162.53</b>          | <b>6,147.80</b> | <b>6,982.12</b> | <b>14,232.38</b> | <b>8,808.57</b> |
|             |                                                              |                 |                          |                 |                 |                  |                 |
|             | <b>Net increase/(decrease) in cash and cash equivalents</b>  | <b>( A+B+C)</b> | <b>716.82</b>            | <b>1.18</b>     | <b>(719.72)</b> | <b>718.18</b>    | <b>489.48</b>   |
|             | Cash and cash equivalents at beginning of the year / period  |                 | 518.35                   | 516.67          | 1,236.39        | 518.21           | 0.66            |
|             | Cash and cash equivalents on Acquisition of Subsidiary       |                 | -                        | 0.50            | -               | -                | 28.07           |
|             | <b>Cash and cash equivalents at end of the year / period</b> |                 | <b>1,235.17</b>          | <b>518.35</b>   | <b>516.67</b>   | <b>1,236.39</b>  | <b>518.21</b>   |
| Notes:      |                                                              |                 |                          |                 |                 |                  |                 |
| (i)         | Components of cash and cash equivalents:                     |                 |                          |                 |                 |                  |                 |
|             | Cash on hand                                                 |                 | 21.53                    | 28.50           | 14.01           | 5.17             | 4.43            |
|             | Balances with scheduled banks:                               |                 |                          |                 |                 |                  |                 |
|             | - In current accounts                                        |                 | 905.83                   | 489.82          | 135.17          | 225.32           | 263.78          |
|             | - In deposit accounts                                        |                 | 307.81                   | 0.03            | 367.49          | 1,005.90         | 250.00          |
|             | <b>Cash and cash equivalents (Refer Annexure XXIV)</b>       |                 | <b>1,235.17</b>          | <b>518.35</b>   | <b>516.67</b>   | <b>1,236.39</b>  | <b>518.21</b>   |

(ii) The cash flow statement has been prepared under indirect method as per Accounting Standard -3 “Cash Flow Statement”.

(iii) Figures in brackets represent outflows

(iv) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.

As per our report of even date

**For S. R. B. C. & Co.**  
**LLP**  
**Chartered Accountants**  
**ICAI Firm Registration**  
**No.: 324982E**

**For Manubhai & Shah**  
**Chartered Accountants**  
**ICAI Firm Registration**  
**No.: 106041W**

**For and on behalf of the Board of Directors of**  
**Sadbhav Infrastructure Project Limited**

**Arpit K. Patel**  
**Partner**  
**Membership No.: 34032**

**K. C Patel**  
**Partner**  
**Membership No.: 30083**

**Mr. Vasistha Patel**  
**Managing Director**

**Mr. Vishnubhai Patel**  
**Director**

**Mr. Gaurav Vesasi**  
**Company Secretary**

**Mr. Varun Mehta**  
**Chief Financial Officer**

**Place: Ahmedabad**  
**Date: April 14, 2015**

**Place: Ahmedabad**  
**Date: April 14, 2015**

**Place: Ahmedabad**  
**Date: April 14, 2015**

**Sadbhav Infrastructure Project Limited**

**ANNEXURE IV**

**Notes on Material Adjustments**

The summary of results of restatement made in the audited consolidated financial statements for the respective years and its impact on the profit/(loss) of the Company is as follows:

(₹ in Million)

| Sr. No. | Particulars                                                                                                 | Nine months ended December 31, 2014 | Year ended        |                 |                |                |
|---------|-------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------|-----------------|----------------|----------------|
|         |                                                                                                             |                                     | March 31, 2014    | March 31, 2013  | March 31, 2012 | March 31, 2011 |
| (a)     | Net (loss) / profit after tax and minority interest as per audited consolidated financial statements        | (2,616.38)                          | (396.26)          | (783.97)        | (13.32)        | (146.51)       |
| (b)     | <b>Adjustments to net profit as per audited financial statements:</b>                                       |                                     |                   |                 |                |                |
|         | Amortisation (charge) / credit due to change in method of intangibles' amortisation - (Note 1 )             | -                                   | (1,577.50)        | 706.51          | 186.18         | 96.93          |
|         | Goodwill amortisation (charge) / credit as a result of restatement of Goodwill / Capital Reserve - (Note 2) | 7.99                                | 11.37             | 11.19           | 17.57          | (1.67)         |
|         | Major repairs & maintenance cost (charge) / credit - (Note 3)                                               | 221.66                              | 297.40            | (129.37)        | (119.81)       | (63.22)        |
|         | Interest waiver on Sub ordinate debt - (Note 4 )                                                            | -                                   | 22.65             | -               | -              | -              |
|         | Annuity income accrued / (reversed) - (Note 5 )                                                             | -                                   | -                 | (89.64)         | 33.35          | -              |
|         | Additional Concession Fees (charge) / credit due to change in method of accounting - (Note 6)               | (153.32)                            | 129.48            | 23.84           | -              | -              |
|         | Restatement of elimination of intra group transaction - (Note 7)                                            | -                                   | -                 | -               | -              | 224.39         |
|         | Ancillary borrowing cost (charge) / credit due to change in method of accounting - (Note 8 )                | (8.05)                              | 7.07              | 0.97            | -              | -              |
|         | Restatement of Service Tax on User Fees Income- (charge) / credit (Note 9 )                                 | 26.17                               | (26.10)           | (0.07)          |                |                |
|         | <b>Total adjustments before tax</b>                                                                         | <b>94.45</b>                        | <b>(1,135.63)</b> | <b>523.43</b>   | <b>117.29</b>  | <b>256.43</b>  |
| (c)     | <b>Restated (loss) / profit before tax and minority interest (a+b)</b>                                      | <b>(2,521.93)</b>                   | <b>(1,531.89)</b> | <b>(260.54)</b> | <b>103.97</b>  | <b>109.92</b>  |
| (d)     | Total current tax adjustment of earlier years (charge) / credit (Note 10)                                   | 21.32                               | (20.87)           | (2.76)          | 0.26           | (0.41)         |
| (e)     | <b>Restated (loss) / profit after tax and before minority interest (c+d)</b>                                | <b>(2,500.61)</b>                   | <b>(1,552.76)</b> | <b>(263.30)</b> | <b>104.23</b>  | <b>109.51</b>  |
| (f)     | Impact on minority interest on account of adjustments (Note 11)                                             | 268.91                              | (6.61)            | (193.36)        | (6.24)         | (10.67)        |
| (g)     | <b>Restated (loss) / profit after tax and minority interest (e+f)</b>                                       | <b>(2,231.70)</b>                   | <b>(1,559.37)</b> | <b>(456.66)</b> | <b>97.99</b>   | <b>98.84</b>   |

**Note 1 Adjustment to amortisation of intangible assets**

Pursuant to change in accounting policy relating to amortisation of Toll Collection Rights in the Financial Year 2013-14, the Group has retrospectively revised the method of amortisation of Toll Collection Rights from Straight Line basis to amortisation based on proportion of actual revenue received during the accounting year to the total projected revenue till the end of the concession period, in terms of notification dated April 17, 2012 of Ministry of Corporate Affairs (MCA). The resultant excess amortisation provided in the books of account till March 31, 2013 as per the earlier basis to the extent of ₹ 1,577.50 Million has been written back in Statement of Profit and Loss. For the purpose of the restated consolidated summary statements, such amortisation have been appropriately adjusted in the Statement of Profit and loss for the respective years to which the transaction pertains to. The amount of ₹ 587.88 Million pertaining to period prior to acquisition of subsidiaries is adjusted against the Goodwill/ Capital Reserve arising on acquisition of the respective subsidiaries.

**Note 2 Goodwill restatement**

The amount of Goodwill/Capital Reserve on acquisition of subsidiaries is revised as a result of restatement of profit / (loss) of subsidiaries books of account for the period prior to acquisition date. Due to this, the amortisation of goodwill generated on acquisition of subsidiaries has changed. The financial impact of amortisation is ₹ 46.45 Million which has been given effect in the restated financial statement of respective years.

**Note 3 Accounting of major repairs & maintenance**

The subsidiaries of the Company operate Road Projects on Build, Operate & Transfer ("BOT") and Design, Build, Finance, Operate & Transfer ("DBFOT") basis which are governed by concession agreements with government authorities. According to these service concession agreements, subsidiaries are required to incur repairs and maintenance cost on roads after certain period as stipulated under the agreements. The subsidiaries have made provision for the first time in Financial Year 2013-14 for such cost which include cost pertaining to earlier years. As a result of preparation of restated financial statement the effect of such provision is given in Statement of Profit and Loss for respective financial years. Further, the amount of ₹ 206.66 Million pertaining to period prior to acquisition of subsidiaries is adjusted against the Goodwill/ Capital Reserve arising on acquisition of the respective subsidiaries.

**Note 4 Interest on sub ordinate debt**

In the year 2013-14, Sadbhav Infrastructure Project Limited waived off Interest accrued of ₹ 22.65 Million on sub-ordinate debt due from Maharashtra Border Check Post Network Limited, which has been adjusted with the opening balance of net surplus in the statement of Consolidated Profit and Loss for the year ended March 31, 2011.

**Note 5 Annuity Income**

During the financial year 2011-12, in one of the subsidiaries company i.e Nagpur Seoni Expressway Limited (NSEL), the Executive committee of the NHAI decided to award Provisional Commercial Operation Date (PCOD) w.e.f October 21, 2010 instead of eligible PCOD w.e.f. May 25, 2010. The Company had requested to NHAI for review of PCOD which was under consideration. During the financial year 2012-13, the Company had communicated to NHAI for review of the PCOD and fixing semi annual annuity income. The same was considered by NHAI positively and NSEL was awarded PCOD w.e.f. May 25, 2010. Due to change in the earlier estimation of the Semi annual annuity income & PCOD, Net revenue credited to the statement of Profit & Loss was higher by ₹ 89.64 Million in financial year 2012-13 and was lower by ₹ 33.35 Million in financial year 2011-12 in the Consolidated Financial Statement which has been restated in the respective years. Further, an amount of ₹ 56.29 Million of annuity income pertaining to period prior to the date on which NSEL became an associate of the Company is adjusted against the Goodwill/ Capital Reserve arising on such acquisition.

**Note 6 Capitalisation of additional concession fees payable to National Highways Authority of India ('NHAI')**

During the year 2012-13 and 2013-14, subsidiary companies, Rohtak- Panipat Toll Way Private Limited (RPTPL) and Hyderabad -Yadgiri Tollway Private Limited (HYTPL) took charge of additional concession fees in accordance with the Concession agreement entered with NHAI to

statement of profit and loss. However, RPTPL and HYTPL have changed the method of accounting for additional concession fees during the period ended December 31, 2014, due to which RPTPL and HYTPL reversed the fees paid of ₹ 39.00 Million and ₹ 224.70 Million from statement profit and loss in the years 2012-13 and 2013-14, respectively, and capitalised ₹ 22,629.71 Million to Intangible asset in the consolidated financial statement. RPTPL and HYTPL have provided ₹ 15.16 Million and ₹ 95.22 Million as amortisation costs on such asset in the year 2012-13 and 2013-14. Accordingly, the credit of ₹129.48 Million and ₹ 23.84 Million has been adjusted in the year ended March 31, 2014 and 2013 respectively.

**Note 7 Restatement of elimination of intra group transactions**

W.e.f Financial year 2011-12, the Company prepared its Consolidated Financial Statement based on the policy that since the Build, Operate & Transfer (BOT) / Design, Build, Finance, Operate & Transfer (DBFOT) contracts are governed by concession agreements with government authorities (Grantor). Under these agreements, the operator (Group Companies) which are Special Purpose Vehicles, does not own the Infrastructure assets, but gets toll collection/user fee rights against the construction services rendered. Since the construction revenue earned by the company is considered as exchanged with the grantor against toll collection/user fee rights, profit from such contracts is considered as realised.

Accordingly the intra group transactions on BOT/DBFOT contracts and the profits arising thereon are taken as realised and are not eliminated.

In order to make uniform accounting policy for preparation of restated financial statement for the year 2010-11 the Company has reversed the elimination of income made in Consolidated financial statement of ₹ 224.39 Million.

**Note 8 Ancillary borrowing cost**

Maharsatra Border Checkpost Network Limited (MBCPNL), one of the subsidiary of SIPL paid ancillary borrowing cost of ₹ 225.37 Million and booked the same under Capital work in progress. In the year 2012-13, MBCPNL transferred the same to Other current asset and started amortisation of ancillary cost. To the extent of amortised cost related to construction period it was allocated to check posts and capitalised during respective period and remaining expensed to the statement of profit and loss. However, MBCPNL changed the method and capitalised the entire ancillary borrowing cost and due to this change amortisation of ₹ 0.97 Million and ₹ 7.07 Million were adjusted in the financial years 2012-13 and 2013-14.

**Note 9 Service tax on User Fees**

During the nine months period ended December 31, 2014 Maharashtra Border Check Post Network Limited ('MBCPNL'), a subsidiary of the Company) has recongnized service tax charge on user fee income rendered since April 2013 and also accounted credit of service tax paid on input services availed since financial year 2009-10. Consequently MBCPNL has recorded service tax liability of ₹ 26.17 million relating to user fee income of the financial year 2013-14 which has been adjusted to the respective financial years. Also refere note (C) (v) of Annexure XXXV.

**Note 10 Total current tax adjustment of earlier years**

As a result of the adjustments to consolidated statement of profit and loss of respective years the current tax has changed in the restated financial as per following table:

| Particulars                                               | (₹ in Million)                      |              |              |              |              |
|-----------------------------------------------------------|-------------------------------------|--------------|--------------|--------------|--------------|
|                                                           | Nine months ended December 31, 2014 | Year 2013-14 | Year 2012-13 | Year 2011-12 | Year 2010-11 |
| Short / Excess provision for current tax of earlier years | 21.32                               | (20.87)      | (2.76)       | 0.26         | (0.41)       |

**Note 11 Impact on minority interest on account of restatement adjustments**

Pursuant to change in accounting policy as explained in Note 1 above and provision for major

maintenance expense as explained in Note 3 above and other adjustments as detailed above, the profit/(loss) of the subsidiary companies have been restated and the corresponding share of minority shareholders of subsidiary companies amounting to ₹ (12.48) Million for the nine months period ended December 31, 2014, has also been restated. Further, the Company has recognised share of losses of minority interest aggregating to ₹ 281.39 million during the nine months period ended December 31, 2014, pertaining to earlier years which has been adjusted to respective years.

#### Note 12 Material Regrouping

Appropriate adjustments have been made in the Restated Consolidated Summary Statements of Assets and Liabilities, Profit and Losses and Cash Flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financials of the Company as at March 31, 2014, prepared in accordance with Revised Schedule VI and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

Note 13 Restatement adjustments made in the audited opening balance figure in the net surplus in the Statement of Consolidated Profit and Loss for the year ended March 31, 2011

| Particulars                                                                                             | Amount in ₹ Million |
|---------------------------------------------------------------------------------------------------------|---------------------|
| Net surplus in the Statement of Profit and Loss as at April 1, 2010 as per audited financial statements | 34.78               |
| Adjustment:                                                                                             |                     |
| Waiver of Interest on Sub Ordinate Debt given to subsidiary ( Note 4)                                   | (22.65)             |
| Miscellaneous expenditure written off (Refer Note 14)                                                   | (3.52)              |
| Net surplus in the Statement of Profit and Loss as at April 1, 2010 as restated                         | <b>8.61</b>         |

Note 14 In the year 2008-09, the Company had incurred pre-operative expenditure of ₹ 4.42 million towards issue of shares which was carried forward in balance sheet as Miscellaneous Expenditure. The Company had written off ₹ 0.90 Million to the statement of profit & loss in the year 2009-10 and balance ₹ 3.52 Million was adjusted from securities premium in the year 2010-11. However, this should have been charged off to the statement of profit & loss in the year of expenditure itself. Thus, the Company has restated the same by reducing operating expenses by reducing the amount of ₹ 3.52 Million from opening reserves of the year 2010-11.

#### **Non Adjusting Items:**

Note 15 Emphasis of Matter Paragraph to the Auditor's report on the consolidated financial statements for the year ended March 31, 2014 which do not require any quantitative adjustment in the restated consolidated summary statements is as follows:

During the year, one of the subsidiaries company i.e. Solapur Bijapur Tollway Private Limited has entered the settlement and close out agreement with National Highways Authority of India ('NHAI') dated 23rd December, 2013 for foreclose the concession agreement due to delay in handing over the land for the road project as per Concession agreement with NHAI. Since, the subsidiary was promoted for purpose of execution of above road project under the concession agreement which is foreclosed and hence sub-ordinate debt given to the SPVs has been waived off.

#### Note 16 Application of Revised Schedule VI

During the year ended March 31, 2012, Revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company for preparation and presentation of its financial statements. The adoption of Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the figures for the year ended March 31, 2011 in accordance with the requirements applicable for the year ended March 31, 2012.

## **Sadbhav Infrastructure Project Limited**

### **Annexure V**

#### **Notes to Restated Consolidated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of Cash Flows**

##### **A Corporate Information:**

Sadbhav Infrastructure Project Limited ("the Company" or "SIPL") is engaged in development, construction as well as operation & maintenance of infrastructure projects and related consulting and advisory services. The Company undertakes development of infrastructure projects directly or indirectly through Special Purpose Vehicles (SPVs) as per the concession agreements in the form of subsidiaries, jointly controlled entities and associates.

The Company is a subsidiary of Sadbhav Engineering Limited ("SEL"), a listed company, engaged in providing engineering, procurement and construction services ("EPC") in the road and other infrastructure projects.

In terms of Reserve Bank of India directive with regards to systematically important Core Investment Companies (Reserve Bank) Directions 2011, the Company is not required to be registered with Reserve Bank of India as on March 31, 2014 based on eligibility criteria.

##### **B Basis of preparation:**

The Restated Consolidated Summary Statement of Assets and Liabilities of the Company as at December 31, 2014, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 and the related Restated Consolidated Summary Statement of Profits and Losses and Cash Flows Statement for the nine-months period ended December 31, 2014 and for the years ended March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 (herein collectively referred to as 'Restated consolidated Summary Statements') have been compiled by the management from the consolidated financial statements of the Company for the nine-months period ended December 31, 2014 and for the years ended March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011. Consolidated Financial Statements are prepared w.e.f. financial year 2010-11 as earlier, the Company didn't have any subsidiary.

The Restated Consolidated Financial Statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these Consolidated Financial Statements to comply in all material respects with the accounting standards specified under the Companies Act, 1956 (the "Act") (as per section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India. The Consolidated Financial Statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the company and are consistent with those used for the purpose of preparation of financial statements as at and for the nine-month period ended December 31, 2014.

Restated Consolidated Summary Statements relate to the Group and have been prepared specifically for inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India ('SEBI') and Registrar of Companies (ROC) in connection with its proposed Initial Public Offering.

These Restated Consolidated Summary Statements of assets and liabilities, profits and losses and cash flows have been prepared by the Group to comply in all material respects with the requirements of Sub-clause (i), (ii) and (iii) of clause (b) of Sub-section (1) of Section 26 of Chapter III of the Companies Act, 2013 read with rules 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the SEBI Guidelines") issued by SEBI on August 26, 2009 as amended from time to time.

##### **Principles of Consolidation:**

The consolidated financial statements relate to Sadbhav Infrastructure Project Limited, its subsidiary companies, jointly controlled entities and associates hereinafter referred to as the "Group Companies"

or "Group". In the preparation of consolidated financial statements, investment in the subsidiaries, jointly controlled entities and associates have been accounted for in accordance with Accounting Standard (AS) 21 - 'Consolidated Financial Statements', AS 27 - 'Financial Reporting of Interest in Joint Ventures' and AS 23 - 'Accounting for Investments in Associates in Consolidated Financial Statements' as notified accounting standard by Companies Accounting Standards Rules, 2006 (as amended). The consolidated financial statements have been prepared on the following basis:

The financial statements of the Company and its subsidiary companies have been combined to the extent possible on a line by line basis by adding together like items of assets, liabilities, income and expenses. The results of subsidiaries acquired are included in the Consolidated Statement of Profit and Loss from the effective date of acquisition and continues to be consolidated until the date that such control ceases (including through voting rights). All significant intra group balances or transactions have been eliminated on consolidation except for transactions specified below. Unrealized losses resulting from intra-group transactions that are deducted in arriving at the carrying amount of assets are also eliminated unless cost cannot be recovered. The amounts shown in respect of reserves comprise the amount of relevant reserves as per the balance sheet of the parent company and its share in the post – acquisition change in the relevant results of the subsidiaries.

The financial statements of the Company and of jointly controlled entities have been combined on a line by line basis by adding together the like items of assets, liabilities, income and expenses after eliminating intra-group balances or intra-group transactions resulting in unrealised profits or losses as required by AS 27 using the proportionate consolidation method.

The Build, Operate & Transfer (BOT) and Design, Build, Finance, Operate & Transfer (DBFOT) contracts are governed by Concession agreements with government authorities (Grantor). Under these agreements, the operator (Group Companies) which are Special Purpose Vehicles, does not own the Infrastructure assets, but gets toll collection/ service fee rights against the construction services rendered. Since the construction revenue earned by the Company is considered as exchanged with the grantor against toll collection/service fee collection rights, profit from such contracts is considered as realised.

Accordingly the intra group transactions on BOT/DBFOT contracts and the profits arising thereon are taken as realised and not eliminated.

Investment in Associate Company has been accounted under the equity method as per Accounting Standard AS 23 "Accounting for Investments in Associates in Consolidated Financial Statements". The Company accounts for its share in change in net assets of the associate Company, post acquisition, after eliminating unrealised profits and losses resulting from transactions between the Company and the associate company to the extent of its share, through its Consolidated Statement of Profit and Loss.

The excess of cost of the Group's investments in each subsidiary, jointly controlled entity and associates over the Group's share in equity of such entities, at the date on which such investment is made, is recognised as Goodwill and included as an asset in the Consolidated Balance Sheet. The excess of the Group's share in equity of each subsidiary, jointly controlled entity and associates at the date on which the investment is made, over the cost of the investment is recognised as Capital Reserve and included as Reserves and Surplus under Shareholders' Equity in the Consolidated Balance Sheet. Any change in the cost of the investment in subsidiary or jointly controlled entity post the acquisition thereof is effected by way of change in the goodwill on consolidation or capital reserve on consolidation, as the case may be.

Minority interests represent the portion of profit or (loss) and net assets not held by the Group and are presented separately in the consolidated statement of profit and loss and consolidated balance sheet, separately from parent shareholders' equity. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same is accounted for by the Parent Company.

The Financial statements of the subsidiaries, associate and joint venture are prepared for the same reporting year as the parent company, using consistent accounting policies. The restated consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.



The list of subsidiaries included in the consolidation and the company's holding therein are as under:

**I Information pertaining to Subsidiaries**

| Sr. No. | Name of Subsidiary                                    | Country of Incorporation | Proportion of Ownership Interest held as at |           |                |                |                |
|---------|-------------------------------------------------------|--------------------------|---------------------------------------------|-----------|----------------|----------------|----------------|
|         |                                                       |                          | December 31, 2014                           | 31-Mar-14 | March 31, 2013 | March 31, 2012 | March 31, 2011 |
| 1       | Ahmedabad Ring Road Infrastructure Limited ('ARRIL')  | India                    | 80%                                         | 80%       | 80%            | 80%            | 80%*           |
| 2       | Aurangabad Jalna Toll Way Limited ('AJTWL')           | India                    | 100%                                        | 100%      | 100%           | 100%#          | 51%*           |
| 3       | Bijapur Hungund Tollway Private Limited ('BHTPL')     | India                    | 77%                                         | 77%       | 77%            | 77%            | 77%*           |
| 4       | Hyderabad Yadgiri Tollway Private Limited ('HYTPL')   | India                    | 100%#                                       | 60%       | 60%            | 60%            | 60%*           |
| 5       | Maharashtra Border Check Post Network Ltd ('MBCPNL')  | India                    | 78%#                                        | 27%       | 27%            | 27%            | 27%*           |
| 6       | Rohtak Panipat Tollway Private Limited ('RPTPL')      | India                    | 100%                                        | 100%      | 100%           | 100%           | 100%*          |
| 7       | Shreenathji-Udaipur Tollway Private Limited ('SUTPL') | India                    | 100%#                                       | 74%       | 74% \$         | -              | -              |
| 8       | Solapur-Bijapur Tollway Private Limited ('SBTPL')     | India                    | -@                                          | 74%       | 74% \$         | -              | -              |
| 9       | Bhilwara-Rajsamand Tollway Private Limited ('BRTPL')  | India                    | 100%#                                       | 74%       | 74% \$         | -              | -              |
| 10      | Rohtak Hissar Tollway Private Limited ('RHTPL')       | India                    | 100%#                                       | 74% \$    | -              | -              | -              |
| 11      | Nagpur Seoni Expressway Limited ('NSEL')              | India                    | 100%                                        | 100% #    | 39%            | 39%*           | -              |
|         |                                                       |                          |                                             |           |                |                |                |

\* Acquisition of investment during the year

\$ Incorporated during the year

# Additional acquisition during the period/ year

@ In case of SBTPL, the company has made an application on November 10, 2014 for striking off name under section 560 of the Companies Act, 1956. In response to this, Registrar of Companies, Gujarat, vide its letter dated March 11, 2015 has given notice that the name of SBTPL will be struck off after 30 days from the date of the notice.

**Note:**

- 1 From October 14, 2011 to April 2, 2013, NSEL was an associate company of SIPL having 39% holding in NSEL.
- 2 Till October 16, 2014 MBCPNL was subsidiary of SIPL having control through board of directors and economic interest.

**C Significant Accounting Policies:**

**(a) Use of Estimates:**

The preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**(b) Accounting for Rights under Concession Arrangements**

**(i) Recognition and Measurement**

The Group builds infrastructure assets under public-to-private Concession Arrangements which it operates and maintains for periods specified in the Concession Arrangements.

Under the Concession Agreements, where the Group has received the right to charge users of the public service, such rights are recognised and classified as "Intangible Assets". Such right is not an unconditional right to receive consideration because the amounts are contingent to the extent that the public uses the service and thus are recognised and classified as intangible assets. Such an intangible asset is recognised by the Group at cost (which is the fair value of the consideration received or receivable for the construction services delivered) and is capitalized when the respective project is complete in all respects and when the Company receives the completion certificate from the authority as specified in the Concession Agreement and in case of MBCPNL, each check post is capitalised when the company receives completion certificate from the authority.

Under the Concession Agreements, where the Group has acquired contractual rights to receive specified determinable amounts, such rights are recognised and classified as "Right for Annuity fees" under Intangible assets, even though payments are contingent on the Group ensuring that the infrastructure meets the specified quality or efficiency requirements.

Consideration for various services (i.e. construction or upgrade services, operation and maintenance services, overlay services) under the Concession Agreements is allocated on the basis of costs actually incurred or the estimates of cost of services to be delivered.

(ii) *Premium capitalisation*

The Group has contractual obligation to pay premium (concession fees) to National Highway Authority of India ("NHAI"), Grantor, over the concession period. Such obligation has been recognised upfront on an undiscounted basis when the project gets completed as per the Concession Agreements as 'Intangible assets – Toll Collection Right' and corresponding obligation for committed premium is recognised as liabilities.

(iii) *Contractual obligation to restore the infrastructure to a specified level of serviceability*

The Group has contractual obligations to maintain the road / infrastructure to a specified level of serviceability or restore the road / infrastructure 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. In case of intangible assets, the timing and amount of such cost are estimated and determined by estimated cash flows, expected to be incurred in the year of overlay. Such costs are recognised by charging it to revenue on the basis of units of usage method i.e. on the number of vehicles expected to use the project facility, over the period at the end of which the overlay is estimated to be carried out based on management estimates.

(iv) *Revenue Recognition*

Toll / Infrastructure Service Income:

The revenue is recognized in the period of collection which generally coincide as and when the traffic passes through toll – plazas / usage of the public services.

Revenue from Operating and Maintenance Services and from overlay services is recognised in the period in which such services are rendered.

Contractual Income:

Contract revenue and costs associated with project related activities is recognized as by reference to the stage of completion of the projects at the reporting date. The stage of completion of a project is determined by the proportion that the contract cost incurred for work performed up to the reporting date bears to the estimated total contract costs.

Any short revenue recognized in accordance with the stage of completion of the project, in comparison to the amounts billed to the clients in accordance with the milestones completed as per the respective project, is carried forward as "Unbilled Revenue".

An expected loss on construction contract is recognized as an expense immediately when it is certain that total contract costs will exceed the total contract revenue.

Price escalation and other claims and/or variation in the contract work are included in contract revenue only when it is probable that customer will accept the claim and the amount that is probable will be accepted by the customer can be measured reliably.

(v) *Borrowing cost*

In respect of an intangible asset, borrowing costs attributable to the construction of roads / infrastructure are capitalised up to the date of the final completion certificate of the asset / facility received from the authority for its intended use specified in the Concession Agreement. All borrowing costs subsequent to the date of final completion certificate of the asset / facility as specified in Concession Agreement are charged to the Statement of Profit and Loss in the period in which such costs are incurred.

(vi) *Amortisation of Intangible Asset*

The intangible rights which are recognised in the form of right to charge users of the infrastructure asset are amortized by taking proportionate of actual revenue earned for the year / period over Total Projected Revenue from project to Cost of Intangible assets i.e. proportionate of actual revenue earned for the year / period over Total Projected Revenue from the Intangible assets expected to be earned over the balance concession period as estimated by the management.

Total Projected Revenue shall be reviewed at the end of the each financial year and the total projected revenue shall be adjusted to reflect any changes in the estimates which lead to the actual collection at the end of the concession period.

(c) **Fixed Assets:**

(i) **Tangible Assets**

Tangible fixed assets acquired by the Group are stated at cost less accumulated depreciation and impairment losses, if any. Direct cost comprises of all expenditure of capital in nature attributable to bringing the tangible asset to working condition for its intended use and incidental expenses including interest relating to acquisition, until fixed assets are ready to be put to use.

(d) **Depreciation and Amortisation:**

- (i) Upto March 31, 2014, the depreciation on Tangible Assets is provided using the Written Down Value method at rates prescribed under Schedule XIV to the Companies Act, 1956 and with effect from April 1, 2014, the depreciation is provided based on useful life prescribed under Schedule II of the Companies Act 2013. In respect of fixed assets purchased during the period, depreciation is provided on a pro-rata basis from the date on which such asset is ready to be put to use. All categories of assets costing less than ₹ 5,000 each are fully depreciated in the year of purchase.
- (ii) In case of AJTWL, ARRIL, RPTPL, HYTPL depreciation on tangible fixed assets, are amortized on straight line basis, from the date on which such asset is ready for use, till the end of concession period.
- (iii) Goodwill comprises the portion of the purchase price for an acquisition that exceeds the Group's share in the identifiable assets, with deduction for liabilities, calculated on the date of acquisition. The Company has made acquisition in shares of SPV's which operate projects that have finite project life as per Concession Agreements. Thus, goodwill arising on consolidation is amortized on straight line basis, beginning from the date of acquisition of subsidiaries/ jointly controlled entities or commencement of commercial operations by subsidiaries/ jointly controlled entities, whichever is later, till the end of concession period.

(e) **Expenditure during construction period, pending allocation:**

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during the construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Income earned during construction period is deducted from the total of the indirect expenditure. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto, is charged to Statement of Profit and Loss.

(f) **Impairment of Assets:**

- (i) The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An

asset's (including goodwill) recoverable amount is the higher of an asset's net selling price 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. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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.

- (ii) The company bases its impairment calculation on detailed budget and forecast calculations. These budgets and forecasts calculations generally covers period of the concession agreement using long term growth rate applied to future cash flows.
- (iii) After impairment, depreciation/ amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

**(g) Revenue Recognition other than from Concessional Arrangement:**

Income is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following are specific recognition criteria must also be met before income is recognized;

Income from sale of services:

Revenue in respect of arrangements made for rendering services over specific contractual term is recognized on a straight line basis over the contractual term of the arrangement. In respect of arrangements, which provide for an upfront payment followed by additional payments as certain conditions are met (milestone payments), the amount of revenue recognized is based on the services delivered in the period as stated in the contract. In respect of arrangements where fees for services rendered are success based, revenue is recognized only when the factors on which the fee is based, actually occurs.

Dividend:

Income is recognized when the shareholders' right to receive payment is established by the reporting date.

Interest:

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

**(h) Foreign Currency Transactions**

**(i) Initial Recognition:**

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

**(ii) Conversion:**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

(iii) **Exchange Difference:**

The company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

- Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.
- Exchange differences arising on other long-term foreign currency monetary items are accumulated in the “Foreign Currency Monetary Item Translation Difference Account” and amortized over the remaining life of the concerned monetary item.
- All other exchange differences are recognized as income or as expenses in the period in which they arise.

(iv) **Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/ liability**

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period. Any gain/ loss arising on forward contracts which are long-term foreign currency monetary items is recognized in accordance with paragraph (iii) above.

(i) **Government Grant:**

- (i) Government grants are recognised only when it is reasonably certain that the related entity will comply with the conditions and ultimate collection is not in doubt.
- (ii) Grant received from Government, in the nature of promoters’ contribution are treated as Capital Reserve. Grant received as compensation for expenses or losses are taken to the Consolidated Statement of Profit and Loss and is accounted in the period to which it relates.

(j) **Investments:**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(k) **Employee Benefits:**

- (i) Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when an employee renders the related services. The company has no

obligation, other than the contribution payable to the provident fund.

- (ii) The company operates one defined benefit plan for its employees, viz., gratuity liability. The costs of providing benefits under this plan are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method made at the end of each reporting date. Actuarial gains and losses for the defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.
- (iii) Compensated absences which accrue to employees and which is expected to be utilized or encashed within the next 12 months from reporting date, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. As per Company policy, no leave are expected to be carried forward beyond 12 months from the reporting date.

**(l) Leases :**

Where the Company is the lessee

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

**(m) Taxes on Income:**

- (i) Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.
- (ii) Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.
- (iii) Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Group's entities has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

- (iv) Minimum alternate tax (MAT) paid in a year is charged to the consolidating entity's statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on 'Accounting for Credit Available in respect of Minimum Alternative Tax' under IT Act, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement". The Company will review the "MAT credit

entitlement” asset at each reporting date and write down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

**(n) Borrowing costs**

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings, premium payable on redemption and discount on issue of debentures. Borrowing costs directly attributable to the acquisition, construction or development 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 period they occur.

**(o) Segment Reporting**

**Identification of segments**

The Company’s operating businesses are organized and managed separately according to the nature of services provided, with each segment representing a strategic business unit that offers different services, the risk return profile of individual business unit, the organizational structure and internal reporting system of the company. The analysis of geographical segments is not required as the company’s operations are within single geographical segment i.e. India.

**Allocation of common costs**

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

**Unallocated items**

Unallocated items include general corporate income and expense items, which are not allocated to any business segment. Assets and liabilities (including investments made in infrastructure projects through special purpose vehicle) that cannot be allocated between the segments are shown as a part of unallocated corporate assets and liabilities respectively.

**Segment Policies**

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

**(p) Provisions, Contingent Liabilities and Contingent Assets:**

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

**(q) Derivative Contracts:**

The Company uses derivative financial instrument, such as derivative option contract, interest rate swap contracts to take advantage of lower interest rate of foreign currency loan and hedge



the foreign exchange fluctuation. In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the consolidated statement of profit and loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored. In respect of derivative contracts, premiums paid, gains/ losses on settlement and provision for losses for cash flow hedges are recognised in the consolidated statement of profit and loss.

**(r) Cash and Cash Equivalent:**

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

**(s) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference share dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(t) Measurement of EBITDA**

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expenses.

## Sadbhav Infrastructure Project Limited

### Annexure: VI

#### Restated Consolidated Statement of Share Capital

(₹ in Million other than figures in bracket)

| Particulars                                                                      | As at<br>December 31,<br>2014 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2011 |
|----------------------------------------------------------------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>Authorised</b>                                                                |                               |                            |                            |                            |                            |
| Equity Shares of ₹10/- each                                                      | 4,030.00                      | 300.00                     | 300.00                     | 300.00                     | 300.00                     |
|                                                                                  | (40,30,00,000)                | (3,00,00,000)              | (3,00,00,000)              | (3,00,00,000)              | (3,00,00,000)              |
| 0.01% Compulsory Convertible Cumulative Preference Shares (CCCPS) of ₹ 10/- each | -                             | 30.00                      | 30.00                      | 30.00                      | 30.00                      |
|                                                                                  | -                             | (30,00,000)                | (30,00,000)                | (30,00,000)                | (30,00,000)                |
|                                                                                  | <b>4,030.00</b>               | <b>330.00</b>              | <b>330.00</b>              | <b>330.00</b>              | <b>330.00</b>              |
|                                                                                  |                               |                            |                            |                            |                            |
| <b>Issued, Subscribed and Fully Paid Up</b>                                      |                               |                            |                            |                            |                            |
| Equity Shares of ₹ 10/- each                                                     | 3,109.63                      | 260.07                     | 260.07                     | 241.72                     | 241.72                     |
|                                                                                  | (31,09,63,081)                | (2,60,07,170)              | (2,60,07,170)              | (2,41,72,254)              | (2,41,72,254)              |
| 0.01% Compulsory Convertible Cumulative Preference Shares (CCCPS) of ₹ 10/- each | -                             | 22.51                      | 22.51                      | 22.51                      | 22.51                      |
|                                                                                  | -                             | (22,50,774)                | (22,50,774)                | (22,50,774)                | (22,50,774)                |
| Total Issued , Subscribed and Paid Up                                            | <b>3,109.63</b>               | <b>282.58</b>              | <b>282.58</b>              | <b>264.23</b>              | <b>264.23</b>              |

#### Notes

- The figures mentioned in the bracket represent absolute number of shares.
- Terms/rights attached to equity shares:
  - The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of Equity shares is entitled to one vote per share.
  - In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.
- In the financial year 2012-13, the Company issued additional 18,34,916 equity shares of ₹ 10 each to Sadbhav Engineering Limited on Preferential basis whereby outstanding equity shares of the Company increased to 26,007,170.
- The Company issued 282,693,710 equity shares of ₹10/- each as fully paid bonus shares in the ratio of 10 : 1 by utilizing ₹ 2,826.94 Million from Securities Premium Account aggregating ₹2,826.94 Million as per the resolution of Extra Ordinary General Meeting dated October 29, 2014.
- Compulsory Convertible Cumulative Preference Shares ('CCCPS') were converted into equity shares in accordance with the terms of the agreement as per Board resolution dated October 22, 2014. Pursuant to the conversion, the Company has issued 2,262,200 equity share against 2,250,774 CCCPS.
- Terms of conversion of Compulsory Convertible Cumulative Preference Shares (CCCPS) upto Conversion in Equity

- (i) Each CCCPS shall be convertible, at the option of the holder thereof at any time into such number of fully paid Equity Shares determined by dividing the Initial Purchase Price by the Conversion Price in effect at the time of conversion. However, each Preference Share shall automatically be converted into Equity Shares, at the then effective Conversion Price applicable to such Preference Share at the earlier of (i) the tenth anniversary of the Closing Date i.e. 23rd September 2010 and (ii) immediately prior to the closing of an initial public offering of the Equity Shares.
- (ii) Each Preference Share shall entitle the holder thereof to receive, out of funds legally available, Cumulative cash dividends at the rate of 0.01% per annum of the initial purchase price. The preference share holders have waived their right to receive dividend upto the Financial Year 2013-14.
- 7 0.01% 1,100,950 Compulsory Convertible Debentures of ₹ 750 Million issued to Sadbhav Engineering Limited (CCDs) have been converted into one equity share as per Board Resolution dated October 22, 2014.
- 8 Shares held by holding company

Details of shares held by Sadbhav Engineering Limited - holding company and its nominees out of issued, subscribed and paid up equity capital as at the period / year end are as under:

| Financial Year / Period | No. of Shares Held | % of Holding |
|-------------------------|--------------------|--------------|
| As at December 31, 2014 | 24,07,33,427       | 77.42%       |
| As at March 31, 2014    | 2,18,84,856        | 84.15%       |
| As at March 31, 2013    | 2,18,84,856        | 84.15%       |
| As at March 31, 2012    | 2,00,49,940        | 82.95%       |
| As at March 31, 2011    | 2,00,49,940        | 82.95%       |

- 9 The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group.
- 10 The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.

**Sadbhav Infrastructure Project Limited**

**Annexure: VII**

**Restated Consolidated Statement of Reserves and Surplus**

(₹ in Million)

| Particulars                                                                               | As at<br>December<br>31, 2014 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2011 |
|-------------------------------------------------------------------------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>Capital Reserve:</b>                                                                   |                               |                            |                            |                            |                            |
| <b>Grant Received from Authority<br/>(in the nature of promoters'<br/>contribution)</b>   |                               |                            |                            |                            |                            |
| Balance as per the last financial<br>statements                                           | 2,106.71                      | 2,106.71                   | 1,658.34                   | 308.38                     | -                          |
| Add: Additions during the year /<br>period                                                | 1,143.05                      | -                          | 448.37                     | 1,349.96                   | 308.38                     |
| <b>Closing Balance</b>                                                                    | <b>3,249.76</b>               | <b>2,106.71</b>            | <b>2,106.71</b>            | <b>1,658.34</b>            | <b>308.38</b>              |
| <b>Capital Reserve on Acquisition of<br/>Subsidiary</b>                                   |                               |                            |                            |                            |                            |
| Balance as per the last financial<br>statements                                           | 186.57                        | 132.93                     | 132.93                     | 132.93                     | -                          |
| Add: Additions during the year/<br>period                                                 | 75.85                         | 53.64                      | -                          | -                          | 132.93                     |
| <b>Closing Balance</b>                                                                    | <b>262.42</b>                 | <b>186.57</b>              | <b>132.93</b>              | <b>132.93</b>              | <b>132.93</b>              |
| <b>Securities Premium Account</b>                                                         |                               |                            |                            |                            |                            |
| Balance as per the last financial<br>statements                                           | 7,468.01                      | 7,468.01                   | 6,237.61                   | 6,237.61                   | -                          |
| Add: Premium on issue of shares<br>(refer note no 5 below)                                | -                             | -                          | 1,231.65                   | -                          | 6,338.08                   |
| Add: Premium on Conversion of<br>CCDs                                                     | 750.00                        | -                          | -                          | -                          | -                          |
| Less: Utilisation of towards                                                              |                               |                            |                            |                            |                            |
| - Conversion of CCCPS<br>into Equity Shares                                               | (0.11)                        | -                          | -                          | -                          | -                          |
| - Issue of Bonus Shares                                                                   | (2,826.94)                    | -                          | -                          | -                          | -                          |
| - Share issue expenses                                                                    | -                             | -                          | (1.25)                     | -                          | (100.47)                   |
| <b>Closing Balance</b>                                                                    | <b>5,390.96</b>               | <b>7,468.01</b>            | <b>7,468.01</b>            | <b>6,237.61</b>            | <b>6,237.61</b>            |
| <b>Debenture Redemption Reserve</b>                                                       |                               |                            |                            |                            |                            |
| Balance as per the last financial<br>statements                                           | -                             | -                          | -                          | -                          | -                          |
| Add: Transfer from Surplus during<br>the period / year                                    | 47.04                         | -                          | -                          | -                          | -                          |
| <b>Closing Balance</b>                                                                    | <b>47.04</b>                  | <b>-</b>                   | <b>-</b>                   | <b>-</b>                   | <b>-</b>                   |
| <b>Surplus / (Deficit) in Statement of<br/>Profit and Loss</b>                            |                               |                            |                            |                            |                            |
| Balance as per the last year financial<br>statements                                      | (1,810.59)                    | (251.22)                   | 205.26                     | 107.45                     | 8.61                       |
| Add: Profit/(Loss) for the period /<br>year                                               | (2,231.70)                    | (1,559.37)                 | (456.66)                   | 97.99                      | 98.84                      |
| Less : Proposed Dividend on<br>Preference Shares (including<br>dividend distribution tax) | -                             | -                          | -                          | (0.18)                     | -                          |
| Add: Dividend on Preference shares                                                        | -                             | -                          | 0.18                       | -                          | -                          |

| Particulars                                    | As at<br>December<br>31, 2014 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2011 |
|------------------------------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| waived by shareholders                         |                               |                            |                            |                            |                            |
| Less: Transfer to Debenture Redemption Reserve | (47.04)                       | -                          | -                          | -                          | -                          |
| <b>Closing Balance</b>                         | <b>(4,089.33)</b>             | <b>(1,810.59)</b>          | <b>(251.22)</b>            | <b>205.26</b>              | <b>107.45</b>              |
|                                                |                               |                            |                            |                            |                            |
| <b>Total Reserves and Surplus</b>              | <b>4,860.85</b>               | <b>7,950.70</b>            | <b>9,456.43</b>            | <b>8,234.14</b>            | <b>6,786.37</b>            |

#### Notes

- 1 The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group.
- 2 The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.
- 3 The Company issued 282,693,710 equity shares of ₹ 10/- each as fully paid bonus shares in the ratio of 10 : 1 by utilizing ₹ 2,826.94 Million from Securities Premium Account aggregating ₹ 2,826.94 Million as per resolution of Extra Ordinary General Meeting dated October 29, 2014.
- 4 1,100,950 unsecured 0.01% CCDs issued to Sadbhav Engineering Limited, holding company, aggregating ₹ 750 Million was converted into 1 Equity share as per Shareholders Agreement and the amount is transferred to Securities Premium Account.
- 5 Securities Premium includes premium of ₹ 977.49 Million on issue of 0.01% CCCPS in Financial Year 2010-11.

**Sadbhav Infrastructure Project Limited**

**Annexure: VIII**

**Restated Consolidated Statement of Long-Term Borrowings**

(₹ in Million)

| Particulars                                                                                                        | As at<br>December<br>31, 2014 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2011 |
|--------------------------------------------------------------------------------------------------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>Debentures</b>                                                                                                  |                               |                            |                            |                            |                            |
| 1,600, 9% Redeemable, Non<br>Convertible Debentures of ₹<br>1,000,000 each (Secured)                               | 1,600.00                      | -                          | -                          | -                          | -                          |
| Add: Accrued amount of Premium on<br>Redemption                                                                    | 2.20                          |                            |                            |                            |                            |
|                                                                                                                    | <b>1,602.20</b>               | -                          | -                          | -                          | -                          |
| 6% Non Convertible Debentures<br>(NCDs) of ₹ 1000 each (Secured)                                                   | 1,405.41                      | -                          | -                          | -                          | -                          |
| Add: Accrued amount of Premium on<br>Redemption                                                                    | 45.31                         |                            |                            |                            |                            |
|                                                                                                                    | <b>1,450.72</b>               |                            |                            |                            |                            |
| 0.01% Compulsory Convertible<br>Debentures (CCDs) of ₹ 681.23 each<br>(Unsecured)                                  | -                             | 750.00                     | 750.00                     | -                          | -                          |
| <b>Total (A)</b>                                                                                                   | <b>3,052.92</b>               | <b>750.00</b>              | <b>750.00</b>              | <b>-</b>                   | <b>-</b>                   |
| <b>Term Loans (Secured)</b>                                                                                        |                               |                            |                            |                            |                            |
| <b>From Banks</b>                                                                                                  |                               |                            |                            |                            |                            |
| - Rupee Loans                                                                                                      |                               |                            |                            |                            |                            |
| Non-Current Portion                                                                                                | 39,648.64                     | 34,523.81                  | 27,266.38                  | 22,859.04                  | 12,117.63                  |
| Current Maturities                                                                                                 | 598.14                        | 581.72                     | 248.86                     | 105.80                     | 80.53                      |
| <b>Total (i)</b>                                                                                                   | <b>40,246.78</b>              | <b>35,105.53</b>           | <b>27,515.24</b>           | <b>22,964.84</b>           | <b>12,198.16</b>           |
| - Foreign Currency Loans                                                                                           |                               |                            |                            |                            |                            |
| Non-Current Portion                                                                                                | 8,314.91                      | 8,221.79                   | 5,900.43                   | 2,932.44                   | -                          |
| Current Maturities                                                                                                 | 372.04                        | 326.09                     | 9.20                       | -                          | -                          |
|                                                                                                                    | <b>8,686.95</b>               | <b>8,547.88</b>            | <b>5,909.63</b>            | <b>2,932.44</b>            | <b>-</b>                   |
| Less: Amount Receivable<br>from Derivative Settlement of<br>Foreign Currency Loans                                 |                               |                            |                            |                            |                            |
| Non-Current Portion<br>(Refer Annexure: XXI )                                                                      | (841.50)                      | (732.95)                   | (124.25)                   | -                          | -                          |
| Current Maturities<br>(Refer Annexure: XXVI )                                                                      | (17.78)                       | (14.30)                    | -                          | -                          | -                          |
|                                                                                                                    | <b>(859.28)</b>               | <b>(747.25)</b>            | <b>(124.25)</b>            | <b>-</b>                   | <b>-</b>                   |
| <b>Total (ii)</b>                                                                                                  | <b>7,827.67</b>               | <b>7,800.63</b>            | <b>5,785.38</b>            | <b>2,932.44</b>            | <b>-</b>                   |
| <b>From Other Party</b>                                                                                            |                               |                            |                            |                            |                            |
| Non-Current Portion                                                                                                | 2,207.67                      | 2,247.75                   | 1,985.82                   | 1,823.23                   | 1,026.06                   |
| Current Maturities                                                                                                 | 51.78                         | 46.78                      | 41.46                      | 20.00                      | 13.75                      |
| <b>Total (iii)</b>                                                                                                 | <b>2,259.44</b>               | <b>2,294.53</b>            | <b>2,027.28</b>            | <b>1,843.23</b>            | <b>1,039.81</b>            |
| <b>Total (i)+(ii)+(iii)</b>                                                                                        | <b>50,333.89</b>              | <b>45,200.69</b>           | <b>35,327.90</b>           | <b>27,740.51</b>           | <b>13,237.97</b>           |
| <b>Less: Current maturities disclosed<br/>under the head -Other current<br/>liabilities (Refer Annexure: XIII)</b> | <b>(1,004.18)</b>             | <b>(940.29)</b>            | <b>(299.52)</b>            | <b>(125.80)</b>            | <b>(94.28)</b>             |
| <b>Total (B)</b>                                                                                                   | <b>49,329.71</b>              | <b>44,260.40</b>           | <b>35,028.38</b>           | <b>27,614.71</b>           | <b>13,143.69</b>           |
| <b>Interest Free Loan from Holding<br/>Company</b>                                                                 | <b>779.56</b>                 | <b>-</b>                   | <b>-</b>                   | <b>-</b>                   | <b>-</b>                   |
| (Unsecured)                                                                                                        |                               |                            |                            |                            |                            |
| <b>Total (A)+ (B)</b>                                                                                              | <b>53,162.19</b>              | <b>45,010.40</b>           | <b>35,778.38</b>           | <b>27,614.71</b>           | <b>13,143.69</b>           |

## Notes

- 1 The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
- 2 The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.
- 3 List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management.
- 4 Amounts due to Directors/Promoters/Group Companies/Relatives of Promoters/Relatives of Directors.

| Particulars                 | As at December 31, 2014 | As at March 31, 2014 | As at March 31, 2013 | As at March 31, 2012 | As at March 31, 2011 |
|-----------------------------|-------------------------|----------------------|----------------------|----------------------|----------------------|
| Sadbhav Engineering Limited | 779.56                  | 750.00               | 750.00               | -                    | -                    |

- 5 For details of transactions with related parties, refer Annexure: XXXIII.

- 6 The details in respect of long term borrowings are as under:

**(A) 9% 1,600 Redeemable , Non Convertible debentures (NCD) are secured by:**

- (i) an unconditional , irrevocable and continuing Corporate gurantee from Sadbhav Engineering Limited- holding company (SEL), covering the entire redemption amount. (ii) Pledge of 10,287,215 shares of SEL by Sadbhav Finstock Pvt. Ltd. (iii) Pledge of 67% of SPV shareholding i.e. DPTL. However, till such shares are transferred in the name of SIPL, 56% of shares of ARRIL would be pledged. (iv) WCDL facility of to the extent of next repayment to be lien marked for the NCD to be obtained by the Company/ SEL and to be utilised only towards repayment of the NCD atleast 20 days before each redemption payment date for amount which are due in next 20 days.

Terms of repayment are as under:

| Series of NCDs | As at December 31, 2014                         |                    |                             |
|----------------|-------------------------------------------------|--------------------|-----------------------------|
|                | No. of NCDs outstanding as at December 31, 2014 | Terms of Repayment | Earliest date of redemption |
| Series I       | 480                                             | Bullet Repayment   | April 18, 2018              |
| Series II      | 480                                             | Bullet Repayment   | April 18, 2019              |
| Series III     | 640                                             | Bullet Repayment   | November 18, 2019           |

The debenture holders has right to seek prepayment / early redemption of Series II and Series III debentures in whole or part or in such proportion as it may deem fit at the end of year 3 and year 4. Thereupon, the Company shall be obliged to prepay such interest in such manner that debentureholders may achieve the IRR at the rate of 12.14% on the debentures based on the Put option exercised.

**(B) 6% Non Convertible debentures (NCD) is secured by:**

- (i) Pledge of 16% shareholding in the Company held by Sadbhav Engineering Limited (SEL) the holding Company. (ii) Pledge of 30% shareholding of Maharashtra Border Check Post Network Limited held by the Company and SEL. (iii) Unconditional and irrevocable corporate guarantee from SEL and personal guarantee from Promotor i.e. Mr. Vishnubhai M. Patel. (iv) Second

charge by mortgage over all immovable property and hypothecation of all movable, tangible and intangible assets, receivable, cash and liquid investment of the Company. (v) All bank account & assignment of all contract, documents, insurance, clearances and interest of the Company.

NCD has been issued at discount.

NCD carries a interest rate of 6.33% as on December 31, 2014 which is linked to benchmark rate to be reset on a quarterly bases and are repayable in 6 structured installments starting from July 1, 2017 and ending on April 5, 2020.

The Company shall have an option to repay the Facility at End of 4th year and 5th year with the condition that the Minimum Yield on the entire Facility will get revised upwards by 0.50% per annum and 0.25% per annum, respectively.

**(C) Terms of 0.01% Compulsory Convertible Debentures upto conversion into equity share:**

During the year ended March 31, 2013, the Company had issued 11,00,950 unsecured 0.01% Compulsory Convertible Debentures (CCDs) of ₹ 681.23/- each to Sadbhav Engineering Limited (SEL) the holding company, which were convertible as under:

Each CCDs shall be automatically converted upon the earlier of (i) the final adjustment date as per shareholder's agreements and (ii) the date of closing of an initial public offering of the Equity Shares (such date, the "Conversion Date").

0.01% 1,100,950 Compulsory Convertible Debentures of ₹ 750 Million issued to Sadbhav Engineering Limited (CCDs) have been converted into equity share as per Board Resolution dated October 22, 2014 . Pursuant to the conversion, the Company has issued 1 equity share against 11,00,950 CCDs.

**(D) Term Loan from Bank availed by the Company is secured by:**

The long term loan from the bank as at December 31, 2014 of ₹ 1,800 Million, (March 31, 2014 ₹ 1,800 Million) carries a floating interest rate ranging from 13.25% to 13.50%. The loan is repayable in 4 annual installments commencing after 48 months from the date of 1st disbursement i.e. 06 March 2012.

- (i) A first charge on all movable assets including intangible assets, book debts and other receivables of the Company.
- (ii) First charge on all bank accounts of the Company.
- (iii) Corporate guarantee of Sadbhav Engineering Limited, Holding Company. The guarantee shall fall off in case the credit rating of the Company remains AA- for two consecutive years.

The Company has rights to pre-pay the loan amount before reset date (i.e. date falling at the end of 12 months from the date of first Disbursement and thereafter the date falling at the end of 12 months from the last Reset Date, as the case may be) along with prepayment premium. The Company needs to mandatory prepay the loan amount in case the Company receive proceeds from the (i) initial public offering of the Company, (ii) securitization of revenues of (a) the projects undertaken by the Company, and/or (b) project companies, that may be received by the Company; and (iii) disposal of assets of the projects or divestment of investments of the Company in the projects. In case of mandatory prepayment, the premium shall not be applicable if the above option is made on reset date.

**(E) Rupee Term Loans and Foreign Currency Loans from banks availed by**



**Subsidiaries are secured by:**

- (i) a first mortgage and charge on all the respective subsidiary's immovable properties, both present and future, save and except the Project Assets;
- (ii) a first charge on all the respective subsidiary's tangible moveable assets, including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future, save and except the Project Assets;
- (iii) a first charge over all accounts of the respective subsidiaries including the Escrow Account and the Sub-Accounts (or any account in substitution thereof) that may be opened in accordance with Common Rupee Loan Agreement and the Supplementary Escrow Agreement, or any other Project documents and all funds from time to time deposited therein, including those arising out of realisation of receivable and all permitted investments or other securities representing all amounts credited thereto.
- (iv) a first charge on all intangibles assets of the respective subsidiaries including but not limited to goodwill, rights, undertakings and uncalled capital present and future excluding the Project Assets .
- (v) a first charge on assignment by way of security in:
  - all the right, title, interest, benefits, claims and demands whatsoever of the respective subsidiary in the Project documents;
  - charge/ assignment on all the intangible assets of the respective subsidiary (Other than project assets) including but not limited to goodwill, rights, undertakings, all the right, title, interest, benefits, claims and demands whatsoever of the respective subsidiary in any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents;
  - all the right, title, interest, benefits, claims and demands whatsoever of the respective subsidiary under all Insurance Contracts.
- (vi) pledge of equity shares held by the Company and other promoters of the respective Subsidiary as stipulated in the Loan Agreements.

**Notes**

- (a) the aforesaid mortgages, charges, assignments and guarantees and the pledge of equity shares as stipulated above shall in all respects rank pari-passu inter-se amongst the lenders and the working capital lenders, in accordance with the Concession Agreement, without any preference or priority to one over the other or others;
- (b) the Security Interest shall exclude the Project Assets (as defined in and in accordance with the Concession Agreement), unless such security is consented to by the authority pursuant to the Concession Agreement.

**Terms of Repayment of Loans from Bank and Other Party of Subsidiaries is as under:**

**1 ARRIL**

Term loans include loan amounting to ₹ 3,610.75 Million as on December 31, 2014 taken from a consortium consisting of a bank and various financial institutions.

### **First Ranking Rupee Loan:**

The First Ranking Rupee Loan is repayable to each lender in 50 structured quarterly installments commencing from August 31, 2009. As per repayment schedule of the loan agreement, the principal amount outstanding under the said agreement shall be repaid by November 30, 2021.

The loans carry average interest rate of 10.5 per cent to 11.05 per cent per annum.

### **Second Ranking Rupee Loan:**

The Second Ranking Rupee Loan is repayable to the lender in 52 structured quarterly installments commencing from August 31, 2011. As per repayment schedule of the loan agreement, all the principal amount outstanding under the said agreement shall be repaid by May 31, 2024.

The loans carry average interest rate of 12.5 per cent to 12.75 per cent per annum.

## **2 AJTL**

Term loans include loan amounting to ₹ 1,686.69 Million as on December 31, 2014 taken from a consortium consisting of a bank and various financial institutions.

### **Indian Rupee Term Loans from Banks & Other Party :**

The Principal Amounts of the Loan to each of the Lenders are repayable in 48 equal quarterly installments commencing from October 1, 2011. As per the repayment schedule of the loan agreement, all principal amount outstanding under the said agreement shall be repaid by July 1, 2023. Further, the lenders have an option to call upon AJTL to repay the entire outstanding loan along with interest, additional interest, further interest and liquidated damages thereon at the end of ten (10) years from the date of Commercial Operation (COD) by giving thirty days notice. Similarly, AJTL also has the option to prepay the loans.

Term loans carry average interest rate of 11 per cent to 11.50 per cent p.a.

## **3 BHTPL**

Term loans include loan amounting to ₹ 8,429.81 Million as on December 31, 2014 taken from a consortium consisting of a bank and various financial institutions.

### **Indian Rupee Term Loans from Banks:**

The Principal Amounts of the Loan to each of the Lenders shall be repayable in 37 equal quarterly installments on the last day of each quarter, commencing from the expiry of Moratorium Period (14 quarters from initial drawdown date), such that the door-to-door tenor (from initial drawdown to the date of repayment of the last repayment installment) does not exceed 12 years and 6 months.

The Loans carry interest of 11.45 % to 12 % percent as on December 31, 2014.

### **Foreign Currency loan from Bank:**

Foreign currency loan shall be repayable in unequal semi-annual installments. First repayment shall be made from the half year anniversary

falling immediately after the date on which any scheduled repayment is made to the Rupee Lenders in accordance with the Common Rupee Loan agreement. Subsequent repayment shall be made in accordance with repayment schedule of Rupee term loan. On payment of 10th semi-annual instalment, the Company propose to convert balance loan amounting to USD 37.02 Million into a new Rupee Term Loan.

The BHTPL pays interest @ LIBOR+ Margin of 4.70% per annum on the foreign currency loan.

#### **4 HYTPL**

Term loans include loan amounting to ₹ 3,779.25 Million as on December 31, 2014 taken from a consortium consisting of a bank and various financial institutions.

##### Indian Rupee Term Loans from Banks & Other Party :

The Principal Amounts of the Loan to each of the Lenders shall be repayable in 47 equal quarterly installments on the last day of each quarter , commencing from the expiry of Moratorium Period (33 months from initial drawdown date), such that the door-to-door tenor (from initial drawdown to the date of repayment of the last repayment installment) does not exceed 14 years and 6 months.

Term loans carry interest of 11.50 to 11.75 per cent per annum.

##### Foreign Currency loan from Bank:

Foreign Currency loan from Bank shall be repayable in unequal 10 semi-annual installments. First repayment shall be made from the half year anniversary falling immediately after the date on which any scheduled repayment is made to the Rupee Lenders in accordance with the Common Rupee Loan agreement (scheduled repayment date of rupee loan is September 29, 2013). On payment of 10th semi-annual instalment, the Company propose to convert balance loan amounting to USD 21.74 Million into a new Rupee Term Loan.

The HYTPL pays interest at LIBOR plus 470 basis points per annum on the foreign currency loan.

#### **5 MBCPNL**

Term loans include loan amounting to ₹ 9,582.27 Million as on December 31, 2014 taken from a consortium consisting of banks.

##### Indian Rupee Term Loans from Banks:

Such loan is repayable in 50 quarterly installments commencing from last day of 15th quarter from the first disbursement i.e. 20th March 2010.

The long term loans from the banks carry interest rate of 12% to 13.25%.

#### **6 RPTPL**

Term loans include loan amounting to ₹ 9,775.22 Million as on December 31, 2014 taken from a consortium consisting of a bank and various financial institutions.

##### Indian Rupee Term Loans from Banks & Other Party:

The Principal Amounts of the Loan to each of the Lenders shall be repayable in 43 quarterly installments on the last day of each quarter,

commencing from 22 quarters from 30th March, 2011 ( initial drawdown date ), such that the door-to-door tenor (from initial drawdown to the date of repayment of the last repayment installment ) does not exceed 16 years.

As at December 31, 2014, the term loans carry interest rate of 12.25 to 12.75 per cent per annum.

Foreign Currency loan from Bank:

Foreign Currency loan from Bank shall be repayable in 6 unequal semi-annual installments. First repayment shall be made from the half year anniversary falling immediately after the date on which any scheduled repayment is made to the Rupee Lenders in accordance with the Common Rupee Loan agreement (scheduled repayment date of rupee loan is September 28, 2016). On payment of 6th semi-annual instalments,, the Company propose to convert balance loan amounting to USD 36.83 Million into a new Rupee Term Loan.

RPTPL pays interest @ LIBOR+ Margin of 4.70% per annum on the foreign currency loan.

**7** **SUTPL**

Term loans include loan amounting to ₹ 5,401 Million as on December 31, 2014 taken from a consortium consisting of a banks.

Indian Rupee Term Loans from Banks:

Tranche I

The Principal amounts of the Loan under Tranche I is repayable to the Lenders in 138 structured monthly installments ,commencing from the expiry of thirteenth (13th) calendar month starting from the calendar month in which the Schedule Commercial Operations Date (SCOD) occurs.

Term loans carry interest of 12.25 to 12.50 per cent per annum.

Tranche II

The Principal amounts of the Loan under Tranche II is repayable to the Lenders in 174 structured monthly installments , commencing from the expiry of thirteenth (13th) calendar month starting from the calendar month in which the SCOD occurs.

At any time after the expiry of 15th (fifteenth) year from the Appointed Date, the Rupee Lenders of the Tranche II of the Rupee Facility shall have the right to sell/ assign/ transfer the entire Tranche II of the Rupee Facility to one or both of the Sponsors (at their discretion) by providing a prior written notice of 30 (thirty) days ("Put Option Notice") to the Sponsors in that regard ("Put Option").

Term loans carry interest of 12 to 12.75 per cent per annum.

**8** **BRTPL**

Term loans include loan amounting to ₹ 1,160.10 Million as on December 31, 2014 taken from a consortium consisting of banks.

Indian Rupee Term Loans from Banks:

The Principal amounts of the Loan is repayable to the Lenders in 174 structured monthly installments , commencing from the expiry of thirteenth (13th) calendar month starting from the calendar month in which the SCOD

occurs.

Term loans carry average interest rate of 12.25 per cent per annum.

**9 RHTPL**

Term loans include loan amounting to ₹ 3,189 Million as on December 31, 2014 taken from a consortium consisting of a banks.

**Term Loans from Banks:**

The Principal amounts of the Loan is repayable to the Lenders in 174 structured monthly installments , commencing from the expiry of thirteenth (13th) calendar month starting from the calendar month in which the Scheduled Commercial Operations Date (SCOD) occurs.

Term loans carry interest of 12.50 per cent per annum.

**10 NSEL**

Term loans include loan amounting to ₹ 1,919.80 Million as on December 31, 2014 taken from a consortium consisting of banks.

**Foreign Currency loan from Bank:**

As per the Terms of the Facility Agreement, the NSEL shall repay the loan by paying fifteen semi-annual Installments commencing from 30th December, 2010.

The loans carry interest rate of LIBOR + 135 bps per annum.

**(F) Interest Free Loan from Holding Company**

Pursuant to the conversion of CCCPs into equity shares, SIPL has entered into a Memorandum of Understanding with SEL on October 22, 2014, whereby SEL has given a commitment to keep interest free unsecured of ₹ 779.56 Million in SIPL for a period of 11 years.

**Sadbhav Infrastructure Project Limited****Annexure: IX****Restated Consolidated Statement of Other Long Term Liabilities**

| Particulars                   | (₹ in Million)                |                            |                            |                            |                            |
|-------------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|                               | As at<br>December 31,<br>2014 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2011 |
| Capital Creditors             | 1.33                          | 0.88                       | 1.51                       | 0.73                       | 0.87                       |
| Premium Obligation to<br>NHAI | 22,317.48                     | 22,414.02                  | 4,179.07                   | -                          | -                          |
| <b>Total</b>                  | <b>22,318.81</b>              | <b>22,414.90</b>           | <b>4,180.58</b>            | <b>0.73</b>                | <b>0.87</b>                |

**Notes**

- 1 The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group.
- 2 The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.
- 3 As per the Ministry of Road Transport and Highways (MoRTH) policy of National Highways Authority of India (NHAI), the Group is liable to make payment of Interest on Deferment of Premium @ Bank Rate + 2% p.a. which is charged to consolidated statement of profit & loss for the period and obligation on the same has been recognised as liabilities.

**Sadbhav Infrastructure Project Limited**

**Annexure: X**

**Restated Consolidated Statement of Long-term Provisions**

(₹ in Million)

| Particulars                        | As at<br>December 31,<br>2014 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2011 |
|------------------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>Provision for:</b>              |                               |                            |                            |                            |                            |
| Income Tax                         | 12.72                         | -                          | -                          | -                          | -                          |
| Employee Benefit-<br>Gratuity      | 3.16                          | 2.00                       | 1.44                       | 1.28                       | 0.78                       |
| Periodic Major<br>Maintenance Cost | 770.52                        | 409.77                     | 113.54                     | 389.70                     | 269.89                     |
|                                    |                               |                            |                            |                            |                            |
| <b>Total</b>                       | <b>786.40</b>                 | <b>411.77</b>              | <b>114.98</b>              | <b>390.98</b>              | <b>270.67</b>              |

**Notes**

- 1 The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group.
- 2 The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.

## Sadbhav Infrastructure Project Limited

### Annexure: XI

#### Restated Consolidated Statement of Short Term Borrowings

| (₹ in Million)                                     |                               |                            |                            |                            |                            |
|----------------------------------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Particulars                                        | As at<br>December 31,<br>2014 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2011 |
| Working Capital Demand Loan from Bank (Unsecured)  | -                             | 100.00                     | -                          | -                          | -                          |
| Loan from related parties (Unsecured)              | 5,007.38                      | 3,747.30                   | 541.79                     | 187.88                     | -                          |
| Interest free Loan - Others (Unsecured)            | 213.00                        | 160.00                     | 110.00                     | 110.00                     | -                          |
| Temporary Overdraft in Current account (Unsecured) | 99.92                         | -                          | -                          | -                          | -                          |
| <b>Total</b>                                       | <b>5,320.30</b>               | <b>4,007.30</b>            | <b>651.79</b>              | <b>297.88</b>              | <b>-</b>                   |

#### Notes

- The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group.
- The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.
- List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management.
- Amounts due to Directors/Promoters/Group Companies/Relatives of Promoters/Relatives of Directors.

| (₹ in Million)              |                               |                            |                            |                            |                            |
|-----------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Particulars                 | As at<br>December 31,<br>2014 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2011 |
| Sadbhav Engineering Limited | 5,007.38                      | 3,747.30                   | 541.79                     | 187.88                     | -                          |

The loan amount is repayable on call notice by the lender.

- Details of security and repayment terms are as under:
  - Working Capital Demand Loan facility from banks is secured against Corporate guarantee of Sadbhav Engineering Limited i.e. the Holding company.
  - The Working Capital Demand Loan is repayable within 90 days of borrowing and carries interest @ 12% p.a.
  - Unsecured loan from related parties carries interest @ 11% p.a. and is repayable on demand.
  - Interest free loan from others is repayable on demand.



**Sadbhav Infrastructure Project Limited****Annexure: XII****Restated Consolidated Statement of Trade Payables****(₹ in Million)**

| <b>Particulars</b>                                       | <b>As at<br/>December 31,<br/>2014</b> | <b>As at<br/>March 31,<br/>2014</b> | <b>As at<br/>March 31,<br/>2013</b> | <b>As at<br/>March 31,<br/>2012</b> | <b>As at<br/>March 31,<br/>2011</b> |
|----------------------------------------------------------|----------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Micro, Small and Medium Enterprises (Refer Note 6 below) | -                                      | -                                   | -                                   | -                                   | -                                   |
| Others                                                   | 439.22                                 | 425.88                              | 235.21                              | 125.51                              | 12.69                               |
| <b>Total</b>                                             | <b>439.22</b>                          | <b>425.88</b>                       | <b>235.21</b>                       | <b>125.51</b>                       | <b>12.69</b>                        |

**Notes**

- 1 The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group.
- 2 The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.
- 3 List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management.
- 4 Amounts due to Directors/Promoters/Group Companies/Relatives of Promoters/Relatives of Directors.

| <b>Particulars</b>          | <b>As at<br/>December 31,<br/>2014</b> | <b>As at<br/>March 31,<br/>2014</b> | <b>As at<br/>March 31,<br/>2013</b> | <b>As at<br/>March 31,<br/>2012</b> | <b>As at<br/>March 31,<br/>2011</b> |
|-----------------------------|----------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Sadbhav Engineering Limited | 98.53                                  | 102.49                              | 23.21                               | 41.36                               | 9.11                                |

- 5 For details of transactions with related parties, refer Annexure: XXXIII.
- 6 Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of information available with the Company. There was no amount due to any such entities which needs to be disclosed.

**Sadbhav Infrastructure Project Limited**

**Annexure: XIII**

**Restated Consolidated Statement of Other Current Liabilities**

(₹ in Million)

| Particulars                                                  | As at<br>December 31,<br>2014 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2011 |
|--------------------------------------------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Current Maturities of Long-term debt (Refer Annexure: VIII ) | 1,004.18                      | 940.29                     | 299.52                     | 125.80                     | 94.28                      |
| Advance from Customer                                        | -                             | 0.45                       | -                          | -                          | -                          |
| Interest accrued on borrowings                               | 290.35                        | 380.74                     | 109.46                     | 44.32                      | 4.50                       |
| Payable towards Capital Expenditure                          | 2,542.38                      | 1,791.52                   | 616.79                     | 1,300.96                   | 1,314.59                   |
| Unearned Revenue                                             | 172.01                        | 201.08                     | 0.10                       | 62.49                      | 62.60                      |
| Due to bank in current account (Cheques Overdrawn)           | -                             | 0.13                       | 14.61                      | 0.78                       | 1.91                       |
| Statutory Dues                                               | 61.24                         | 171.72                     | 77.20                      | 143.71                     | 37.14                      |
| Employee Emoluments                                          | 26.83                         | 18.18                      | 13.72                      | 6.81                       | 3.55                       |
| Payable for Investment                                       | -                             | -                          | -                          | 15.06                      | -                          |
| Other Expenses Payable                                       | 84.03                         | 21.23                      | 15.76                      | 17.87                      | 20.19                      |
| <b>Total</b>                                                 | <b>4,181.02</b>               | <b>3,525.34</b>            | <b>1,147.16</b>            | <b>1,717.80</b>            | <b>1,538.76</b>            |

**Notes**

- 1 The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group.
- 2 The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.
- 3 List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management.
- 4 Amounts due to Directors/Promoters/Group Companies/Relatives of Promoters/Relatives of Directors.

(₹ in Million)

| Particulars                 | As at<br>December 31,<br>2014 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2011 |
|-----------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Sadbhav Engineering Limited | 2,275.49                      | 1,770.35                   | 610.53                     | 1,284.69                   | 1,302.62                   |

- 5 For details of transactions with related parties, refer Annexure: XXXIII

**Sadbhav Infrastructure Project Limited****Annexure: XIV****Restated Consolidated Statement of Short-term Provisions****(₹ in Million)**

| <b>Particulars</b>                                                             | <b>As at<br/>December 31,<br/>2014</b> | <b>As at<br/>March<br/>31, 2014</b> | <b>As at<br/>March<br/>31, 2013</b> | <b>As at<br/>March<br/>31, 2012</b> | <b>As at<br/>March<br/>31, 2011</b> |
|--------------------------------------------------------------------------------|----------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| <b>Provision for</b>                                                           |                                        |                                     |                                     |                                     |                                     |
| - Income Tax                                                                   | 77.14                                  | 95.80                               | -                                   | 16.55                               | 11.72                               |
| - Proposed Dividend on Preference Shares (including Dividend Distribution Tax) | -                                      | -                                   | -                                   | 0.18                                | -                                   |
| - Provision for Gratuity                                                       | 0.78                                   | 0.03                                | 0.16                                | 0.92                                | 0.41                                |
| - Periodic Major Maintenance                                                   | 144.59                                 | 221.66                              | 405.53                              | -                                   | -                                   |
|                                                                                |                                        |                                     |                                     |                                     |                                     |
| <b>Total</b>                                                                   | <b>222.51</b>                          | <b>317.49</b>                       | <b>405.69</b>                       | <b>17.65</b>                        | <b>12.13</b>                        |

**Notes**

- 1 The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group.
- 2 The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.

Sadbhav Infrastructure Project Limited

Annexure: XV

Restated Consolidated Statement of Tangible Assets

| (₹ in Million)                            |               |          |                           |                      |                    |          |          |                  |                                   |         |
|-------------------------------------------|---------------|----------|---------------------------|----------------------|--------------------|----------|----------|------------------|-----------------------------------|---------|
| Particulars                               | Freehold Land | Building | Building-Residential Flat | Plant and Equipment* | Furniture Fixtures | Vehicles | Computer | Office Equipment | Advertisement Hoarding Under Sale | Total   |
| Gross Block:                              |               |          |                           |                      |                    |          |          |                  |                                   |         |
| As at April 1, 2010                       | -             | -        | -                         | -                    | -                  | -        | -        | -                | -                                 |         |
| Addition on Inclusion of Subsidiaries     | -             | 71.93    | -                         | 114.31               | 11.88              | 10.32    | 4.69     | 0.60             | -                                 | 213.73  |
| Additions                                 | 7.13          | 1.03     | -                         | 6.03                 | 0.22               | 8.84     | 0.57     | 0.21             | -                                 | 24.04   |
| As at March 31, 2011                      | 7.13          | 72.96    | -                         | 120.34               | 12.10              | 19.16    | 5.26     | 0.81             | -                                 | 237.77  |
| Additions                                 | 17.45         | 0.11     | 13.48                     | 8.78                 | 3.74               | 6.40     | 1.45     | 0.20             | -                                 | 51.60   |
| As at March 31, 2012                      | 24.58         | 73.07    | 13.48                     | 129.12               | 15.84              | 25.56    | 6.71     | 1.01             | -                                 | 289.37  |
| Additions                                 | 5.40          | 2.19     | -                         | 20.33                | 1.69               | 7.82     | 3.00     | 0.77             | 9.60                              | 50.80   |
| Disposals/ Adjustments                    | -             | -        | -                         | (21.98)              | -                  | (0.57)   | -        | -                | -                                 | (22.55) |
| As at March 31, 2013                      | 29.98         | 75.26    | 13.48                     | 127.47               | 17.53              | 32.81    | 9.71     | 1.78             | 9.60                              | 317.62  |
| Additions                                 | -             | 7.22     | -                         | 5.17                 | 1.34               | 8.55     | 1.23     | 0.66             | -                                 | 24.17   |
| Disposals/ Adjustments                    | -             | -        | -                         | (0.84)               | -                  | (5.33)   | -        | -                | -                                 | (6.17)  |
| As at March 31, 2014                      | 29.98         | 82.48    | 13.48                     | 131.80               | 18.87              | 36.03    | 10.94    | 2.44             | 9.60                              | 335.62  |
| Additions                                 | -             | -        | -                         | 1.66                 | 1.22               | 3.09     | 1.01     | 7.31             | -                                 | 14.29   |
| Disposals/ Adjustments                    | -             | -        | -                         | -                    | -                  | (1.25)   | -        | -                | (4.15)                            | (5.40)  |
| As at December 31, 2014                   | 29.98         | 82.48    | 13.48                     | 133.46               | 20.09              | 37.87    | 11.95    | 9.75             | 5.45                              | 344.51  |
|                                           |               |          |                           |                      |                    |          |          |                  |                                   |         |
| Accumulated Depreciation :                |               |          |                           |                      |                    |          |          |                  |                                   |         |
| As at April 1, 2010                       | -             | -        | -                         | -                    | -                  | -        | -        | -                | -                                 | -       |
| Depreciation on Inclusion of Subsidiaries | -             | 2.71     | -                         | 11.79                | 1.42               | 3.80     | 2.86     | 0.07             | -                                 | 22.66   |
| Charge for the year                       | -             | 3.42     | -                         | 3.99                 | 1.79               | 2.02     | 0.62     | 0.09             | -                                 | 11.93   |
| As at March 31, 2011                      | -             | 6.13     | -                         | 15.78                | 3.21               | 5.82     | 3.49     | 0.16             | -                                 | 34.59   |
| Charge for the year                       | -             | 3.34     | 0.49                      | 7.66                 | 1.65               | 4.86     | 0.98     | 0.14             | -                                 | 19.12   |
| As at March 31, 2012                      | -             | 9.47     | 0.49                      | 23.44                | 4.86               | 10.68    | 4.47     | 0.30             | -                                 | 53.71   |
| Charge for the year                       | -             | 3.22     | 0.65                      | 7.25                 | 2.12               | 4.51     | 1.83     | 0.22             | -                                 | 19.80   |
| Disposals/ Adjustments                    | -             | -        | -                         | (4.06)               | -                  | -        | -        | -                | -                                 | (4.06)  |
| As at March 31, 2013                      | -             | 12.69    | 1.14                      | 26.63                | 6.98               | 15.19    | 6.30     | 0.52             | -                                 | 69.45   |

| Particulars                            | Freehold Land | Building     | Building-Residential Flat | Plant and Equipment* | Furniture Fixtures | Vehicles     | Computer    | Office Equipment | Advertisement Hoarding Under Sale | Total         |
|----------------------------------------|---------------|--------------|---------------------------|----------------------|--------------------|--------------|-------------|------------------|-----------------------------------|---------------|
| Charge for the year                    | -             | 3.40         | 0.62                      | 7.67                 | 2.00               | 5.51         | 1.65        | 0.25             | -                                 | 21.10         |
| Disposals/ Adjustments                 | -             | -            | -                         | -                    | -                  | (3.19)       | -           | -                | -                                 | (3.19)        |
| <b>As at March 31, 2014</b>            | -             | <b>16.09</b> | <b>1.76</b>               | <b>34.30</b>         | <b>8.98</b>        | <b>17.51</b> | <b>7.95</b> | <b>0.77</b>      | -                                 | <b>87.36</b>  |
| Charge for the year                    | -             | 2.50         | 0.44                      | 14.59                | 2.26               | 4.83         | 1.74        | 1.67             | -                                 | 28.03         |
| Disposals/ Adjustments                 | -             | -            | -                         | -                    | -                  | (1.11)       | -           | -                | -                                 | (1.11)        |
| <b>As at December 31, 2014</b>         | -             | <b>18.59</b> | <b>2.20</b>               | <b>48.89</b>         | <b>11.24</b>       | <b>21.23</b> | <b>9.69</b> | <b>2.44</b>      | -                                 | <b>114.28</b> |
| * Includes Publicity Rights Equipments |               |              |                           |                      |                    |              |             |                  |                                   |               |
| <b>Net Block :</b>                     |               |              |                           |                      |                    |              |             |                  |                                   |               |
| <b>As At March 31, 2011</b>            | <b>7.13</b>   | <b>66.83</b> | <b>-</b>                  | <b>104.56</b>        | <b>8.89</b>        | <b>13.34</b> | <b>1.77</b> | <b>0.65</b>      | -                                 | <b>203.18</b> |
| <b>As At March 31, 2012</b>            | <b>24.58</b>  | <b>63.60</b> | <b>12.99</b>              | <b>105.68</b>        | <b>10.98</b>       | <b>14.88</b> | <b>2.24</b> | <b>0.71</b>      | -                                 | <b>235.66</b> |
| <b>As At March 31, 2013</b>            | <b>29.98</b>  | <b>62.57</b> | <b>12.34</b>              | <b>100.84</b>        | <b>10.55</b>       | <b>17.62</b> | <b>3.41</b> | <b>1.26</b>      | <b>9.60</b>                       | <b>248.17</b> |
| <b>As At March 31, 2014</b>            | <b>29.98</b>  | <b>66.39</b> | <b>11.72</b>              | <b>97.50</b>         | <b>9.89</b>        | <b>18.52</b> | <b>2.99</b> | <b>1.67</b>      | <b>9.60</b>                       | <b>248.26</b> |
| <b>As At December 31, 2014</b>         | <b>29.98</b>  | <b>63.89</b> | <b>11.28</b>              | <b>84.57</b>         | <b>8.85</b>        | <b>16.64</b> | <b>2.26</b> | <b>7.31</b>      | <b>5.45</b>                       | <b>230.23</b> |

\* Includes Publicity Rights Equipments

#### Notes

- 1 The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group.
- 2 The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.
- 3 Out of the total depreciation charged for the period / year, ₹ Nil in Nine Months Period Ended December 31, 2014 (2013-14 - ₹ Nil, 2012-13 - ₹ 4.81 million, 2011-12 - ₹5.46 million, 2010-11 - ₹ 5.93 million) has been capitalized under the head "Expenditure during construction period (pending allocation)"

**Sadbhav Infrastructure Project Limited**

**Annexure: XVI**

**Restated Consolidated Statement of Intangible Assets**

(₹ in Million)

| Particulars                                 | Toll Collection Rights | User Fee Rights at Checkposts | Total            |
|---------------------------------------------|------------------------|-------------------------------|------------------|
| <b>Gross Block:</b>                         |                        |                               |                  |
| As at April 1, 2010                         | -                      | -                             | -                |
| Addition on Acquisition of Subsidiaries     | 7,278.61               | -                             | 7,278.61         |
| Additions                                   | -                      | -                             | -                |
| <b>As at March 31, 2011</b>                 | <b>7,278.61</b>        | <b>-</b>                      | <b>7,278.61</b>  |
| Additions                                   | -                      | -                             | -                |
| <b>As at March 31, 2012</b>                 | <b>7,278.61</b>        | <b>-</b>                      | <b>7,278.61</b>  |
| Additions                                   | 21,788.20              | 2,469.94                      | 24,258.14        |
| <b>As at March 31, 2013</b>                 | <b>29,066.81</b>       | <b>2,469.94</b>               | <b>31,536.75</b> |
| Addition on Acquisition of Subsidiaries     | 3,563.37               | -                             | 3,563.37         |
| Additions                                   | 30,494.77              | 6,565.94                      | 37,060.72        |
| Disposals/ Adjustments                      | (0.21)                 | -                             | (0.21)           |
| <b>As at March 31, 2014</b>                 | <b>63,124.75</b>       | <b>9,035.88</b>               | <b>72,160.63</b> |
| Additions                                   | 222.29                 | 1,814.96                      | 2,037.25         |
| Exchange Differences                        | 97.96                  | -                             | 97.96            |
| Disposals/ Adjustments                      | -                      | -                             | -                |
| <b>As at December 31, 2014</b>              | <b>63,445.00</b>       | <b>10,850.84</b>              | <b>74,295.84</b> |
|                                             |                        |                               |                  |
| <b>Accumulated Amortisation:</b>            |                        |                               |                  |
| As at April 1, 2010                         | -                      | -                             | -                |
| Depreciation on Acquisition of Subsidiaries | 268.86                 | -                             | 268.86           |
| Charge for the year                         | 94.95                  | -                             | 94.95            |
| <b>As at March 31, 2011</b>                 | <b>363.81</b>          | <b>-</b>                      | <b>363.81</b>    |
| Charge for the year                         | 181.26                 | -                             | 181.26           |
| <b>As at March 31, 2012</b>                 | <b>545.07</b>          | <b>-</b>                      | <b>545.07</b>    |
| Charge for the year                         | 460.68                 | -                             | 460.68           |
| <b>As at March 31, 2013</b>                 | <b>1,005.75</b>        | <b>-</b>                      | <b>1,005.75</b>  |
| Depreciation on Acquisition of Subsidiaries | 496.50                 | -                             | 496.50           |
| Charge for the year                         | 844.10                 | 23.26                         | 867.36           |
| Disposals/ Adjustments                      | (0.01)                 | -                             | (0.01)           |
| <b>As at March 31, 2014</b>                 | <b>2,346.34</b>        | <b>23.26</b>                  | <b>2,369.60</b>  |
| Charge for the year                         | 907.82                 | 72.97                         | 980.79           |
| Disposals/ Adjustments                      | -                      | -                             | -                |
| <b>As at December 31, 2014</b>              | <b>3,254.16</b>        | <b>96.23</b>                  | <b>3,350.39</b>  |
|                                             |                        |                               |                  |
| <b>Net Block :</b>                          |                        |                               |                  |
| <b>As At March 31, 2011</b>                 | <b>6,914.80</b>        | <b>-</b>                      | <b>6,914.80</b>  |
| <b>As At March 31, 2012</b>                 | <b>6,733.54</b>        | <b>-</b>                      | <b>6,733.54</b>  |
| <b>As At March 31, 2013</b>                 | <b>28,061.06</b>       | <b>2,469.94</b>               | <b>30,531.00</b> |
| <b>As At March 31, 2014</b>                 | <b>60,778.41</b>       | <b>9,012.62</b>               | <b>69,791.03</b> |
| <b>As At December 31, 2014</b>              | <b>60,190.84</b>       | <b>10,754.61</b>              | <b>70,945.45</b> |

**Notes**

- 1 The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group.
- 2 The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.

- 3 Toll collection rights also include premium paid / payable under the concession agreement over the concession period.
- 4 In case of MBCPNL (one of the Subsidiary of the Company), out of the total twenty two check posts to be developed under the Concession Agreement as at December 31, 2014, certificate of completion is received for thirteen check posts.

**Sadbhav Infrastructure Project Limited**

**Annexure: XVII**

**Restated Consolidated Statement of Capital Work in Progress**

|                                                |                         |                             | (₹ in Million) |
|------------------------------------------------|-------------------------|-----------------------------|----------------|
| Particulars                                    | Advertisement Hoardings | Building under construction | Total          |
| <b>Opening Balance as at April 1, 2010</b>     | -                       | -                           | -              |
| Additions                                      | -                       | -                           | -              |
| Transfer to Tangible Assets                    | -                       | -                           | -              |
| Adjustments/ Deduction                         | -                       | -                           | -              |
| <b>Closing Balance as at March 31, 2011</b>    | -                       | -                           | -              |
| Additions                                      | 1.08                    | -                           | 1.08           |
| Transfer to Tangible Assets                    | -                       | -                           | -              |
| Adjustments/ Deduction                         | -                       | -                           | -              |
| <b>Closing Balance as at March 31, 2012</b>    | <b>1.08</b>             | -                           | <b>1.08</b>    |
| Additions                                      | 4.21                    | 8.06                        | 12.27          |
| Transfer to Tangible Assets                    | (4.58)                  | -                           | (4.58)         |
| Adjustments/ Deduction                         | -                       | -                           | -              |
| <b>Closing Balance as at March 31, 2013</b>    | <b>0.71</b>             | <b>8.06</b>                 | <b>8.77</b>    |
| Additions                                      | 0.08                    | 5.69                        | 5.77           |
| Transfer to Tangible Assets                    | (0.43)                  | (6.93)                      | (7.36)         |
| Adjustments/ Deduction                         | -                       | -                           | -              |
| <b>Closing Balance as at March 31, 2014</b>    | <b>0.36</b>             | <b>6.82</b>                 | <b>7.18</b>    |
| Additions                                      | -                       | -                           | -              |
| Transfer to Tangible Assets                    | -                       | -                           | -              |
| Adjustments/ Deduction                         | (0.36)                  | (0.14)                      | (0.50)         |
| <b>Closing Balance as at December 31, 2014</b> | -                       | <b>6.68</b>                 | <b>6.68</b>    |

**Notes**

- 1 The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group.
- 2 The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.



**Sadbhav Infrastructure Project Limited**

**Annexure: XVIII**

**Restated Consolidated Statement of Intangible Assets Under Development**

(₹ in Million)

| Particulars                                 | Road Development Work | Indirect Project Cost (Refer Note 3) | Project Fees to Railway Authorities (ROB) | Road and Check Post Development Work | Building Development Work | Computerisation and Check Post Integration Work | Other Direct Capital Expenditure | Project Upfront Fees to Authorities | Total            |
|---------------------------------------------|-----------------------|--------------------------------------|-------------------------------------------|--------------------------------------|---------------------------|-------------------------------------------------|----------------------------------|-------------------------------------|------------------|
| <b>Opening Balance as at April 1, 2010</b>  | -                     | -                                    | -                                         | -                                    | -                         | -                                               | -                                | -                                   | -                |
| Addition on Acquisition of Subsidiaries     | 569.27                | 546.52                               | 2.66                                      | 479.46                               | 17.20                     | 133.40                                          | -                                | 700.00                              | 2,448.52         |
| Additions                                   | 5,919.53              | 810.98                               | 2.87                                      | 434.58                               | 65.25                     | -                                               | -                                | -                                   | 7,233.19         |
| <b>Closing Balance as at March 31, 2011</b> | <b>6,488.80</b>       | <b>1,357.50</b>                      | <b>5.53</b>                               | <b>914.04</b>                        | <b>82.44</b>              | <b>133.40</b>                                   | <b>-</b>                         | <b>700.00</b>                       | <b>9,681.71</b>  |
| Additions                                   | 11,898.03             | 2,414.15                             | -                                         | 1,267.88                             | 362.00                    | 575.06                                          | 18.06                            | -                                   | 16,535.18        |
| <b>Closing Balance as at March 31, 2012</b> | <b>18,386.83</b>      | <b>3,771.65</b>                      | <b>5.53</b>                               | <b>2,181.92</b>                      | <b>444.44</b>             | <b>708.46</b>                                   | <b>18.06</b>                     | <b>700.00</b>                       | <b>26,216.89</b> |
| Additions                                   | 5,653.17              | 2,116.02                             | -                                         | 1,441.79                             | 557.97                    | 543.95                                          | 52.89                            | -                                   | 10,365.78        |
| Transfer to Intangible Assets               | (15,228.42)           | (2,834.01)                           | -                                         | (1,017.87)                           | (338.55)                  | (354.47)                                        | (35.12)                          | (121.64)                            | (19,930.07)      |
| Adjustments/ Deduction                      | -                     | -                                    | -                                         | -                                    | -                         | -                                               | -                                | -                                   | -                |
| <b>Closing Balance as at March 31, 2013</b> | <b>8,811.58</b>       | <b>3,053.66</b>                      | <b>5.53</b>                               | <b>2,605.83</b>                      | <b>663.86</b>             | <b>897.94</b>                                   | <b>35.84</b>                     | <b>578.36</b>                       | <b>16,652.60</b> |
| Additions                                   | 4,747.56              | 2,028.16                             | -                                         | 1,456.62                             | 481.42                    | 764.29                                          | 46.48                            | -                                   | 9,524.52         |

| Particulars                                 | Road Development Work | Indirect Project Cost (Refer Note 3) | Project Fees to Railway Authorities (ROB) | Road and Check Post Development Work | Building Development Work | Computerisation and Check Post Integration Work | Other Direct Capital Expenditure | Project Upfront Fees to Authorities | Total            |
|---------------------------------------------|-----------------------|--------------------------------------|-------------------------------------------|--------------------------------------|---------------------------|-------------------------------------------------|----------------------------------|-------------------------------------|------------------|
| Transfer to Intangible Assets               | (9,659.14)            | (3,627.79)                           | (5.53)                                    | (2,805.40)                           | (845.91)                  | (1,050.18)                                      | (67.58)                          | (264.42)                            | (18,325.96)      |
| Adjustments/ Deduction                      | -                     | (89.58)                              | -                                         | -                                    | -                         | -                                               | -                                | -                                   | (89.58)          |
| <b>Closing Balance as at March 31, 2014</b> | <b>3,900.00</b>       | <b>1,364.44</b>                      | -                                         | <b>1,257.05</b>                      | <b>299.37</b>             | <b>612.05</b>                                   | <b>14.73</b>                     | <b>313.95</b>                       | <b>7,761.58</b>  |
| Additions                                   | 7,498.52              | 571.23                               | -                                         | 313.75                               | 77.76                     | 176.71                                          | 29.73                            | -                                   | 8,667.70         |
| Transfer to Intangible Assets               | -                     | -                                    | -                                         | (745.90)                             | (276.61)                  | (325.41)                                        | (30.12)                          | (67.29)                             | (1,445.33)       |
| Adjustments/ Deduction                      | -                     | -                                    | -                                         | -                                    | -                         | -                                               | -                                | -                                   | -                |
| <b>Closing Balance as at Dec 31, 2014</b>   | <b>11,398.52</b>      | <b>1,935.67</b>                      | -                                         | <b>824.90</b>                        | <b>100.52</b>             | <b>463.35</b>                                   | <b>14.34</b>                     | <b>246.66</b>                       | <b>14,983.95</b> |

#### Notes

- The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group.
- The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.
- Indirect Project Costs represents Expenditure During Construction Period (Pending Allocation) as below:**

| (₹ in Million) |                                         |                         |                     |                     |                     |                     |
|----------------|-----------------------------------------|-------------------------|---------------------|---------------------|---------------------|---------------------|
|                | Particulars                             | As at December 31, 2014 | As on 31 March 2014 | As on 31 March 2013 | As on 31 March 2012 | As on 31 March 2011 |
|                | <b>Opening Balance</b>                  | <b>1,364.44</b>         | <b>3,053.66</b>     | <b>3,771.65</b>     | <b>1,357.50</b>     | <b>-</b>            |
|                | <b>Add: Acquisition of Subsidiaries</b> | <b>-</b>                | <b>-</b>            | <b>-</b>            | <b>-</b>            | <b>546.52</b>       |

|          | Particulars                                     | As at<br>December 31,<br>2014 | As on 31 March<br>2014 | As on<br>31 March<br>2013 | As on 31 March<br>2012 | As on 31 March<br>2011 |
|----------|-------------------------------------------------|-------------------------------|------------------------|---------------------------|------------------------|------------------------|
| <b>a</b> | <b>Finance Costs</b>                            |                               |                        |                           |                        |                        |
|          | Interest on :                                   |                               |                        |                           |                        |                        |
|          | Term Loans                                      | 895.69                        | 1,437.78               | 1,765.35                  | 1,581.67               | 143.67                 |
|          | Other Borrowings                                | 1.07                          | 10.95                  | 6.88                      | 90.81                  | 153.07                 |
|          | Other borrowing cost:                           |                               |                        |                           |                        |                        |
|          | Bank Charges                                    | 5.76                          | 1.23                   | 1.57                      | 4.49                   | 3.12                   |
|          | Bank Guarantee Commission Expense               | 1.52                          | -                      | 8.67                      | 6.70                   | 4.29                   |
|          | Ancillary Borrowing Cost                        | 23.40                         | 151.87                 | 213.85                    | 320.51                 | 267.98                 |
|          | Total Other Borrowing Cost                      | <b>30.68</b>                  | <b>153.10</b>          | <b>224.09</b>             | <b>331.70</b>          | <b>275.39</b>          |
|          | <b>Total (a)</b>                                | <b>927.44</b>                 | <b>1,601.83</b>        | <b>1,996.32</b>           | <b>2,004.18</b>        | <b>572.13</b>          |
| <b>b</b> | <b>Less: Other Income</b>                       |                               |                        |                           |                        |                        |
|          | Gain on sale of units of mutual fund            | 0.05                          | 1.63                   | 1.26                      | 6.16                   | 2.29                   |
|          | Dividend                                        | -                             | -                      | -                         | 0.05                   | -                      |
|          | Excess Liability/ Sundry Creditors Written Back | -                             | 0.16                   | 15.75                     | 0.01                   | 0.35                   |
|          | Interest on fixed deposits with bank            | 0.41                          | 2.85                   | 36.22                     | 23.29                  | 0.22                   |
|          | Provision for Income Tax                        | -                             | 0.00                   | 0.03                      | -                      | (0.51)                 |
|          | <b>Total (b)</b>                                | <b>0.46</b>                   | <b>4.64</b>            | <b>53.26</b>              | <b>29.52</b>           | <b>2.34</b>            |
| <b>c</b> | <b>Other Expenses</b>                           |                               |                        |                           |                        |                        |
|          | Rent                                            | 2.39                          | 5.62                   | 6.27                      | 5.44                   | 2.38                   |
|          | Rates & Taxes                                   | 0.02                          | 4.75                   | 8.80                      | 4.74                   | 2.78                   |
|          | Employee Benefit Cost                           | 2.04                          | 11.77                  | 29.56                     | 17.99                  | 7.23                   |
|          | Power & Fuel                                    | 0.29                          | 3.03                   | 7.92                      | 1.31                   | 0.97                   |
|          | Insurance                                       | 2.52                          | 4.53                   | 7.88                      | 21.05                  | 8.36                   |
|          | Legal & Professional Fees                       | 40.33                         | 388.94                 | 91.42                     | 326.84                 | 206.84                 |
|          | Travelling & Conveyance                         | 1.14                          | 4.65                   | 12.76                     | 4.60                   | 3.25                   |
|          | Other Miscellaneous Expenses                    | 1.70                          | 7.69                   | 3.54                      | 52.06                  | 3.44                   |
|          | <b>Total (c)</b>                                | <b>50.44</b>                  | <b>430.97</b>          | <b>168.15</b>             | <b>434.03</b>          | <b>235.26</b>          |
| <b>d</b> | <b>Depreciation</b>                             | -                             | -                      | 4.81                      | 5.46                   | 5.93                   |
|          | <b>Total (a) - (b) + (c) + (d)</b>              | <b>977.41</b>                 | <b>2,028.16</b>        | <b>2,116.02</b>           | <b>2,414.15</b>        | <b>810.98</b>          |
|          | <b>Net</b>                                      | <b>2,341.85</b>               | <b>5,081.82</b>        | <b>5,887.67</b>           | <b>3,771.65</b>        | <b>1,357.50</b>        |
|          | <b>Adjustment / Deduction during the year</b>   |                               |                        |                           |                        |                        |
|          | Intangible Assets under development written off | -                             | (89.58)                |                           |                        |                        |

|  | <b>Particulars</b>              | <b>As at<br/>December 31,<br/>2014</b> | <b>As on 31 March<br/>2014</b> | <b>As on<br/>31 March<br/>2013</b> | <b>As on 31 March<br/>2012</b> | <b>As on 31 March<br/>2011</b> |
|--|---------------------------------|----------------------------------------|--------------------------------|------------------------------------|--------------------------------|--------------------------------|
|  | Capitalised to Intangible Asset | (406.18)                               | (3,627.79)                     | (2,834.01)                         | -                              | -                              |
|  | <b>Closing</b>                  | <b>1,935.67</b>                        | <b>1,364.44</b>                | <b>3,053.66</b>                    | <b>3,771.65</b>                | <b>1,357.50</b>                |

#### **Notes**

- (i) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
- (ii) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.

**Sadbhav Infrastructure Project Limited**

**Annexure: XIX**

**Restated Consolidated Statement of Non-current Investments**

(₹ in Million other than figures in bracket)

| Particulars                                                                  | As at<br>December<br>31, 2014 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2011 |
|------------------------------------------------------------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>I. Investment in Equity instruments (Unquoted)</b>                        |                               |                            |                            |                            |                            |
| <b>A. Investment in Associates</b>                                           |                               |                            |                            |                            |                            |
| Fully paid up equity shares of ₹10/- Each of Nagpur Seoni Expressway Limited | -                             | -                          | 57.28                      | 57.28                      | -                          |
|                                                                              | -                             | -                          | (1,87,20,000)              | (1,87,20,000)              | -                          |
| Less: Share of loss                                                          | -                             | -                          | (57.28)                    | (18.19)                    | -                          |
| (Capital Reserve on acquisition is ₹ 97.61 Million)                          |                               |                            |                            |                            |                            |
| <b>Sub Total (A)</b>                                                         | -                             | -                          | -                          | <b>39.09</b>               | -                          |
| <b>B. Investment in Others</b>                                               |                               |                            |                            |                            |                            |
| Fully paid up equity shares of ₹ 10/- Each of Dhule Palenser Tollway Limited | 6.30                          | 6.30                       | 6.30                       | 4.52                       | 2.49                       |
|                                                                              | (6,30,000)                    | (6,30,000)                 | (6,30,000)                 | (6,30,000)                 | (6,30,000)                 |
| <b>Sub Total (B)</b>                                                         | <b>6.30</b>                   | <b>6.30</b>                | <b>6.30</b>                | <b>4.52</b>                | <b>2.49</b>                |
| <b>Total I = (A)+(B)</b>                                                     | <b>6.30</b>                   | <b>6.30</b>                | <b>6.30</b>                | <b>43.61</b>               | <b>2.49</b>                |
| <b>II. Others (At Cost)</b>                                                  |                               |                            |                            |                            |                            |
| Investment Properties- Land                                                  | 18.38                         | 17.06                      | 5.40                       | 5.40                       | 1.97                       |
| Government Securities - National Saving Certificates                         | 0.05                          | 0.05                       | -                          | 0.01                       | 0.01                       |
| <b>Total II</b>                                                              | <b>18.43</b>                  | <b>17.11</b>               | <b>5.40</b>                | <b>5.41</b>                | <b>1.98</b>                |
| <b>Total I+II</b>                                                            | <b>24.73</b>                  | <b>23.41</b>               | <b>11.70</b>               | <b>49.02</b>               | <b>4.47</b>                |
| Aggregate amount of unquoted investments                                     | 24.73                         | 23.41                      | 11.70                      | 49.02                      | 4.47                       |

**Notes**

- 1 The figures mentioned in the bracket represent absolute number of shares.
- 2 The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group.
- 3 The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.
- 4 In terms of Share Purchase Agreement dated 22nd September, 2010, between Sadbhav Infrastructure Project Limited ("the Company" or "SIPL") and Sadbhav Engineering Limited ('SEL'), SIPL has acquired 24,479,940 shares of SEL in Nagpur Seoni Expressway Limited (NSEL). NSEL has received approval from National Highway Authority of India ('NHAI') for transfer of shares from SEL to SIPL on April 3, 2013. As at reporting date the transfer formalities for these shares are in process.

**Sadbhav Infrastructure Project Limited**

**Annexure: XX**

**Restated Consolidated Statement of Long-term Loans and Advances**

| (₹ in Million)                                                |                               |                            |                            |                            |                            |
|---------------------------------------------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Particulars                                                   | As at<br>December<br>31, 2014 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2011 |
| <b>Capital Advances</b>                                       |                               |                            |                            |                            |                            |
| Secured, considered good                                      | 2,532.19                      | 3,408.43                   | 1,620.66                   | 1,699.62                   | 3,075.06                   |
| Unsecured, considered good                                    | 0.59                          | 0.80                       | 2.13                       | -                          | 11.82                      |
|                                                               |                               |                            |                            |                            |                            |
| <b>Deposits</b>                                               | 6.01                          | 3.01                       | 2.26                       | 1.66                       | 1.56                       |
| Unsecured, considered good                                    |                               |                            |                            |                            |                            |
|                                                               |                               |                            |                            |                            |                            |
| <b>Loans and advances to related parties</b>                  |                               |                            |                            |                            |                            |
| Unsecured, considered good                                    |                               |                            |                            |                            |                            |
| Loans given                                                   | 137.16                        | 137.16                     | 137.16                     | 137.16                     | -                          |
| Advance against Share Purchases<br>(Refer Note 5 Below)       | 275.90                        | 450.94                     | 667.74                     | 650.62                     | 596.54                     |
| Share Application Money                                       | -                             | -                          | -                          | 0.05                       | 49.96                      |
| Sub-ordinate debt                                             | 1,124.00                      | 1,124.00                   | 1,102.69                   | 978.69                     | 477.93                     |
|                                                               | 1,537.06                      | 1,712.10                   | 1,907.59                   | 1,766.52                   | 1,124.43                   |
|                                                               |                               |                            |                            |                            |                            |
| <b>Others loan &amp; advances</b>                             |                               |                            |                            |                            |                            |
| Advance against Share Purchases<br>(Refer Note 5 and 8 below) | 300.00                        | -                          | 14.69                      | 14.69                      | -                          |
| Advance income tax ( net of<br>provision for taxation)        | 113.72                        | 115.58                     | 17.84                      | 1.98                       | 0.88                       |
|                                                               |                               |                            |                            |                            |                            |
| <b>Total</b>                                                  | <b>4,489.57</b>               | <b>5,239.92</b>            | <b>3,565.17</b>            | <b>3,484.47</b>            | <b>4,213.75</b>            |

**Notes**

- 1 The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group.
- 2 The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.
- 3 List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management.
- 4 For details of transactions with Related Parties, refer annexure Annexure: XXXIII
- 5 Advance towards Shares Purchase represents payment made to the holding company and others towards purchase of equity shares and consequential economic interest /ownership rights thereunder in respect of some of the BOT project companies, having concession rights under BOT Projects. The Company is in the process of obtaining regulatory approvals to get such shares transferred in its own name.
- 6 The infrastructure project of the various SPVs have been funded through sub ordinate debt (in the nature of capital contribution) given by the Company (as a sponsor) in accordance with the Lender's Loan Agreements and Sponsor Support and Equity Contribution Agreement of the respective SPV entity. These sub-ordinate debt has been given interest free except sub-ordinate debt of ₹ 1,124 Million as at 31 December 2014, ₹ 1,124 Million as at 31 March 2014, ₹ 984.40 Million as at 31 March 2013, ₹ 860.40 Million as at 31 March 2012 and ₹ 457.60 Million as at 31 March 2011 given to Dhule Palesnar Tollway Limited on which interest of ₹ 387.45 Million as at 31 December 2014, ₹ 303.62 Million as at 31 March

2014, ₹ 198.93 Million as at 31 March 2013, ₹ 103.76 Million as at 31 March 2012 and ₹ 39.40 Million as at 31 March 2011 has accrued as per terms of the Loan Agreement with lenders of Dhule Palesnar Tollway Limited.

The Company also proposes to acquire 39% shareholding in Dhule Palesnar Tollway Limited and has also paid advance consideration against acquisition of 26% share holding.

- 7 The sub-ordinate debt including accrued interest is recoverable on fulfilment of financial performance / obligation as per terms and conditions of agreement with lenders of the respective SPV entities.
- 8 The Company has entered into agreement to acquire 20% shareholding of Ahmedabad Ring Road Infrastructure Limited. As at December 31, 2014, the Company has paid an advance consideration of ₹ 300 Million towards the proposed acquisition under an escrow arrangement. As per the Agreement closing date of transaction was February 15, 2015, however, as on date, the transaction closing is pending. The Company has also paid balance consideration which is acknowledged by seller to the escrow agent.

**Sadbhav Infrastructure Project Limited****Annexure: XXI****Restated Consolidated Statement of Other Non Current Assets****(₹ in Million)**

| <b>Particulars</b>                                                                               | <b>As at<br/>December<br/>31, 2014</b> | <b>As at<br/>March 31,<br/>2014</b> | <b>As at<br/>March 31,<br/>2013</b> | <b>As at<br/>March<br/>31, 2012</b> | <b>As at<br/>March<br/>31, 2011</b> |
|--------------------------------------------------------------------------------------------------|----------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Unamortised Option Premium                                                                       | 57.68                                  | 72.19                               | 91.45                               | 110.72                              | -                                   |
| Interest receivable on Unsecured Loans/Sub-ordinate debt to related parties (Refer Note 3 below) | 387.46                                 | 329.05                              | 211.64                              | 103.76                              | 39.40                               |
| Discount on Debentures, pending amortisation (Refer Annexure: VIII)                              | 72.68                                  | -                                   | -                                   | -                                   | -                                   |
| Derivative Settlement receivable of Foreign Currency Loans                                       | 841.50                                 | 732.95                              | 124.25                              | -                                   | -                                   |
| Less: Adjusted to Long-term Borrowings (Refer Annexure: VIII )                                   | (841.50)                               | (732.95)                            | (124.25)                            | -                                   | -                                   |
| <b>Total</b>                                                                                     | <b>517.82</b>                          | <b>401.24</b>                       | <b>303.09</b>                       | <b>214.48</b>                       | <b>39.40</b>                        |

**Notes**

- 1 The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group.
- 2 The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.
- 3 The interest receivable on Sub-ordinate debt is recoverable on fulfillment of financial performance / obligation as per terms and conditions of agreement with lenders of the Dhule Palesnar Tollway Limited.
- 4 For details of transactions with related parties refer Annexure: XXXIII



**Sadbhav Infrastructure Project Limited**

**Annexure: XXII**

**Restated Consolidated Statement of Current Investments**

(₹ in Million other than figures in bracket)

| Particulars                                                                       | As at<br>December<br>31, 2014 | As at<br>March 31,<br>2014 | As at<br>March<br>31, 2013 | As at<br>March<br>31, 2012 | As at<br>March<br>31, 2011 |
|-----------------------------------------------------------------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>Unquoted (Valued at lower of cost and fair value, unless stated otherwise)</b> |                               |                            |                            |                            |                            |
| Investment in units of Mutual Fund (Refer Note 3 Below)                           | 51.07                         | 1,028.60                   | 81.84                      | 117.47                     | 60.75                      |
| Investment in Government Securities - National Savings Certificate                | -                             | 0.01                       | 0.01                       | -                          | -                          |
| <b>Total</b>                                                                      | <b>51.07</b>                  | <b>1,028.61</b>            | <b>81.85</b>               | <b>117.47</b>              | <b>60.75</b>               |
| Aggregate amount of unquoted investments                                          | 51.07                         | 1,028.61                   | 81.85                      | 117.47                     | 60.75                      |
| Aggregate provision for diminution in value of investments                        | -                             | -                          | -                          | -                          | -                          |

**Notes**

- 1 The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group.
- 2 The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.
- 3 Investments in Unquoted Mutual Funds

(₹ in Million other than figures in bracket)

| Particulars                                              | As at<br>December 31,<br>2014 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2011 |
|----------------------------------------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| BOI AXA Liquid Fund - Growth                             | -                             | 48.58                      | -                          | -                          | -                          |
|                                                          | (-)                           | (33,330.81)                | (-)                        | (-)                        | (-)                        |
| BOI AXA Treasury Fund-Growth                             | -                             | 100.00                     | -                          | -                          | -                          |
|                                                          | (-)                           | (67,109.05)                | (-)                        | (-)                        | (-)                        |
| DSP Blackrock Money Manager Fund - Regular Plan - Growth | -                             | 154.05                     | -                          | -                          | -                          |
|                                                          | (-)                           | (90,700.29)                | (-)                        | (-)                        | (-)                        |
| DWS Money Plus Fund -Institutional Plan - Growth         | -                             | 13.13                      | -                          | -                          | -                          |
|                                                          | (-)                           | (9,96,972.11)              | (-)                        | (-)                        | (-)                        |
| ICICI Prudential Liquid - Regular Plan-Growth            | 5.52                          | -                          | -                          | -                          | -                          |
|                                                          | (27,299.96)                   | (-)                        | (-)                        | (-)                        | (-)                        |
| ICICI Prudential Money Mar. Fund-Growth (Cash)           | 18.25                         | -                          | -                          | -                          | -                          |
|                                                          | (96,834.00)                   | (-)                        | (-)                        | (-)                        | (-)                        |
| IDBI Liquid Fund-Growth                                  | 10.00                         | 10.00                      | -                          | -                          | -                          |
|                                                          | (7,362.71)                    | (7,362.71)                 | (-)                        | (-)                        | (-)                        |
| IDFC Money Manager Fund-Investment Plan-                 | -                             | 72.91                      | -                          | -                          | -                          |
|                                                          | (-)                           | (37,55,518.89)             | (-)                        | (-)                        | (-)                        |

| Particulars                                          | As at<br>December 31,<br>2014 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2011 |
|------------------------------------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Growth                                               |                               |                            |                            |                            |                            |
| Kotak Flexi Debt Fund                                | -                             | 114.58                     | -                          | -                          | -                          |
|                                                      | (-)                           | (74,17,832.47)             | (-)                        | (-)                        | (-)                        |
| L&T ultra Short term fund - Growth                   | -                             | 50.00                      | -                          | -                          | -                          |
|                                                      | (-)                           | (24,59,298.61)             | (-)                        | (-)                        | (-)                        |
| Pramerica Liquid Fund Collection                     | -                             | -                          | -                          | 12.00                      | -                          |
|                                                      | (-)                           | (-)                        | (-)                        | (10,490.46)                | (-)                        |
| Tata Treasury Management Fund - Growth Option        | 7.30                          | -                          | -                          | -                          | -                          |
|                                                      | (4,080.00)                    | (-)                        | (-)                        | (-)                        | (-)                        |
| Principal Debt Opportunities Fund Conser Plan-Growth | -                             | 465.35                     | -                          | -                          | -                          |
|                                                      | (-)                           | (2,31,450.49)              | (-)                        | (-)                        | (-)                        |
| Principal Fmp - 69 Series XXVII                      | -                             | -                          | -                          | -                          | 15.00                      |
|                                                      | (-)                           | (-)                        | (-)                        | (-)                        | (15,00,674.23)             |
| Principal Income Fund - Short Term - Dividend Plan   | -                             | -                          | -                          | 16.49                      | -                          |
|                                                      | (-)                           | (-)                        | (-)                        | (13,45,436.44)             |                            |
| Principal PNB Fixed Maturity - Regular Plan Growth   | 10.00                         | -                          | -                          | -                          | -                          |
|                                                      | (10,00,000.00)                | (-)                        | (-)                        | (-)                        | (-)                        |
| Reliance Money Manager Fund - Daily Dividend Fund    | -                             | -                          | 10.03                      | -                          | -                          |
|                                                      | (-)                           | (-)                        | (10,011.34)                | (-)                        | (-)                        |
| Religare Liquid Fund- Institutional Daily Dividend   | -                             | -                          | -                          | 0.00                       | 14.54                      |
|                                                      | (-)                           | (-)                        | (-)                        | (1.89)                     | (14,509.00)                |
| SBI Mutual Fund                                      | -                             | -                          | -                          | 20.00                      | -                          |
|                                                      | (-)                           | (-)                        | (-)                        | (11,865.50)                | (-)                        |

(₹ in Million other than figures in bracket)

| Particulars                                                        | As at<br>December<br>31, 2014 | As at<br>March<br>31, 2014 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2011 |
|--------------------------------------------------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Tata Floater Fund                                                  | -                             | -                          | -                          | -                          | 31.21                      |
|                                                                    | (-)                           | (-)                        | (-)                        | (-)                        | (31,09,676.00)             |
| Tata Floater Fund - Growth Plan                                    | -                             | -                          | 71.81                      | 61.09                      | -                          |
|                                                                    | (-)                           | (-)                        | (41,129.26)                | (38,49,435.26)             | (-)                        |
| Tata Floater Fund - Growth Plan                                    | -                             | -                          | -                          | 7.81                       | -                          |
|                                                                    | (-)                           | (-)                        | (-)                        | (5,18,457.93)              | (-)                        |
| Taurus Ultra Short Term Bond Fund- Super Insti Daily Dividend Plan | -                             | -                          | -                          | 0.08                       | -                          |
|                                                                    | (-)                           | (-)                        | (-)                        | (78.13)                    | (-)                        |
| <b>Total</b>                                                       | <b>51.07</b>                  | <b>1,028.60</b>            | <b>81.84</b>               | <b>117.47</b>              | <b>60.75</b>               |

- 4 The figures mentioned in bracket represent absolute number of investment units.

**Sadbhav Infrastructure Project Limited**

**Annexure: XXIII**

**Restated Consolidated Statement of Trade Receivables**

(₹ in Million)

| Particulars                                                                                | As at<br>December<br>31, 2014 | As at<br>March<br>31, 2014 | As at<br>March<br>31, 2013 | As at<br>March<br>31, 2012 | As at<br>March<br>31, 2011 |
|--------------------------------------------------------------------------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>Unsecured - considered good</b>                                                         |                               |                            |                            |                            |                            |
| Debts outstanding for a period exceeding six months from the date they are due for payment | 3.47                          | 2.90                       | 0.56                       | -                          | -                          |
| Other receivables                                                                          | 43.51                         | 140.32                     | 4.86                       | 4.21                       | 14.93                      |
| <b>Unsecured, considered doubtful</b>                                                      |                               |                            |                            |                            |                            |
| Outstanding for a period exceeding six months from the date they are due for payment       | 1.10                          | -                          | -                          | -                          | -                          |
| Provision for Doubtful debts                                                               | (1.10)                        | -                          | -                          | -                          | -                          |
| <b>Total</b>                                                                               | <b>46.98</b>                  | <b>143.22</b>              | <b>5.42</b>                | <b>4.21</b>                | <b>14.93</b>               |

**Notes**

- 1 The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group.
- 2 The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.
- 3 List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management.
- 4 Amounts due from Directors/Promoters/Group Companies/Relatives of Promoters/Relatives of Directors.

(₹ in Million)

| Particulars                     | As at<br>December 31,<br>2014 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2011 |
|---------------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Dhule Palesnar Tollway Limited  | 4.39                          | 3.47                       | 2.41                       | 1.59                       | 1.59                       |
| Nagpur Seoni Expressway Limited | -                             | -                          | -                          | -                          | 10.92                      |

- 5 For details of transactions with related parties, refer Annexure: XXXIII

**Sadbhav Infrastructure Project Limited****Annexure: XXIV****Restated Consolidated Statement of Cash and Bank Balances**

| Particulars                        | (₹ in Million)                |                            |                            |                            |                            |
|------------------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|                                    | As at<br>December 31,<br>2014 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2011 |
| <b>Cash and Cash Equivalents</b>   |                               |                            |                            |                            |                            |
| Balance with Banks                 |                               |                            |                            |                            |                            |
| In Current accounts (Refer Note 3) | 905.83                        | 489.82                     | 135.17                     | 225.32                     | 263.78                     |
| In Fixed Deposits                  | 307.81                        | 0.03                       | 367.49                     | 1,005.90                   | 250.00                     |
| Cash on hand                       | 21.53                         | 28.50                      | 14.01                      | 5.17                       | 4.43                       |
| <b>Total</b>                       | <b>1,235.17</b>               | <b>518.35</b>              | <b>516.67</b>              | <b>1,236.39</b>            | <b>518.21</b>              |

**Notes**

- 1 The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group.
- 2 The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.
- 3 Balances with Banks in Current accounts includes ₹ 49.01 Million as at December 31, 2014 of Aurangabad Jalna Tollway Limited (AJTL) lying into separate ESCROW account and is operated jointly by AJTL and PWD officer. Also, Refer Note C(i) of Annexure: XXXV.
- 4 Cash on hand include amount collected towards toll charges / user fee, pending deposit with the bank.
- 5 Balance with Bank as on December 31, 2014 of ₹ 1,148.19 Million (March 31, 2014: ₹ 446.85 Million, March 31, 2013: ₹ 121.20 Million, March 31, 2012: ₹ 188.27 Million, March 31, 2011: ₹ 81.27 Million) includes balances which are lying in Escrow Account, the utilisation of which are based on lenders approval.

**Sadbhav Infrastructure Project Limited**

**Annexure: XXV**

**Restated Consolidated Statement of Short-term Loans and Advances**

(₹ in Million)

| Particulars                                        | As at<br>December 31,<br>2014 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2011 |
|----------------------------------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>(Unsecured Considered Good)</b>                 |                               |                            |                            |                            |                            |
| <b>Deposits</b>                                    | 0.04                          | 2.53                       | 0.11                       | 0.67                       | 1.03                       |
|                                                    |                               |                            |                            |                            |                            |
| <b>Loans and advances to related parties</b>       |                               |                            |                            |                            |                            |
| Loans and advances given                           | 37.28                         | -                          | 737.99                     | 814.36                     | 512.71                     |
| Share application money                            | -                             | -                          | -                          | -                          | 105.03                     |
| Others                                             | 81.19                         | -                          | -                          | -                          | -                          |
|                                                    | <b>118.47</b>                 | <b>-</b>                   | <b>737.99</b>              | <b>814.36</b>              | <b>617.74</b>              |
|                                                    |                               |                            |                            |                            |                            |
| <b>Advances receivable in cash or kind</b>         | 34.73                         | 62.04                      | 59.63                      | 125.58                     | -                          |
|                                                    |                               |                            |                            |                            |                            |
| <b>Inter corporate Loans</b>                       | 418.80                        | 170.00                     | -                          | -                          | -                          |
|                                                    |                               |                            |                            |                            |                            |
| <b>Others loan &amp; advances</b>                  |                               |                            |                            |                            |                            |
| Advance Against Purchase of Shares                 | -                             | -                          | -                          | -                          | -                          |
| Advance income tax (net of provision for taxation) | 38.42                         | 17.70                      | 33.50                      | 11.23                      | 1.91                       |
| Prepaid expenses                                   | 8.32                          | 13.76                      | 10.09                      | 8.40                       | 27.92                      |
| Staff Advances                                     | 0.09                          | 0.10                       | 0.03                       | 0.10                       | 0.12                       |
| Tax Credits and Receivables                        | 66.67                         | 197.34                     | 162.05                     | 81.59                      | 38.06                      |
| Deferred CENVAT Credit (Refer note 4 below)        | 71.98                         | -                          | -                          | -                          | -                          |
| Others                                             | 5.99                          | 0.90                       | 0.33                       | 0.76                       | 9.94                       |
|                                                    |                               |                            |                            |                            |                            |
| <b>Total</b>                                       | <b>763.51</b>                 | <b>464.37</b>              | <b>1,003.73</b>            | <b>1,042.69</b>            | <b>696.72</b>              |

**Notes**

- 1 The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group.
- 2 The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.
- 3 List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management .
- 4 The amount represents CENVAT credit, the utilisation of which is kept on hold pending assessment by the Department.
- 5 For details of transactions with Related Parties, refer annexure Annexure: XXXIII

**Sadbhav Infrastructure Project Limited**

**Annexure: XXVI**

**Restated Consolidated Statement of Other Current Assets**

(₹ in Million)

| Particulars                                                         | As at<br>December 31,<br>2014 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2011 |
|---------------------------------------------------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Government Grant Receivable (Refer note 3 below)                    | 869.89                        | 64.24                      | 64.24                      | 64.24                      | 464.74                     |
| Receivable from Authority                                           | 36.87                         | 36.60                      | 56.34                      | -                          | -                          |
| Interest receivable                                                 | 66.36                         | 8.95                       | 0.70                       | 14.51                      | 3.59                       |
| Discount on Debentures, pending amortisation (Refer Annexure: VIII) | 20.67                         | -                          | -                          | -                          | -                          |
| Unamortised Option Premium                                          | 19.26                         | 19.26                      | 19.26                      | 19.26                      | -                          |
| Gratuity Plan Assets (Net of Provision)                             | -                             | 0.52                       | -                          | -                          | -                          |
| Unbilled Revenue                                                    | 103.54                        | 12.36                      | 301.38                     | -                          | 43.60                      |
| Derivative Settlement receivable of Foreign Currency Loans          | 17.78                         | 14.30                      | -                          | -                          | -                          |
| Less: Adjusted to Long-term Borrowings (Refer Annexure: VIII)       | (17.78)                       | (14.30)                    | -                          | -                          | -                          |
| Unamortized Initial Public Issue Expenses (Refer note 4 below)      | 53.23                         | -                          | -                          | -                          | -                          |
| <b>Total</b>                                                        | <b>1,169.82</b>               | <b>141.93</b>              | <b>441.92</b>              | <b>98.01</b>               | <b>511.93</b>              |

**Notes**

- 1 The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group.
- 2 The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.
- 3 As per the respective Concession Agreements between ARRIL and Ahmedabad Urban Development Authority (AUDA) and, between BRTPL & RHTPL and NHAI, ARRIL, BRTPL and RHTPL are entitled to receive grant of ₹ 360 Million, ₹ 2,264 Million and ₹ 2,115 Million, respectively for meeting the part project cost subject to the conditions laid down in the Concession Agreements. Upto December 31, 2014 the said companies have received grant of ₹ 295.76 Million, ₹291.80 Million and ₹ Nil in ARRIL, BRTPL and RHTPL, respectively. Also, ARRIL, BRTPL and RHTPL have accrued the balance of ₹ 64.24 Million, ₹ 161.95 Million and ₹643.70 Million as receivable since the conditions of the Concession Agreement related to grant have been met.
- 4 The Company is in the process of an Initial Public Offer in respect of its Equity Shares and in that connection has filed a Draft Red Herring Prospectus (DRHP) with the Securities and Exchange Board of India (SEBI) on 3 December, 2014. The related expenses incurred thereon upto December 31, 2014 has been shown as 'Unamortised Share Issue Expenses' in Other Current Assets. The Company will adjust the expense against the Securities premium balance in forthcoming period upon the finalisation of the proportion between the Company and the Selling Shareholders.

## Sadbhav Infrastructure Project Limited

### Annexure: XXVII

#### Restated Consolidated Statement of Revenue from operations

| (₹ in Million)                                                  |                                        |                                   |                                   |                                   |                                   |
|-----------------------------------------------------------------|----------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Particulars                                                     | For the Period ended December 31, 2014 | For the Year ended March 31, 2014 | For the Year ended March 31, 2013 | For the Year ended March 31, 2012 | For the Year ended March 31, 2011 |
| <b>Revenue from Toll Collection and Annuity Income</b>          | 2,891.03                               | 2,910.40                          | 1,976.19                          | 1,007.53                          | 527.85                            |
| <b>User Fees</b>                                                | 584.21                                 | 268.99                            | -                                 | -                                 | -                                 |
| <b>Contractual Income</b>                                       |                                        |                                   |                                   |                                   |                                   |
| Engineering, Procurement and Construction (EPC) Contract Income | 151.84                                 | 228.77                            | 881.52                            | 499.46                            | -                                 |
| Operation, Maintenance and Supervision Income                   | 91.18                                  | 12.36                             | -                                 | 51.02                             | 11.15                             |
| <b>Sub-Total</b>                                                | <b>243.02</b>                          | <b>241.13</b>                     | <b>881.52</b>                     | <b>550.48</b>                     | <b>11.15</b>                      |
| <b>Sale of Services</b>                                         |                                        |                                   |                                   |                                   |                                   |
| Advisory, Project and Toll Management Fees                      | 0.90                                   | 276.20                            | 1.20                              | 184.82                            | 142.24                            |
| <b>Other Operating Revenue</b>                                  |                                        |                                   |                                   |                                   |                                   |
| Advertisement Income                                            | 26.03                                  | 13.99                             | 13.24                             | 16.74                             | 13.66                             |
| <b>Total</b>                                                    | <b>3,745.19</b>                        | <b>3,710.71</b>                   | <b>2,872.15</b>                   | <b>1,759.57</b>                   | <b>694.90</b>                     |

#### Notes

- 1 The figures disclosed above are based on the restated consolidated summary statement of Profit and Loss of the Group.
- 2 The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.
- 3 During the nine months period ended December 31, 2014, the Company has accounted Contract Income in the nature of cost escalation of ₹ 46.52 Million, which is in line with cost inflation index principles (cost escalation formula) approved by independent consultant. (Refer note C(iii) of Annexure XXXV.
- 4 List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management.
- 5 Revenue from Directors/Promoters/Group Companies/Relatives of Promoters/Relatives of Directors.

| (₹ in Million)                                                          |                                        |                                   |                                   |                                   |                                   |
|-------------------------------------------------------------------------|----------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Particulars                                                             | For the Period ended December 31, 2014 | For the Year ended March 31, 2014 | For the Year ended March 31, 2013 | For the Year ended March 31, 2012 | For the Year ended March 31, 2011 |
| Sale of Services (including contract revenue and excluding service tax) | 0.90                                   | 1.20                              | 1.20                              | 1.60                              | 32.75                             |
| Income Tax matters                                                      | 15.03                                  | 4.89                              | 4.89                              | -                                 | -                                 |

- 6 For details of transactions with Related Parties, refer annexure Annexure: XXXIII

**Sadbhav Infrastructure Project Limited**

**Annexure: XXVIII**

**Restated Consolidated Statement of Other Income**

(₹ in Million)

| Sources of Income                            | For the Period ended December 31, 2014 | For the Year ended March 31, 2014 | For the Year ended March 31, 2013 | For the Year ended March 31, 2012 | For the Year ended March 31, 2011 | Nature: Recurring/ Non-Recurring | Related / Not related to Business Activity |
|----------------------------------------------|----------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|----------------------------------|--------------------------------------------|
| <b>Interest income on:</b>                   |                                        |                                   |                                   |                                   |                                   |                                  |                                            |
| - Sub-Ordinate loan to related party         | 93.15                                  | 116.32                            | 105.76                            | 136.85                            | -                                 | Non-Recurring                    | Related to Business Activity               |
| - Deposits with Banks                        | 10.35                                  | 4.11                              | 21.33                             | 2.23                              | -                                 | Non-Recurring                    | Not related to Business Activity           |
| - Corporate loans to related parties         | 15.27                                  | 27.59                             | 104.56                            | 73.71                             | 171.50                            | Non-Recurring                    | Not related to Business Activity           |
| - Others                                     | 22.39                                  | 0.14                              | 0.69                              | 0.07                              | -                                 | Non-Recurring                    | Not related to Business Activity           |
| Profit on Sale of units of Mutual Fund (Net) | 68.55                                  | 41.82                             | 26.48                             | 11.49                             | 30.02                             | Non-Recurring                    | Not related to Business Activity           |
| Dividend Income                              | 0.62                                   | 0.74                              | 22.97                             | 3.40                              | -                                 | Non-Recurring                    | Not related to Business Activity           |
| Sundry balances written back                 | 1.69                                   | 23.49                             | 0.31                              | 0.01                              | -                                 | Non-Recurring                    | Related to Business Activity               |
| Profit on Sales of Assets                    | 0.12                                   | 0.03                              | -                                 | -                                 | -                                 | Non-Recurring                    | Not related to Business Activity           |
| Insurance Claim Received                     | 0.71                                   | 1.00                              | -                                 | -                                 | -                                 | Non-Recurring                    | Not related to Business Activity           |
| Others                                       | 0.06                                   | 0.65                              | -                                 | 0.15                              | 0.23                              | Non-Recurring                    | Not related to Business Activity           |
| <b>Total</b>                                 | <b>212.91</b>                          | <b>215.89</b>                     | <b>282.10</b>                     | <b>227.91</b>                     | <b>201.75</b>                     |                                  |                                            |

**Notes**

- The classification of other income as recurring/not-recurring, related/not-related to business activity is based on the current operations and business activity of the Company as determined by the management.



- 2 The figures disclosed above are based on the restated consolidated summary statement of Profit and Loss of the Group.
- 3 The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.
- 4 For details of transactions with Related Parties, refer Annexure: XXXIII

**Sadbhav Infrastructure Project Limited**

**Annexure: XXIX**

**Restated Consolidated Statement of Operating Expenses**

| (₹ in Million)                                       |                                        |                                   |                                   |                                   |                                   |
|------------------------------------------------------|----------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Particulars                                          | For the Period ended December 31, 2014 | For the Year ended March 31, 2014 | For the Year ended March 31, 2013 | For the Year ended March 31, 2012 | For the Year ended March 31, 2011 |
| Construction Contract charges to Sub Contractors     | 126.16                                 | 151.66                            | 741.05                            | 366.27                            | -                                 |
| Operation and Maintenance charges to Sub Contractors | 463.80                                 | 368.48                            | 44.06                             | 128.83                            | 33.30                             |
| Periodic Major Maintenance Cost                      | 410.08                                 | 217.07                            | 129.37                            | 119.81                            | 63.22                             |
| Power and Fuel                                       | 58.29                                  | 51.88                             | 23.15                             | 12.14                             | 9.58                              |
| Security Expense                                     | 50.72                                  | 55.26                             | 14.62                             | 4.43                              | -                                 |
| Other Operating Expense                              | 46.91                                  | 40.85                             | 18.69                             | 15.24                             | 13.90                             |
| <b>Total</b>                                         | <b>1,155.96</b>                        | <b>885.20</b>                     | <b>970.94</b>                     | <b>646.72</b>                     | <b>120.00</b>                     |

**Notes**

- 1 The figures disclosed above are based on the restated consolidated summary statement of Profit and Loss of the Group.
- 2 The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.
- 3 Operating expenses for the nine month period ending on December 31, 2014 amounting to ₹ 1,155.96 Million includes the provision for periodic major maintenance cost of ₹ 410.08 Million of various subsidiaries.
- 4 List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management.
- 5 Operating Expenses to Directors/Promoters/Group Companies/Relatives of Promoters/Relatives of Directors.

| (₹ in Million)              |                                        |                                   |                                   |                                   |                                   |
|-----------------------------|----------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Particulars                 | For the Period ended December 31, 2014 | For the Year ended March 31, 2014 | For the Year ended March 31, 2013 | For the Year ended March 31, 2012 | For the Year ended March 31, 2011 |
| Sadbhav Engineering Limited | 68.19                                  | -                                 | -                                 | -                                 | -                                 |

- 6 For details of transactions with Related Parties, refer Annexure: XXXIII

**Sadbhav Infrastructure Project Limited**

**Annexure: XXX**

**Restated Consolidated Statement of Employee Benefits Expense**

| (₹ in Million)                            |                                        |                                   |                                   |                                   |                                   |
|-------------------------------------------|----------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Particulars                               | For the Period ended December 31, 2014 | For the Year ended March 31, 2014 | For the Year ended March 31, 2013 | For the Year ended March 31, 2012 | For the Year ended March 31, 2011 |
| Salaries, Wages and Bonus                 | 148.54                                 | 146.69                            | 95.05                             | 56.44                             | 29.15                             |
| Contribution to Provident and Other Funds | 6.65                                   | 5.84                              | 3.96                              | 2.71                              | 1.84                              |
| Gratuity Expense                          | 2.48                                   | 0.39                              | 0.25                              | 1.13                              | 0.76                              |
| Staff Welfare Expenses                    | 13.59                                  | 10.60                             | 3.58                              | 1.23                              | 1.38                              |
|                                           |                                        |                                   |                                   |                                   |                                   |
| <b>Total</b>                              | <b>171.26</b>                          | <b>163.52</b>                     | <b>102.84</b>                     | <b>61.51</b>                      | <b>33.13</b>                      |

**Notes**

- 1 The figures disclosed above are based on the restated consolidated summary statement of Profit and Loss of the Group.
- 2 The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.
- 3 List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management.
- 4 Employee Benefits Expense to Directors, Promoters and their Relatives

| (₹ in Million)          |                                        |                                   |                                   |                                   |                                   |
|-------------------------|----------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Particulars             | For the Period ended December 31, 2014 | For the Year ended March 31, 2014 | For the Year ended March 31, 2013 | For the Year ended March 31, 2012 | For the Year ended March 31, 2011 |
| Managerial Remuneration | 2.50                                   | 3.19                              | 3.25                              | 3.25                              | 3.25                              |

- 5 For details of transactions with Related Parties, refer Annexure: XXXIII

**Sadbhav Infrastructure Project Limited**

**Annexure: XXXI**

**Restated Consolidated Statement of Other Expenses**

| (₹ in Million)                                                 |                                        |                                   |                                   |                                   |                                   |
|----------------------------------------------------------------|----------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Particulars                                                    | For the Period ended December 31, 2014 | For the Year ended March 31, 2014 | For the Year ended March 31, 2013 | For the Year ended March 31, 2012 | For the Year ended March 31, 2011 |
| Rent                                                           | 15.15                                  | 9.80                              | 6.52                              | 4.46                              | 2.31                              |
| Insurance                                                      | 12.06                                  | 11.01                             | 5.34                              | 3.06                              | 0.84                              |
| Rates and Taxes                                                | 33.37                                  | 7.12                              | 14.38                             | 2.79                              | 33.06                             |
| Repairs and Maintenance                                        | 9.56                                   | 8.17                              | 0.94                              | -                                 | -                                 |
| Legal and Professional Fees                                    | 85.86                                  | 87.67                             | 45.90                             | 91.51                             | 54.28                             |
| Communication Expense                                          | 5.60                                   | 3.62                              | 1.67                              | 0.66                              | 0.26                              |
| Travelling Expenses                                            | 6.77                                   | 7.33                              | 2.78                              | 2.18                              | 1.56                              |
| Trade Receivables written off/<br>Provision for Doubtful Debts | 1.10                                   | 0.48                              | 0.41                              | 0.03                              | -                                 |
| Interest receivable written off                                | -                                      | -                                 | -                                 | 10.92                             | -                                 |
| Assets under construction written off                          | -                                      | 82.01                             | -                                 | -                                 | -                                 |
| Loss on Foreign Currency Monetary Item                         | 2.38                                   | -                                 | -                                 | -                                 | -                                 |
| Miscellaneous Expenses                                         | 23.56                                  | 28.94                             | 24.62                             | 4.40                              | 1.54                              |
| <b>Total</b>                                                   | <b>195.41</b>                          | <b>246.15</b>                     | <b>102.56</b>                     | <b>120.01</b>                     | <b>93.85</b>                      |

**Notes**

- 1 The figures disclosed above are based on the restated consolidated summary statement of Profit and Loss of the Group.
- 2 The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.
- 3 List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management.
- 4 Other Expenses to Directors/Promoters/Group Companies/Relatives of Promoters/Relatives of Directors.

| (₹ in Million) |                                        |                                   |                                   |                                   |                                   |
|----------------|----------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Particulars    | For the Period ended December 31, 2014 | For the Year ended March 31, 2014 | For the Year ended March 31, 2013 | For the Year ended March 31, 2012 | For the Year ended March 31, 2011 |
| Other Expenses | 69.82                                  | 45.10                             | 53.27                             | 38.42                             | 37.38                             |

- 5 For details of transactions with Related Parties, refer Annexure: XXXIII

**Sadbhav Infrastructure Project Limited**

**Annexure: XXXII**

**Restated Consolidated Statement of Finance Costs**

(₹ in Million)

| Particulars                                                | For the Period ended December 31, 2014 | For the Year ended March 31, 2014 | For the Year ended March 31, 2013 | For the Year ended March 31, 2012 | For the Year ended March 31, 2011 |
|------------------------------------------------------------|----------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Interest Expenses on                                       |                                        |                                   |                                   |                                   |                                   |
| - Loans from Banks and Others                              | 3,655.67                               | 3,336.16                          | 1,869.04                          | 706.64                            | 383.64                            |
| - Others                                                   | 13.43                                  | 0.87                              | 1.62                              | 3.41                              | -                                 |
| Other Borrowing Cost                                       | 132.42                                 | 215.41                            | 81.10                             | 8.39                              | 15.38                             |
| Premium on Redemption of Non Convertible Debentures (NCDs) | 47.51                                  | -                                 | -                                 | -                                 | -                                 |
| Amortisation of discount on issue of NCDs                  | 12.06                                  | -                                 | -                                 | -                                 | -                                 |
| <b>Total</b>                                               | <b>3,861.09</b>                        | <b>3,552.44</b>                   | <b>1,951.76</b>                   | <b>718.44</b>                     | <b>399.02</b>                     |

**Notes**

- 1 The figures disclosed above are based on the restated consolidated summary statement of Profit and Loss of the Group.
- 2 The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.
- 3 List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management.
- 4 Finance Cost to Directors/Promoters/Group Companies/Relatives of Promoters/Relatives of Directors.

(₹ in Million)

| Particulars      | For the Period ended December 31, 2014 | For the Year ended March 31, 2014 | For the Year ended March 31, 2013 | For the Year ended March 31, 2012 | For the Year ended March 31, 2011 |
|------------------|----------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Interest Expense | 360.28                                 | 250.28                            | 6.94                              | 3.88                              | 25.86                             |

- 5 For details of transactions with Related Parties, refer Annexure: XXXIII
- 6 One of the Subsidiaries, viz. MBCPNL capitalizes each checkpoint from the date it receives provisional completion certificate from the engineer appointed by Maharashtra State Road Development Corporation (Project Implementation Agency). Pending receipt of notification from government authorities to start collecting user service fee, the cost incurred (including interest costs) from the date of capitalization of checkpoint till the notification to collect user service fee is expensed to statement of profit and loss. MBCPNL has expensed ₹ 51.23 Million, ₹ 301.05 Million and ₹148.65 Million relating to such nature of interest costs (with corresponding no user service fee income) in the Statement of profit and loss during financial year 2012-13, 2013-14 and period ended December 31, 2014 respectively

**Sadbhav Infrastructure Project Limited**

**Annexure: XXXIII**

**Restated Consolidated Statement of Related Parties**

**Name of Related Parties and related party relationship**

| Particulars                                                                      | For the Period ended December 31, 2014             | For the Year ended March 31, 2014                           | For the Year ended March 31, 2013                  | For the Year ended March 31, 2012                                | For the Year ended March 31, 2011                  |
|----------------------------------------------------------------------------------|----------------------------------------------------|-------------------------------------------------------------|----------------------------------------------------|------------------------------------------------------------------|----------------------------------------------------|
| Holding Company                                                                  | Sadbhav Engineering Limited (SEL)                  | Sadbhav Engineering Limited (SEL)                           | Sadbhav Engineering Limited (SEL)                  | Sadbhav Engineering Limited (SEL)                                | Sadbhav Engineering Limited (SEL)                  |
| Key management personnel (KMP)                                                   | Mr. Vasistha C Patel, Managing Director            | Mr. Vasistha C Patel, Managing Director                     | Mr. Vasistha C Patel, Managing Director            | Mr. Vasistha C Patel, Managing Director                          | Mr. Vasistha C Patel, Managing Director            |
| Enterprise over which the Company is having significant influence                | Dhule Palesnar Tollway Limited (DPTL)              | Dhule Palesnar Tollway Limited (DPTL)                       | Dhule Palesnar Tollway Limited (DPTL)              | Dhule Palesnar Tollway Limited (DPTL)                            | Dhule Palesnar Tollway Limited (DPTL)              |
|                                                                                  | -                                                  | Nagpur Seoni Expressway Limited (NSEL) (upto April 3, 2013) | Nagpur Seoni Expressway Limited (NSEL)             | Nagpur Seoni Expressway Limited (NSEL) (w.e.f. October 14, 2011) | -                                                  |
| Fellow Subsidiary                                                                | -                                                  | -                                                           | -                                                  | Nagpur Seoni Expressway Limited (NSEL) (upto October 13, 2011)   | Nagpur Seoni Expressway Limited (NSEL)             |
| Enterprise having significant influence under contract                           | Norwest Venture Partners VII-A-Mauritius (Norwest) | Norwest Venture Partners VII-A-Mauritius (Norwest)          | Norwest Venture Partners VII-A-Mauritius (Norwest) | Norwest Venture Partners VII-A-Mauritius (Norwest)               | Norwest Venture Partners VII-A-Mauritius (Norwest) |
|                                                                                  | Xander Investment Holding XVII Limited (Xander)    | Xander Investment Holding XVII Limited (Xander)             | Xander Investment Holding XVII Limited (Xander)    | Xander Investment Holding XVII Limited (Xander)                  | Xander Investment Holding XVII Limited (Xander)    |
| Enterprises over which holding company is able to exercise significant influence | Mysore-Bellary Highway Pvt.Ltd. (MBHPL)            | Mysore-Bellary Highway Pvt.Ltd. (MBHPL)                     | -                                                  | -                                                                | -                                                  |
|                                                                                  | Mumbai Nasik Express Way Limited (MNEL)            | Mumbai Nasik Express Way Limited (MNEL)                     | Mumbai Nasik Express Way Limited (MNEL)            | Mumbai Nasik Express Way Limited (MNEL)                          | -                                                  |

(a) Transactions during the period / year

(₹ in Million)

| Name of the transactions                                                                                 | For the Period ended December 31, 2014 | For the Year ended March 31, 2014 | For the Year ended March 31, 2013 | For the Year ended March 31, 2012 | For the Year ended March 31, 2011 |
|----------------------------------------------------------------------------------------------------------|----------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| <b>Issuance of Fresh Equity Shares (Including Security Premium)</b>                                      |                                        |                                   |                                   |                                   |                                   |
| SEL                                                                                                      | -                                      | -                                 | 1,250.00                          | -                                 | 2,596.80                          |
| Norwest                                                                                                  | -                                      | -                                 | -                                 | -                                 | 2,000.00                          |
| Xander                                                                                                   | -                                      | -                                 | -                                 | -                                 | 2,000.00                          |
| Others                                                                                                   | -                                      | -                                 | -                                 | -                                 | 3.69                              |
| <b>Issue of Bonus of Shares</b>                                                                          |                                        |                                   |                                   |                                   |                                   |
| SEL                                                                                                      | 2,188.49                               | -                                 | -                                 | -                                 | -                                 |
| Norwest                                                                                                  | 294.16                                 | -                                 | -                                 | -                                 | -                                 |
| Xander                                                                                                   | 294.16                                 | -                                 | -                                 | -                                 | -                                 |
| Others                                                                                                   | 37.00                                  | -                                 | -                                 | -                                 | -                                 |
| <b>Issue of Compulsory Convertible Debenture (CCD)</b>                                                   |                                        |                                   |                                   |                                   |                                   |
| SEL                                                                                                      | -                                      | -                                 | 750.00                            | -                                 | -                                 |
| <b>Conversion of Compulsory Convertible Debenture (CCD) to 1 Equity Share including security premium</b> |                                        |                                   |                                   |                                   |                                   |
| SEL                                                                                                      | 750.00                                 | -                                 | -                                 | -                                 | -                                 |
| <b>Issuance of Share Capital to Minority Interest</b>                                                    |                                        |                                   |                                   |                                   |                                   |
| SEL                                                                                                      | -                                      | 72.94                             | 54.19                             | -                                 | 0.20                              |
| <b>Unsecured Loan Taken including interest thereon</b>                                                   |                                        |                                   |                                   |                                   |                                   |
| SEL                                                                                                      | 5,389.79                               | 4,716.31                          | 701.64                            | 916.36                            | 1,684.57                          |
| <b>Unsecured Loan Repaid (including interest)</b>                                                        |                                        |                                   |                                   |                                   |                                   |
| SEL                                                                                                      | 3,444.29                               | 1,262.93                          | 338.49                            | 724.60                            | 1,997.96                          |
| <b>Unsecured Loan converted in to Interest free Loan</b>                                                 |                                        |                                   |                                   |                                   |                                   |
| SEL                                                                                                      | 779.56                                 |                                   |                                   |                                   |                                   |
| <b>Sub-Ordinate Debt Received in SPV entities</b>                                                        |                                        |                                   |                                   |                                   |                                   |
| SEL                                                                                                      | 294.24                                 | 492.35                            | 215.73                            | -                                 | 15.00                             |
| <b>Sub-Ordinate Debt Repaid</b>                                                                          |                                        |                                   |                                   |                                   |                                   |
| SEL                                                                                                      | 802.29                                 | 176.84                            | -                                 | -                                 | 441.95                            |
| <b>Sub-Ordinate Debt Waived</b>                                                                          |                                        |                                   |                                   |                                   |                                   |

| Name of the transactions                                           | For the Period ended December 31, 2014 | For the Year ended March 31, 2014 | For the Year ended March 31, 2013 | For the Year ended March 31, 2012 | For the Year ended March 31, 2011 |
|--------------------------------------------------------------------|----------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| SEL                                                                | -                                      | 23.19                             | -                                 | -                                 | -                                 |
|                                                                    |                                        |                                   |                                   |                                   |                                   |
| <b>Interest Paid on CCDs</b>                                       |                                        |                                   |                                   |                                   |                                   |
| SEL                                                                | 0.02                                   | 0.08                              | 0.03                              | -                                 | -                                 |
|                                                                    |                                        |                                   |                                   |                                   |                                   |
| <b>Performance of EPC Contract, Utility Shifting and Variation</b> |                                        |                                   |                                   |                                   |                                   |
| SEL                                                                | 8,151.84                               | 6,999.40                          | 8,054.32                          | 13,584.47                         | 6,504.62                          |
|                                                                    |                                        |                                   |                                   |                                   |                                   |
| <b>Mobilisation and Material Advance given</b>                     |                                        |                                   |                                   |                                   |                                   |
| SEL                                                                | 373.19                                 | 2,279.81                          | 975.00                            | 475.00                            | 2,411.30                          |
|                                                                    |                                        |                                   |                                   |                                   |                                   |
| <b>Mobilisation and Material Advance adjusted against EPC</b>      |                                        |                                   |                                   |                                   |                                   |
| SEL                                                                | 1,249.43                               | 492.04                            | 1,046.21                          | 1,857.18                          | 530.43                            |
|                                                                    |                                        |                                   |                                   |                                   |                                   |
| <b>Fixed Assets Sold</b>                                           |                                        |                                   |                                   |                                   |                                   |
| SEL                                                                | -                                      | 2.15                              | -                                 | -                                 | -                                 |
|                                                                    |                                        |                                   |                                   |                                   |                                   |
| <b>Purchase of Investment</b>                                      |                                        |                                   |                                   |                                   |                                   |
| SEL                                                                | 275.90                                 | -                                 | -                                 | -                                 | 793.63                            |
|                                                                    |                                        |                                   |                                   |                                   |                                   |
| <b>Advance for Purchase of Investment</b>                          |                                        |                                   |                                   |                                   |                                   |
| SEL                                                                | 8.10                                   | -                                 | 45.11                             | 54.08                             | 596.54                            |
|                                                                    |                                        |                                   |                                   |                                   |                                   |
| <b>Share Application Money Given</b>                               |                                        |                                   |                                   |                                   |                                   |
| MNEL                                                               | -                                      | -                                 | -                                 | 32.13                             | 105.03                            |
| NSEL                                                               | -                                      | -                                 | -                                 | -                                 | 49.96                             |
| DPTL                                                               | -                                      | -                                 | -                                 | 0.05                              | -                                 |
|                                                                    |                                        |                                   |                                   |                                   |                                   |
| <b>Share Application Money Received Back</b>                       |                                        |                                   |                                   |                                   |                                   |
| MNEL                                                               | -                                      | -                                 | -                                 | 137.16                            | -                                 |
|                                                                    |                                        |                                   |                                   |                                   |                                   |
| <b>Investments made during the year</b>                            |                                        |                                   |                                   |                                   |                                   |
| DPTL                                                               | -                                      | -                                 | 1.78                              | 2.04                              | 2.48                              |
| MBHPL                                                              | -                                      | 0.12                              | -                                 | -                                 | -                                 |
|                                                                    |                                        |                                   |                                   |                                   |                                   |
| <b>Sale of Investment during the year</b>                          |                                        |                                   |                                   |                                   |                                   |
| SEL                                                                | -                                      | 0.12                              | -                                 | -                                 | -                                 |
|                                                                    |                                        |                                   |                                   |                                   |                                   |
| <b>Unsecured Loan Given</b>                                        |                                        |                                   |                                   |                                   |                                   |
| MBHPL                                                              | 37.47                                  | -                                 | -                                 | -                                 | -                                 |
| NSEL                                                               | -                                      | -                                 | 273.15                            | 307.50                            | 520.31                            |
| MNEL                                                               | -                                      | -                                 | -                                 | 137.16                            | -                                 |
|                                                                    |                                        |                                   |                                   |                                   |                                   |
| <b>Receipt of Unsecured Loan Given</b>                             |                                        |                                   |                                   |                                   |                                   |



| Name of the transactions                               | For the Period ended December 31, 2014 | For the Year ended March 31, 2014 | For the Year ended March 31, 2013 | For the Year ended March 31, 2012 | For the Year ended March 31, 2011 |
|--------------------------------------------------------|----------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| <b>MBHPL</b>                                           | 0.20                                   | -                                 | -                                 | -                                 | -                                 |
| NSEL                                                   | -                                      | 737.99                            | 349.52                            | 5.85                              | 7.60                              |
| MNEL                                                   | -                                      | -                                 | -                                 | -                                 | -                                 |
|                                                        |                                        |                                   |                                   |                                   |                                   |
| <b>Sub Ordinate Loan Given</b>                         |                                        |                                   |                                   |                                   |                                   |
| DPTL                                                   | -                                      | 139.60                            | 124.00                            | 402.80                            | 60.00                             |
| NSEL                                                   | -                                      | -                                 | -                                 | 48.00                             | 20.30                             |
|                                                        |                                        |                                   |                                   |                                   |                                   |
| <b>Sale of Services</b>                                |                                        |                                   |                                   |                                   |                                   |
| DPTL                                                   | 0.90                                   | 1.20                              | 1.20                              | 1.60                              | 21.60                             |
| NSEL                                                   | -                                      | -                                 | -                                 | -                                 | 11.15                             |
|                                                        |                                        |                                   |                                   |                                   |                                   |
| <b>Receipt of Services</b>                             |                                        |                                   |                                   |                                   |                                   |
| SEL                                                    | 68.19                                  | -                                 | -                                 | -                                 | -                                 |
|                                                        |                                        |                                   |                                   |                                   |                                   |
| <b>Capital Advance for Fixed Assets</b>                |                                        |                                   |                                   |                                   |                                   |
| SEL                                                    | -                                      | -                                 | -                                 | -                                 | 10.84                             |
|                                                        |                                        |                                   |                                   |                                   |                                   |
| <b>Trade Receivable Reversed</b>                       |                                        |                                   |                                   |                                   |                                   |
| NSEL                                                   | -                                      | -                                 | -                                 | 10.92                             | -                                 |
| DPTL                                                   | -                                      | -                                 | 0.40                              | -                                 | -                                 |
|                                                        |                                        |                                   |                                   |                                   |                                   |
| <b>Interest Income</b>                                 |                                        |                                   |                                   |                                   |                                   |
| DPTL                                                   | 93.15                                  | 116.32                            | 105.76                            | 71.51                             | 43.77                             |
| NSEL                                                   | -                                      | -                                 | 83.56                             | 65.33                             | 23.98                             |
| MNEL                                                   | 12.91                                  | 14.13                             | 14.13                             | -                                 | -                                 |
|                                                        |                                        |                                   |                                   |                                   |                                   |
| <b>Rent , Allocation and Re-Imbursement of Expense</b> |                                        |                                   |                                   |                                   |                                   |
| SEL                                                    | 69.82                                  | 45.10                             | 53.27                             | 38.42                             | 37.38                             |
| MBHPL                                                  | 0.27                                   | -                                 | -                                 | -                                 | -                                 |
|                                                        |                                        |                                   |                                   |                                   |                                   |
| <b>Managerial Remuneration</b>                         |                                        |                                   |                                   |                                   |                                   |
|                                                        |                                        |                                   |                                   |                                   |                                   |
| Vasistha Patel                                         | 2.50                                   | 3.19                              | 3.25                              | 3.25                              | 3.25                              |

(b) Outstanding balance as at Balance Sheet Date

| (₹ in Million)                                               |                         |                      |                      |                      |                      |
|--------------------------------------------------------------|-------------------------|----------------------|----------------------|----------------------|----------------------|
| Name of the transactions                                     | As at December 31, 2014 | As at March 31, 2014 | As at March 31, 2013 | As at March 31, 2012 | As at March 31, 2011 |
|                                                              |                         |                      |                      |                      |                      |
| <b>Sub-Ordinate Debt</b>                                     |                         |                      |                      |                      |                      |
| SEL                                                          | -                       | 508.05               | 215.73               | -                    | -                    |
|                                                              |                         |                      |                      |                      |                      |
| <b>Performance of EPC Contract including retention money</b> |                         |                      |                      |                      |                      |
| SEL                                                          | 2,275.49                | 1,770.35             | 610.53               | 1,284.69             | 1,302.62             |
|                                                              |                         |                      |                      |                      |                      |

| Name of the transactions                                                           | As at<br>December<br>31,<br>2014 | As at<br>March<br>31,<br>2014 | As at<br>March<br>31,<br>2013 | As at<br>March<br>31,<br>2012 | As at<br>March<br>31,<br>2011 |
|------------------------------------------------------------------------------------|----------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| <b>Advance for Purchase of Investment</b>                                          |                                  |                               |                               |                               |                               |
| SEL                                                                                | 275.90                           | 450.94                        | 695.73                        | 650.62                        | 596.54                        |
|                                                                                    |                                  |                               |                               |                               |                               |
| <b>Mobilisation and Material Advance Given</b>                                     |                                  |                               |                               |                               |                               |
| SEL                                                                                | 2,532.18                         | 3,408.43                      | 1,620.66                      | 1,691.87                      | 3,074.05                      |
|                                                                                    |                                  |                               |                               |                               |                               |
| <b>Unsecured Loan Given (Including Interest thereon)</b>                           |                                  |                               |                               |                               |                               |
| MBHPL                                                                              | 37.27                            | -                             | -                             | -                             | -                             |
| NSEL                                                                               | -                                | -                             | 737.99                        | 814.36                        | 512.71                        |
| MNEL                                                                               | 137.16                           | 137.16                        | 137.16                        | 137.16                        | -                             |
|                                                                                    |                                  |                               |                               |                               |                               |
| <b>Sub Ordinate Loan</b>                                                           |                                  |                               |                               |                               |                               |
| DPTL                                                                               | 1,124.00                         | 1,124.00                      | 984.40                        | 860.40                        | 457.60                        |
| NSEL                                                                               | -                                | -                             | 118.29                        | 118.29                        | 20.33                         |
|                                                                                    |                                  |                               |                               |                               |                               |
| <b>Sale of Services / Trade Receivable (Including Retention Money)</b>             |                                  |                               |                               |                               |                               |
| DPTL                                                                               | 4.39                             | 3.47                          | 2.41                          | 1.59                          | 1.59                          |
| NSEL                                                                               | -                                | -                             | -                             | -                             | 10.92                         |
|                                                                                    |                                  |                               |                               |                               |                               |
| <b>Interest Income Receivable</b>                                                  |                                  |                               |                               |                               |                               |
| DPTL                                                                               | 387.46                           | 303.62                        | 198.93                        | 103.76                        | 39.40                         |
| MNEL                                                                               | 37.05                            | 25.43                         | 12.71                         | -                             | -                             |
|                                                                                    |                                  |                               |                               |                               |                               |
| <b>Investment in Share Application Money Pending Allotment</b>                     |                                  |                               |                               |                               |                               |
| DPTL                                                                               | -                                | -                             | -                             | 0.05                          | -                             |
| NSEL                                                                               | -                                | -                             | -                             | -                             | 49.96                         |
| MNEL                                                                               | -                                | -                             | -                             | -                             | 105.03                        |
|                                                                                    |                                  |                               |                               |                               |                               |
| <b>Interest Payable</b>                                                            |                                  |                               |                               |                               |                               |
| SEL                                                                                | 131.03                           | 225.18                        | 4.44                          | 3.88                          | -                             |
|                                                                                    |                                  |                               |                               |                               |                               |
| <b>Payable Against Purchase of Asset</b>                                           |                                  |                               |                               |                               |                               |
| SEL                                                                                | -                                | -                             | -                             | 3.43                          | -                             |
|                                                                                    |                                  |                               |                               |                               |                               |
| <b>Loans &amp; advances - Other</b>                                                |                                  |                               |                               |                               |                               |
| MBHPL                                                                              | 0.25                             | -                             | -                             | -                             | -                             |
|                                                                                    |                                  |                               |                               |                               |                               |
| <b>Trade Payable &amp; Other Payables and Advances recoverable in cash or kind</b> |                                  |                               |                               |                               |                               |
| SEL                                                                                | 98.53                            | 102.49                        | 23.21                         | 41.36                         | 9.11                          |
|                                                                                    |                                  |                               |                               |                               |                               |
| <b>0.01% Unsecured CCD</b>                                                         |                                  |                               |                               |                               |                               |
| SEL                                                                                | -                                | 750.00                        | 750.00                        | -                             | -                             |
|                                                                                    |                                  |                               |                               |                               |                               |
| <b>Managerial Remuneration</b>                                                     |                                  |                               |                               |                               |                               |

| Name of the transactions                                | As at<br>December<br>31,<br>2014 | As at<br>March<br>31,<br>2014 | As at<br>March<br>31,<br>2013 | As at<br>March<br>31,<br>2012 | As at<br>March<br>31,<br>2011 |
|---------------------------------------------------------|----------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Vasistha Patel                                          | 0.44                             | 0.39                          | 0.43                          | 0.41                          | -                             |
|                                                         |                                  |                               |                               |                               |                               |
| <b>Interest Free Long-term<br/>Unsecured Loan Taken</b> |                                  |                               |                               |                               |                               |
| SEL                                                     | 779.56                           | -                             | -                             | -                             | -                             |
|                                                         |                                  |                               |                               |                               |                               |
| <b>Short-term Unsecured Loan<br/>Taken</b>              |                                  |                               |                               |                               |                               |
| SEL                                                     | 5,007.38                         | 3,747.30                      | 544.12                        | 187.88                        | -                             |
|                                                         |                                  |                               |                               |                               |                               |
| <b>Interest on 0.01% Unsecured<br/>CCD</b>              |                                  |                               |                               |                               |                               |
| SEL                                                     | -                                | 0.08                          | 0.03                          | -                             | -                             |
|                                                         |                                  |                               |                               |                               |                               |

**Notes:**

- 1 Term Loan of ₹ 1,800.00 Million as at 31 Dec 2014 (31 March 2014: ₹1,800.00 Million, 31 March 2013: ₹ 1,800 Million, 31 March 2012: ₹ 650 Million) and WCDL loan of ₹ Nil as at 31 Dec 2014 (31 March 2014: ₹ 100.00 Million) from bank is guaranteed by the corporate guarantee of Sadbhav Engineering Limited, the holding company.
- 2 Non convertible debenture of ₹ 3,005.41 Million as at 31 Dec 2014 (31 March 2014: ₹ Nil) (31 March 2013: ₹ Nil) (31 March 2012: ₹ Nil ) is guaranteed by the corporate guarantee of Sadbhav Engineering Limited, the holding company and personal guarantee of Mr. Vishnubhai Patel (Promoter of holding company (SEL)). Further, Sadbhav Engineering Limited has pledged 16% shareholding in the Company to the lenders.
- 3 Compulsory Convertible Cumulative Preference Shares ('CCCPS') were converted into equity shares in accordance with the terms of the agreement as per Board resolution dated October 22, 2014. Pursuant to the conversion, the Company has issued to Norwest and Xander 1,131,100 equity share each against 1,125,387 CCCPS.
- 4 Company has received a waiver from preference shareholders for dividend payable for financial years up to March 31, 2014.
- 5 During the year ended March 31, 2012, the company has converted share application money of ₹49.96 Million given to NSEL into Sub Ordinate Debt.
- 6 During the period ended December 31, 2014 short term loan of ₹ 779.56 Million from SEL was converted into interest free long term loan.
- 7 The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities and consolidated summary statement of profit and loss of the Group.
- 8 The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.

## Sadbhav Infrastructure Project Limited

### Annexure: XXXIV

#### Restated Consolidated Statement of Segment Information

The Group has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of services, the differing risks and returns and internal reporting system.

The group's operations predominately relate to BOT (Toll Operations & User Fees) , Contractual Income (Engineering Procurement Construction (EPC) Contract & Operation, Maintenance and Supervision Services), Advisory, Project and Toll Management Services. For the purpose of reporting, business segment is the primary segment.

Segments have been identified and reported taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

| (₹ in Million)                                                         |                               |                                 |                                 |                                 |                                 |
|------------------------------------------------------------------------|-------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Particulars                                                            | As at<br>December<br>31, 2014 | Year Ended<br>March 31,<br>2014 | Year Ended<br>March 31,<br>2013 | Year Ended<br>March 31,<br>2012 | Year Ended<br>March 31,<br>2011 |
| <b>Revenue</b>                                                         |                               |                                 |                                 |                                 |                                 |
| External Revenue                                                       |                               |                                 |                                 |                                 |                                 |
| BOT (Toll Operation & User Fees)                                       | 3,501.28                      | 3,193.38                        | 1,989.43                        | 1,024.27                        | 541.51                          |
| Contractual Income                                                     | 243.01                        | 241.13                          | 881.52                          | 550.48                          | 11.15                           |
| Advisory and Project Management Services                               | 0.90                          | 276.20                          | 1.20                            | 184.82                          | 142.24                          |
| <b>Total Revenue</b>                                                   | <b>3,745.19</b>               | <b>3,710.71</b>                 | <b>2,872.15</b>                 | <b>1,759.57</b>                 | <b>694.90</b>                   |
| <b>Segment Results</b>                                                 |                               |                                 |                                 |                                 |                                 |
| BOT (Toll Operation & User Fees)                                       | 1,074.19                      | 1,150.11                        | 1,055.19                        | 348.07                          | 194.94                          |
| Contractual Income                                                     | 116.85                        | 89.48                           | 140.47                          | 184.21                          | 11.15                           |
| Advisory and Project Management Services                               | 0.77                          | 261.25                          | 1.20                            | 184.01                          | 139.22                          |
| <b>Total</b>                                                           | <b>1 191.80</b>               | <b>1 500.84</b>                 | <b>1 196.86</b>                 | <b>716.29</b>                   | <b>345.31</b>                   |
| <b>Unallocated Income/(Expense)</b>                                    |                               |                                 |                                 |                                 |                                 |
| Interest Expense (including other Finance Costs)                       | (3 861.08)                    | (3 552.44)                      | (1 951.76)                      | ( 718.44)                       | ( 399.02)                       |
| Other income including Finance income                                  | 212.92                        | 215.88                          | 282.10                          | 227.91                          | 201.75                          |
| Tax Expense                                                            | ( 0.22)                       | ( 121.66)                       | ( 50.31)                        | ( 127.80)                       | ( 77.57)                        |
| <b>Profit/(Loss) for the Period/<br/>Year before Minority Interest</b> | <b>(2 456.58)</b>             | <b>(1 957.38)</b>               | <b>( 523.11)</b>                | <b>97.96</b>                    | <b>70.47</b>                    |

| (₹ in Million)                           |                               |                            |                            |                            |                            |
|------------------------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Particulars                              | As at<br>December<br>31, 2014 | As At<br>March 31,<br>2014 | As At<br>March 31,<br>2013 | As At<br>March 31,<br>2012 | As At<br>March 31,<br>2011 |
| <b>Other Information</b>                 |                               |                            |                            |                            |                            |
| <b>Assets</b>                            |                               |                            |                            |                            |                            |
| <b>Segment Assets</b>                    |                               |                            |                            |                            |                            |
| BOT (Toll Operation & User Fees)         | 90 247.13                     | 82 617.11                  | 50 026.32                  | 36 909.23                  | 21 115.32                  |
| Contractual Income                       | 228.48                        | 51.30                      | 345.78                     | 13.19                      | -                          |
| Advisory and Project Management Services | 4.39                          | 3.47                       | 2.41                       | 1.59                       | 1.59                       |
|                                          | <b>90 480.00</b>              | <b>82 671.87</b>           | <b>50 374.50</b>           | <b>36 924.01</b>           | <b>21 116.91</b>           |

| Particulars                              | As at<br>December<br>31, 2014 | As At<br>March 31,<br>2014 | As At<br>March 31,<br>2013 | As At<br>March 31,<br>2012 | As At<br>March 31,<br>2011 |
|------------------------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>Unallocated Segment Assets</b>        | <b>4 597.91</b>               | <b>3 546.55</b>            | <b>3 471.39</b>            | <b>3 008.92</b>            | <b>1 896.77</b>            |
| <b>Total Assets</b>                      | <b>95 077.91</b>              | <b>86 218.42</b>           | <b>53 845.89</b>           | <b>39 932.93</b>           | <b>23 013.68</b>           |
| <b>Segment Liabilities</b>               |                               |                            |                            |                            |                            |
| BOT (Toll Operation & User Fees)         | 26 109.06                     | 24 941.98                  | 5 198.12                   | 1 978.86                   | 1 724.62                   |
| Contractual Income                       | 467.23                        | 736.57                     | 476.52                     | 87.14                      | -                          |
| Advisory and Project Management Services | -                             | -                          | -                          | -                          | -                          |
| Unallocated                              | 59 854.16                     | 50 434.53                  | 36 839.15                  | 28 099.26                  | 13 254.19                  |
| <b>Total</b>                             | <b>86 430.45</b>              | <b>76 113.08</b>           | <b>42 513.79</b>           | <b>30 165.26</b>           | <b>14 978.81</b>           |

(₹ in Million)

| Particulars                          | For the<br>Period<br>ended<br>December 31,<br>2014 | Year<br>Ended<br>March 31,<br>2014 | Year<br>Ended<br>March 31,<br>2013 | Year Ended<br>March 31,<br>2012 | Year<br>Ended<br>March 31,<br>2011 |
|--------------------------------------|----------------------------------------------------|------------------------------------|------------------------------------|---------------------------------|------------------------------------|
| <b>Capital Expenditure</b>           |                                                    |                                    |                                    |                                 |                                    |
| BOT (Toll Operation & User Fees)     | 7 369.98                                           | 8 865.44                           | 9 186.41                           | 13 227.88                       | 6 848.28                           |
| Unallocated                          | -                                                  | -                                  | -                                  | -                               | 13.48                              |
| <b>Depreciation and Amortisation</b> |                                                    |                                    |                                    |                                 |                                    |
| BOT (Toll Operation & User Fees)     | 1,008.72                                           | 887.32                             | 474.38                             | 194.39                          | 100.94                             |
| Unallocated                          | 22.01                                              | 27.69                              | 24.57                              | 20.64                           | 1.67                               |

#### Notes

1. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities and consolidated summary statement of profit and loss of the Group.
2. The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.
3. Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. The net expenses, which are not directly attributable to the Business Segment, are shown as unallocated corporate cost.  
Assets and Liabilities that cannot be allocated amongst the segments are shown as part of unallocated assets and liabilities respectively.
4. The Secondary segment i.e. geographical segment is not a reportable segment as per Accounting Standard 17, Segment reporting, and hence, the details thereof are not given.

**Sadbhav Infrastructure Project Limited**

**Annexure: XXXV**

**Restated Consolidated Statement of Contingent Liabilities and Commitments**

**(A) Contingent Liabilities**

(₹ in Million)

| Particulars                                                 | As at<br>December 31,<br>2014 | As at<br>March 31,<br>2014 | As at<br>March 31,<br>2013 | As at<br>March 31,<br>2012 | As at<br>March 31,<br>2011 |
|-------------------------------------------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>Claims against the Company not acknowledged as debts</b> |                               |                            |                            |                            |                            |
| Service Tax*                                                | 43.48                         | 43.48                      | 43.48                      | -                          | -                          |
| Income Tax matters                                          | 15.03                         | 4.89                       | 4.89                       | -                          | -                          |

- \* Towards service tax demand from authorities for recovery of CENVAT credit on input service availed during the financial years 2009-10 and 2010-11. In respect of said matter, the Company has preferred appeal with Tribunal, for which Company has deposited ₹ 25 lakhs in year 2013-14 and received stay order from tribunal for recoveries of demands. Further, the matter is pending with Tribunal as at reporting date.

**(B) Other Commitments**

- (i) The followings are the estimated amount of contractual commitments of the Group:

(₹ in Million)

|                                         | As at<br>December<br>31, 2014 | As at<br>March<br>31, 2014 | As at<br>March<br>31, 2013 | As at<br>March<br>31, 2012 | As at<br>March<br>31, 2011 |
|-----------------------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| - Sub-Contract Commitments              | 992.54                        | 1,333.05                   | 1,488.63                   | 1,562.57                   | -                          |
| - On Capital Account (net of Advances ) | 16,067.41                     | 21,854.59                  | 30,146.59                  | 11,397.86                  | 25,898.54                  |

- (ii) Additional Concession Fees as per Concession Agreement:

In terms of the Concession Agreement with NHAI, SUTPL has agreed to pay to NHAI, on the COD date, a Premium in the form of an additional Concession Fee equal to ₹ 216 Million (Rupees Twenty Hundred and Sixteen Million Only) as due to NHAI in the year project will receive COD and , due and payable for the proportionate period remaining in that year and for each subsequent year of the Concession Period, the Premium shall be determined by increasing the amount of Premium in the respective year by an additional 5% (five per cent) as compared to the immediately preceding year.

- (iii) The BOT projects of subsidiary companies viz. ARRIL, AJTL, MBCPNL, BHTPL, HYTPL, RPTPL, NSEL, SUTPL, BRTPL and RHTPL have been funded through various debt facilities agreements with banks. Against the said credit facilities availed by the respective subsidiary companies from the banks, the Company has executed agreements with lenders whereby the Company has committed to hold minimum shareholding and also pledge of its shares in the respective subsidiary company, details of which is as follows:

| Name of Subsidiary | % of Non Disposal Undertaking  |                                 | % of Shares to Pledge |
|--------------------|--------------------------------|---------------------------------|-----------------------|
|                    | Upto Commercial Operation Date | After Commercial Operation Date |                       |
| ARRIL              | 70%                            | 45%*                            | 30.00%                |
| BHTPL              | 51%                            | 51%                             | 51.00%                |
| RPTPL              | 51%                            | 51%                             | 51.00%                |
| HYTPL              | 51%                            | 51%                             | 51.01%                |

| Name of Subsidiary | % of Non Disposal Undertaking  |                                 | % of Shares to Pledge |
|--------------------|--------------------------------|---------------------------------|-----------------------|
|                    | Upto Commercial Operation Date | After Commercial Operation Date |                       |
| RHTPL              | 51%                            | 51%                             | 51.00%                |
| NSEL               | 51%                            | 51%                             | 51.00%                |
| AJTL               | 51%                            | 51%                             | 51.00%                |
| MBCPNL             | 70%                            | 51%                             | 51.00%                |
| SUTPL              | 51%                            | 51%                             | 51.00%                |
| BRTPL              | 51%                            | 51%                             | 51.00%                |

\* In case of ARRIL the undertaking for non disposal of shares shall be reduced to 21% on repayment of 80% of the total Loan given by lenders.

- (iv) The Company has entered into agreements with various parties to acquire equity shareholding of 20%, 39%, 20% and 74% in Mumbai Nasik Expressway Limited, Dhule Palesnar Tollway Limited, Ahmedabad Ring Road Infrastructure Limited and Mysore Bellary Highway Private Limited, respectively, subject to relevant approvals from the government authorities and the lenders.

As regards acquisition of 20% share holding in Mumbai Nasik Expressway Limited (MNEL) an in principle understanding has been reached with Gammon Infrastructure Project Limited for sale of share holding although detailed agreement is pending to be executed.

#### (C) Others

- (i) In case of one of the subsidiaries, viz. Aurangabad Jalna Tollway Limited (AJTL), the Officer of Public Works Department, Govt of Maharashtra (PWD) passed the order on November 4, 2013 to stop Toll Collection on grounds that some part of ROB work was incomplete. AJTL had filed a writ petition in the Hon. High Court, Aurangabad Bench challenging the said order. The Hon. High Court passed an interim order on December 9, 2013 allowing restoration of Toll Collection from December 14, 2013 on the undertaking to complete balance works and road maintenance works under supervision of Maharashtra Engineering Research Institute (MERI), Nasik and PWD authorities and also directed to deposit the amount of toll collection into separate ESCROW account to be opened and operated jointly by Company and PWD officer to be operated upto March 31, 2014.

According to the Management of AJTL, the entire work is completed. However Public Works Department (PWD) did not agree to discontinue Escrow Account on the ground that some work of ROB & maintenance work was pending, and also did not permit to withdraw the amount lying in the Escrow A/c. Hence, AJTL filed Arbitration petition before district court at Aurangabad for directing PWD to permit the withdrawal of amount deposited in Escrow A/c and to allow to deposit the Toll Collection in regular Bank A/c. The district court vide its order dated October 04, 2014 permitted withdrawal of amount lying in Escrow A/c in stages and resumption of operating regular account by obtaining permission of Government of Maharashtra.

- (ii) During the year 2013-14, minority shareholders of Bijapur Hungud Tollway Private Limited ('BHTPL') (a subsidiary of the Company) has filed company petition under section 397 and 398 of the Companies Act, 1956 with the Company Law Board – Mumbai Bench against Sadbhav Engineering Ltd (SEL), a holding Company and its associates/affiliates wherein the company is also defendant. The minority shareholders has pleaded that BHTPL awarded EPC and other contracts to SEL / affiliates which are prejudicial to the interest of BHTPL and hence should be terminated. The Company Law Board (CLB) passed an order in favour of the minority shareholder although Company pleaded that matter should be referred for arbitration as per terms of shareholder agreement (SHA). Against the CLB order the Company filed Special Civil Application (SCA) with Hon'ble High Court of Gujarat that matter of minority shareholder should be dealt as per SHA. Hon'ble High Court accepted SCA of the Company and granted interim relief whereby further proceeding of CLB have been stayed. Hon'ble High Court then upheld the order of the Company Law Board, vacated the interim order and dismissed the SCA. The Company had filed an appeal under Letters Patent Act (LPA) before the Division Bench of Hon'ble Gujarat High Court ("the Bench"). The Bench ordered a stay

on the further proceedings of CLB. The Company, based on the representations made before the Hon'ble Gujarat High Court, has defended the matter stating that the dispute is there between the shareholders of BHTPL instead of relating to oppression and mismanagement in BHTPL. Further, it is represented that such dispute should be resolved through arbitration agreement. The LPA is pending for final hearing before division bench of Hon'ble Gujarat High Court. The management represents that no liability is likely to devolve in the matter on the Company.

- (iii) MBCPNL has accounted cost escalation claim of EPC contractor (including in respect of BCP site already operational) of ₹ 1,555.99 millions as certified by lender's engineer. The cost escalation as estimated is in line with cost inflation index principals (cost escalation formula) approved by Independent Consultant appointed by MSRDC. The revision of EPC agreement with the contractors in terms of cost escalation claim accounted in the books is in progress at the period end as well as the company need to take formal approval of cost escalation from MSRDC in terms of concession agreement. MBCPNL do not expect any adjustment in future against the cost escalation accounted in the books, pending formal approval from MSRDC.
- (iv) In terms of the Concession Agreement for setting up the project for Modernization and Computerisation of integrated Border Check Post ('Project') in the state of Maharashtra on Build, Operate and Transfer basis, MBCPNL has physical possession of 20 Border Check Post (BCP) sites as at 31st December, 2014 out of total 22 BCP sites as per Concession agreement. MBCPNL has been regularly representing in the Steering Committee of the project set up by Maharashtra State Road Development Corporation (MSRDC) under Concession agreement, about handover of the additional project BCP sites so as to meet Concessionaire obligations as regards implementation of project as per the Concession agreement. As at 31st December, 2014, MBCPNL has achieved provisional certificate of completion for 13 check posts. The collection of service fees have been started in 9 BCP as per directive of MSRDC.

As at 31st December, 2014, the project implementation is in progress and there are costs variance in development of each BCP site. MBCPNL has been accounting cost variations, if any based on the approval of independent engineers appointed by MSRDC. MBCPNL has been regularly representing to MSRDC for the time extension of completion of BCP construction in terms of Concession agreement and is confident that necessary approvals relating to time extension for completion of BCP construction will be received and that no additional financial obligations is envisaged to be levied on the company under the terms of concession agreement.

- (v) Till June 30, 2014, Maharashtra Border Check Post Network Limited ("MBCPNL") has not recorded the service tax liability on User Fee income collected at various checkpoints in terms of amendments as per Finance Act, 2012 as the Company has made the representations in the matter to various Excise and Customs authorities to seek clarifications/ applicability of the amendment so as to conclude its liability to pay service tax. The Company also didn't accounted CENVAT credit on input services and materials utilized towards construction of the check posts infrastructure in terms of the Concession agreement and input services availed during operations of the checkpoints.

The management has now decided to recognize service tax liability of ₹ 107.27 million (on the User fee Income earned since April 2013). Current period's service tax charge is adjusted against User Fee Income and earlier years charge is accounted as an expense in statement of profit and loss. The company also recorded CENVAT credit of ₹ 205.37 million (including ₹ 71.98 million on works contract towards services for construction of building and civil infrastructure) on project input services/materials, as applicable. CENVAT credit of ₹ 16.07 million on services availed during operations of the checkpoints since April 2013 was also accounted in books of account.

The CENVAT credit on project input material/ services is recorded by adjusting the cost of the intangible assets (including under constructions) and CENVAT credit on operational services is adjusted to the cost of the services. The Company has accounted the credit based on legal opinion obtained by the Company.

Of the above, the CENVAT credit of ₹ 71.98 million on works contract for construction of



building and civil infrastructure have been accounted as Deferred CENVAT credit account, pending assessment by the statutory authority. The service tax liability of ₹ 107.27 million on the user fee income have been discharged by adjusting the same against balance in CENVAT Credit Account. The Company is in process of filling the service tax return with statutory authorities to give effect of above.

The Company (Concessionaire) also propose to represents to the Government of Maharashtra (Licensor) as per the rights given in the Concession agreement for possible amendment in the Concession agreement, due to the change in service tax law under Finance Act 2012, whereby there is no financial loss to the Company

#### **Notes**

- 1 The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
- 2 The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.

**Sadbhav Infrastructure Project Limited**

**Annexure: XXXVI**

**Restated Consolidated Statement of Accounting Ratios**

**(₹ in Million)**

| Sr. No. | Particulars                                                                                                     | As at and for nine months period ended December 31, 2014 | As at and for the year ended |                |                |                |
|---------|-----------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|------------------------------|----------------|----------------|----------------|
|         |                                                                                                                 |                                                          | March 31, 2014               | March 31, 2013 | March 31, 2012 | March 31, 2011 |
|         |                                                                                                                 |                                                          |                              |                |                |                |
| (i)     | <b>Basic Earning / (Loss) Per Share (EPS)</b>                                                                   |                                                          |                              |                |                |                |
|         | Restated Net Profit/(Loss) after tax for the period / year available for equity shareholders (₹ in Million) (A) | (2,231.70)                                               | (1,559.37)                   | (456.66)       | 97.99          | 98.84          |
|         | Number of equity shares                                                                                         | 31,09,63,081                                             | 30,87,00,880                 | 30,87,00,880   | 30,68,65,964   | 30,68,65,964   |
|         | Weighted average number of equity shares outstanding during the period / year (B)                               | 30,92,84,939                                             | 30,87,00,880                 | 30,76,55,230   | 30,68,65,964   | 29,55,15,250   |
|         | <b>Basic Earning / (Loss) Per Share (in ₹) (A/B)</b>                                                            | <b>(7.22)</b>                                            | <b>(5.05)</b>                | <b>(1.48)</b>  | <b>0.32</b>    | <b>0.33</b>    |
|         |                                                                                                                 |                                                          |                              |                |                |                |
|         | <b>Diluted Earning / (Loss) Per Share (EPS) (Refer Note 9 below)</b>                                            |                                                          |                              |                |                |                |
|         | Restated Net Profit/(Loss) after tax for the period / year available for equity shareholders (₹ in Million) (A) | (2,231.70)                                               | (1,559.37)                   | (456.66)       | 97.99          | 98.84          |
|         | Add : Interest on Compulsory Convertible Debenture (Net of Tax)                                                 | 0.02                                                     | 0.05                         | 0.02           | -              | -              |
|         | Restated Net Profit/(Loss) after tax for calculation of Diluted EPS (₹ in Million) (A)                          | (2,231.68)                                               | (1,559.32)                   | (456.64)       | 97.99          | 98.84          |
|         | Number of equity shares                                                                                         | 31,09,63,081                                             | 30,87,00,880                 | 30,87,00,880   | 30,68,65,964   | 30,68,65,964   |
|         | Weighted average number of equity shares outstanding during the period / year (B)                               | 30,92,84,939                                             | 31,09,63,081                 | 30,99,17,430   | 30,91,28,164   | 29,66,46,350   |
|         | <b>Diluted Earning / (Loss) Per Share (in ₹) (A/B)</b>                                                          | <b>(7.22)</b>                                            | <b>(5.05)</b>                | <b>(1.48)</b>  | <b>0.32</b>    | <b>0.33</b>    |
|         |                                                                                                                 |                                                          |                              |                |                |                |
| (ii)    | <b>Return on Net Worth</b>                                                                                      |                                                          |                              |                |                |                |
|         | Restated Net Profit/(Loss) after tax for the period / year (₹ in                                                | (2,231.70)                                               | (1,559.37)                   | (456.66)       | 97.99          | 98.84          |

| Sr. No. | Particulars                                                                                                  | As at and for nine months period ended December 31, 2014 | As at and for the year ended |                |                |                |
|---------|--------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|------------------------------|----------------|----------------|----------------|
|         |                                                                                                              |                                                          | March 31, 2014               | March 31, 2013 | March 31, 2012 | March 31, 2011 |
|         | Million) (C)                                                                                                 |                                                          |                              |                |                |                |
|         | Net Worth excluding preference share capital at the end of the period / year, as restated (₹ in Million) (D) | 7,970.48                                                 | 8,210.77                     | 9,716.49       | 8,475.86       | 7,028.09       |
|         | Return on Net Worth (%) (C/D)                                                                                | -28.00%                                                  | -18.99%                      | -4.70%         | 1.16%          | 1.41%          |
| (iii)   | <b>Net Asset Value Per Equity Share</b>                                                                      |                                                          |                              |                |                |                |
|         | Net Worth excluding preference share capital at the end of the period / year, as restated (₹ in Million) (E) | 7,970.48                                                 | 8,210.77                     | 9,716.49       | 8,475.86       | 7,028.09       |
|         | Number of Equity share outstanding at the end of the year (F)                                                | 31,09,63,081                                             | 30,87,00,880                 | 30,87,00,880   | 30,68,65,964   | 30,68,65,964   |
|         | <b>Net Asset Value Per Equity Share (in ₹) (E/F)</b>                                                         | <b>25.63</b>                                             | <b>26.60</b>                 | <b>31.48</b>   | <b>27.62</b>   | <b>22.90</b>   |

#### Notes

- The ratios have been computed as below:

$$\text{Basic Earnings per share (₹)} = \frac{\text{Net profit attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year / period}}$$

- Return on net worth (%) 
$$= \frac{\text{Net profit attributable to equity shareholders}}{\text{Net worth excluding preference share capital at the end of the period / year}}$$
- Net asset value per equity share (₹) 
$$= \frac{\text{Net worth excluding preference share capital at the end of the period / year}}{\text{Number of equity shares outstanding at the end of the year / period}}$$

- Compulsory Convertible Cumulative Preference Shares ('CCCPs') were converted into equity shares in accordance with the terms of the agreement as per Board resolution dated October 22, 2014. Pursuant to the conversion, the Company has issued 2,262,200 equity share against 2,250,774 CCCPS.
- 0.01% 1,100,950 Compulsory Convertible Debentures of ₹ 750 Million issued to Sadbhav Engineering Limited (CCDs') have been converted into one equity share as per Board Resolution dated October 22, 2014.
- The Company issued 282,693,710 equity shares of ₹ 10/- each as fully paid bonus shares in the ratio of 10 : 1 by utilizing ₹ 2,826.94 Million from Securities Premium Account aggregating ₹ 2,826.94 Million as per the resolution of Extra Ordinary General Meeting dated October 29, 2014.

Also refer note 5 of Annexure VI and note 6 (C) of Annexure VIII.

- Net profit / (loss), as restated as appearing in the Consolidated Statement of Profit and Loss, as restated has been considered for the purpose of computing the above ratios. These ratios are computed on the basis of the restated consolidated financial statements of the Company.

- 8 Earnings per share calculations are done in accordance with Accounting Standard 20 “Earnings Per Share” issued by the Institute of Chartered Accountants of India.
- 9 Considering that the Company has incurred losses during the year ended March 31, 2014 and March 31, 2013, the conversion of potential equity shares would decrease the loss per share and hence it has been ignored for the purpose of calculation of diluted EPS.
- 10 Net worth for ratios mentioned represent equity share capital and reserves and surplus. Refer Annexure: VII for components of Reserves and Surplus.

**Sadbhav Infrastructure Project Limited**

**Annexure: XXXVII**

**Capitalisation Statement**

**(₹ in Million)**

| <b>Class of Shares</b>               |                  | <b>Pre-Issue<br/>as at December 31,<br/>2014</b> | <b>Post-Issue as at *</b> |
|--------------------------------------|------------------|--------------------------------------------------|---------------------------|
| <b>Borrowings:</b>                   |                  |                                                  |                           |
| Long term debt                       | <b>(A)</b>       | 54,166.37                                        |                           |
| Short term debt                      |                  | 5,320.30                                         |                           |
| <b>Total debt</b>                    |                  | <b>59,486.67</b>                                 |                           |
|                                      |                  |                                                  |                           |
| <b>Shareholders' funds:</b>          |                  |                                                  |                           |
| Share capital                        |                  | 3,109.63                                         |                           |
| Reserves and surplus                 |                  | 4,860.85                                         |                           |
| <b>Total shareholders' funds</b>     | <b>(B)</b>       | <b>7,970.48</b>                                  |                           |
|                                      |                  |                                                  |                           |
| <b>Long term Debt / Equity ratio</b> | <b>(A) / (B)</b> | <b>6.80:1</b>                                    |                           |

\* Share capital and Reserves & Surplus Post issue can be calculated only on the conclusion of Book Building Process.

**Notes**

- 1 The above has been computed on the basis of the restated consolidated summary statements of assets and liabilities of the Group as on 31st December, 2014.
- 2 Short term debt is considered as borrowing due within 12 months from the balance sheet date.
- 3 Long term debt is considered as borrowing other than short term debt, as defined above and also includes the current maturities of long term debt. Premium obligation to NHAI is not considered as long term debt.

## FINANCIAL INDEBTEDNESS

As of February 28, 2015, the total outstanding fund-based borrowings of our Company and our Subsidiaries taken from third party lenders including SEL aggregated to ₹ 60,333.02 million and non-fund based borrowings of our Company and our Subsidiaries aggregated to ₹ 1,547.50 million. For this purpose, the exchange rate for borrowings in USD has been considered at the exchange rate prevailing on February 28, 2015.

The details of the indebtedness of our Company and our Subsidiaries taken from third party lenders including SEL as of February 28, 2015 are provided below:

| Sr. No.                                      | Lender | Particulars of the documentation                                                                                      | Amount sanctioned  | Principal amount availed of and outstanding as on February 28, 2015 | Interest rate / commission rate                                                             | Security | Purpose                                                                                                                                                                                                         | Repayment schedule                                                                                                                                                                                |
|----------------------------------------------|--------|-----------------------------------------------------------------------------------------------------------------------|--------------------|---------------------------------------------------------------------|---------------------------------------------------------------------------------------------|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>FINANCIAL INDEBTEDNESS OF OUR COMPANY</b> |        |                                                                                                                       |                    |                                                                     |                                                                                             |          |                                                                                                                                                                                                                 |                                                                                                                                                                                                   |
| 1.                                           | ICICI  | Rupee Loan Agreement dated September 26, 2009 and Letter of Intent (“LoI”) dated March 2, 2012 (the “ICICI Facility”) | ₹ 1,800.00 million | ₹ 1,800.00 million                                                  | The aggregate of I – base rate and spread of 3.50% currently at 13.50% per annum per month. | Note 1   | (i)Subscription to optionally convertible redeemable preference shares and/or redeemable preference shares issued by certain of the project companies including ARRIL, AJTL, DPTL, MBCPNL, MNEL, NSEL and other | Repayment in four structured and unequal instalments, with the repayment date being the last day of the last month for each instalment as set out in the repayment schedule in the ICICI Facility |

| Sr. No. | Lender | Particulars of the documentation | Amount sanctioned | Principal amount availed of and outstanding as on February 28, 2015 | Interest rate / commission rate | Security | Purpose                                                                                                                                                                                                                                                                                                                                                                               | Repayment schedule                                                                                                      |
|---------|--------|----------------------------------|-------------------|---------------------------------------------------------------------|---------------------------------|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
|         |        |                                  |                   |                                                                     |                                 |          | infrastructure projects won by our Company and/or SEL and designated as project company by the agent of ICICI; (ii) infusing sub-debt in the project companies of our Company for part financing of the cost of projects undertaken by the project companies of our Company; and / or (iii) meeting other requirements of our Company such as operation and maintenance costs, margin | and the last date of repayment being the last day of 84 months from the date of first disbursement being March 6, 2012. |

| Sr. No. | Lender | Particulars of the documentation                                                                                                                                                                                 | Amount sanctioned                                                                                                      | Principal amount availed of and outstanding as on February 28, 2015 | Interest rate / commission rate                                 | Security | Purpose                                                                                                                                                    | Repayment schedule            |
|---------|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-----------------------------------------------------------------|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
|         |        |                                                                                                                                                                                                                  |                                                                                                                        |                                                                     |                                                                 |          | for purchasing of capital equipment, investment in setting up of operation and maintenance base, and cash deposits for projects and / or project companies |                               |
| 2.      | KMB    | Sanction letter no. CB/ 02012012/ 14703 dated January 3, 2012; Sanction letter no. CB/ 25022013/ 20491 dated February 26, 2013; and Sanction letter no. CB/19122013/25955 dated December 23, 2013 <sup>(1)</sup> | <b><u>Fund – Based</u></b>                                                                                             | Nil                                                                 | Facility 1: as agreed between our Company and KMB               | Note 2   | Facility 1: working capital                                                                                                                                | Repayable on demand           |
|         |        |                                                                                                                                                                                                                  | Facility 1: ₹ 50.00 million (Cash credit)                                                                              |                                                                     |                                                                 |          |                                                                                                                                                            |                               |
|         |        |                                                                                                                                                                                                                  | Facility 2: ₹ 100.00 million (letter of credit backed purchase bill discounting)                                       | Nil                                                                 | Facility 2: as agreed between our Company and KMB               |          | Facility 2: working capital                                                                                                                                | Usance in maximum of 180 days |
|         |        |                                                                                                                                                                                                                  | Facility 3: ₹ 100.00 million (working capital demand loan)<br><br><i>The combined exposure of Facility 1, Facility</i> | ₹ 100.00 Million                                                    | Facility 3: The applicable rate of interest is 11.65% per annum |          | Facility 3: cash flow mismatch                                                                                                                             | Tenor of maximum 90 days      |



| Sr. No. | Lender | Particulars of the documentation | Amount sanctioned                                                                                                                                                                                                                                                                         | Principal amount availed of and outstanding as on February 28, 2015 | Interest rate / commission rate                                       | Security | Purpose                                                                                      | Repayment schedule                                 |
|---------|--------|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-----------------------------------------------------------------------|----------|----------------------------------------------------------------------------------------------|----------------------------------------------------|
|         |        |                                  | 2 and Facility 3 shall not exceed ₹ 200.00 million at any point of time limits.                                                                                                                                                                                                           |                                                                     |                                                                       |          |                                                                                              |                                                    |
|         |        |                                  | <b><u>Non – Fund Based</u></b><br><br>Facility 4: ₹ 100.00 million (letters of credit – inland and foreign) - sub-limit of Facility 5                                                                                                                                                     | Nil                                                                 | Facility 4: as agreed between our Company and KMB                     |          | Facility 4: for purchase/ import of raw materials/ stores/ and spares consumables            | Usance in maximum of 180 days                      |
|         |        |                                  | Facility 5: ₹ 200.00 million (Bid bond bank guarantee)<br><br><i>The combined exposure of Facility 4 and Facility 5 shall not exceed ₹ 200.00 million at any point of time subject to specific individual limits. Total fund - based and non – fund based exposure shall be capped at</i> | Nil                                                                 | Facility 5: as agreed between our Company and KMB and payable upfront |          | Facility 5: Issuance of guarantees, favouring statutory authorities/ customers for bid bonds | Tenor of maximum six months including claim period |

| Sr. No. | Lender | Particulars of the documentation                                 | Amount sanctioned                                        | Principal amount availed of and outstanding as on February 28, 2015 | Interest rate / commission rate               | Security | Purpose                                                                                                                           | Repayment schedule                                                                                                                                            |
|---------|--------|------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------------|-----------------------------------------------|----------|-----------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
|         |        |                                                                  | ₹200.00 million<br>subject to specific individual limits |                                                                     |                                               |          |                                                                                                                                   |                                                                                                                                                               |
| 3.      | IL&FS  | Debenture Trust cum Mortgage Deed dated June 6, 2014 (the “DTD”) | Series 1<br>Debentures:<br>₹702.70 million               | ₹ 702.70 million                                                    | The applicable coupon rate is 5.87% per annum | Note 3   | To invest in project SPVs and carrying out various infrastructure projects of our Company within 180 days from the allotment date | Repayment / redemption of the Series 1 Debentures in five unequal instalments commencing from July 1, 2017, with the final repayment date being April 5, 2019 |
|         |        |                                                                  | Series 2<br>Debentures:<br>₹ 702.70 million              | ₹702.70 million                                                     |                                               |          |                                                                                                                                   | Repayment / redemption of the Series 2 Debentures in a single instalment on April 5, 2020                                                                     |

| Sr. No. | Lender | Particulars of the documentation                                                                                                                                                                                                                                                                                                                                                                                | Amount sanctioned                    | Principal amount availed of and outstanding as on February 28, 2015 | Interest rate / commission rate                                                                                                                                                                                                                                             | Security                                                                            | Purpose                                                                                                                                                                                                    | Repayment schedule                                                                                                                                                                                                                                                                                                            |
|---------|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4.      | SEL    | Memorandum of understanding dated December 1, 2011, as amended by the Memorandum of Understandings dated April 1, 2013 and December 20, 2014 and the Agreement dated October 22, 2014. Pursuant to the Agreement dated October 22, 2014, SEL has agreed to continue to provide ₹ 779.56 million as part of the Facility as unsecured and interest free facility for a period of 11 years from October 22, 2014. | ₹ 10,000.00 million (the "Facility") | ₹ 4,322.11 million                                                  | Annual interest rate of 11% on any unpaid balance. Pursuant to the Agreement dated October 22, 2014, SEL has agreed to continue to provide ₹ 779.56 million as part of the Facility as unsecured and interest free facility for a period of 11 years from October 22, 2014. | Memorandum of Understanding does not indicate the terms in relation to the security | Working capital requirements for project management business, and in particular, the operations and maintenance of the road projects and for the implementation of BOT road projects present across India. | Repayable by our Company on demand/call notice from SEL. SEL may issue a call notice to our Company giving not less than seven days notice for repaying either full or in part the loan amount outstanding on any given day. Pursuant to the agreement dated October 22, 2014, SEL has agreed to continue to provide ₹ 779.56 |

| Sr. No. | Lender                                  | Particulars of the documentation                   | Amount sanctioned | Principal amount availed of and outstanding as on February 28, 2015 | Interest rate / commission rate                                    | Security                                                                            | Purpose                                                                                                                             | Repayment schedule                                                                                                                                                                                                              |
|---------|-----------------------------------------|----------------------------------------------------|-------------------|---------------------------------------------------------------------|--------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|         |                                         |                                                    |                   |                                                                     |                                                                    |                                                                                     |                                                                                                                                     | million as part of the Facility as unsecured and interest free facility for a period of 11 years from October 22, 2014. Our Company is required to repay the loan within two days of the completion of such period of 11 years. |
| 5.      | D. Thakker Construction Private Limited | Memorandum of understanding dated December 1, 2011 | ₹ 110.00 million  | ₹ 110.00 million                                                    | Memorandum of Understanding does not indicate the interest payable | Memorandum of Understanding does not indicate the terms in relation to the security | Working capital requirements for project management business and in particular, the operations and maintenance of the road projects | Repayable on demand                                                                                                                                                                                                             |

| Sr. No. | Lender                                                                                                                                                                                                                                                                                          | Particulars of the documentation             | Amount sanctioned                       | Principal amount availed of and outstanding as on February 28, 2015 | Interest rate / commission rate                      | Security | Purpose                                                        | Repayment schedule                                           |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------|---------------------------------------------------------------------|------------------------------------------------------|----------|----------------------------------------------------------------|--------------------------------------------------------------|
|         |                                                                                                                                                                                                                                                                                                 |                                              |                                         |                                                                     |                                                      |          | present across India                                           |                                                              |
| 6.      | HDFC Corporate Debt Opportunities Fund, HDFC Short Term Plan and HDFC High Interest Fund Short Term Plan and the several persons who are for the time being and who may from time to time become the holders of the debentures and whose names are entered in the register of debenture-holders | Debenture Trust Deed dated January 1, 2015   | Series I Debentures: ₹ 480.00 million   | ₹ 480.00 million                                                    | Series I Debentures: Annual interest rate of 9.00%   | Note 4   | Refinancing of existing debt and for general corporate purpose | Maturity date for Series I Debentures on April 18, 2018      |
|         |                                                                                                                                                                                                                                                                                                 |                                              | Series II Debentures: ₹ 480.00million   | ₹ 480.00 million                                                    | Series II Debentures: Annual interest rate of 9.00%  |          |                                                                | Maturity date for Series II Debentures on April 18, 2019     |
|         |                                                                                                                                                                                                                                                                                                 |                                              | Series III Debentures: ₹ 640.00 million | ₹ 640.00 million                                                    | Series III Debentures: Annual interest rate of 9.00% |          |                                                                | Maturity date for Series III Debentures on November 18, 2019 |
| 7.      | ICICI Prudential Regular                                                                                                                                                                                                                                                                        | Debenture Trust Deed dated February 25, 2015 | Tranche debentures: I ₹                 | ₹ 800.00 million                                                    | Tranche I Debentures: Annual interest rate of        | Note 5   | i. Refinancing debt and                                        | Redemption date for Tranche I                                |

| Sr. No. | Lender                                                                                                                                                                                                            | Particulars of the documentation                                                                                                                                                | Amount sanctioned                        | Principal amount availed of and outstanding as on February 28, 2015 | Interest rate / commission rate                                                               | Security | Purpose                                                                                                                                                                          | Repayment schedule                                                                         |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
|         | Savings Plan, ICICI Prudential Fixed Maturity Plan Series 75-1246 Days Plan U, ICICI Prudential Asset management Company Limited Account, and ICICI Prudential Mutual Fund – ICICI Prudential Regular Saving Fund |                                                                                                                                                                                 | 800.00 million                           |                                                                     | 11.75% from the deemed date of allotment                                                      |          | long term working capital<br>ii. Sub-debt investment in subsidiaries or step-down subsidiaries of the company; and<br>iii. Acquisition of equity shares of HYTPL, ARRIL and DPTL | Debentures on April 26, 2018                                                               |
|         |                                                                                                                                                                                                                   |                                                                                                                                                                                 | Tranche II debentures: ₹ 500.00 million  | ₹ 500.00 million                                                    | Tranche II Debentures: Fixed Annual interest rate of 11.75% from the deemed date of allotment |          |                                                                                                                                                                                  | Redemption date for Tranche II debentures on April 13, 2020                                |
|         |                                                                                                                                                                                                                   |                                                                                                                                                                                 | Tranche III debentures: ₹ 700.00 million | ₹ 700.00 million                                                    | Tranche III Debentures: Annual interest rate of 11.75% from the deemed date of allotment      |          |                                                                                                                                                                                  | Redemption date for Tranche III debentures on April 13, 2020                               |
| RPTPL   |                                                                                                                                                                                                                   |                                                                                                                                                                                 |                                          |                                                                     |                                                                                               |          |                                                                                                                                                                                  |                                                                                            |
| 8.      | PNB, BOB, DB, IIFCL, AB, CB, IB, VB and ICICI                                                                                                                                                                     | Common Loan Agreement dated September 1, 2010 (the “RPTPL CLA”) as amended by Amendment No. 1 to the RPTPL CLA dated September 16, 2011, Amendment No. 2 to the RPTPL CLA dated | Aggregate: ₹ 9,707.20 million            | ₹ 7,682.27 million                                                  | -                                                                                             | Note 6   | Part finance for construction and design of the RPTL Project and repaying RPTPL ECB Facility                                                                                     | Repayment in 43 quarterly instalments on the last day of each quarter, commencing from the |
|         |                                                                                                                                                                                                                   |                                                                                                                                                                                 | PNB: ₹ 2,176.33 million                  | ₹ 2,176.30 million                                                  | The applicable rate of interest is 12.25% per annum per month. <sup>(2)</sup>                 |          |                                                                                                                                                                                  |                                                                                            |
|         |                                                                                                                                                                                                                   |                                                                                                                                                                                 | BOB: ₹ 1,028.82                          | ₹ 1,028.80 million                                                  | The applicable rate of interest is                                                            |          |                                                                                                                                                                                  |                                                                                            |

| Sr. No. | Lender | Particulars of the documentation                                                     | Amount sanctioned         | Principal amount availed of and outstanding as on February 28, 2015 | Interest rate / commission rate                                                                                                            | Security | Purpose          | Repayment schedule                                                                                                                                                              |
|---------|--------|--------------------------------------------------------------------------------------|---------------------------|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|----------|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|         |        | December 27, 2011 and certain deeds of accession (collectively the “RPTPL Facility”) | million                   |                                                                     | 12.25% per annum per month. <sup>(2)</sup>                                                                                                 |          | availed by RPTPL | first repayment date, such that the total door – to – door tenor (from the initial drawdown to the date of repayment of the last repayment instalment) does not exceed 16 years |
|         |        |                                                                                      | DB: ₹ 672.68 million      | ₹ 672.70 million                                                    | The applicable rate of interest is 12.25% per annum per month. <sup>(2)</sup>                                                              |          |                  |                                                                                                                                                                                 |
|         |        |                                                                                      | IIFCL: ₹ 1,113.65 million | ₹ 1,113.67 million                                                  | The applicable rate of interest is 12.25% per annum per month. <sup>(2)</sup>                                                              |          |                  |                                                                                                                                                                                 |
|         |        |                                                                                      | AB: ₹ 672.68 million      | ₹ 672.70 million                                                    | The applicable rate of interest is the aggregate of base rate and spread of 2.05%, amounting to 12.30% per annum per month. <sup>(1)</sup> |          |                  |                                                                                                                                                                                 |
|         |        |                                                                                      | CB: ₹ 672.68 million      | ₹ 672.70 million                                                    | The applicable rate of interest is 12.50% per annum per month. <sup>(2)</sup>                                                              |          |                  |                                                                                                                                                                                 |
|         |        |                                                                                      | IB: ₹ 672.68 million      | ₹ 672.70 million                                                    | The applicable rate of interest is 12.30% per annum per month. <sup>(2)</sup>                                                              |          |                  |                                                                                                                                                                                 |
|         |        |                                                                                      | VB: ₹ 672.68 million      | ₹ 672.70 million                                                    | The applicable rate of interest is 12.50% per annum                                                                                        |          |                  |                                                                                                                                                                                 |

| Sr. No. | Lender                                     | Particulars of the documentation                                                                                                                                                        | Amount sanctioned                                                                                                                                                        | Principal amount availed of and outstanding as on February 28, 2015 | Interest rate / commission rate                                                                                                                                                                                                             | Security | Purpose                                                                                                                      | Repayment schedule                                                                                                                                                           |
|---------|--------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|         |                                            |                                                                                                                                                                                         |                                                                                                                                                                          |                                                                     | per month. <sup>(2)</sup>                                                                                                                                                                                                                   |          |                                                                                                                              |                                                                                                                                                                              |
|         |                                            |                                                                                                                                                                                         | ICICI: ₹ 2,025.00 <sup>(2)</sup> million                                                                                                                                 | Nil                                                                 | ICICI base rate plus spread compounded with monthly rests, till ICICI resets the spread on the interest reset date in terms of the RPTPL Facility.<br><br>The rate of interest shall be applicable from the date of drawdown <sup>(2)</sup> |          |                                                                                                                              |                                                                                                                                                                              |
| 9.      | ICICI, Hong Kong Branch (the “ECB Lender”) | Term Loan Facility Agreement dated November 28, 2011 (the “RPTPL TLFA”) as amended by the First Amendment Agreement to the RPTPL TLFA dated December 2, 2011 (the “RPTPL ECB Facility”) | An amount not exceeding USD 45.00 million provided that the amount shall not exceed the USD equivalent of an aggregate amount equal to ₹ 2,025.00 million <sup>(3)</sup> | USD 37.83 million                                                   | The applicable rate of interest is the aggregate of 6 months USD LIBOR and 470 bps.                                                                                                                                                         | Note 7   | Part finance for designing, engineering, financing, constructing, developing and operating and maintaining the RPTPL Project | Repayment in unequal, semi – annual instalments and all repayments are to be in accordance with the repayment schedule which shall be consistent with the repayment schedule |



| Sr. No.     | Lender                                                                                         | Particulars of the documentation                                  | Amount sanctioned                                                                                                      | Principal amount availed of and outstanding as on February 28, 2015 | Interest rate / commission rate                                                                             | Security | Purpose                                                                                                                                            | Repayment schedule                                                                                                                                                           |
|-------------|------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|----------|----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|             |                                                                                                |                                                                   |                                                                                                                        |                                                                     |                                                                                                             |          |                                                                                                                                                    | under the amended RPTPL Facility and the last instalment shall be paid on the final maturity date, being seven years from the date of first utilising the RPTPL ECB Facility |
| <b>NSEL</b> |                                                                                                |                                                                   |                                                                                                                        |                                                                     |                                                                                                             |          |                                                                                                                                                    |                                                                                                                                                                              |
| 10.         | ICICI, Bahrain Branch and ICICI, Hong Kong Branch (collectively referred to as "ICICI Banks"). | Facility Agreement dated August 4, 2007 (the "NSEL ECB Facility") | Aggregate: USD 93.20 million<br>ICICI, Bahrain Branch: USD 83.20 million<br>ICICI, Hong Kong Branch: USD 10.00 million | USD 30.31 million                                                   | Applicable rate of interest is the aggregate of 6 months USD LIBOR and margin of 1.35% per annum per month. | Note 8   | Financing (in whole or in part) the costs and expenses in relation to the NSEL Project and any fees and other costs payable by NSEL under the NSEL | Repayment in 15 structured unequal half yearly instalments as per the repayment schedule provided under the NSEL ECB Facility                                                |

| Sr. No.       | Lender                                 | Particulars of the documentation                                           | Amount sanctioned                                                                                              | Principal amount availed of and outstanding as on February 28, 2015              | Interest rate / commission rate                                                                                                                                                                                                                                                                                  | Security | Purpose                                                                                                                                                                   | Repayment schedule                                                                                                                                                                |
|---------------|----------------------------------------|----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|               |                                        |                                                                            |                                                                                                                |                                                                                  |                                                                                                                                                                                                                                                                                                                  |          | ECB Facility                                                                                                                                                              | and the last instalment shall be paid on December 30, 2017                                                                                                                        |
| <b>MBCPNL</b> |                                        |                                                                            |                                                                                                                |                                                                                  |                                                                                                                                                                                                                                                                                                                  |          |                                                                                                                                                                           |                                                                                                                                                                                   |
| 11.           | BoI, ICICI, IB, IOB, OBC, PNB, UBI, VB | Common Rupee Loan Agreement dated February 3, 2010 (the "MBCPNL Facility") | Aggregate: ₹ 11,411.00 million<br>BoI: ₹ 1,800.00 million<br>ICICI: ₹ 1,000.00 million<br>IB: ₹ 960.00 million | ₹ 9,690.83 million<br>₹ 1,528.39 million<br>₹ 850.83 million<br>₹ 815.12 million | -<br>The applicable rate of interest is the aggregate of I- base rate and spread of 3.05%, amounting to 13.25% per annum per month.<br>The applicable rate of interest is the aggregate of I-base rate and spread of 2.00% per annum per month<br>The applicable rate of interest is 12.00% per annum per month. | Note 9   | Part finance for modernization and computerization, including design, engineering, construction, monitoring, maintenance and operation of the MBCPNL Project on BOT basis | Subject to acceleration and other terms of the MBCPNL Facility, repayment in 50 structured quarterly instalments as per the repayment schedule provided under the MBCPNL Facility |

| Sr. No.      | Lender                                  | Particulars of the documentation                         | Amount sanctioned          | Principal amount availed of and outstanding as on February 28, 2015 | Interest rate / commission rate                                                                                                | Security | Purpose | Repayment schedule  |
|--------------|-----------------------------------------|----------------------------------------------------------|----------------------------|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|----------|---------|---------------------|
|              |                                         |                                                          | IOB:<br>₹ 960.00 million   | ₹ 815.12 million                                                    | The applicable rate of interest is 13.25% per annum per month.                                                                 |          |         |                     |
|              |                                         |                                                          | OBC:<br>₹ 1,461.00 million | ₹ 1,240.35 million                                                  | The applicable rate of interest is the aggregate of I- base rate and spread of 3.25%, amounting to 13.25% per annum per month. |          |         |                     |
|              |                                         |                                                          | PNB:<br>₹ 2,470.00 million | ₹ 2,097.44 million                                                  | The applicable rate of interest is 13.25% per annum per month.                                                                 |          |         |                     |
|              |                                         |                                                          | UBI:<br>₹ 1,800.00 million | ₹ 1,528.48 million                                                  | The applicable rate of interest is 13.25% per annum per month.                                                                 |          |         |                     |
|              |                                         |                                                          | VB:<br>₹ 960.00 million    | ₹ 815.12 million                                                    | The applicable rate of interest is 13.25% per annum per month.                                                                 |          |         |                     |
| 12.          | D. Thakkar Construction Private Limited | Interest – free unsecured short term loan <sup>(4)</sup> | ₹ 103.00 million           | ₹ 103.00 million                                                    | -                                                                                                                              | -        | -       | Repayable on demand |
| <b>SUTPL</b> |                                         |                                                          |                            |                                                                     |                                                                                                                                |          |         |                     |

| Sr. No. | Lender                                                                          | Particulars of the documentation                                                                                                                                                                               | Amount sanctioned                                                                                                                                                                                                        | Principal amount availed of and outstanding as on February 28, 2015                                                                              | Interest rate / commission rate                                                                        | Security | Purpose                                                                                                                                                                                                                                                                                                                                                        | Repayment schedule                                                                                                                                                                                                                                                          |
|---------|---------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 13.     | ICICI, OBC, CBI, CB, VB, and IOB (collectively referred to as the "LC Lenders") | Common Facility Agreement (the "SUTPL CLA") dated September 28, 2012 as amended by the Amendment Agreement to the SUTPL CLA dated March 4, 2013 and certain novation deeds (collectively the "SUTPL Facility") | Aggregate: Rupee facility not exceeding an amount of ₹ 8,400.00 million (Including LC sub – limit / interchangeable limit of ₹ 5,000.00 million)                                                                         | <b><u>Fund Based</u></b><br><br>Ruppee loan of ₹ 4,721.50 million<br><br><b><u>Non – Fund Based</u></b><br><br>LC Facility of ₹ 1,307.50 million |                                                                                                        | Note 10  | Ruppee term loan assistance to part finance the SUTPL Project the "SUTPL Rupee Facility") and a non-fund based financial assistance by way of opening letters of credit (with ICICI as the issuing bank and ICICI, OBC, CBI, VB and IOB as participating LC Lenders) in favour of the contractors under the EPC contracts of SUTPL, including for mobilization | Repayment of Tranche – I rupee facility amount in 138 structured, monthly instalments as per the Tranche – I repayment schedule<br><br>Repayment of the Tranche – II rupee facility amount in 174 structured monthly instalments as per the Tranche – II Repayment Schedule |
|         |                                                                                 |                                                                                                                                                                                                                | ICICI: Rupee facility commitment of ₹ 950.00 million ("ICICI Tranche – I") and ₹ 750.00 million ("ICICI Tranche – II") with an LC sub – limit / interchangeable limit of ₹ 1,150.00 million as a participating LC Lender | <b><u>Fund Based</u></b><br><br>Ruppee loan of ₹ 899.90 million<br><br><b><u>Non – Fund Based</u></b><br><br>LC Facility of ₹ 319.90 Million     | The applicable rate of interest is 12.50% per annum per month.                                         |          |                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                             |
|         |                                                                                 |                                                                                                                                                                                                                | OBC: Rupee facility commitment of ₹ 1,000.00 million ("OBC Tranche – I") and ₹ 1,000.00 million ("OBC Tranche – II") with                                                                                                | <b><u>Fund Based</u></b><br><br>Ruppee loan of ₹ 1,058.00 million<br><br><b><u>Non – Fund Based</u></b>                                          | The applicable rate of interest is the aggregate of base rate and spread of 2.25% per annum per month. |          |                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                             |

| Sr. No. | Lender | Particulars of the documentation | Amount sanctioned                                                                                                                                                                                               | Principal amount availed of and outstanding as on February 28, 2015                                                                 | Interest rate / commission rate                                | Security | Purpose                                                                                                                    | Repayment schedule |
|---------|--------|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|----------|----------------------------------------------------------------------------------------------------------------------------|--------------------|
|         |        |                                  | an LC sub – limit / interchangeable limit of ₹ 1,600.00 million                                                                                                                                                 | LC Facility of ₹ 376.40 million                                                                                                     |                                                                |          | advance thereunder and for all kinds of expenses related to capital expenditures for the SUTPL Project (the “LC Facility”) |                    |
|         |        |                                  | CBI Rupee facility commitment of ₹ 750.00 million (“CBI – Tranche I”) and ₹ 750.00 million (“CBI – Tranche II”) with an LC sub-limit / interchangeable limit of ₹ 1,200.00 million as a participating LC lender | <b><u>Fund Based</u></b><br>Rupee loan of ₹ 771.40 million<br><br><b><u>Non – Fund Based</u></b><br>LC Facility of ₹ 305.80 million | The applicable rate of interest is 12.25% per annum per month. |          |                                                                                                                            |                    |
|         |        |                                  | CB: Rupee facility commitment of ₹ 1,000.00 million (“CB – Tranche I”) and ₹ 700.00 million (“CB – Tranche II”)                                                                                                 | <b><u>Fund Based</u></b><br>Rupee loan of ₹1,220.80 million<br><br><b><u>Non – Fund Based</u></b><br>₹ 319.90 million               | The applicable rate of interest is 12.25% per annum per month. |          |                                                                                                                            |                    |
|         |        |                                  | VB Rupee facility commitment of ₹ 250.00 million                                                                                                                                                                | <b><u>Fund Based</u></b><br>Rupee loan of ₹                                                                                         | The applicable rate of interest is 12.25% per annum            |          |                                                                                                                            |                    |

| Sr. No. | Lender                                     | Particulars of the documentation                                           | Amount sanctioned                                                                                                                                                                                             | Principal amount availed of and outstanding as on February 28, 2015                                                                         | Interest rate / commission rate                                | Security | Purpose                                                      | Repayment schedule                       |
|---------|--------------------------------------------|----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|----------|--------------------------------------------------------------|------------------------------------------|
|         |                                            |                                                                            | (“VB – Tranche I”) and ₹ 250.00 million (“VB – Tranche II”) with an LC sub-limit / interchangeable limit of ₹ 250.00 million as a participating LC lender                                                     | 257.20 million<br><br><b><u>Non – Fund Based</u></b><br><br>LC Facility of ₹ 101.80 million                                                 | per month.                                                     |          |                                                              |                                          |
|         |                                            |                                                                            | IOB Rupee facility commitment of ₹ 500.00 million (“IOB – Tranche I”) and ₹ 500.00 million (“IOB – Tranche II”) with an LC sub-limit / interchangeable limit of ₹ 800.00 million as a participating LC lender | <b><u>Fund Based</u></b><br><br>Rupee loan of ₹ 514.20 million<br><br><b><u>Non – Fund Based</u></b><br><br>LC Facility of ₹ 203.60 million | The applicable rate of interest is 12.25% per annum per month. |          |                                                              |                                          |
| ARRIL   |                                            |                                                                            |                                                                                                                                                                                                               |                                                                                                                                             |                                                                |          |                                                              |                                          |
| 14.     | HDFC, IIFCL, IOB, PNB, OBC, CBI, CB and SB | Common Rupee Loan Agreement dated December 28, 2006 (the “ARRIL Facility”) | Aggregate: ₹ 4,023.75 million                                                                                                                                                                                 | ₹ 3,579.38 million                                                                                                                          |                                                                | Note 11  | Part finance for improving and widening of ARRIL Project and | For the First Ranking Lenders, repayment |
|         |                                            |                                                                            | HDFC (as First Ranking Lender):                                                                                                                                                                               | ₹ 266.25 million                                                                                                                            | The applicable rate of interest is the aggregate of base       |          |                                                              |                                          |

| Sr. No. | Lender                                                                                                                | Particulars of the documentation | Amount sanctioned       | Principal amount availed of and outstanding as on February 28, 2015 | Interest rate / commission rate                                   | Security | Purpose                                    | Repayment schedule                                                                                                                                                                                                                                                 |
|---------|-----------------------------------------------------------------------------------------------------------------------|----------------------------------|-------------------------|---------------------------------------------------------------------|-------------------------------------------------------------------|----------|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|         | (collectively referred to as the “First Ranking Lenders”) and ICICI acting in its capacity as “Second Ranking Lender” |                                  | ₹ 273.75 million        |                                                                     | rate and spread of 1.05% amounting to 11.05% per annum per month. |          | its operation and maintenance on BOT basis | in 50 structured quarterly instalments , commencing on August 31, 2009, with the last of such instalments to be paid on November 30, 2021<br><br>For the Second Ranking Lender, repayment in 52 structured quarterly instalments , commencing from August 31, 2011 |
|         |                                                                                                                       |                                  | IIFCL: ₹ 500.00 million | ₹ 443.75 million                                                    | The applicable rate of interest is 11.75% per annum per month.    |          |                                            |                                                                                                                                                                                                                                                                    |
|         |                                                                                                                       |                                  | IOB: ₹ 500.00 million   | ₹443.75 million                                                     | The applicable rate of interest is 10.75% per annum per month.    |          |                                            |                                                                                                                                                                                                                                                                    |
|         |                                                                                                                       |                                  | PNB: ₹ 500.00 million   | ₹443.75 million                                                     | The applicable rate of interest is 10.75% per annum per month.    |          |                                            |                                                                                                                                                                                                                                                                    |
|         |                                                                                                                       |                                  | OBC: ₹ 750.00 million   | ₹665.63 million                                                     | The applicable rate of interest is 10.75% per annum per month.    |          |                                            |                                                                                                                                                                                                                                                                    |
|         |                                                                                                                       |                                  | CBI: ₹ 500.00 million   | ₹443.75 Million                                                     | The applicable rate of interest is 11.00% per annum per month.    |          |                                            |                                                                                                                                                                                                                                                                    |
|         |                                                                                                                       |                                  | CB: ₹ 300.00 million    | ₹266.25 Million                                                     | The applicable rate of interest is 10.75% per annum               |          |                                            |                                                                                                                                                                                                                                                                    |

| Sr. No.      | Lender                                                                         | Particulars of the documentation                                                                                 | Amount sanctioned                                                                                                                                            | Principal amount availed of and outstanding as on February 28, 2015 | Interest rate / commission rate                                                                                            | Security | Purpose                                                                                                                                                                                    | Repayment schedule                                                                                                                                                        |
|--------------|--------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|              |                                                                                |                                                                                                                  |                                                                                                                                                              |                                                                     | per month.                                                                                                                 |          |                                                                                                                                                                                            |                                                                                                                                                                           |
|              |                                                                                |                                                                                                                  | SB: ₹ 500.00 million                                                                                                                                         | ₹443.75 Million                                                     | The applicable rate of interest is 10.75% per annum per month.                                                             |          |                                                                                                                                                                                            |                                                                                                                                                                           |
|              |                                                                                |                                                                                                                  | ICICI as the Second Ranking Lender: ₹ 200.00 million                                                                                                         | ₹162.50 Million                                                     | The applicable rate of interest is the aggregate of I- base rate and spread of 2.75 per annum per month.                   |          |                                                                                                                                                                                            |                                                                                                                                                                           |
| <b>RHTPL</b> |                                                                                |                                                                                                                  |                                                                                                                                                              |                                                                     |                                                                                                                            |          |                                                                                                                                                                                            |                                                                                                                                                                           |
| 15.          | CB, CorpBank, BOI, OBC, UBI, SB (collectively referred to as the "LC Lenders") | Common Loan Agreement dated November 9, 2013; and certain deeds of novation (collectively, the "RHTPL Facility") | Aggregate of the RHTPL Facility shall not exceed ₹ 9,524.00 million along with ₹ 3,500.00 million as an LC sub – limit of the RHTPL Facility. <sup>(5)</sup> | ₹ 3,439.00 million                                                  | –                                                                                                                          | Note 12  | Part financing of the RHTPL Project on a DBFOT (Toll) basis. The LC Lenders may at the request of RHTPL, establish inland letters of credit (with CB as the issuing bank) in favour of the | Repayment in 174 monthly structured instalments .<br><br>Total door to door tenor (from the initial drawdown date to the final settlement date) shall not exceed 18 years |
|              |                                                                                |                                                                                                                  | CB: ₹ 2,524.00 million with an LC sub-limit of ₹ 1,562.50 million <sup>(5)</sup>                                                                             | ₹ 1,178.00 million                                                  | The applicable rate of interest is the aggregate of base rate and spread of 2.30% amounting to 12.50% per annum per month. |          |                                                                                                                                                                                            |                                                                                                                                                                           |



| Sr. No. | Lender | Particulars of the documentation | Amount sanctioned                                                                    | Principal amount availed of and outstanding as on February 28, 2015 | Interest rate / commission rate                                                                                                      | Security | Purpose                                                                                                                                             | Repayment schedule                                                                                                                                 |
|---------|--------|----------------------------------|--------------------------------------------------------------------------------------|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
|         |        |                                  | CorpBank: ₹ 1,000.00 million with an LC sub-limit of ₹ 500.00 million <sup>(5)</sup> | ₹ 323.30 million                                                    | The applicable rate of interest is 12.25% per annum per month.                                                                       |          | EPC contractor of RHTPL solely for the payments towards the EPC activities and other capital expenditure of the RHTPL Project. (the "LC Facility"). | (including a construction period of approximately 2 years, and 6 months moratorium period of 1 year and repayment period of 14 years and 6 months) |
|         |        |                                  | BOI: ₹ 2,000.00 million with an LC sub-limit of ₹ 700.00 million <sup>(5)</sup>      | ₹ 646.50 million                                                    | The applicable rate of interest is the aggregate of base rate and spread of 2.05% amounting to 12.25% per annum per month.           |          | The LC Facility is a one-time facility                                                                                                              |                                                                                                                                                    |
|         |        |                                  | OBC: ₹ 1,000.00 million with an LC sub-limit of ₹ 370.00 million <sup>(5)</sup>      | ₹ 323.30 million                                                    | The applicable rate of interest is the aggregate of the base rate of CB and spread of 2.05% amounting to 12.25% per annum per month. |          |                                                                                                                                                     |                                                                                                                                                    |
|         |        |                                  | UBI: ₹ 1,000.00 million with an LC sub-limit of ₹ 367.50 million <sup>(5)</sup>      | ₹ 323.30 million                                                    | The applicable rate of interest is the aggregate of base rate and spread of 2.05%, amounting to 12.25% per annum per month.          |          |                                                                                                                                                     |                                                                                                                                                    |
|         |        |                                  | SB: ₹ 2,000.00 million with no LC                                                    | ₹ 644.60 million                                                    | The applicable rate of interest is 12.25% per annum                                                                                  |          |                                                                                                                                                     |                                                                                                                                                    |

| Sr. No.      | Lender                                                              | Particulars of the documentation                                                                                                                                                                                                                                                                                       | Amount sanctioned               | Principal amount availed of and outstanding as on February 28, 2015 | Interest rate / commission rate                                                                                                   | Security | Purpose                                                                                                                                | Repayment schedule                                                                                                                                                                                                                                                                      |
|--------------|---------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|----------|----------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|              |                                                                     |                                                                                                                                                                                                                                                                                                                        | sub-limit <sup>(5)</sup>        |                                                                     | per month.                                                                                                                        |          |                                                                                                                                        |                                                                                                                                                                                                                                                                                         |
| <b>BHTPL</b> |                                                                     |                                                                                                                                                                                                                                                                                                                        |                                 |                                                                     |                                                                                                                                   |          |                                                                                                                                        |                                                                                                                                                                                                                                                                                         |
| 16.          | BOI, AnB, BOB, CorpBank, DB, IDBI, IOB, KB, OBC, PNB, FB, and ICICI | Common Loan Agreement dated June 30, 2010 (the “BHTPL CLA”) as amended by Amendment No. 1 to the BHTPL CLA dated August 31, 2010, Amendment No.2 to the BHTPL CLA dated December 29, 2010, Amendment No. 3 to the BHTPL CLA dated December 19, 2011 and certain deeds of accession (collectively the “BHTPL Facility”) | Aggregate of ₹ 8,465.00 million | ₹ 5,958.63 million                                                  | –                                                                                                                                 | Note 13  | Towards the construction and development of the BHTPL Project; part-financing the project cost and repayment of the BHTPL ECB Facility | Repayment in 37 equal quarterly instalments on the last day of each quarter, commencing from the expiry of the moratorium period. The total door – to – door tenor (from the initial drawdown to the date of repayment of the last repayment instalment) does not exceed 12 years and 6 |
|              |                                                                     |                                                                                                                                                                                                                                                                                                                        | BOI: ₹ 1038.89 million          | ₹ 996.04 million                                                    | The applicable rate of interest is the aggregate of base rate of BoI and spread of 2.25% amounting to 12.45% per annum per month. |          |                                                                                                                                        |                                                                                                                                                                                                                                                                                         |
|              |                                                                     |                                                                                                                                                                                                                                                                                                                        | AnB: ₹ 778.25 million           | ₹ 746.15 million                                                    | The applicable rate of interest is the aggregate of base rate and spread of 1.25% amounting to 11.50% per annum per month.        |          |                                                                                                                                        |                                                                                                                                                                                                                                                                                         |
|              |                                                                     |                                                                                                                                                                                                                                                                                                                        | BOB: ₹ 778.25 million           | ₹ 746.15 million                                                    | The applicable rate of interest is 12.00% per annum per month.                                                                    |          |                                                                                                                                        |                                                                                                                                                                                                                                                                                         |
|              |                                                                     |                                                                                                                                                                                                                                                                                                                        | CorpBank: ₹ 594.70 million      | ₹ 570.17 million                                                    | The applicable rate of interest is 12.00% per annum per month.                                                                    |          |                                                                                                                                        |                                                                                                                                                                                                                                                                                         |

| Sr. No. | Lender | Particulars of the documentation | Amount sanctioned      | Principal amount availed of and outstanding as on February 28, 2015 | Interest rate / commission rate                                                                                                           | Security | Purpose | Repayment schedule |
|---------|--------|----------------------------------|------------------------|---------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|----------|---------|--------------------|
|         |        |                                  | DB: ₹ 403.81 million   | ₹ 387.15 million                                                    | The applicable rate of interest is the aggregate of base rate of BoI and spread of 1.25% amounting to 11.45% per annum per month.         |          |         | months             |
|         |        |                                  | IDBI: ₹ 587.36 million | ₹ 563.13 million                                                    | The applicable rate of interest is 11.45% per annum per month.                                                                            |          |         |                    |
|         |        |                                  | IOB: ₹ 587.36 million  | ₹ 563.13 million                                                    | The applicable rate of interest is 11.45% per annum per month.                                                                            |          |         |                    |
|         |        |                                  | KB: ₹ 315.71 million   | ₹ 302.69 million                                                    | The applicable rate of interest is 11.45% per annum per month.                                                                            |          |         |                    |
|         |        |                                  | OBC: ₹ 315.71 million  | ₹ 302.69 million                                                    | The applicable rate of interest is the aggregate of lending bank's base rate and spread of 1.25% amounting to 11.75% per annum per month. |          |         |                    |

| Sr. No. | Lender                                     | Particulars of the documentation                                                                                       | Amount sanctioned                                                                                                                                                           | Principal amount availed of and outstanding as on February 28, 2015 | Interest rate / commission rate                                                                                                                                                                                               | Security | Purpose                                                           | Repayment schedule                                     |
|---------|--------------------------------------------|------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-------------------------------------------------------------------|--------------------------------------------------------|
|         |                                            |                                                                                                                        | PNB: ₹ 594.70 million                                                                                                                                                       | ₹ 570.17 million                                                    | The applicable rate of interest is the aggregate of base rate (10.20%) and spread of 1.25% amounting to 11.45% per annum per month.                                                                                           |          |                                                                   |                                                        |
|         |                                            |                                                                                                                        | FB: ₹ 220.26 million                                                                                                                                                        | ₹ 211.17 million                                                    | The applicable rate of interest is 11.45% per annum per month.                                                                                                                                                                |          |                                                                   |                                                        |
|         |                                            |                                                                                                                        | ICICI: ₹ 2,250.00 million (the “BHTPL ICICI Facility”) <sup>(3)</sup> with an ECB loan assistance not exceeding USD 50.00 million as a fully inter – changeable sub – limit | Nil                                                                 | ICICI base rate prevailing on the relevant day, as determined and notified by ICICI plus spread, compounded with monthly rests, till ICICI resets the spread on the interest reset date in terms of the BHTPL ICICI Facility. |          |                                                                   |                                                        |
| 17.     | ICICI, Singapore Branch (the “ECB Lender”) | Term Loan Facility Agreement dated November 28, 2011 (the “BHTPL TLFA”) as amended by the first Amendment Agreement to | An amount not exceeding USD 50.00 million provided that the amount shall not exceed the USD                                                                                 | USD 43.68 million                                                   | The applicable rate of interest is the aggregate of 6 months LIBOR and 470 bps.                                                                                                                                               | Note 14  | Part – financing the cost of the construction and design of BHTPL | Repayment in unequal, semi – annual instalments as per |

| Sr. No.      | Lender                               | Particulars of the documentation                                                                                                                                    | Amount sanctioned                                                                  | Principal amount availed of and outstanding as on February 28, 2015 | Interest rate / commission rate                          | Security | Purpose                                                                 | Repayment schedule                                                                                                                     |
|--------------|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|---------------------------------------------------------------------|----------------------------------------------------------|----------|-------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
|              |                                      | the BHTPL TLFA dated December 1, 2011 and Supplementary Agreement dated January 27, 2012 to the BHTPL TLFA executed in 2012 (collectively the “BHTPL ECB Facility”) | equivalent of an aggregate base currency amount equal to ₹ 2,250.00 <sup>(6)</sup> |                                                                     |                                                          |          | Project subject and in accordance with the ECB guidelines               | schedule of repayment provided by ECB Lender’s agent prior to first utilisation date                                                   |
| 18.          | MCL                                  | BHTPL CLA (subordinate debt)                                                                                                                                        | ₹ 252.08 million                                                                   | ₹ 252.08 million                                                    | -                                                        | -        | Part financing the cost of the construction and design of BHTPL Project | Principal amount of the subordinate debt shall not be due before the secured obligations under the BHTPL Facility have been discharged |
| <b>BRTPL</b> |                                      |                                                                                                                                                                     |                                                                                    |                                                                     |                                                          |          |                                                                         |                                                                                                                                        |
| 19.          | ICICI, VB, UBI, OBC, DB and CorpBank | Rupee Facility Agreement dated March 22, 2013 and certain deeds of novation (the “BRTPL Facility”)                                                                  | Aggregate: ₹ 2,764.00 million<br>ICICI: ₹ 514.00 million                           | ₹ 1,270.10 Million<br>₹ 236.20 million                              | -<br>Applicable rate of interest is 12.25% per annum per | Note 15  | Part financing with respect to the BRTPL Project                        | Repayment in 174 structured monthly instalments as per the                                                                             |

| Sr. No.      | Lender               | Particulars of the documentation  | Amount sanctioned             | Principal amount availed of and outstanding as on February 28, 2015 | Interest rate / commission rate                                                          | Security | Purpose             | Repayment schedule                                                                                                                               |
|--------------|----------------------|-----------------------------------|-------------------------------|---------------------------------------------------------------------|------------------------------------------------------------------------------------------|----------|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
|              |                      |                                   |                               |                                                                     | month.                                                                                   |          |                     | BRTPL Facility and the final maturity date is 18 years from the appointed date (as defined under the concession agreement for the BRTPL Project) |
|              |                      |                                   | VB: ₹ 500.00 million          | ₹ 229.70 million                                                    | The applicable rate of interest is 12.25% per annum per month.                           |          |                     |                                                                                                                                                  |
|              |                      |                                   | UBI: ₹ 500.00 million         | ₹ 229.80 million                                                    | The applicable rate of interest is 12.25% per annum per month.                           |          |                     |                                                                                                                                                  |
|              |                      |                                   | OBC: ₹ 500.00 million         | ₹ 229.80 million                                                    | The applicable rate of interest is the aggregate of ICICI base rate and spread of 2.25%. |          |                     |                                                                                                                                                  |
|              |                      |                                   | DB: ₹ 375.00 million          | ₹ 172.30 million                                                    | The applicable rate of interest is 12.25% per annum per month.                           |          |                     |                                                                                                                                                  |
|              |                      |                                   | CorpBank: ₹ 375.00 million    | ₹ 172.30 million                                                    | The applicable rate of interest is 12.25% per annum per month.                           |          |                     |                                                                                                                                                  |
| <b>HYTPL</b> |                      |                                   |                               |                                                                     |                                                                                          |          |                     |                                                                                                                                                  |
| 20.          | OBC, AnB, CB, IIFCL, | Common Loan Agreement dated April | Aggregate: ₹ 3,802.20 million | ₹ 2,381.13 million                                                  | -                                                                                        | Note 16  | Part – financing of | Repayment in 47 equal                                                                                                                            |

| Sr. No. | Lender                        | Particulars of the documentation                                                                                                                                                                                                                                                                               | Amount sanctioned       | Principal amount availed of and outstanding as on February 28, 2015 | Interest rate / commission rate                                                                                                   | Security | Purpose                                                                                                                           | Repayment schedule                                                                                                                                                                                                                                                                                                   |
|---------|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|----------|-----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|         | IOB, IDBI, BOI, UBI and ICICI | 10, 2010 (the “HYTPL CLA”) as amended by Amendment No. 1 to the HYTPL CLA dated May 25, 2010, Amendment No. 2 to the HYTPL CLA dated August 7, 2010, Amendment No. 3 to the HYTPL CLA dated December 23, 2010 and Amendment No. 4 to the HYTPL CLA dated December 27, 2011 (collectively the “HYTPL Facility”) | OBC: ₹ 961.20 million   | ₹ 932.99 million                                                    | The applicable rate of interest is the aggregate of base rate and spread of 1.25% amounting to 11.50% per annum per month.        |          | the construction and development of the HYTPL Project as required by the concession agreement and repayment of HYTPL ECB Facility | quarterly instalments on the last day of each quarter, commencing from the expiry of the moratorium period as specified in the amortization schedule of the HYTPL Facility such that the total door – to – door tenor (from the initial drawdown to the date of repayment of the last repayment instalment) does not |
|         |                               |                                                                                                                                                                                                                                                                                                                | AnB: ₹ 189.77 million   | ₹ 184.32 million                                                    | The applicable rate of interest is the aggregate of base rate and spread of 1.25% amounting to 11.50% per annum per month.        |          |                                                                                                                                   |                                                                                                                                                                                                                                                                                                                      |
|         |                               |                                                                                                                                                                                                                                                                                                                | CB: ₹ 271.07 million    | ₹ 263.27 million                                                    | The applicable rate of interest is the aggregate of base rate of OBC and spread of 1.25% amounting to 11.50% per annum per month. |          |                                                                                                                                   |                                                                                                                                                                                                                                                                                                                      |
|         |                               |                                                                                                                                                                                                                                                                                                                | IIFCL: ₹ 271.07 million | ₹ 263.27 million                                                    | The applicable rate of interest is 11.50% per annum per month.                                                                    |          |                                                                                                                                   |                                                                                                                                                                                                                                                                                                                      |
|         |                               |                                                                                                                                                                                                                                                                                                                | IOB: ₹ 162.59 million   | ₹ 157.91 million                                                    | The applicable rate of interest is 11.50% per annum                                                                               |          |                                                                                                                                   |                                                                                                                                                                                                                                                                                                                      |

| Sr. No. | Lender | Particulars of the documentation | Amount sanctioned         | Principal amount availed of and outstanding as on February 28, 2015 | Interest rate / commission rate                                                                                                                                                                                    | Security | Purpose | Repayment schedule           |
|---------|--------|----------------------------------|---------------------------|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|---------|------------------------------|
|         |        |                                  |                           |                                                                     | per month.                                                                                                                                                                                                         |          |         | exceed 14 years and 6 months |
|         |        |                                  | IDBI: ₹ 189.77 million    | ₹ 184.32 million                                                    | The applicable rate of interest is 11.50% per annum per month.                                                                                                                                                     |          |         |                              |
|         |        |                                  | BOI: ₹ 189.77 million     | ₹ 184.32 million                                                    | The applicable rate of interest is the aggregate of the base rate and spread of 1.30% amounting to 11.50% per annum per month.                                                                                     |          |         |                              |
|         |        |                                  | UBI: ₹ 216.96 million     | ₹ 210.72 million                                                    | The applicable rate of interest is 11.50% per annum per month.                                                                                                                                                     |          |         |                              |
|         |        |                                  | ICICI: ₹ 1,350.00 million | Nil                                                                 | An aggregate of I-Base prevailing on the relevant day, plus 2.35% p.a. compounded with monthly rests. The interest rate of ICICI shall be applicable for the Facility from the date of drawdown under the Facility |          |         |                              |



| Sr. No. | Lender                  | Particulars of the documentation                                                                                                                                                                     | Amount sanctioned                                                                                                                                                        | Principal amount availed of and outstanding as on February 28, 2015 | Interest rate / commission rate                                                     | Security | Purpose                                                       | Repayment schedule                                                                                                                                                                                                                                                                                                                |
|---------|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------------------------------------------------------|----------|---------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 21.     | ICICI, Singapore Branch | Term Loan Facility Agreement dated November 28, 2011 (the "HYTPL TLFA") as amended by the first Amendment Agreement to the HYTPL TLFA dated December 1, 2011 (collectively the "HYTPL ECB Facility") | An amount not exceeding USD 30.00 million provided that the amount shall not exceed the USD equivalent of an aggregate amount equal to ₹ 1,350.00 million <sup>(7)</sup> | USD 25.27 million                                                   | The applicable rate of interest is the aggregate of 6 months USD LIBOR and 470 bps. | Note 17  | Part finance for construction and design of the HYTPL Project | Repayment in full, unequal, semi – annual instalments where the first repayment instalment is paid on the first repayment date, each subsequent instalment is paid on each subsequent repayment date. The final repayment instalment shall be paid on the final maturity date as specified in the HYTPL ECB Facility respectively |

| Sr. No.     | Lender                                                                | Particulars of the documentation                                                                                                                                                                                                                                     | Amount sanctioned             | Principal amount availed of and outstanding as on February 28, 2015 | Interest rate / commission rate                                                                | Security | Purpose                                                                  | Repayment schedule                                                                                                                                                          |
|-------------|-----------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|---------------------------------------------------------------------|------------------------------------------------------------------------------------------------|----------|--------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|             |                                                                       |                                                                                                                                                                                                                                                                      |                               |                                                                     |                                                                                                |          |                                                                          | y. The repayment shall be in line with the repayment schedule under the HYTPL Facility as defined above                                                                     |
| <b>AJTL</b> |                                                                       |                                                                                                                                                                                                                                                                      |                               |                                                                     |                                                                                                |          |                                                                          |                                                                                                                                                                             |
| 22.         | IDBI, IIFCL, OBC and HDFC (collectively referred to as the "Lenders") | Common Rupee Loan Agreement dated December 14, 2007 (the "AJTL CLA") as amended by the first Amendment Agreement to the AJTL CLA dated September 13, 2010 and the Second Amendment Agreement to the AJTL CLA dated April 23, 2013 (collectively the "AJTL Facility") | Aggregate: ₹ 1,940.00 million | ₹ 1,686.69 million                                                  | -                                                                                              | Note 18  | Funding the construction, operation and maintenance of the AJTL Project. | Subject to acceleration, repayment in 48 quarterly instalments commencing from the first repayment date as indicated in the AJTL Facility and the last repayment date being |
|             |                                                                       |                                                                                                                                                                                                                                                                      | IDBI: ₹ 540.00 million        | ₹ 469.80 million                                                    | The applicable rate of interest is 11.50% per annum per month.                                 |          |                                                                          |                                                                                                                                                                             |
|             |                                                                       |                                                                                                                                                                                                                                                                      | IIFCL: ₹ 500.00 million       | ₹ 435.00 million                                                    | The applicable rate of interest is 11.50% per annum per month.                                 |          |                                                                          |                                                                                                                                                                             |
|             |                                                                       |                                                                                                                                                                                                                                                                      | OBC: ₹ 450.00 million         | ₹ 391.50 million                                                    | The applicable rate of interest is the aggregate of base rate and spread of 1.25% amounting to |          |                                                                          |                                                                                                                                                                             |

| Sr. No. | Lender | Particulars of the documentation | Amount sanctioned      | Principal amount availed of and outstanding as on February 28, 2015 | Interest rate / commission rate                                                                            | Security | Purpose | Repayment schedule |
|---------|--------|----------------------------------|------------------------|---------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|----------|---------|--------------------|
|         |        |                                  |                        |                                                                     | 11.50% per annum per month.                                                                                |          |         | July 1, 2023       |
|         |        |                                  | HDFC: ₹ 450.00 million | ₹ 390.39 million                                                    | The applicable rate of interest is the aggregate of the base rate and spread of 1.20% per annum per month. |          |         |                    |

- (1) The amount availed under the facilities provided under sanction letter no. CB/19122013/25955 dated December 23, 2013 have been renewed/reduced through sanction letter no. CB/17032015/37160 dated March 17, 2015 as follows: cash credit facility- ₹ 50 million; LC backed purchase bill discounting facility- ₹ 50 million; Working capital demand loan- ₹ 100 million; Letter of Credit (inland and foreign)- ₹ 50 million; bid bond bank guarantee- ₹ 200 million.
- (2) For lenders other than ICICI, in case the base rate for any lender (other than PNB) is higher than the interest rate determined applicable as per the Rupee Facility, the applicable interest rate shall be the base rate of such lender until such base rate is less than the interest rate determined as per the Rupee Facility.
- (3) The amount availed under the Rupee Facility dated September 1, 2010 shall stand reduced to the extent of ₹ 2,025.00 million, such that the total amount availed under the Rupee Facility and the ECB Facility aggregates to ₹ 9,707.20 million.
- (4) No formal documentation has been executed for this loan.
- (5) The RHTPL Facility has been reduced from ₹ 9,524.00 million to ₹ 9,500.00 million through Amendment No.1 to Common Loan Agreement dated March 26, 2015. Further, the sub-limit of LC facility has been reduced to ₹ 2,857.50 million and the debt to equity ratio has been revised to 74:26. The amount of commitment of each lender under the RHTPL Facility has been amended as follows: BOI- ₹ 2,000.00 million (LC facility- ₹ 700.00 million); CB- ₹ 2,500.00 million (LC facility- ₹ 920.00 million); CorpB- ₹ 1,000.00 million (LC facility- ₹ 500.00 million); OBC- ₹ 1,000.00 million (LC facility- ₹ 370.00 million); SynB- ₹ 2,000.00 million and UBI- ₹ 1,000.00 million (LC facility- ₹ 367.50 million).
- (6) The amount availed under the Facility dated June 30, 2010 shall stand reduced to the extent of ₹ 2,250.00 million, such that the total amount availed under the Facility and the ECB facility aggregates to ₹ 8,465.00 million.
- (7) The amount availed under the Facility dated April 10, 2010 shall stand reduced to the extent of ₹ 1,350.00 million, such that the total amount availed under the Facility and the ECB facility aggregates to ₹ 3,802.20 million

As of March 31, 2015, the total outstanding fund-based borrowings of our Company and our Subsidiaries taken from third party lenders including SEL aggregated to ₹ 56,446.03 million and non-fund based borrowings of our Company and our Subsidiaries aggregated to ₹ 1,422.05 million. For this purpose, the exchange rate for borrowings in USD has been considered at the exchange rate prevailing on March 31, 2015.

In addition to the borrowings indicated above, our Company and our Subsidiaries have also availed certain loans from each other in the ordinary course of business. The amounts outstanding under such loans, as of February 28, 2015, are set out below:

(in ₹ million)

| Sr. No. | Name of the Borrowing Entity | Unsecured Subordinate Debt from the Company | Unsecured Short Term Debt |
|---------|------------------------------|---------------------------------------------|---------------------------|
| 1.      | Company                      | -                                           | 13.38                     |
| 2.      | NSEL <sup>(1)</sup>          | 118.29                                      | 537.85                    |
| 3.      | MBCPNL <sup>(2)</sup>        | 3,666.13                                    | 772.70                    |
| 4.      | RPTPL <sup>(3)</sup>         | 2,209.06                                    | 555.30                    |
| 5.      | AJTL <sup>(4)</sup>          | 282.00                                      | 602.65                    |
| 6.      | BRTPL <sup>(5)</sup>         | 1,159.60                                    | 3.50                      |
| 7.      | HYTPL <sup>(6)</sup>         | 1,297.69                                    | 91.65                     |
| 8.      | RHTPL <sup>(7)</sup>         | 969.12                                      | -                         |
| 9.      | BHTPL <sup>(8)</sup>         | 843.92                                      | -                         |
| 10.     | SUTPL <sup>(9)</sup>         | 1,515.57                                    | -                         |

<sup>(1)</sup> In terms of Sponsor Support Agreement dated November 22, 2007 between SEL, our Company, NSEL, SREI Infrastructure Finance Limited, ITSL and ICICI, Singapore (vide letter dated December 28, 2013 from ICICI, the lender under the Facility Agreement dated August 4, 2007 was changed from ICICI Singapore to ICICI Bahrain) has provided subordinate debt on, inter alia, that prior to initial utilisation of the facility granted under the Facility Agreement, SREI Infrastructure Finance Limited, SEL and our Company shall contribute to NSEL by way of subscription of shares or advancement of subordinate debt an aggregate amount of ₹ 498.83 million; prior to the utilisation of any facility provided under the Facility Agreement, SREI Infrastructure Finance Limited, SEL and our Company shall ensure that the debt equity ratio does not exceed 4:1; SREI Infrastructure Finance Limited, SEL and our Company shall until COD make contributions to the NSEL by way of subscription to shares or subordinate debt to meet any cost overrun or to meet any shortfall in the amounts payable as per terms of the Concession Agreement dated May 30, 2007; the subordinate debt shall not be secured by any mortgage, pledge, charge or lien or other security; no interest or any other commission or fees or any other payments in lie thereof shall be charged on the amount provided as subordinate debt; the subordinate debt shall be subordinate to all amounts payable to Secured Parties as defined in the Sponsor Support Agreement; prior to the date on which all the secured obligations under the financial documents entered into in relation to the loan have been discharged, SREI Infrastructure Finance Limited, SEL and our Company shall not ask, demand, sue or prove for, take or receive, directly or indirectly, payment of any subordinate debt.

<sup>(2)</sup> In terms of the Sponsor Support and Equity Contribution Agreement dated February 3, 2010 between SEL, our Company, MBCPNL, ITSL and ICICI subordinate debt has been provided on terms and conditions including, inter alia, that SEL and our Company prior to initial drawdown date (as defined in the Sponsor Support and Equity Contribution Agreement) shall contribute an aggregate amount of ₹ 855.8 million to MBCPNL by way of subscription of shares, subscription to equity like instruments or subordinate debt. Prior to following the drawdown under the facility, SEL and our Company are required to ensure that debt to equity does not exceed 80:20 and SEL and our Company shall bring in equity upon issue of notice by lenders or MBCPNL for the purposes of maintaining this ratio. SEL and our Company are also required to contribute equity in MBCPNL until COD upon receipt of notice of cost overrun. SEL and our Company shall comply with their obligation until the final settlement date.

<sup>(3)</sup> In terms of Common Loan Agreement dated September 1, 2010, as amended, between RPTPL, ITSL, PNB, BOB, DB, IIFCL, AB, CB, IB, VB and ICICI, and the Undertaking by SEL and our Company dated September 1, 2010 subordinate debt has been provided on terms and conditions including, inter alia, that SEL and our Company shall contribute to RPTPL by way of equity shares or subordinate loans an aggregate amount of ₹ 2,426.80 million to meet the cost associated with the completion of the construction of the Project Highway (as defined in the Common Loan Agreement) so that the debt equity ratio of RPTPL does not exceed 4:1; in case of any cost overrun or if there is any shortfall in the resources of the RPTPL for completion of construction of the project at any stage, SEL and our Company shall provide such additional funds either by way of subscription to equity shares or as subordinate debt; the subordinate debt shall not be secured by any mortgage, charge or lien or other security interest on assets of RPTPL; No interest may be claimed by SEL and our Company on the subordinate debt however, RPTPL may pay interest on the subordinate debt subject to the provisions of Article 6.2.3 of the Common Loan Agreement; the principal amount of the subordinate debt shall not be due and payable by RPTPL until the date on which all

the secured obligations under the financial documents entered into in relation to the loan have been discharged to the satisfaction of Secured Parties as defined under the Common Loan Agreement; SEL and our Company shall not demand the repayment/ redemption, withdrawal of the subordinate debt, or commence any proceedings or take action to recover or receive any of the subordinate debt against RPTPL until the date on which all the secured obligations under the financial documents entered into in relation to the loan have been discharged to the satisfaction of Secured Parties as defined under the Common Loan Agreement.

<sup>(4)</sup> In terms of Common Rupee Loan Agreement dated December 14, 2007 between AJTL, ITSL, IDBI, IIFCL, HDFC and OBC, and Sponsor Support Agreement dated December 14, 2007 between SEL, our Company, AJTL, PBA, ITSL and IDBI subordinate debt has been provided on, inter alia, that SEL and our Company shall contribute to AJTL by way of equity (including interest free subordinate debt) an aggregate amount of ₹ 830.00 million; SEL and our Company shall bring in additional funds by way of subordinate debts to maintain minimum debt service coverage ratio for a period of four years from the COD; additional funds shall be provided by SEL and our Company to meet any shortfall in the funds required due to cost overrun or due to changes in the scope of the Project (as defined in the Common Rupee Loan Agreement) or to meet any shortfall in the termination payments in respect of debt due under the Common Rupee Loan Agreement or to meet any shortfall due to expected risks and force majeure events (as specified in the Common Rupee Loan Agreement); no interest shall be charged on the amount provided as subordinate debt; the subordinate debt shall be repaid only if the repayment of the rupee loan taken under the agreement has commenced, no event of default has occurred, all reserves are adequately funded and DSCR is greater than 1.15 for the last 12 months.

<sup>(5)</sup> In terms of Sponsor Support Agreement dated March 22, 2013 between SEL, our Company, BRTPL, ITSL and ICICI subordinate debt has been provided on the terms including inter alia that SEL and our Company shall contribute to BRTPL by way of fully paid up equity shares, preference shares, interest free share application money brought in by SEL and our Company or subordinate debt an aggregate amount of ₹ 1,333.00 million; no interest shall be charged on the amount provided as subordinate debt; SEL and our Company shall ensure that the debt to equity ratio does not exceed 49:51 on the day following the making of drawdown; SEL and our Company shall provide funds to meet any shortfall arising on account of cost overrun and to meet any shortfall in payment of outstanding amounts to the Lenders (as defined in the Common Loan Agreement dated March 22, 2013); any financial support provided by SEL and our Company shall remain at all times subordinate to the outstanding due amount in relation to the obligation of BRTPL to the Lenders (as defined in the Common Loan Agreement dated March 22, 2013) and shall not be due and payable until all rights and claims of the Secured Parties (as defined in the Common Loan Agreement dated March 22, 2013) have been discharged in full and the final settlement date has occurred.

<sup>(6)</sup> In terms of Common Loan Agreement April 10, 2010, as amended, between HYTPL, ITSL, OBC, AnB, CB, IIFCL, IOB, IDBI, BOI, UBI and ICICI, and Promoter Undertaking dated December 27, 2011 by SEL, our Company and GKC, subordinate debt has been provided on, inter alia, that SEL and our Company shall contribute to HYTPL by way of equity share capital or subordinate loan an aggregate amount of ₹1,000.00 million towards Project Equity Capital (as defined under the agreement) to enable the Borrower to meet all costs associated with the completion of the construction of the Project Highway (as defined under the agreement) so that the debt to equity ratio of HYTPL does not exceed 3.802:1; no interest shall be claimed on the subordinate debt except as provided under the Common Loan Agreement; the repayment or redemption of the subordinate debt shall be only after the date on which all secured obligations of HYTPL have been discharged to the satisfaction of the Secured Parties (as defined under the agreement); in the event GKC does not make equity contribution in its shareholding proportion, SEL and our Company shall in addition to their obligations in respect of the equity contribution, make such equity contributions towards the Project Equity Capital to the extent GKC fails to perform its obligations to the satisfaction of the Lenders; The subordinate debt shall not be secured by any mortgage, charge or lien or other security interest in or over the assets of HYTPL. The subordinate debt shall be provided by SEL and our Company promptly upon knowledge of cost overrun or any other shortfall in the resources of HYTPL in completion the Project Highway (as defined in the Common Loan Agreement).

<sup>(7)</sup> In terms of Sponsor Support Agreement dated November 9, 2013 between SEL, our Company, RHTPL and CB, as amended on March 26, 2015, subordinate debt has been provided on the terms including inter alia that SEL and our Company shall contribute to RHTPL by way of equity share capital or subordinate debt an aggregate amount of ₹ 0.5 million on the initial drawdown date and ₹ 550.40 million prior to second and immediately succeeding drawdown to the Initial Drawdown Date (as defined in the Common Loan Agreement dated November 9, 2013 as amended); SEL and our Company shall ensure that the debt to equity ratio does not exceed 74:26; SEL and our Company to provide subordinate debt to enable RHTPL to maintain an amount equivalent to the aggregate of the amount of interest payable by RHTPL to the lenders for a period of two succeeding quarters from the COD; subordinate debt shall be unsecured; no interest shall be charged on the amount provided as subordinate debt, subordinate debt shall be subordinate to the loan provided vide Common Loan Agreement dated November 9, 2013, as amended; principal amount of the subordinate debt shall not be due and payable by RHTPL until the date on which all the secured obligations under the financial documents entered into in relation to the loan have been discharged.

<sup>(8)</sup> In terms of Common Loan Agreement dated June 30, 2010, as amended, between BHTPL, ITSL, BoI, AnB, BOB, CorpBank, DB, IDBI, IOB, KB, OBC, PNB, FB, and ICICI and Promoter Undertaking dated December 19, 2011, subordinate debt has been provided on, inter alia, that SEL, MCL and our Company shall contribute to BHTPL by way of equity capital or subordinate debt an aggregate amount of ₹ 1,370.00 million to enable BHTPL to meet all costs associated with completion of the construction of Project Highway (as defined in the Common Loan Agreement) so that the debt to equity ratio of BHTPL does not exceed 2.06:1; SEL, MCL and our Company shall provide additional funds to meet any shortfall in the resources of BHTPL or to meet any cost overrun; the repayment of the subordinate debt shall be only after the final settlement date; no winding up or other proceedings shall lie against BHTPL for the recovery of the subordinate debt until the final settlement date; no interest shall be charged on the amount provided as subordinate debt.

<sup>(9)</sup> In terms of Sponsor Support Agreement dated October 11, 2012, as amended on March 4, 2013, between SEL, our Company, SUTPL, ITSL and ICICI subordinate debt has been provided on the terms including inter alia that SEL and our Company shall contribute to SUTPL by way of fully paid up equity shares, preference shares, interest free share application money brought in by SEL and our Company or subordinate debt, an aggregate amount of ₹ 3,114.60 million; SEL and our Company shall provide funds to SUTPL for meeting any shortfall in cash flows for meeting the Estimated Project Cost (as defined in the Common Loan Agreement dated September 28, 2012, as amended) including any shortfall arising on account of cost overrun; no interest shall be charged on the amount provided as subordinate debt; SEL and our Company shall not in the event of liquidation of the SUTPL, prove in competition with the Secured Parties as defined in the Common Loan Agreement dated September 28, 2012, as amended, until the final settlement date; SEL and our Company shall not exercise any right under law, to claim any sum outstanding from SUTPL until the final settlement date; any financial support provided by SEL and our Company shall remain at all times subordinate to the outstanding due amount in relation to the obligation of SUTPL to the Lenders (as defined in the Common Loan Agreement dated September 28, 2012, as amended) and shall not be due and payable until all rights and claims of the Secured Parties (as defined in the Common Loan Agreement dated September 28, 2012, as amended) have been

*discharged in full and the final settlement date has occurred.*

**Notes:**

**Note 1**

- A first *pari passu* charge on all of our Company's immovable and movable assets (including all intangible assets), both present and future.
- A first charge on the designated account of our Company; and
- A corporate guarantee from SEL. The corporate guarantee shall fall off only after our Company's credit rating remains AA- for two consecutive years.

**Note 2**

- For Facility 1, for hypothecation/ mortgage/ personal guarantee/ corporate guarantee, it shall be consistent with other working capital consortium lenders.
- The security pertaining to Facilities 3, 4 and 5 shall be a corporate guarantee of SEL until the entry of KMB into the consortium.

**Note 3**

- Unconditional and irrevocable corporate guarantee from SEL.
- Unconditional and irrevocable personal guarantee from Vishnubhai M. Patel.
- First ranking exclusive hypothecation over the designated account (as described under the DTD) (and the monies lying to the credit thereof from time to time) created by our Company in terms of the memorandum of hypothecation.
- Second ranking *pari passu* mortgage over the immovable property as described in DTD.
- Second ranking *pari passu* hypothecation over all movable, tangible and intangible assets, receivables, cash and liquid investments of our Company to be created by our Company in terms of the memorandum of hypothecation.
- Second ranking *pari passu* hypothecation over all bank accounts of our Company (except the designated account) into which revenues, liquid investments (equity and debt) and insurance proceeds are to be deposited (including accounts titled "escrow accounts") (and monies lying to the credit thereof from time to time) created by our Company in terms of the memorandum of hypothecation.
- Second ranking *pari passu* hypothecation over all rights of our Company under all contracts and arrangements entered into by our Company and/ or documents executed and insurances obtained by our Company.
- Such other security as may be stipulated by IL&FS and accepted by our Company.
- Upon full repayment of the existing ICICI Facility, the second ranking *pari passu* hypothecations pertaining to the bank accounts of our Company and contracts and arrangements entered into by our Company, as well freehold land, moveable properties shall be converted into a first ranking *pari passu* charge without further act or deed or documents.

**Note 4**

- Unconditional irrevocable guarantee from SEL.
- Pledge of equity shares held by SFPL aggregating upto 6% of the paid up equity share capital of SEL.
- Pledge of equity shares held by Company aggregating upto 56% of the paid up equity share capital of ARRIL as interim security, which shall be released once the shares of DPTL are transferred in the

name of our Company. Thereafter, equity shares held by Company aggregating upto 67% of the paid up equity share capital of DPTL shall be pledged as security to the lenders.

- First and exclusive charge on the mortgaged property as described in the Debenture Trust Deed dated January 1, 2015.
- The rights or interest pertaining to the aforementioned securities shall inter-se rank *pari passu* between each series of the debentures without any preference or priority to any series of the debentures. Further, the rights or interest pertaining to such securities shall inter-se rank *pari passu* between the debentures constituting each series of the debentures without any preference or priority to any of the debentures of such series of debentures.

#### **Note 5**

- First ranking charge created by way of pledge of equity shares held by the Company in RPTPL amounting to 48.99% of the issued and paid up equity share capital of RPTPL.
- Corporate guarantee by SEL.
- First and exclusive mortgage over the mortgaged property as described in the Debenture Trust Deed dated February 25, 2015.

#### **Note 6**

- A first mortgage and charge on all of immovable properties of RPTPL, both present and future, excluding certain RPTPL Project assets.
- A first charge on all tangible moveable assets of RPTPL, including moveable plant and machinery, machinery spares, tools and accessories, furnitures, fixtures, vehicles and all other moveable assets, both present and future, excluding certain RPTPL Project assets.
- A first charge over all accounts of RPTPL, including the escrow account and the sub – account (or any account in substitution thereof) that may be opened in accordance with the RPTPL Facility and the supplementary escrow agreement or any other RPTPL Project document and all funds from time to time deposited therein, the receivables and all permitted investments and or other securities of RPTPL, subject to certain conditions.
- A first charge on all intangible assets of RPTPL including but not limited to goodwill, rights, undertakings and uncalled capital, excluding certain RPTPL Project assets.
- A first charge on assignment by way of security in, subject to certain conditions:
  - (i) all the right, title, interest, benefits, claims and demands whatsoever of RPTPL in the RPTPL Project documents;
  - (ii) the right, title and interest of RPTPL in and under all clearances;
  - (iii) all the right, title, interest, benefit, claims and demands of RPTPL in any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bonds provided by any party to the RPTPL Project documents; and
  - (iv) all the right, title, interest, benefits and claims and demands of RPTPL under all insurance contracts.
- A pledge of equity shares held by our Company, SEL and/ or their associates aggregating to 51% of the paid – up and voting equity share capital of RPTPL for a period up to the COD, subject to there being no occurrence or continuation of any event of default or potential event of default at that time, shares representing 25% of the paid up and voting equity share capital of RPTPL shall be released out of pledge and pledge over 26% of paid up and voting equity share capital of RPTPL shall continue, subject to certain conditions.
- The aforementioned security except the pledge, shall rank *pari passu* inter – se amongst the Lenders

and the working capital lenders (as defined under the RPTPL CLA), in accordance with the concession agreement, without any preference or priority to one above the other. The pledge shall rank *pari passu* inter – se only amongst the Lenders.

#### Note 7

- A first mortgage and security interest on all of immovable properties of RPTPL, both present and future, excluding RPTPL Project assets.
- A first charge and security interest on all of tangible moveable assets of RPTPL, including movable plant and machinery, machinery spares, tools and accessories, furnitures, fixtures, vehicles and all other movable assets, both present and future, excluding RPTPL Project assets.
- A first charge and security interest on receivables and all permitted investments or other securities of RPTPL in relation to the project.
- A first charge and security interest over all accounts of RPTPL, including the escrow account and the sub – account (or any account in substitution thereof) that may be opened in accordance with the RPTPL ECB Facility and the supplementary escrow agreement or any other project document and all funds from time to time deposited therein.
- A first charge and security interest on all intangibles of RPTPL including but not limited to goodwill, rights, undertakings and uncalled capital, excluding RPTPL Project assets.
- A first charge and security interest on assignment by way of security in:
  - (i) all the right, title, interest, benefits, claims and demands whatsoever of RPTPL in the RPTPL Project documents;
  - (ii) the right, title and interest of RPTPL in and under all clearances;
  - (iii) all the right, title, interest, benefit, claims and demands of RPTPL in any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bonds provided by any party to the RPTPL Project documents; and
  - (iv) all the rights, title, interest, benefits and claims and demands whatsoever of RPTPL under all insurance contracts.
- A pledge of equity shares held by our Company, SEL and our associates aggregating to 51% of the paid – up and voting equity share capital of RPTPL for a period up to the COD, subject to there being no occurrence or continuation of any event of default or potential event of default at that time, shares representing 25% of the paid up and voting equity share capital of RPTPL shall be released out of pledge and pledge over 26% of the paid up and voting equity share capital of RPTPL shall continue, subject to the terms of the concession agreement for RPTPL.
- The aforementioned security except the pledge, shall rank *pari passu* inter – se amongst the ECB Lenders and the working capital lenders (as defined under the RPTPL ECB Facility), in accordance with the concession agreement, without any preference or priority to one above the other. The pledge shall rank *pari passu* inter – se only amongst the ECB Lenders.

#### Note 8

- A first ranking charge on all immovable and movable property, both present and future of NSEL.
- A first ranking by way of an assignment by way of security over all of rights, title and interest of NSEL in and to each transaction document as defined in the NSEL ECB Facility.
- A first ranking share pledge, at all times, over not less than 30% of the combined shareholding of SEL, SREI and our Company (only on the condition that SEL, after obtaining all necessary approvals from NHAI and ICICI Banks chooses to invest in NSEL through our Company) in NSEL.
- The aforementioned security shall rank *pari passu* inter – se amongst the ICICI Banks.



#### Note 9

- A first ranking charge and mortgage over all of immovable and movable properties of MBCPNL, both present and future (other than the site and MBCPNL Project facility).
- A first ranking charge and mortgage over all tangible and intangible assets of MBCPNL including but not limited to its goodwill, undertaking and uncalled capital, both present and future.
- A first ranking charge and mortgage over all fees, revenues and receivables of MBCPNL, both present and future.
- A first ranking charge and mortgage over all of MBCPNL's:
  - (i) rights, title and interest under all agreements entered into by it, including each of the MBCPNL Project documents duly acknowledged and consented to where required, by relevant counter – parties to such project documents;
  - (ii) rights under each letter of credit/ guarantee or performance bond that may be provided by any party to the MBCPNL Project documents for the benefit of MBCPNL; and
  - (iii) rights under all authorizations, clearances, permissions, approvals and consents including but not limited to the clearances (to the extent assignable under the applicable law).
- A first ranking charge and mortgage over all of MBCPNL's accounts (including but not limited to accounts and permitted investments) and each of the other accounts required to be created by MBCPNL under any transaction agreements, including, without limitation, the trust and retention account agreement, including in each case, all monies lying credited/ deposited into such accounts.
- A first ranking charge and mortgage over all insurance contracts entered into by MBCPNL including but not limited to the insurance contracts, all rights and receivables thereunder.
- Subject to applicable law, a pledge, at all times, over not less than 30% of equity shares of MBCPNL held by the combined shareholding of SEL, our Company and any other person permitted to become a sponsor under the sponsor support and equity contribution agreement.
- The aforementioned security shall rank *pari passu* inter – se amongst the Lenders without any preference or priority to one above the other.

#### Note 10

- A first ranking mortgage and charge on all of immovable properties of SUTPL, both present and future, excluding SUTPL Project assets.
- A first charge on all of tangible movable assets of SUTPL, including movable plant and machinery, machinery spares, tools and accessories, furnitures, fixtures, vehicles and all other movable assets, both present and future, excluding SUTPL Project assets.
- A first charge over all accounts of SUTPL, including the escrow account and the sub – account (or any account in substitution thereof) that may be opened in accordance with the SUTPL Facility and the supplementary escrow agreement or any other SUTPL Project document and all funds from time to time deposited therein, receivables, permitted investments or other securities, subject to certain conditions.
- A first charge on all intangible assets of SUTPL including but not limited to goodwill, rights, undertakings and uncalled capital, both present and future, excluding SUTPL Project assets.
- An assignment by way of security in
  - (i) all the right, title, interest, benefits, claims and demands whatsoever of SUTPL in the SUTPL Project documents;
  - (ii) the right, title and interest of SUTPL in and under all clearances;

- (iii) all the right, title, interest, benefit, claims and demands of SUTPL in any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bonds provided by any party to the SUTPL Project documents; and
- (iv) all the right, title, interest, benefits and claims and demands of SUTPL under all insurance contracts.
- A first ranking pledge over the pledged shares being up to 51% of the issued, paid-up and voting equity share capital of SUTPL, collectively held by SEL and our Company till the final settlement date the enforcement of which shall be subject to the terms of the concession agreement for SUTPL and prior approval of the NHAI as provided therein.
- The aforementioned security shall rank *pari passu* inter – se amongst the secured parties (as defined under the SUTPL CLA), in accordance with the concession agreement, without any preference or priority to one above the other.

#### **Note 11**

With respect to the First Ranking Lenders:

- A first ranking *pari passu* mortgage/ charge over all of immovable and movable assets of ARRIL (including but not limited to all current/ non – current assets, goodwill, uncalled capital but excluding ARRIL Project assets ) both present and future.
- A first ranking *pari passu* charge over all fees, revenues and receivables (including the book debts, commissions, operating cash flows) of ARRIL from the ARRIL Project or otherwise.
- A first ranking *pari passu* charge over and assignment of;
  - (i) all the rights, title and interests of ARRIL in respect of all the ARRIL Project documents;
  - (ii) a first ranking *pari passu* charge over/ assignment of all guarantees/ performance guarantees or bonds, letters of credit that may be provided by any party to ARRIL Project document in favour of ARRIL and clearances to the extent permitted;
  - (iii) all the right, title interest, approvals, permits, clearances and interests; and
  - (iv) right, title, interest, benefit and claims of ARRIL in, to or under ARRIL Project documents and clearances;
- Assignment of all of rights, title, interest, benefit and claim of ARRIL under the insurance contracts, insurance policies and insurance proceeds.
- A first ranking *pari passu* charge over all bank accounts of ARRIL including without limitation, the escrow account (or any account in substitution thereof) and the debt service reserve account in all funds from time to time deposited therein and in all permitted investments or other securities representing all amounts credited to the escrow account and the debt service reserve account and any other bank accounts of ARRIL established pursuant to the ARRIL Project documents or otherwise.
- A pledge of 30% of the equity share capital held our Company in the share capital of ARRIL.
- A non – disposal undertaking from SEL and PIPL, undertaking not to dispose off 70% of the equity share capital (in addition to the shares pledged) held by SEL and PIPL in ARRIL during the construction period and thereafter 45% of the equity share capital (in addition to the shares pledged under the share pledge agreement) of ARRIL till 80% of the ARRIL Facility is paid off and thereafter 21% of the equity share capital (in addition to the shares pledged) of ARRIL until the final settlement date.

#### **Note 12**

- A first mortgage and charge on all of RHTPL's immovable properties, both present and future, excluding RHTPL Project assets.

- A first charge on all of RHTPL's tangible moveable assets, including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other moveable assets, both present and future, excluding RHTPL Project assets.
- A first charge on RHTPL's receivables and all authorized investments or other securities of RHTPL.
- A first charge over all accounts of RHTPL, including the escrow account and the sub – account (or any account in substitution thereof) that may be opened in accordance with the RHTPL Facility and the supplementary escrow agreement or any other RHTPL Project document and all funds from time to time deposited therein, receivables and all authorized investments or other securities.
  - A first charge on all intangible assets of RHTPL including but not limited to goodwill, rights, undertakings and uncalled capital, present and future, excluding RHTPL Project assets, subject to certain conditions.
  - An assignment by way of security in:
    - (i) all the rights, title, interest, benefits, claims and demands whatsoever of RHTPL in the RHTPL Project documents;
    - (ii) the right, title and interest of RHTPL in, to and under all government approvals;
    - (iii) all the right, title, interest, benefit, claims and demands whatsoever of RHTPL in any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bonds provided by any party to the RHTPL Project documents; and
    - (iv) all the rights, title, interest, benefits and claims and demands whatsoever of RHTPL under all insurance contracts, subject to certain conditions.
- A pledge of equity shares aggregating to 51% of the paid – up and voting equity share capital of RHTPL for a period up to the final settlement date, the enforcement of which shall be subject to the concession agreement for RHTPL and the prior approval of NHAI as provided therein.
- The aforementioned security shall rank *pari passu* inter – se amongst the LC Lenders, in accordance with the concession agreement, without any preference or priority to one above the other.

#### **Note 13**

- A first mortgage and charge on all of BHTPL's immovable properties, both present and future, excluding BHTPL Project assets.
- A first charge on BHTPL's tangible moveable assets including moveable plant and machinery, spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future, excluding BHTPL Project assets.
- A first charge over all accounts of BHTPL, including the escrow account and the sub – account (or any account in substitution thereof) that may be opened in accordance with the BHTPL Facility and the supplementary escrow agreement or any other BHTPL Project document and all funds from time to time deposited therein, the receivables and all permitted investments or other securities representing all amounts credited thereto, subject to certain conditions.
- A first charge on all intangibles of BHTPL including but not limited to goodwill, rights, undertakings and uncalled capital, present and future, excluding BHTPL Project assets.
- A first charge on assignment by way of security in:
  - (i) all the rights, title, interest, benefits, claims and demands whatsoever of BHTPL in the BHTPL Project documents;
  - (ii) the right, title and interest of BHTPL in, to and under all clearances;
  - (iii) all the right, title, interest, benefit, claims and demands of BHTPL in any letter of credit,

guarantee including contractor guarantees and liquidated damages and performance bonds provided by any party to the BHTPL Project documents; and

(iv) all the rights, title, interest, benefits and claims and demands of BHTPL under all insurance contracts.

- A pledge of equity shares held collectively by SEL, our Company and MCL and their associates aggregating to 51% of the paid – up and voting equity share capital of BHTPL for a period up to the COD, and immediately thereafter, subject to there being no occurrence or continuation of any event of default or potential event of default at that time, the security trustee shall release out of pledge shares representing 25% of the paid – up and voting equity share capital of BHTPL so as to continue a pledge over shares representing 26% of the paid – up and voting equity share capital of BHTPL, the enforcement of which shall be subject to the concession agreement and the prior approval of the NHAI, as provided therein.
- The aforementioned security except the pledge, shall rank *pari passu* inter – se amongst the Lenders and the working capital lenders (as defined under the BHTPL CLA), in accordance with the concession agreement, without any preference or priority to one above the other. The pledge shall rank *pari passu* inter – se only amongst the Lenders.

#### Note 14

- A first mortgage and security interest entered on all of BHTPL's immovable properties, both present and future, excluding BHTPL Project assets.
- A first charge and security interest entered on BHTPL's tangible moveable assets including moveable plant and machinery, spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future, excluding BHTPL Project assets.
- A first charge and security interest entered over all accounts of BHTPL, including the escrow account and the sub – account (or any account in substitution thereof) that may be opened in accordance with the BHTPL ECB Facility and the supplementary escrow agreement or any other BHTPL Project document, the receivables and all permitted investments or other securities, subject to certain conditions.
- A first charge and security interest entered on all intangibles of BHTPL including but not limited to goodwill, rights, undertakings and uncalled capital.
- A first charge and security interest entered on assignment by way of security in:
  - (i) all the rights, title, interest, benefits, claims and demands whatsoever of BHTPL in the BHTPL Project documents;
  - (ii) the right, title and interest of BHTPL in, to and under all clearances;
  - (iii) all the right, title, interest, benefit, claims and demands of BHTPL in any letter of credit, guarantee including contractor guarantees and liquidated damages whatsoever and performance bonds provided by any party to the BHTPL Project documents; and
  - (iv) all the rights, title, interest, benefits and claims and demands whatsoever of BHTPL under all insurance contracts.
- A pledge of equity shares held collectively by SEL, our Company and MCL and their associates aggregating to 51% of the paid – up and voting equity share capital of BHTPL for a period up to the COD, and immediately thereafter, subject to there being no occurrence or continuation of any event of default or potential event of default at that time, the security trustee shall release out of pledge shares representing 25% of the paid – up and voting equity share capital of BHTPL so as to continue a pledge over shares representing 26% of the paid – up and voting equity share capital of BHTPL, the enforcement of which shall be subject to the concession agreement and the prior approval of the NHAI, as provided therein.
- The aforementioned security except the pledge, shall rank *pari passu* inter – se amongst the ECB

Lenders and the working capital lenders (as defined under the BHTPL ECB Facility), in accordance with the concession agreement, without any preference or priority to one above the other. The pledge shall rank *pari passu* inter – se only amongst the ECB Lenders.

**Note 15**

- A first ranking mortgage and charge on all of immovable properties of BRTPL, both present and future, excluding the BRTPL Project assets.
- A first charge on all of tangible movable assets of BRTPL, including movable plant and machinery, machinery spares, tools and accessories, furnitures, fixtures, vehicles and all other movable assets, both present and future, excluding BRTPL Project assets.
- A first charge over all accounts of BRTPL, including, without limitation, the escrow account and the sub – account (or any account in substitution thereof) that may be opened in accordance with the BRTPL Facility and the supplementary escrow agreement or any other BRTPL Project documents and all funds from time to time deposited therein, the receivables and all permitted investments or other securities, subject to certain conditions.
- A first charge on all intangibles of BRTPL including but not limited to goodwill, rights, undertakings and uncalled capital, both present and future, excluding BRTPL Project assets.
- An assignment by way of security in
  - (i) all the rights, title, interest, benefits, claims and demands whatsoever of BRTPL in the BRTPL Project documents;
  - (ii) the right, title and interest of BRTPL in and under all the clearances;
  - (iii) all the right, title, interest, benefit, claims and demands of BRTPL in any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bonds provided by any party to the BRTPL Project documents; and
  - (iv) all the rights, title, interest, benefits and claims and demands of BRTPL under all insurance contracts, subject to certain conditions.
- A first ranking pledge over the pledged shares collectively held by SEL and our Company in the capital of BRTPL in compliance with requirements of sections 19(2) and 19(3) of the Banking Regulation Act, 1949, till the final settlement date provided, the enforcement of which shall be subject to the concession agreement for BRTPL and the prior approval of the NHAI provided therein.
- The aforementioned security shall rank *pari passu* inter – se amongst the Lenders, in accordance with the concession agreement, without any preference or priority to one above the other.

**Note 16**

- A first mortgage and charge on all of HYTPL's immovable properties, both present and future, excluding HYTPL Project assets.
- A first charge on all of HYTPL's tangible movable assets, including movable plant and machinery, machinery spares, tools and accessories, furnitures, fixtures, vehicles and all other movable assets, both present and future, excluding HYTPL Project assets.
- A first charge on HYTPL's receivables.
- A first charge over all accounts of HYTPL, including the escrow account and the sub – account (or any account in substitution thereof) that may be opened in accordance with the HYTPL Facility and the supplementary escrow agreement or any other HYTPL Project document and all funds from time to time deposited therein including those arising all permitted investments or other securities representing all amounts credited.
- A first charge on all uncalled capital of HYTPL.

- A first charge on assignment by way of security in:
  - (i) all the right, title, interest, benefits, claims and demands whatsoever of HYTPL in the HYTPL Project documents;
  - (ii) the right, title and interest of HYTPL in and under all clearances; and
  - (iii) all the right, title, interest, benefit, claims and demands of HYTPL in any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bonds provided by any party to the HYTPL Project documents.
- A equity share pledge of 51% of the paid up and voting share capital of HYTPL held by SEL, our Company and GKC and their associates, the enforcement of which, if resulting in a change in ownership under the concession agreement for HYTPL, shall be subject to the prior approval of the NHAI.
- The aforementioned security shall rank *pari passu* inter – se amongst the Lenders, in accordance with the concession agreement, without any preference or priority to one above the other.

#### Note 17

- A first mortgage and security interest on all immovable properties of HYTPL, both present and future excluding HYTPL Project assets.
- A first charge and security interest on all the tangible movable assets of HYTPL, including movable plant and machinery, machinery spares, tools and accessories, furnitures, fixtures, vehicles and all other movable assets, both present and future, excluding HYTPL Project assets.
- A first charge over all accounts of HYTPL, including the escrow account and the sub – account (or any account in substitution thereof) that may be opened in accordance with HYTPL ECB Facility and the supplementary escrow agreement or any other project document and all funds from time to time deposited therein including those arising out of realisation of receivables, and all permitted investments or other securities representing all amounts credited.
- A first charge and security interest on uncalled capital of HYTPL, subject to certain conditions under the concession agreement of HYTPL.
- A first charge/ security interest on assignment by way of security in:
  - (i) all the right, title, interest, benefits, claims and demands whatsoever of HYTPL in the HYTPL Project documents;
  - (ii) the right, title and interest of HYTPL in and under all clearances;
  - (iii) all the right, title, interest, benefit, claims and demands of HYTPL in any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bonds provided by any party to the HYTPL Project documents.
- A equity share pledge of 51% of the paid up and voting share capital of HYTPL held by SEL, our Company and GKC and their associates up to the final settlement date, the enforcement of which shall be subject to the concession agreement for HYTPL and the prior approval of NHAI, thereby being in compliance with requirements of section 19(2) of the Banking Regulation Act, 1949.
- The aforementioned security shall rank *pari passu* inter – se amongst the ECB Lenders, in accordance with the concession agreement, without any preference or priority to one above the other.

#### Note 18

- A first ranking *pari passu* charge on all of immovable and movable assets of AJTL, including but not limited to all receivables, both present and future, excluding AJTL Project assets.
- A first ranking *pari passu* charge over all book debts, operating cash flows, toll revenues of whatsoever

nature and wherever arising, receivables from the project or otherwise, commissions, present and future, intangibles, goodwill and uncalled capital of AJTL, present and future.

- A pledge of equity shares aggregating to 51% of AJTL held by our Company till the payment of 75% of loan to each Lender and thereafter, pledge 26% of the equity share capital held by our Company, SEL and PBA in AJTL.
- A first ranking *pari passu* charge by way of assignment or creation of charge in favour of the Lenders over:
  - (i) all the right, title, interest, benefits, claims and demands whatsoever of AJTL in respect of all AJTL Project documents duly acknowledged and consented by the relevant counter - parties to such AJTL Project documents, all as amended varied or supplemented from time to time;
  - (ii) all the right, title, interest, benefits, claims and demands whatsoever of AJTL in all clearances;
  - (iii) all the rights, title, interest, benefits, claims and demands whatsoever of AJTL in any letter of credit, guarantee, performance or bond that may be provided by any party to any AJTL Project documents in favour of AJTL; and
  - (iv) all insurance contracts or insurance proceeds.
- A first ranking *pari passu* charge/ assignment on all the intangible assets of AJTL (excluding AJTL Project assets) including but not limited to goodwill, rights, undertakings, uncalled capital and intellectual property rights of the project company, both present and future.
- A first ranking *pari passu* charge over all the letter of credit/ escrow account, trust and retention account, debt service reserve account and other reserves and any other bank accounts of AJTL wherever maintained.

#### **Corporate Actions:**

Many of our financing arrangements entail various restrictive conditions and covenants restricting certain corporate actions, and we are required to take the prior approval of the lender before carrying out such activities.

For instance, certain corporate actions for which our Company requires the prior written consent of the lenders include:

- Changing the substantial nature of the business of our Company.
- Forming any new subsidiaries or owning equity interest in any other person.
- Effecting any change in the capital structure of our Company.
- Subject to exceptions, contracting, creating, incurring, suffering or becoming liable for the indebtedness of any other person.
- To issue any debentures, raise loans, incur any indebtedness except as permitted by the lenders.
- To provide guarantees, indemnities, shortfall undertakings or similar assurances in respect of indebtedness of any other person, other than guarantees, indemnities or assurances required under the project and financing agreements or trade guarantees given in the ordinary course of business.
- To make capital expenditure or acquire assets.
- To create any security except security interest as permitted by the lenders.
- Redemption of preference share capital (does not include conversion of preference shares into equity shares).
- To take any action pertaining to a merger, consolidation, reorganisation or amalgamation of our

Company.

- If the shareholding of SEL in our Company is to go below 51% of the voting share capital of our Company or if there is a change in control of our company.
- Effecting any change in management in our Company.
- Effecting any change in the name and address of our Company.
- To effect any modification or amendment to the Memorandum of Association and/ or Articles of Association of our Company.
- To agree, authorize or consent to any proposed settlement, resolution, or compromise of any litigation, arbitration or any other dispute to which our Company is a party.

Certain corporate actions for which certain of our Subsidiaries require the prior written consent of the lenders include:

- To effect any change in control, ownership or management in any of its existing subsidiaries.
- To take any action pertaining to a merger, consolidation, reorganisation or amalgamation of any of our Subsidiaries.
- To form a new subsidiary or divesting its stake in any of the Subsidiaries.
- To effect any modification or amendment to the memorandum of association and/ or articles of association of our Subsidiaries.
- To amend, modify or terminate any of the project documents entered into by any of our Subsidiaries.
- To expand, diversify or alter the scope of any existing project undertaken by any of our Subsidiaries or undertaking a new project.
- Change the name and address with respect to any of our Subsidiaries.
- Subject to exceptions, the raising of any equity or preferential share capital by any of our Subsidiaries.
- To revalue the assets pertaining to any of our Subsidiaries, including properties secured at any time during the pendency of a loan.
- To create any security except security interest as may be permitted by the lenders.
- To convey, lease, sell or assign any property or assets.
- To issue any debentures, raise loans, accept deposits from public, change capital structure (including shareholding pattern), make investments, grant loans, or give guarantees on behalf of any person.
- To make any amendments to the project documents or enter into additional project documents.

#### **Details of Terms and Conditions of Term Loans**

For details in relation to terms of the loans and securities of assets of our Company, see “Financial Statements” from pages 311 to 313 and pages 392 to 399.

#### **Loans and Advances made by our Company**

The details of advances and long term loans involving our Company on an unconsolidated basis as of December 31, 2014 are set out below:

| <b>Particulars Long-Term Loan And Advances</b> | <b>₹ in Million</b> | <b>Percentage of Interest Charged</b> | <b>Terms of Repayment</b> |
|------------------------------------------------|---------------------|---------------------------------------|---------------------------|
|------------------------------------------------|---------------------|---------------------------------------|---------------------------|



| Particulars Long-Term Loan And Advances                                      | ₹ in Million     | Percentage of Interest Charged | Terms of Repayment                                                                                                                                                                                                                          |
|------------------------------------------------------------------------------|------------------|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Advance against Purchase of Equity Shares</b>                             |                  |                                |                                                                                                                                                                                                                                             |
| Advance to PIPL for purchase of equity shares of ARRIL                       | 300.00           | N.A.*                          | N.A.*                                                                                                                                                                                                                                       |
| Advance to Sadbhav Engineering Limited for purchase of equity shares of DPTL | 171.90           | N.A.*                          | N.A.*                                                                                                                                                                                                                                       |
| Advance to Sadbhav Engineering Limited for purchase of equity shares of MNEL | 104.00           | N.A.*                          | N.A.*                                                                                                                                                                                                                                       |
| Advance to Sadbhav Engineering Limited for purchase of equity shares of NSEL | 0.00             | N.A.*                          | N.A.*                                                                                                                                                                                                                                       |
| <b>Total</b>                                                                 | <b>575.90</b>    |                                |                                                                                                                                                                                                                                             |
| <b>Sub-Ordinate Debts</b>                                                    |                  |                                |                                                                                                                                                                                                                                             |
| Aurangabad Jalna Toll Way Limited                                            | 282.00           | Interest free                  | The sub-ordinate debts are repayable in terms of the provisions of the relevant loan agreements of various SPVs. Typically, the sub-ordinate debts are repayable on the final settlement date as stipulated in the relevant loan agreement. |
| Bhilwara Rajsamand Tollway Private Limited                                   | 1,159.60         | Interest free                  |                                                                                                                                                                                                                                             |
| Bijapur Hungund Tollway Private Limited                                      | 843.92           | Interest free                  |                                                                                                                                                                                                                                             |
| Dhule Palesnar Tollway Limited                                               | 1,124.00         | 11%                            |                                                                                                                                                                                                                                             |
| Hyderabad Yadgiri Tollway Private Limited                                    | 1,017.23         | Interest free                  |                                                                                                                                                                                                                                             |
| Maharashtra Border Check Post Network Limited                                | 3,366.13         | Interest free                  |                                                                                                                                                                                                                                             |
| Nagpur Seoni Express Way Limited                                             | 118.29           | Interest free                  |                                                                                                                                                                                                                                             |
| Rohtak Hissar Tollway Private Limited                                        | 969.12           | Interest free                  |                                                                                                                                                                                                                                             |
| Rohtak Panipat Tollway Private Limited                                       | 2,209.06         | Interest free                  |                                                                                                                                                                                                                                             |
| Shreenathji Udaipur Tollway Private Limited                                  | 1,273.07         | Interest free                  |                                                                                                                                                                                                                                             |
| <b>Total</b>                                                                 | <b>12,362.42</b> |                                |                                                                                                                                                                                                                                             |
| <b>Security Deposit</b>                                                      |                  |                                |                                                                                                                                                                                                                                             |
| Service Tax Stay Order Deposit                                               | 2.50             | N.A.                           | N.A.                                                                                                                                                                                                                                        |
| Deposit-GVAT                                                                 | 0.01             | N.A.                           | N.A.                                                                                                                                                                                                                                        |
| <b>Total</b>                                                                 | <b>2.51</b>      |                                |                                                                                                                                                                                                                                             |
| <b>Loans and Advances To Related Party</b>                                   |                  |                                |                                                                                                                                                                                                                                             |
| Mumbai Nasik Expressway Limited                                              | 137.16           | 10.30%                         | N.A.*                                                                                                                                                                                                                                       |
| <b>Total</b>                                                                 | <b>137.16</b>    |                                |                                                                                                                                                                                                                                             |
| <b>Advance Income Tax</b>                                                    |                  |                                |                                                                                                                                                                                                                                             |

| Particulars Long-Term Loan And Advances       | ₹ in Million     | Percentage of Interest Charged | Terms of Repayment |
|-----------------------------------------------|------------------|--------------------------------|--------------------|
| TDS receivable for the Financial Year 2013-14 | 85.00            | N.A.                           | N.A.               |
| TDS receivable for the Financial Year 2011-12 | 0.10             | N.A.                           | N.A.               |
| TDS receivable for the Financial Year 2012-13 | -                | N.A.                           | N.A.               |
| Provision For Income Tax                      | 25.31            | N.A.                           | N.A.               |
| <b>Total</b>                                  | <b>59.79</b>     |                                |                    |
| <b>Grand Total</b>                            | <b>13,137.78</b> |                                |                    |

\*Terms of the relevant agreements do not indicate the interest rate payable or the terms of repayment, as applicable.

#### Commitments of our Company towards Sub-Ordinate Debts and Investment in Equity Shares

The details of commitments of our Company towards sub-ordinate debts and investment in equity shares in various subsidiaries of our Company as of December 31, 2014 are set out below:

| Name of the Subsidiary | Cumulative Commitment of Sub-ordinate Debt and Investment in Equity Shares (₹ in Million) |                                     |                                     |                                     |                                     |                                     |
|------------------------|-------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|                        | Nine months ended December 31, 2014                                                       | Financial year ended March 31, 2014 | Financial year ended March 31, 2013 | Financial year ended March 31, 2012 | Financial year ended March 31, 2011 | Financial year ended March 31, 2010 |
| MBCPNL                 | -                                                                                         | -                                   | 602.41                              | 1,470.31                            | 1,997.39                            | -                                   |
| AJTL                   | -                                                                                         | 0.001                               | 5.58                                | -                                   | -                                   | -                                   |
| NSEL                   | -                                                                                         | -                                   | -                                   | -                                   | -                                   | -                                   |
| RPTPL                  | -                                                                                         | 0.00                                | 449.95                              | 1,338.10                            | 1,820.00                            | -                                   |
| HYTPL                  | -                                                                                         | -                                   | 184.80                              | 80.10                               | 420.00                              | -                                   |
| SUTPL                  | 1,634.10                                                                                  | 1,537.30                            | 1,537.30                            | 0.37                                | -                                   | -                                   |
| BRTPL                  | -                                                                                         | 344.84                              | 986.05                              | -                                   | -                                   | -                                   |
| RHTPL                  | -                                                                                         | 394.02                              | -                                   | -                                   | -                                   | -                                   |
| BHTPL                  | -                                                                                         | -                                   | 114.17                              | -                                   | -                                   | -                                   |
| SBTPL                  | -                                                                                         | -                                   | 2,276.91                            | -                                   | -                                   | -                                   |
| <b>Total</b>           | <b>1,634.10</b>                                                                           | <b>2,276.161</b>                    | <b>6,157.17</b>                     | <b>2,888.88</b>                     | <b>4,237.39</b>                     | <b>-</b>                            |

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*Unless stated or context requires otherwise, the following discussion and analysis of our financial condition and results of operations should be read in conjunction with, our consolidated Restated Financial Statements as at and for the years ended March 31, 2014, 2013 and 2012, and for the nine months ended December 31, 2014, including the schedules, annexures and notes thereto, beginning on page 288 of this Draft Red Herring Prospectus. Our consolidated Restated Financial Statements are based on our consolidated Restated Financial Statements prepared in accordance with Indian GAAP and the Companies Act. Our consolidated Restated Financial Statements prepared in accordance with Indian GAAP, differs in certain material respects from International Financial Reporting Standards and U.S. GAAP. For purposes of this discussion, references to "Financial Year" is to the 12 month period ended March 31, 2014, 2013 or 2012, as the case may be. The following discussion and analysis contains forward-looking statements that involve risks and uncertainties. For additional information regarding such risks and uncertainties, see the sections "Forward-Looking Statements" and "Risk Factors" beginning on pages 19 and 21 respectively.*

### Overview

We are one of the leading road BOT companies in India that specialises in the development, operation and maintenance of highways, roads and related projects. (Source: CRISIL Report dated November 13, 2014) Our Company, a subsidiary of Sadbhav Engineering Limited, was incorporated in 2007 as a developer and operator for highways, road and related projects on a BOT basis. All of our projects are implemented and held through special purpose vehicles, including joint venture entities.

We are pre-qualified on an annual basis to bid either directly or through joint ventures for DBFOT projects, subject to certain eligibility criteria, of project values up to ₹ 26,500.00 million by the NHAI up to December 31, 2015. We are involved in the development, operation and maintenance of national and state highways and roads in several states in India including Maharashtra, Gujarat, Rajasthan, Karnataka, Haryana, Madhya Pradesh and Telangana and border check posts in the state of Maharashtra.

We have a project portfolio consisting of ten BOT projects of which six road projects are fully operational, one is the partially operational border check posts and the remaining three projects are in various stages of development. Nine of the ten BOT projects are toll projects (including service fee for the border check posts in Maharashtra), while the remaining one is an annuity project. Our operational projects cover approximately 1,534.44 lane kms and the projects under development cover approximately 1,061.48 lane kms. In addition, as of March 31, 2015, our Subsidiary MBCPNL completed 13 check posts and is developing 9 more check posts for our MBCPNL Project.

In addition to the above projects, our Company has initiated the process to acquire from SEL, our corporate Promoter, 74.00% of the outstanding equity interest in MBHPL and 39.00% of the outstanding equity interest in DPTL. This restructuring is in accordance with our overall growth strategy to consolidate all BOT road projects to be developed by our Company, in which SEL, our corporate Promoter, has shareholding. Our Company has also agreed to acquire 60.00% of the outstanding equity interest in DPTL from HCC Concessions and HCC. If these acquisitions are completed, our project portfolio will increase to 12 BOT projects, with seven fully operational projects, one partially operational border check posts project and four projects in various stages of development.

We believe we benefit significantly from the experience of and relationships established by SEL, our Corporate Promoter. SEL has an established track record of executing projects with over 25 years of experience in construction activities in the transport, mining and irrigation sectors since its incorporation in 1988.

We generate revenues primarily from toll collection, service fee and annuity receipts. Our Company also provides operation and maintenance and advisory and project management services to our projects. For the financial year ended March 31, 2014, our consolidated revenue from operations and net loss amounted to ₹ 3,710.71 million and ₹ 1,559.37 million, respectively. For the nine months ended December 31, 2014, our consolidated revenue from operations and net loss amounted to ₹ 3,745.19 million and ₹ 2,231.70 million, respectively.

### Significant Factors Affecting Our Results of Operations and Financial Condition

Our results of operations and financial condition have been affected and will continue to be affected by a number of significant factors, including the following:

### ***Competitive Bidding, Terms and Timing of Projects Awarded and the Stage of Completion of Our Projects***

Our revenues are derived from our BOT projects and our results of operations and cash flows can fluctuate depending on our ability to successfully bid for projects, the timing of award of projects and the stage of completion of such projects.

After we are pre-qualified to bid for projects, it will still be difficult to predict whether or when we will be awarded (or will be able to acquire) a new project, since most potential projects involve a lengthy and complex bidding and selection process that may be affected by a number of factors, including changes in existing or assumed market conditions, financing arrangements, governmental approvals and environmental matters. While service quality, technical capability and work experience, financial strength, health and safety records as well as reputation and experience are important considerations in decisions made by concessioning authorities, price is a major factor in most bid awards. The ability to win projects is also dependent on our ability to partner and collaborate with other joint venture partners or co-sponsors and maintain a continuing relationship with concessioning authorities such as NHAI, MSRDC and KSHIP. After a project is awarded, completion of our projects on time or at all is subject to various factors, including, our ability to enter into financing arrangements, acquisition of land by the concessioning authorities, performance by our sub-contractors and EPC costs. Moreover, the liability of our EPC contractors is generally capped at the fees payable to such contractors. Accordingly, if we incur any EPC costs or other damages in excess of such capped amount, we would not be able to counter-claim or recover the excess amount from the EPC contractors. Because of the nature of our projects, we sometimes commit resources to projects prior to receiving grants or other payments from the concessioning authorities in amounts sufficient to cover expenditures on projects as they are incurred by us. Thus, default or delay by concessioning authorities in making payments to us, or project delays or cancellation can have an adverse effect on our results of operations and financial condition.

### ***Revenues and O&M Expenses are Dependent on Terms of the Concession Agreements and Traffic Flows***

Our revenues are a function of traffic volumes and the toll or service fees levied on users of the projects. Toll collection terms for our roads and highways and related BOT projects and service fees for the MBCPNL Project are typically included in the relevant concession agreement, that provide that while the concessioning authority may modify the toll rates, we may not modify such toll rates to reflect prevailing circumstances. While the toll rates notified by the concessioning authorities do take into account the effect of inflation, they do not take into account an increase in O&M expenses or other factors. One of our significant expenses is O&M expenses such as periodic maintenance which is required to be performed at specific levels of roughness of our road projects, as specified in the concession agreement. We believe that O&M expenses for our recently completed road BOT projects will be lower as compared to those that have been in operation for a longer term. Periodic maintenance involves the repair of wear and tear of the roads and highways, including overlaying the surface of the roads and highways, if required. For further details on maintenance requirements for each of our projects, see “Business — Our Operating Projects”. Therefore, our profitability is largely a function of how effectively we manage costs during the term of our projects.

### ***General Economic Condition and the Condition and Performance of the Road and Infrastructure Industry and Government Policies in India***

We derive substantially all of our revenue from our BOT projects in India. Accordingly, we are heavily dependent on sustained economic development in the states that we operate in and government policies relating to infrastructure development. It is also significantly dependent on budgetary allocations made by central and state Governments for this sector as well as funding provided by financial institutions for road and other BOT projects. Investment by the private sector in road and other BOT projects is dependent on the potential returns from such projects and is therefore linked to Government policies relating to private sector participation and sharing of risks and returns from such projects. We believe that the central and state Governments’ focus on, and sustained increases in budgetary allocation for, infrastructure, and the development of comprehensive infrastructure policies that encourage greater private sector participation and funding for infrastructure projects from financial institutions, should result in several road and other infrastructure projects being awarded in India. Since we intend to continue to focus on the roads, highway and related projects, macroeconomic factors in India relating to this sector will have a significant impact on our prospects and results of operations. As demand for new roads is driven by increases in agriculture and manufacturing, any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely impact our business and financial performance.

Our business is highly dependent on projects awarded by Government entities. Any adverse change in the policies adopted by the central and state Governments regarding award of its projects (including their continuation of the BOT model) or our existing relationship with the central and state Governments could adversely affect our ability to win such projects.

### ***Interest Rate and Exchange Rate Fluctuations***

As our business is capital intensive, we are exposed to interest rate risks. Our projects are funded to a large extent by debt and any increase in interest expense may have an adverse effect on our results of operations and financial condition. As of December 31, 2014, our total principal amount of indebtedness (net of ₹ 859.28 million of receivables from the derivative settlement of foreign currency loans) was ₹ 59,486.67 million and our total interest cost (capitalized and expensed amounts) was ₹ 4,565.86 million and ₹ 4,785.76 million for the nine months ended December 31, 2014 and the financial year 2014, respectively, and almost all our indebtedness entailed variable interest rates. However, our total revenues for the nine months ended December 31, 2014 and the financial year 2014 were ₹ 3,958.10 million and ₹ 3,926.60 million, respectively. In view of the high debt to equity ratios for our projects, an increase in interest expense is likely to have a significant adverse effect on our results of operations. However, we selectively engage in interest rate and foreign exchange hedging transactions from time to time in order to protect us against such risks.

### ***Tax Benefits and Incentives***

We are eligible for certain tax benefits and incentives that accord favourable treatment to revenues earned from our projects and entitle us to certain deductions under Section 80(IA) of the IT Act. For details of the tax benefits available to us, see “Statement of Tax Benefits” beginning on page 166. While most of our concession agreements contain provisions to compensate us or adjust the terms of the concession for changes in tax and other laws that affect our profitability from the relevant project, in the future, changes in the existing tax benefits and incentives may affect our results of operations and cash flows.

### ***Competition***

We face significant competition for the award of projects from a large number of infrastructure and road development companies who also operate in the same regional markets as us. Further, some of our competitors are larger than us, have stronger financial resources or a more experienced management team, or have stronger engineering capabilities in executing technically complex projects. Competition from other infrastructure and road development companies may adversely affect our ability to successfully bid for projects at price levels which would generate desired returns for us.

### ***Our Significant Accounting Policies***

The principles of consolidation and the significant accounting policies followed by us in the preparation of our financial statements are set out below:

#### ***Use of Estimates***

The preparation of financial statements in conformity with Indian GAAP requires our management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based on our management’s best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

#### ***Accounting for Rights under Concession Agreements***

##### ***Recognition and Measurement***

We build infrastructure assets under public-to-private concession agreements which we operate and maintain for periods specified in the concession agreements.

Under the concession agreements, where we have received the right to charge users of the public service, such rights are recognised and classified as intangible assets. The right to charge is not an unconditional right to receive consideration because the amounts are contingent to the extent that the public uses the service and thus

are recognised and classified as intangible assets. An intangible asset is recognised by us at cost (which is the fair value of the consideration received or receivable for the construction services delivered) and is capitalised when the project is complete in all respects and when we receive the completion certificate from the authority as specified in the concession agreement and in case of the MBCPNL Project, each check post is capitalized when we receive the completion certificate from the authority.

Under the concession agreements, where we have acquired contractual rights to receive specified determinable amounts, such rights are recognised and classified as right for annuity fees under intangible assets, even though payments are contingent on us ensuring that the infrastructure meets the specified quality or efficiency requirements.

Consideration for various services, such as construction or upgrade services, operation and maintenance services, overlay services) under the concession agreements is allocated on the basis of costs actually incurred or the estimates of cost of services to be delivered.

#### *Premium Capitalisation*

We have a contractual obligation to pay premium or concession fees to the concessioning authority over the concession period. Such obligation is recognised upfront on an undiscounted basis when the project is completed in accordance with the concession agreements as intangible assets – toll collection right and corresponding obligation for committed premium is recognised as liabilities.

#### *Contractual Obligation to Restore the Infrastructure to a Specified Level of Serviceability*

We have contractual obligations to maintain the road or infrastructure to a specified level of serviceability or restore the road or infrastructure 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. In case of intangible assets, the timing and amount of such cost are estimated and determined by estimated cash flows, expected to be incurred in the year of overlay. Such costs are recognised by charging it to revenue on the basis of units of usage method such as on the number of vehicles expected to use the project facility, over the period at the end of which the overlay is estimated to be carried out based on management estimates.

#### *Revenue Recognition*

Toll or Infrastructure Service Income: The revenue is recognised in the period of collection which generally coincides as and when the traffic passes through toll – plazas or the usage of the public services. Revenue from operating and maintenance services and from overlay services is recognised in the period in which such services are rendered.

Contractual Income: Contract revenue and costs associated with project related activities is recognised as by reference to the stage of completion of the projects at the reporting date. The stage of completion of a project is determined by the proportion that the contract cost incurred for work performed up to the reporting date bears to the estimated total contract costs. Any short revenue recognised in accordance with the stage of completion of the project, in comparison to the amounts billed to the clients in accordance with the milestones completed as per the respective project, is carried forward as unbilled revenue. An expected loss on construction contract is recognised as an expense immediately when it is certain that total contract costs will exceed the total contract revenue. Price escalation and other claims and variation in the contract work are included in contract revenue only when it is probable that customer will accept the claim and the amount that is probable will be accepted by the customer can be measured reliably.

#### *Borrowing Cost*

In respect of an intangible asset, borrowing costs attributable to the construction of roads or infrastructure are capitalised up to the date of the final completion certificate of the asset or facility received from the authority for its intended use specified in the concession agreement. All borrowing costs subsequent to the date of final completion certificate of the asset or facility as specified in the concession agreement are charged to the statement of profit and loss in the period in which such costs are incurred.

### *Amortisation of Intangible Assets*

The intangible rights which are recognised in the form of right to charge users of the infrastructure asset are amortised by taking a proportion of the actual revenue earned for the year or period over total projected revenue from project to cost of intangible assets i.e., proportion of actual revenue earned for the year or period over total projected revenue from the intangible assets expected to be earned over the balance concession period as estimated by our management.

Total projected revenue shall be reviewed at the end of the each financial year and the total projected revenue shall be adjusted to reflect any changes in the estimates which lead to the actual collection at the end of the concession period.

### **Fixed Assets**

#### *Tangible Assets*

Tangible fixed assets acquired by us are stated at cost less accumulated depreciation and impairment losses, if any. Direct cost comprises of all expenditure of capital in nature attributable to bringing the tangible asset to working condition for its intended use and incidental expenses including interest relating to acquisition, until fixed assets are ready to be put to use.

#### **Depreciation and Amortisation**

Up to March 31, 2014, the depreciation on tangible assets is provided using the written down value method at rates prescribed under Schedule XIV to the Companies Act, 1956 and with effect from April 1, 2014, the depreciation is provided based on useful life prescribed under Schedule II of the Companies Act, 2013. In respect of fixed assets purchased during the period, depreciation is provided on a pro-rata basis from the date on which such asset is ready to be put to use. All categories of assets costing less than ₹ 5,000.00 each are fully depreciated in the year of purchase.

In case of AJTL, ARRIL, RPTPL and HYTPL, depreciation on tangible fixed assets are amortised on straight line basis, from the date on which such asset is ready for use till the end of concession period.

Goodwill comprises the portion of the purchase price for an acquisition that exceeds our share in the identifiable assets, with deduction for liabilities, calculated on the date of acquisition. The company has acquired shares of SPVs which operate projects and that have finite project life as per the concession agreements. Thus, goodwill arising on consolidation is amortised on straight line basis, beginning from the date of acquisition of subsidiaries or jointly controlled entities or commencement of commercial operations by subsidiaries or jointly controlled entities, whichever is later, till the end of the concession period.

#### **Expenditure during Construction Period, Pending Allocation**

Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during the construction period is capitalised as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Income earned during construction period is deducted from the total of the indirect expenditure. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto, is charged to statement of profit and loss.

#### **Impairment of Assets**

At each reporting date, we assess whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, we estimate the asset's recoverable amount. An asset's (including goodwill) recoverable amount is the higher of an asset's net selling price 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. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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.

We base our impairment calculation on detailed budget and forecast calculations. These budget and forecast calculations generally cover period of the concession agreement using long term growth rate is calculated and applied to future cash flows.

After impairment, depreciation or amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

### ***Revenue Recognition other than from Concession Agreement***

Income is recognised to the extent that it is probable that the economic benefits will flow to us and the revenue can be reliably measured. The following are specific recognition criteria must also be met before income is recognised:

Income from sale of services: Revenue in respect of arrangements made for rendering services over specific contractual term is recognised on a straight line basis over the contractual term of the arrangement. In respect of arrangements, which provide for an upfront payment followed by additional payments as certain conditions are met (milestone payments) the amount of revenue recognised is based on the services delivered in the period as stated in the contract. In respect of arrangements where fees for services rendered are success based, revenue is recognised only when the factors on which the fee is based, actually occurs.

Dividend: Income is recognised when the shareholders' right to receive payment is established by the reporting date.

Interest: Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

### ***Foreign Currency Transactions***

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

Conversion: Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

Exchange Difference: We account for exchange differences arising on translation or settlement of foreign currency monetary items as below:

- Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of the asset.
- Exchange differences arising on other long-term foreign currency monetary items are accumulated in the foreign currency monetary item translation difference account and amortised over the remaining life of the concerned monetary item;
- All other exchange differences are recognised as income or as expenses in the period in which they arise.

Forward exchange contracts entered into to hedge foreign currency risk of an existing asset or liability: The premium or discount arising at the inception of forward exchange contract is amortised and recognised as an expense or income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognised in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognised as income or as expense for the period. Any gain or loss arising on forward contracts which are long-term foreign currency monetary items is recognised in accordance with the exchange



difference policy provided above.

### ***Government Grant***

Government grants are recognised only when it is reasonably certain that the related entity will comply with the conditions and ultimate collection is not in doubt. Grants received from Government, in the nature of promoters' contribution, are treated as capital reserve. Grants received as compensation for expenses or losses are taken to the consolidated statement of profit and loss and are accounted in the period to which they relates.

### ***Investments***

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost.

However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

### ***Employee Benefits***

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when an employee renders the related services. We have no obligation, other than the contribution payable to the provident fund.

We operate one defined benefit plan for our employees, which is gratuity liability. The costs of providing benefits under this plan are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method made at the end of each reporting date. Actuarial gains and losses for the defined benefit plans are recognised in full in the period in which they occur in the statement of profit and loss.

Compensated absences which accrue to employees and which is expected to be utilised or encashed within the next 12 months from reporting date, is treated as short-term employee benefit. We measure the expected cost of such absences as the additional amount that we expect to pay as a result of the unused entitlement that has accumulated at the reporting date. As per our policy, no leave are expected to be carried forward beyond 12 months from the reporting date.

### ***Leases***

Where we are the lessee: Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the consolidated statement of profit and loss on a straight-line basis over the lease term.

### ***Taxes on Income***

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable

income will be available against which such deferred tax assets can be realised. In situations where we have unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. We write down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum alternate tax ("MAT") paid in a year is charged to the consolidating entity's statement of profit and loss as current tax. We recognise MAT credit available as an asset only to the extent that there is convincing evidence that we will pay normal income tax during the specified period, such as the period for which MAT credit is allowed to be carried forward. In the year in which we recognise MAT credit as an asset in accordance with the Guidance Note on 'Accounting for Credit Available in respect of Minimum Alternative Tax' under the IT Act, such asset is created by way of credit to the statement of profit and loss and shown as MAT credit entitlement. We review the MAT credit entitlement asset at each reporting date and write down the asset to the extent we do not have convincing evidence that we will pay normal tax during the specified period.

### ***Borrowing Costs***

Borrowing cost includes interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowings, premium payable on redemption and discount on issue of debentures.

Borrowing costs directly attributable to the acquisition, construction or development of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

### ***Segment Reporting***

#### ***Identification of segments***

Our operating businesses are organised and managed separately according to the nature of services provided, with each segment representing a strategic business unit that offers different services, a risk return profile of an individual business unit, an organisational structure and internal reporting system of a company. The analysis of geographical segments is not required as our operations are within a single geographical segment, India.

#### ***Allocation of common costs***

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

#### ***Unallocated items***

Unallocated items include general corporate income and expense items, which are not allocated to any business segment. Assets and liabilities (including investments made in infrastructure projects through special purpose vehicles) that cannot be allocated between the segments are shown as a part of unallocated corporate assets and liabilities respectively.

#### ***Segment Policies***

We prepare our segment information in conformity with the accounting policies adopted for preparing and presenting our financial statements as a whole.

### ***Provisions, Contingent Liabilities and Contingent Assets***

A provision is recognised when we have a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle

the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

Contractual obligations to periodically maintain project asset as per the terms of the concession agreement are provided for in accordance with Accounting Standard 29 “Provisions, Contingent Liabilities and Contingent Assets”, i.e., at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

### ***Derivative Contracts***

We use derivative financial instruments, such as derivative option contract, interest rate swap contracts to take advantage of lower interest rate of foreign currency loan and hedge the foreign exchange fluctuation. In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the consolidated statement of profit and loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored. In respect of derivative contracts, premiums paid, gains or losses on settlement and provision for losses for cash flow hedges are recognised in the consolidated statement of profit and loss.

### ***Cash and Cash Equivalent***

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

### **Our Results of Operations**

The following table sets out select financial data from our consolidated restated statements of profit and loss for the nine months ended December 31, 2014 and the financial years 2014, 2013 and 2012, the components of which are also expressed as a percentage of total revenue for such periods:

|                                   | Nine Months Ended<br>December 31, |               | Year Ended March 31, |               |                   |               |                   |              |
|-----------------------------------|-----------------------------------|---------------|----------------------|---------------|-------------------|---------------|-------------------|--------------|
|                                   | 2014                              |               | 2014                 |               | 2013              |               | 2012              |              |
|                                   | (₹ in<br>million)                 | (%)           | (₹ in<br>million)    | (%)           | (₹ in<br>million) | (%)           | (₹ in<br>million) | (%)          |
| <b>Revenue:</b>                   |                                   |               |                      |               |                   |               |                   |              |
| Revenue from Operations           | 3,745.19                          | 94.6          | 3,710.71             | 94.5          | 2,872.15          | 91.1          | 1,759.57          | 88.5         |
| Other Income                      | 212.91                            | 5.4           | 215.89               | 5.5           | 282.10            | 8.9           | 227.91            | 11.5         |
| <b>Total Revenue</b>              | <b>3,958.10</b>                   | <b>100.0</b>  | <b>3,926.60</b>      | <b>100.0</b>  | <b>3,154.25</b>   | <b>100.0</b>  | <b>1,987.48</b>   | <b>100.0</b> |
|                                   |                                   |               |                      |               |                   |               |                   |              |
| <b>Expenses:</b>                  |                                   |               |                      |               |                   |               |                   |              |
| Operating Expenses                | 1,155.96                          | 29.2          | 885.20               | 22.5          | 970.94            | 30.8          | 646.72            | 32.5         |
| Employee Benefits Expense         | 171.26                            | 4.3           | 163.52               | 4.2           | 102.84            | 3.3           | 61.51             | 3.1          |
| Other Expenses                    | 195.41                            | 4.9           | 246.15               | 6.3           | 102.56            | 3.3           | 120.01            | 6.0          |
| Finance Costs                     | 3,861.09                          | 97.5          | 3,552.44             | 90.5          | 1,951.76          | 61.9          | 718.44            | 36.1         |
| Depreciation and Amortisation     | 1,030.74                          | 26.0          | 915.01               | 23.3          | 498.95            | 15.8          | 215.04            | 10.8         |
| <b>Profit / (Loss) Before Tax</b> | <b>(2,456.36)</b>                 | <b>(62.1)</b> | <b>(1,835.72)</b>    | <b>(46.8)</b> | <b>(472.80)</b>   | <b>(15.0)</b> | <b>225.76</b>     | <b>11.4</b>  |
|                                   |                                   |               |                      |               |                   |               |                   |              |
| <b>Tax Expense</b>                |                                   |               |                      |               |                   |               |                   |              |
| Current Tax                       | -                                 | -             | 121.74               | 3.1           | 50.36             | 1.6           | 127.89            | 6.4          |
| Deferred Tax – Charge / (Credit)  | 0.22                              | -             | (0.08)               | -             | (0.05)            | -             | (0.09)            | -            |
| <b>Total Tax Expense</b>          | <b>0.22</b>                       | <b>-</b>      | <b>121.66</b>        | <b>3.1</b>    | <b>50.31</b>      | <b>1.6</b>    | <b>127.80</b>     | <b>6.4</b>   |

|                                                                                                                       | Nine Months Ended<br>December 31, |               | Year Ended March 31, |               |                   |               |                   |            |
|-----------------------------------------------------------------------------------------------------------------------|-----------------------------------|---------------|----------------------|---------------|-------------------|---------------|-------------------|------------|
|                                                                                                                       | 2014                              |               | 2014                 |               | 2013              |               | 2012              |            |
|                                                                                                                       | (₹ in<br>million)                 | (%)           | (₹ in<br>million)    | (%)           | (₹ in<br>million) | (%)           | (₹ in<br>million) | (%)        |
|                                                                                                                       |                                   |               |                      |               |                   |               |                   |            |
| <b>Profit / (Loss) after tax for the period / year and before share of losses of minority interest and associates</b> | <b>(2,456.58)</b>                 | <b>(62.1)</b> | <b>(1,957.38)</b>    | <b>(49.8)</b> | <b>(523.11)</b>   | <b>(16.6)</b> | <b>97.96</b>      | <b>4.9</b> |
| Add Share of (Profit) / Loss attributable to Minority Interest                                                        | 224.88                            | 5.7           | 398.01               | 10.1          | 133.55            | 4.2           | 18.22             | 0.9        |
| Less Share of Profit / (Loss) from Associate Company                                                                  | -                                 | -             | -                    | -             | (67.09)           | (2.1)         | (18.19)           | (0.9)      |
| <b>Net Profit / (Loss) for the Period / Year</b>                                                                      | <b>(2,231.70)</b>                 | <b>(56.4)</b> | <b>(1,559.37)</b>    | <b>(39.7)</b> | <b>(456.66)</b>   | <b>(14.5)</b> | <b>97.99</b>      | <b>4.9</b> |

### Principal Components of our Statement of Profit and Loss

**Total Revenue.** Our total revenue consists of our revenue from operations and other income.

**Revenue from Operations.** Our revenue from operations includes revenue derived from toll collection, annuity income, user fees, EPC contract income, O&M and supervision income, advisory, project and toll management fees and advertising income. Our revenue from operations as a percentage of our total revenue was 94.6% for the nine months ended December 31, 2014, and 94.5%, 91.1% and 88.5% for the financial years 2014, 2013 and 2012, respectively.

**Other Income.** Our other income primarily comprises interest income, profit on the sale of mutual fund units, dividend income and sundry balances written back, among others. Our other income as a percentage of our total revenue was 5.4% for the nine months ended December 31, 2014, and 5.5%, 8.9% and 11.5% for the financial years 2014, 2013 and 2012, respectively.

**Operating Expenses.** Our operating expenses include EPC contract expenses, O&M expenses, periodic major maintenance charges, power and fuel costs, security expenses and other operating expenses. Our operating expenses as a percentage of our total revenue was 29.2% for the nine months ended December 31, 2014, and 22.5%, 30.8% and 32.5% for the financial years 2014, 2013 and 2012, respectively. EPC contract expenses are attributable to the development of a project, hence vary from time to time. However, as the age of toll roads increases, there is an increase in O&M and periodic major maintenance expenses as more maintenance is required due to usual wear and tear.

**Employee Benefits Expenses.** Our employee benefits expenses include salaries, wages and bonus paid to employees, contribution towards provident fund as well as gratuity and staff welfare expenses. Our employee benefit expenses as a percentage of our total revenue was 4.3% for the nine months ended December 31, 2014, and 4.2%, 3.3% and 3.1% for the financial years 2014, 2013 and 2012, respectively.

**Other Expenses.** Our other expenses include several costs such as rent, insurance, rates and taxes, repairs and maintenance, legal and professional fees, communication expenses, travelling expenses, write-offs of trade receivables, interest receivables and assets under construction and miscellaneous expenses. Our other expenses as a percentage of our total revenue was 4.9% for the nine months ended December 31, 2014, and 6.3%, 3.3% and 6.0% for the financial years 2014, 2013 and 2012, respectively.

**Finance Costs.** Our finance costs include interest expenses on loans from banks and other institutions, other interest expenses and borrowing costs. During the development of a project, the finance costs attributable to such project are capitalized, and from the commencement of collection of tolls, annuity or user fees from such project, the finance costs attributable to such project are expensed. Our finance costs (that were charged to our statement of profit and loss) as a percentage of our total revenue was 97.5% for the nine months ended December 31, 2014, and 90.5%, 61.9% and 36.1% for the financial years 2014, 2013 and 2012, respectively. Our finance costs that were charged to our statement of profit and loss were ₹ 3,861.09 million for the nine months ended December 31, 2014 and ₹ 3,552.44 million, ₹ 1,951.76 million and ₹ 718.44 million for the financial years 2014, 2013 and 2012, respectively. Our finance costs that were capitalised were ₹ 927.44 million for the nine months ended December 31, 2014 and ₹ 1,601.83 million, ₹ 1,996.32 million and ₹ 2,004.18 million for the financial years 2014, 2013 and 2012, respectively. Our finance costs are the most material

contributor to our total expenses.

*Depreciation and Amortisation.* Our depreciation and amortisation expenses include amortisation of toll collection rights and depreciation of tangible assets such as plant and equipment, buildings, vehicles, land, furniture, hoardings, fixtures, computers and office equipment. Our depreciation and amortisation expenses as a percentage of our total revenue was 26.0% for the nine months ended December 31, 2014 and 23.3%, 15.8% and 10.8% of our total revenue for the financial years 2014, 2013 and 2012, respectively.

## Our Business Segments

We operate our business in three business segment:

- BOT, relating to toll operations (from our road BOT projects) and user fees (from our MBCPNL Project);
- contractual income, from our EPC contracts and O&M and supervision services; and
- advisory, project and toll management services.

For each of the periods presented below, a substantial majority of our revenue from operations and segment results (presented before interest and tax expenses) is from our BOT segment.

| Segments                                       | Nine months<br>Ended<br>December 31,<br>2014 | Year Ended March 31, |          |          |
|------------------------------------------------|----------------------------------------------|----------------------|----------|----------|
|                                                |                                              | 2014                 | 2013     | 2012     |
|                                                | ( ₹ in million)                              |                      |          |          |
| Revenue from Operations                        |                                              |                      |          |          |
| BOT                                            | 3,501.28                                     | 3,193.38             | 1,989.43 | 1,024.27 |
| Contractual Income                             | 243.01                                       | 241.13               | 881.52   | 550.48   |
| Advisory, Project and Toll Management Services | 0.90                                         | 276.20               | 1.20     | 184.82   |
| Total Revenue from Operations                  | 3,745.19                                     | 3,710.71             | 2,872.15 | 1,759.57 |
|                                                |                                              |                      |          |          |
| Segment Results                                |                                              |                      |          |          |
| BOT                                            | 1,074.19                                     | 1,150.11             | 1,055.19 | 348.07   |
| Contractual Income                             | 116.85                                       | 89.48                | 140.47   | 184.21   |
| Advisory, Project and Toll Management Services | 0.77                                         | 261.25               | 1.20     | 184.01   |
| Total Segment Results                          | 1,191.80                                     | 1,500.84             | 1,196.86 | 716.29   |

## Contributions from our Operating Subsidiaries

The following table provides selective financial information of our operating Subsidiaries, which has been derived from the audited (not restated) financial statements of the respective Subsidiaries, which have not been included in this Draft Red Herring Prospectus:

|                                                              | MBCPNL*   | RPTPL     | BHTPL    | ARRIL               | AJTL     | HYTPL               | NSEL <sup>#</sup> |
|--------------------------------------------------------------|-----------|-----------|----------|---------------------|----------|---------------------|-------------------|
| (₹ in million)                                               |           |           |          |                     |          |                     |                   |
| <b>As of and for the nine months ended December 31, 2014</b> |           |           |          |                     |          |                     |                   |
| Revenue from operations                                      | 598.61    | 629.41    | 769.59   | 626.35              | 257.38   | 330.63              | 289.28            |
| Net profit / (loss)                                          | (441.65)  | (650.32)  | (344.70) | (214.53)            | (213.57) | (107.90)            | (129.69)          |
| Total outstanding debt                                       | 13,051.39 | 12,539.58 | 9,525.81 | 3,610.75            | 2,525.24 | 5,168.59            | 2,570.54          |
| Equity held by the Company                                   | 77.82%**  | 99.99%    | 76.99%   | 79.99% <sup>@</sup> | 99.99%   | 99.99% <sup>^</sup> | 69.99%            |
| <b>As of and for the year ended March 31, 2014</b>           |           |           |          |                     |          |                     |                   |
| Revenue from operations                                      | 302.36    | 190.53    | 949.58   | 737.60              | 279.52   | 383.09              | 383.96            |
| Net profit / (loss)                                          | (449.28)  | (273.17)  | (74.64)  | 326.02              | 84.92    | (310.50)            | (70.56)           |

|                            | MBCPNL*        | RPTPL     | BHTPL    | ARRIL    | AJTL     | HYTPL    | NSEL <sup>#</sup>     |
|----------------------------|----------------|-----------|----------|----------|----------|----------|-----------------------|
|                            | (₹ in million) |           |          |          |          |          |                       |
| Total outstanding debt     | 12,047.13      | 11,986.33 | 9,691.81 | 3,704.88 | 2,290.19 | 5,094.40 | 2,669.06              |
| Equity held by the Company | 27.00%         | 99.99%    | 76.99%   | 79.98%   | 99.99%   | 59.99%   | 49.00% <sup>###</sup> |

\* MBCPNL has been consolidated as a subsidiary for the periods presented as a result of control of the Board of Directors during such periods.

\*\* Our Company acquired 50.82% of MBCPNL during the nine months ended December 31, 2014.

@ Our Company acquired 0.01% of ARRIL during the nine months ended December 31, 2014.

^ Our Company acquired 40.00% of HYTPL during the nine months ended December 31, 2014.

# NSEL has been consolidated as a subsidiary for the periods presented pursuant to the share purchase agreement dated September 22, 2010 between our Company and SEL, pending certain share transfer formalities due to non-release of pledge of NSEL shares held by SEL.

## Our Company acquired 20.99% of NSEL during the nine months ended December 31, 2014.

### Our Company acquired 10.0% of NSEL during the financial year 2014.

Note: Our Company initiated the process to acquire 39.0% and has agreed to acquire an additional 60.0% of DPTL. For the financial year 2014, DPTL's revenue from operations, net loss and total outstanding debt as per its audited (not restated) financial statements, was ₹ 1,115.77 million, ₹ 1,326.04 million and ₹ 9,902.03 million, respectively.

## Our Results of Operations

### Nine months Ended December 31, 2014

**Total Revenue.** Our total revenue was ₹ 3,958.10 million for the nine months ended December 31, 2014.

**Revenue from Operations.** Our revenue from operations was ₹ 3,745.19 million for the nine months ended December 31, 2014, primarily due to revenue from toll collection, annuity income and user fees. See “— Contributions from our Operating Subsidiaries” for a break-up of our revenue from operations from our operating Subsidiaries.

**Other Income.** Our other income was ₹ 212.91 million for the nine months ended December 31, 2014 and primarily consisted of interest income on a subordinated loan to related party of ₹ 93.15 million and net profit on the sale of mutual fund units of ₹ 68.55 million. Our other income as a percentage of total income was 5.4% for the nine months ended December 31, 2014 as compared to 5.5% for the financial year 2014.

**Operating Expenses.** Our operating expenses were ₹ 1,155.96 million for the nine months ended December 31, 2014, consisting primarily of O&M charges to sub-contractors and periodic major maintenance expenses to sub-contractors of ₹ 463.80 million and ₹ 410.08 million, respectively and construction contract expenses to sub-contractors of ₹ 126.16 million. Our operating expenses as a percentage of total income was 29.2% for the nine months ended December 31, 2014 as compared to 22.5% for the financial year 2014.

**Employee Benefits Expense.** Our employee benefits expense was ₹ 171.26 million for the nine months ended December 31, 2014, consisting primarily of salaries, wages and bonuses of ₹ 148.54 million. Our employee benefit expense as a percentage of total income was 4.3% for the nine months ended December 31, 2014 as compared to 4.2% for the financial year 2014.

**Other Expenses.** Our other expenses were ₹ 195.41 million for the nine months ended December 31, 2014, consisting primarily of legal and professional fees expenses of ₹ 85.86 million and rates and taxes of ₹ 33.37 million. Our other expenses as a percentage of total income was 4.9% for the nine months ended December 31, 2014 as compared to 6.3% for the financial year 2014.

**Finance Costs.** Our finance costs (that were charged to our profit and loss statement) were ₹ 3,861.09 million for the nine months ended December 31, 2014, consisting primarily of interest expenses on loans from banks and others of ₹ 3,669.10 million and other borrowing cost (including amortisation of discount on issue of non convertible debentures) of ₹ 191.99 million. Our finance costs (that were charged to our profit and loss statement) as a percentage of total income was 97.5% for the nine months ended December 31, 2014 as

compared to 90.5% for the financial year 2014.

**Depreciation and Amortisation Expenses.** Our depreciation and amortisation expenses were ₹ 1,030.74 million for the nine months ended December 31, 2014, consisting primarily of amortisation on toll collection rights of ₹ 907.82 million. Our depreciation and amortization expenses as a percentage of total income was 26.0% for the nine months ended December 31, 2014 as compared to 23.3% for the financial year 2014.

**Tax Expense.** As a result of net loss in our operating Subsidiaries, we had no current tax charge and ₹ 0.22 million of deferred tax charges, for the nine months ended December 31, 2014.

### **Financial Year 2014 Compared to Financial Year 2013**

**Total Revenue.** Our total revenue increased by 24.5% to ₹ 3,926.60 million for the financial year 2014 from ₹ 3,154.25 million for the financial year 2013, primarily due to an increase in revenue from operations.

**Revenue from Operations.** Our revenue from operations increased by 29.2% to ₹ 3,710.71 million for the financial year 2014 from ₹ 2,872.15 million for the financial year 2013, primarily due to an increase in revenue from toll collection and annuity to ₹ 2,910.40 million for the financial year 2014 from ₹ 1,976.19 million for the financial year 2013, receipt of user fees to ₹ 268.99 million for the financial year 2014 from nil for the financial year 2013 and advisory, project and toll management fees to ₹ 276.20 million for the financial year 2014 from ₹ 1.20 million for the financial year 2013, partially offset by a decrease in EPC contract income to ₹ 228.77 million for the financial year 2014 from ₹ 881.52 million for the financial year 2013. The increase in revenue from toll collection was due to the commencement of collection of user fees from the MBCPNL Project and tolls from the RPTPL Project and the recognition of a full financial year of collection of tolls from the BHTPL Project and HYTPL Project for the financial year 2014 as compared to partial financial year of collection of tolls from BHTPL Project and HYTPL Project for the financial year 2013. The addition of annuity income of ₹ 383.96 million during the financial year 2014 was because of consolidation of NSEL as subsidiary from April 2, 2013. The EPC contract income is due to the EPC work for MBCPNL Project as a result of our Company being the EPC contractor. The MBCPNL Project received PCoD in eight check posts during the financial year 2014, in addition to PCoD for three check posts during the financial year 2013, due to which there was a reduction in EPC contract income in the financial year 2014 as compared to the financial year 2013. Advisory, project and toll management fees increased in the financial year 2014 because of providing project development and financial advisory services in connection with the completion of financial closure of SUTPL, BRTPL and RHTPL Projects.

**Other Income.** Our other income decreased by 23.5% to ₹ 215.89 million for the financial year 2014 from ₹ 282.10 million for the financial year 2013, primarily due to a decrease in interest income from corporate loans to associates and others to ₹ 27.59 million for the financial year 2014 from ₹ 104.56 million for the financial year 2013. Interest income on corporate loans to associates and others decreased for the financial year 2014 because interest income attributable to NSEL was eliminated for the financial year 2014 from other income.

**Operating Expenses.** Our operating expenses decreased by 8.8% to ₹ 885.20 million for the financial year 2014 from ₹ 970.94 million for the financial year 2013, primarily as a result of a decrease in EPC construction contract charges to sub - contractors to ₹ 151.66 million for the financial year 2014 from ₹ 741.05 million for the financial year 2013, partially offset by an increase in O&M charges to contractors and periodic major maintenance charges to ₹ 585.55 million for the financial year 2014 from ₹ 173.43 million for the financial year 2013 primarily due to periodic maintenance work in the ARRIL Project, and the commencement of operations of the partially operational MBCPNL Project and the RPTPL Project. The MBCPNL Project incurred operating expenses without the corresponding user fee revenue for a portion of the financial year 2014 because of the delay in commencement of collection of user fees subsequent to achieving PCoD for check posts. The EPC contract expenses reduced for the financial year 2014 as compared to the financial year 2013 because of lower EPC execution.

**Employee Benefits Expense.** Our employee benefits expense increased by 59.0% to ₹ 163.52 million for the financial year 2014 from ₹ 102.84 million for the financial year 2013, primarily as a result of an increase in salaries, wages and bonuses to ₹ 146.69 million for the financial year 2014 from ₹ 95.05 million for the financial year 2013, primarily due to an increase in the number of employees due to the commencement of operations of the RPTPL Project and the partially operational MBCPNL Project. Our number of employees increased to 978 as of March 31, 2014 from 907 as of March 31, 2013.

*Other Expenses.* Our other expenses increased to ₹ 246.15 million for the financial year 2014 from ₹ 102.56 million for the financial year 2013, primarily as a result of ₹ 82.01 million of assets under construction having been written off for the financial year 2014 due to the termination of the project managed by SBTPL and an increase in legal and profession fees to ₹ 87.67 million for the financial year 2014 from ₹ 45.90 million for the financial year 2013.

*Finance Costs.* Our finance costs (that were charged to our profit and loss statement) increased by 82.0% to ₹ 3,552.44 million for the financial year 2014 from ₹ 1,951.76 million for the financial year 2013, primarily as a result of an increase in interest expenses on loans from banks and others by 78.5% to ₹ 3,336.16 million for the financial year 2014 from ₹ 1,869.04 million in financial year 2013 and an increase in other borrowing cost of ₹ 215.41 million in financial year 2014 from ₹ 81.10 million for the financial year 2013. The increase in finance costs was as a result of the increase in average total principal amount of indebtedness outstanding. In addition, the MBCPNL Project and the RPTPL Project began collection of tolls during the financial year 2014. As such, the finance costs from such projects started to be expensed in the financial year 2014, which lead to the increase in finance costs. Moreover, as a result of NSEL being consolidated as a subsidiary, the finance costs attributable to the indebtedness of NSEL were also consolidated, which led to an increase in finance costs.

*Depreciation and Amortisation Expenses.* Our depreciation and amortisation expenses increased by 83.4% to ₹ 915.01 million for the financial year 2014 from ₹ 498.95 million for the financial year 2013, primarily due to the commencement of depreciation of toll collection rights of the MBCPNL Project and the RPTPL Project, the recognition of depreciation of toll collection rights of the BHTPL Project and the HYTPL Project for a full financial year, and the consolidation of NSEL as a subsidiary.

*Tax Expense.* Our tax expense was primarily attributable to net profit from ARRIL and AJTL for the financial year 2014, and totaled ₹ 121.66 million for the financial year 2014 as compared to ₹ 50.31 million for the financial year 2013.

#### ***Financial Year 2013 Compared to Financial Year 2012***

***Total Revenue.*** Our total revenue increased by 58.7% to ₹ 3,154.25 million for the financial year 2013 from ₹ 1,987.48 million for the financial year 2012, primarily due to an increase in revenue from operations.

*Revenue from Operations.* Our revenue from operations increased by 63.2% to ₹ 2,872.15 million for the financial year 2013 from ₹ 1,759.57 million for the financial year 2012, primarily due to an increase in revenue from toll collection and annuity to ₹ 1,976.19 million for the financial year 2013 from ₹ 1,007.53 million for the financial year 2012 and an increase in EPC contract income to ₹ 881.52 million for the financial year 2013 from ₹ 499.46 million for the financial year 2012. The increase in revenue from operations was due to the commencement of collection of tolls from the BHTPL Project and HYTPL Project. The increase in EPC contract income was due to the development of the MBCPNL Project during the financial year 2013.

*Other Income.* Our other income increased by 23.8% to ₹ 282.10 million for the financial year 2013 from ₹ 227.91 million for the financial year 2012, primarily due to increases in interest income from corporate loans to associates and others to ₹ 104.56 million for the financial year 2013 from ₹ 73.71 million for the financial year 2012, interest income from deposits with banks to ₹ 21.33 million for the financial year 2013 from ₹ 2.23 million for the financial year 2012, dividend income to ₹ 22.97 million for the financial year 2013 from ₹ 3.40 million for the financial year 2012 and profit on the sale of mutual fund units to ₹ 26.48 million for the financial year 2013 from ₹ 11.49 million for the financial year 2012, partially offset by a decrease in interest income from a subordinated loan to a related party to ₹ 105.76 million for the financial year 2013 from ₹ 136.85 million for the financial year 2012. In addition, we had interest income from others of ₹ 0.07 million, sundry balances written back of ₹ 0.01 million and other income of ₹ 0.15 million for the financial year 2012. All of the other income for the financial year 2012 is of non-recurring nature. However, while the subordinated loan to a related party and sundry balances written back were related to our business activity, the other items of other income were not related to our business activity.

*Operating Expenses.* Our operating expenses increased by 50.1% to ₹ 970.94 million for the financial year 2013 from ₹ 646.72 million for the financial year 2012, primarily as a result of an increase in EPC contract expenses to ₹ 741.05 million for the financial year 2013 from ₹ 366.27 million for the financial year 2012, partially offset by a decrease in O&M charges to ₹ 44.06 million for the financial year 2013 as compared to ₹ 128.83 million



for the financial year 2012 due to such charges being incurred in the financial year 2012 at our ARRIL Project. The EPC contract expenses for the financial year 2013 primarily related to the MBCPNL Project.

*Employee Benefits Expense.* Our employee benefits expense increased by 67.2% to ₹ 102.84 million for the financial year 2013 from ₹ 61.51 million for the financial year 2012, primarily as a result of an increase in salaries, wages and bonuses to ₹ 95.05 million for the financial year 2013 from ₹ 56.44 million for the financial year 2012 due to an increase in the number of employees, primarily due to the commencement of operations of the BHTPL and HYTPL Projects.

*Other Expenses.* Our other expenses decreased by 14.5% to ₹ 102.56 million for the financial year 2013 from ₹ 120.01 million for the financial year 2012, primarily as a result of a decrease in legal and profession fees to ₹ 45.90 million for the financial year 2013 from ₹ 91.51 million for the financial year 2012 partially offset by an increase in rates and taxes of ₹ 14.38 million for the financial year 2013 from ₹ 2.79 million for the financial year 2012.

*Finance Costs.* Our finance costs (that were charged to our profit and loss statement) increased to ₹ 1,951.76 million for the financial year 2013 from ₹ 718.44 million for the financial year 2012, primarily as a result of an increase in interest expenses on loans from banks and others of ₹ 1,869.04 million for the financial year 2013 from ₹ 706.64 million in financial year 2012 and an increase in other borrowing cost of ₹ 81.10 million in financial year 2013 from ₹ 8.39 million for the financial year 2012. The increase in finance costs was as a result of the increase in average total principal amount of indebtedness outstanding. In addition, the BHTPL Project and the HYTPL Project began collection of tolls during the financial year 2014. As such, the finance costs from both of these projects started to be expensed in the financial year 2014, which led to the increase in finance costs.

*Depreciation and Amortisation Expenses.* Our depreciation and amortisation expenses increased to ₹ 498.95 million for the financial year 2013 from ₹ 215.04 million for the financial year 2012, primarily due to the commencement of depreciation of toll collection rights of BHTPL Project and HYTPL Project.

*Tax Expense.* Our tax expense was primarily attributable to net profit from our Company for the financial year 2013, and totaled ₹ 50.31 million for the financial year 2013 as compared to ₹ 127.80 million for the financial year 2012.

### **Financial Condition, Liquidity and Capital Resources**

We operate in a capital intensive industry and our principal liquidity requirements have been to finance our working capital needs and our capital expenditures. Our business requires high levels of financing to develop, operate and maintain our projects. To fund these costs, we have historically relied on sales of equity and debt securities, short term and long term borrowings, including working capital financing, loans from related parties and others and cash generated from operating activities.

Our short-term liquidity requirements relate to servicing our debt, operating and maintaining our projects and financing working capital requirements. Our long-term liquidity requirements include construction of projects under development, financing equity contributions in Project companies and repayment of long-term debt under our facilities.

Our cash and cash equivalents as of December 31, 2014 were ₹ 1,235.17 million.

### **Cash Flows**

Our cash and cash equivalents have changed from period to period as a result of the growth of our business and operations and the nature of our business, particularly the incurrence of finance costs and operating expenses.

The table below summarises our cash flows for the nine months ended December 31, 2014:

|  | For the Nine Months Ended December 31,<br>2014 |
|--|------------------------------------------------|
|  | (₹ in million)                                 |

|                                                  | For the Nine Months Ended December 31,<br>2014 |
|--------------------------------------------------|------------------------------------------------|
|                                                  | (₹ in million)                                 |
| Net cash generated from operating activities     | 2,440.84                                       |
| Net cash (used in) investing activities          | (7,886.55)                                     |
| Net cash generated from financing activities     | 6,162.53                                       |
| <b>Net increase in cash and cash equivalents</b> | <b>716.82</b>                                  |

#### *Operating Activities*

Net cash generated from operating activities was ₹ 2,440.84 million for the nine months ended December 31, 2014 and consisted of loss before tax of ₹ 2,456.36 million as adjusted primarily by depreciation and amortisation expenses of ₹ 1,030.74 million and finance costs of ₹ 3,861.08 million.

#### *Investing Activities*

Net cash used in investing activities was ₹ 7,886.55 million for the nine months ended December 31, 2014. Net cash used in investing activities was primarily due to purchase of fixed assets (including work in progress) as a result of projects being completed or under development of ₹ 7,369.98 million, proceeds from sale of mutual funds (net) of ₹ 1,046.09 million and payment towards the acquisition of equity interests in SUTPL, BRTPL and RHTPL. The cash from investing activities was utilized primarily for the construction of SUTPL, BRTPL, RHTPL and MBCPNL Projects.

#### *Financing Activities*

Net cash generated from financing activities was ₹ 6,162.53 million for the nine months ended December, 2014. Net cash generated from financing activities was due to proceeds from long-term borrowings of ₹ 8,709.59 million which were partially offset by payment of finance costs of ₹ 4,209.01 million and repayment of short-term borrowings of ₹ 3,450.14 million.

The table below summarises our cash flows for the financial years 2014, 2013 and 2012:

|                                                               | For the Year Ended March 31, |                 |               |
|---------------------------------------------------------------|------------------------------|-----------------|---------------|
|                                                               | 2014                         | 2013            | 2012          |
|                                                               | (₹ in million)               |                 |               |
| Net cash generated from operating activities                  | 3,246.13                     | 1,338.55        | 1,067.02      |
| Net cash (used in) investing activities                       | (9,392.75)                   | (9,040.39)      | (14,581.22)   |
| Net cash generated from financing activities                  | 6,147.80                     | 6,982.12        | 14,232.38     |
| <b>Net increase / (decrease) in cash and cash equivalents</b> | <b>1.18</b>                  | <b>(719.72)</b> | <b>718.18</b> |

#### *Operating Activities*

Net cash generated from operating activities was ₹ 3,246.13 million for the financial year 2014 and consisted of loss before tax of ₹ 1,835.72 million, as adjusted primarily for finance costs of ₹ 3,552.44 million, depreciation and amortisation of ₹ 915.01 million.

Net cash used in operating activities was ₹ 1,338.55 million for the financial year 2013 and consisted of loss before tax of ₹ 472.80 million, as adjusted primarily for finance costs of ₹ 1,951.76 million, depreciation and amortisation of ₹ 498.95 million, interest income of ₹ 232.34 million and increase in other assets of ₹ 357.73 million.

Net cash generated from operating activities was ₹ 1,067.02 million for the financial year 2012 and consisted of profit before tax of ₹ 225.76 million, as adjusted primarily for finance costs of ₹ 718.44 million, depreciation and amortisation of ₹ 215.04 million and interest income of ₹ 212.86 million.

### *Investing Activities*

Net cash used in investing activities was ₹ 9,392.75 million for the financial year 2014, primarily consisting of purchase of fixed assets (including work in progress) as a result of projects completed or under development of ₹ 8,865.44 million and net purchases of mutual funds of ₹ 904.93 million. The cash from investing activities was utilized primarily for the construction of SUTPL, BRTPL, RPTPL and MBCPNL Projects.

Net cash used in investing activities was ₹ 9,040.39 million for the financial year 2013, primarily consisting of purchase of fixed assets (including work in progress) as a result of projects completed or under development of ₹ 9,186.41 million. The cash from investing activities was utilized primarily for the construction of HYTPL, RPTPL and MBCPNL Projects.

Net cash used in investing activities was ₹ 14,581.22 million for the financial year 2012, primarily consisting of purchase of fixed assets (including work in progress) as a result of projects completed or under development of ₹ 13,227.88 million. The cash from investing activities was utilized primarily for the construction of HYTPL, RPTPL, BHTPL and MBCPNL Projects.

### *Financing Activities*

Net cash generated from financing activities ₹ 6,147.80 million for the financial year 2014. Net cash generated from financing activities primarily consisted of proceeds from long-term borrowings of ₹ 8,447.66 million and proceeds from short-term borrowings of ₹ 4,766.31 million, partially offset by finance costs of ₹ 4,897.71 million and the repayment of short-term borrowings of ₹ 2,148.79 million.

Net cash generated from financing activities was ₹ 6,982.12 million for the financial year 2013. Net cash generated from financing activities primarily consisted of proceeds from long-term borrowings of ₹ 8,510.85 million and proceeds from securities premium on the issuance of share capital of ₹ 1,231.65 million, partially offset by finance costs of ₹ 3,863.61 million.

Net cash generated from financing activities was ₹ 14,232.38 million for the financial year 2012. Net cash generated from financing activities primarily consisted of proceeds from long-term borrowings of ₹ 14,606.52 million, grants received during the year of ₹ 2,153.69 million and proceeds from short-term borrowings of ₹ 1,026.36 million, partially offset by finance costs of ₹ 2,812.82 million and the repayment of short-term borrowings of ₹ 728.48 million.

### *Indebtedness*

As of December 31, 2014, our consolidated indebtedness was ₹ 59,486.67 million, as set out below:

|                                                                                                                   | As of December 31, 2014 |
|-------------------------------------------------------------------------------------------------------------------|-------------------------|
|                                                                                                                   | (₹ in million)          |
| <b>Short-term Borrowings</b>                                                                                      |                         |
| <b>Secured</b>                                                                                                    | -                       |
| <b>Unsecured:</b>                                                                                                 |                         |
| Loans from Related Parties                                                                                        | 5,007.38                |
| Unsecured Loans from Banks and Others                                                                             | 213.00                  |
| Temporary Overdraft in Current Account                                                                            | 99.92                   |
| <b>Total Short-Term Borrowings</b>                                                                                | <b>5,320.30</b>         |
| <b>Long-Term Borrowings</b>                                                                                       |                         |
| <b>Secured:</b>                                                                                                   |                         |
| 1,600, 9% Redeemable Non Convertible Debentures of ₹ 1,000,000 each, plus accrued amount of premium on redemption | 1,602.20                |
| 6% Non Convertible Debentures of ₹ 1,000 each, plus accrued amount of premium on redemption                       | 1,450.72                |
| Term Loans from Banks (Rupee denominated)                                                                         | 40,246.78               |

|                                                                                                                    | As of December 31, 2014 |
|--------------------------------------------------------------------------------------------------------------------|-------------------------|
|                                                                                                                    | (₹ in million)          |
| Foreign Currency Term Loans from Banks less amount receivable from derivative settlement of foreign currency loans | 7,827.67                |
| Term Loans from Other Parties                                                                                      | 2,259.44                |
| <b>Unsecured:</b>                                                                                                  |                         |
| Interest Free Loan from SEL                                                                                        | 779.56                  |
| <b>Total Long-Term Borrowings</b>                                                                                  | <b>54,166.37</b>        |
| <b>Total</b>                                                                                                       | <b>59,486.67*</b>       |

\* Includes current maturities on long-term borrowings of ₹ 1,004.18 million

See “Financial Indebtedness” for a description of terms of our indebtedness.

#### *Non-compliance with covenants in financing agreements*

Our Company and certain of our Subsidiaries are not in compliance with specific financial and other covenants, which constitute events of default under the respective financing agreements and also trigger cross default provisions under certain financing agreements of our Company and other Subsidiaries. The non-compliances and cross defaults include the following:

- Our Company is not in compliance with the following covenants under its financing agreements:
  - DSCR for financial year 2014 under the ICICI Facility;
  - Providing notice of board and shareholders’ meeting after the occurrence of an event of default to the lender’s agent and security trustee, routing of cash inflows through designated accounts, incurring additional debt; creation of security interests over property, revenue or assets of the Company, granting of loans and advances under the ICICI Facility; and
  - Rating of lenders facilities by a credit rating agency and routing all banking business through the lender pro-rata to the lender’s exposure in the aggregate credit facilities from the banking system under the KMB sanction letter.
- HYTPL is not in compliance with the DSCR for the financial year 2014, and certain information covenants provided in the HYTPL Facility for previous year. Further, the defaults under the HYTPL Facility have also triggered a cross-default under the HYTPL ECB Facility. Similarly, the defaults under the HYTPL ECB Facility has also triggered a cross-default under the HYTPL Facility;
- BHTPL is not in compliance with the DSCR provided in the BHTPL Facility for the financial year 2014. The defaults under the BHTPL Facility have also triggered a cross-default under the BHTPL ECB Facility. The non-compliance with the DSCR provision under the BHTPL ECB Facility has been remedied by amendment of the DSCR provision. Similarly, the other defaults under the BHTPL ECB Facility has also triggered a cross-default under the BHTPL Facility; and
- AJTL, BRTPL and SUTPL were not in compliance with certain information covenants, including, provision of reports to the lenders, notice to shareholders and conducting shareholders meetings under its financing agreements.

Each of the above-mentioned non-compliances has also triggered cross-defaults in the ICICI Facility and the GDA Facility. Further, the cross default in the ICICI Facility has also triggered a cross-default in the BRTPL Facility and the SUTPL Facility.

In addition to the above, certain non-compliances by SEL, our corporate Promoter (which is also listed as a sponsor/guarantor in the financing agreements of our Company, RHTPL, BRTPL and SUTPL) have also triggered a cross-default in the ICICI Facility, the RHTPL Facility, BRTPL Facility and the SUTPL Facility. Further, certain non-compliances by our Company (which is also listed as a sponsor/guarantor in the financing agreements of RHTPL, BRTPL and SUTPL) have also triggered a cross-default in the ICICI Facility and GDA Facility, the RHTPL Facility, BRTPL Facility and the SUTPL Facility. Further, the cross-defaults in the RHTPL Facility, the BRTPL Facility and the SUTPL Facility have also triggered a cross-default in the ICICI Facility and the GDA Facility.

AJTL is not in compliance with the DSCR covenant for the financial years 2014, 2013 and 2012.

ARRIL is not in compliance with the DSCR covenant for the financial year 2014.

For details see “Risk Factors – Internal Risk Factors – We are subject to restrictive covenants under our financing agreements that could limit our flexibility in managing our business or to use cash or other assets. Moreover, our Company and certain of our Subsidiaries are currently not in compliance with specific obligations under their financing agreements, which have also triggered cross defaults under certain financing agreements of our Company and other Subsidiaries. Such current and any future defaults could lead to acceleration of our repayment obligations, termination of one or more of our financing agreements and concession agreements or force us to sell our assets, which may adversely affect our cash flows, business, results of operations and financial condition.” from pages 21 to 24.

### ***Historical Capital Expenditures***

Our Purchase of Fixed Assets (including work in progress) for the nine months ended December 31, 2014 and for the financial years 2014, 2013 and 2012 were ₹ 7,369.98 million, ₹ 8,865.44 million, ₹ 9,186.41 million and ₹ 13,227.88 million, respectively. See “– Cash Flows – Investing Activities”.

### ***Premium Obligations to NHAI***

Our premium obligations to NHAI as at December 31, 2014 and March 31, 2014 and 2013 as recorded in the books were ₹ 22,317.48 million, ₹ 22,414.02 million and ₹ 4,179.07 million respectively. The increase in our premium obligations to NHAI is attributable to the increase in the number of our operating projects in which premiums are payable to NHAI.

### ***Contingent Liabilities***

Our contingent liabilities as per Accounting Standard 29 as of December 31, 2014 are set out below:

| Particulars                                                      | As of December 31, 2014 |
|------------------------------------------------------------------|-------------------------|
|                                                                  | (₹ in million)          |
| Claims against the Company not acknowledged as debts Service Tax | 43.48                   |
| Income tax matters                                               | 15.03                   |

### ***Related Party Transactions***

Our Company has engaged in a number of related party transactions with SEL, our corporate Promoter. These transactions primarily relate to procurement of EPC services and borrowings from SEL. See “Related Party Transactions” on page 286.

### ***Off-Balance Sheet Commitments and Contractual Arrangements***

#### ***Derivative Instruments***

In conducting our business, we use several derivative instruments to manage the risks arising from fluctuations in interest and exchange rates. Such instruments are used for risk management purposes only. The nominal amounts of derivative contracts entered into by us and outstanding as of December 31, 2014 was US\$ 34.82 million for interest rate swaps and options and US\$ 106.77 million for U.S. Dollar exchange rate swaps and options. We do not hold or issue derivative financial instruments for trading or speculative purposes and all the derivatives entered into by us are to mitigate or offset the risks that arise from our normal business activities only.

There are no other off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on our financial condition, revenues or expenses, liquidity, capital expenditures or capital resources that we believe are material.

#### ***Contractual Commitments***

As of December 31, 2014, we had contractual obligations of the following amounts:

| Contractual Obligations<br>(net of advances)                | As of December 31,<br>2014 | Less than one<br>year   | Between one to<br>three years | Between three<br>to five years | More than five<br>Years |
|-------------------------------------------------------------|----------------------------|-------------------------|-------------------------------|--------------------------------|-------------------------|
|                                                             | (₹ in million)             |                         |                               |                                |                         |
| Total Indebtedness                                          | 59,486.67                  | 7,346.13 <sup>(1)</sup> | 5,266.17                      | 15,783.90                      | 44,735.65               |
| <b>Contractual Commitments</b>                              |                            |                         |                               |                                |                         |
| Sub Contract Commitments                                    | 992.54                     | 661.69                  | 330.85                        | -                              | -                       |
| Premium Payable to<br>Concessioning Authorities by<br>SUTPL | 54.00                      | 54.00                   | -                             | -                              | -                       |
| On Capital Account (Net of<br>Advances)                     | 16,067.41                  | 12,230.97               | 3,836.44                      | -                              | -                       |
| <b>Total</b>                                                | <b>77,170.67</b>           | <b>20,292.79</b>        | <b>9,433.46</b>               | <b>15,783.90</b>               | <b>44,735.65</b>        |

(1) Includes ₹ 5,320.30 million of short-term borrowings which are repayable on demand.

### Quantitative and Qualitative Disclosures about Market Risk

Market risk is the risk of loss related to adverse changes in market prices, including interest rates and foreign exchange rates of financial instruments. We believe that our principal market risks are interest rate risk, foreign exchange risk, inflation risk and commodity price risk.

#### Interest Rate Risk

Our exposure to interest rate risks primarily relates to our debt. Fluctuations in interest rates could negatively affect the amount of interest payable by us under our debt obligations and could make it more difficult for us to procure new debt on attractive terms. Our Rupee-denominated and US Dollar-denominated indebtedness, which bears interest at floating rates linked with prime lending, G-Sec benchmark rate or base rates of the respective lenders, as determined from time to time, totalled ₹ 45,559.14 million and US\$ 137.09 million, respectively, as of December 31, 2014.

#### Foreign exchange risk

While our revenues are currently denominated in Rupees, as of December 31, 2014, we have outstanding US\$137.09 million in principal amount of foreign currency borrowings. The value of the Rupee against the U.S. Dollar and other currencies may fluctuate and is affected by, among other things, changes in India's political and economic conditions. The Indian Rupee has, between March 31, 2013 and March 31, 2014, depreciated against the U.S. Dollar by 10.5%. Accordingly, any adverse movement of the Rupee against the U.S. Dollar will increase the Rupee cost to us. If we are unable to recover the costs of foreign exchange variations, depreciation of the Rupee against the U.S. Dollar may adversely affect our results of operations and financial condition.

#### Impact of Inflation

Although India has experienced an increase in inflation rates, inflation has not had a material impact on our business and results of operations.

#### Commodity Price Risk

As an infrastructure developer, we are exposed to the risk that prices for construction materials used to build our roads will increase. These materials are global commodities and their prices are cyclical in nature and fluctuate in accordance with global market conditions.

### Qualifications in Auditor's Report

For the financial years 2014, 2013 and 2012, no internal audits were carried out and accordingly, the auditors were unable to comment on the internal audit system. See "Risk Factors - As indicated in the examination report of our auditors relating to our restated financial statements, the Companies (Auditors Report) Order, 2003, an annexure to the auditor reports to the audited unconsolidated financial statements contains qualification that

there were no internal audits carried out of our Company for the financial years 2014, 2013, 2012, 2011 and 2010 and that there were certain delays in payment of statutory dues and unpaid disputed dues. Further, the audit report also includes certain emphasis of matter paragraphs.” For details of the other qualifications and emphasis of matter see “Summary of Financial Information” from pages 80 to 82.

For the financial years 2014 and 2013, undisputed statutory dues including provident fund, income tax, sales tax, service tax, cess and other material statutory dues were generally regularly deposited with the appropriate authorities though there had been a slight delay in a few cases.

For the financial years 2014 and 2013, disputed service tax outstanding for prior financial years was ₹ 40.98 million and ₹ 43.48 million, respectively.

For the financial year 2014, ₹ 2,980.68 million raised on short term basis in the form of unsecured loan from related party were used for investment in equity shares and sub-ordinate debts to its subsidiaries and associate as promoter’s contributions.

For details of qualifications prior to financial year 2012 and steps taken by our Company to address the qualifications, see “Summary of Financial Information” on page 81.

### **Significant developments occurring after December 31, 2014**

To our knowledge, except as disclosed in this Draft Red Herring Prospectus, no circumstances have arisen since December 31, 2014 which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

### **Unusual or infrequent events or transactions**

To our knowledge, except as disclosed in this Draft Red Herring Prospectus, there have been no transactions or events which, in our judgment, would be considered unusual or infrequent.

### **Known trends or uncertainties**

Our business has been affected and we expect that it will continue to be affected by the trends identified above in “– Significant Factors Affecting Our Results of Operations and Financial Condition” and the uncertainties described in the section “Risk Factors” beginning on page 21. To our knowledge, except as disclosed in this Draft Red Herring Prospectus, there are no known factors which we expect to have a material adverse effect on our income.

### **Future relationship between cost and revenue**

Other than as described in the section “Risk Factors” and this section, there are no known factors that might affect the future relationship between cost and revenue.

### **Seasonality of Business**

Severe weather conditions and seasonality may affect traffic trends and usage of our Projects. Further, our operations may be adversely affected by difficult working conditions during the summer months and during monsoon season that restrict the ability to carry on EPC and O&M activities. As a result of periods of curtailed activity due to adverse weather conditions, we may face delay in development or O&M of our Projects.

### **Competitive Conditions**

We expect competition in our industry from existing and potential competitors to intensify. For details, refer to the discussions of our competition in the sections “Risk Factors” and “Business” on page 41 and pages 226 to 227, respectively.

### **Increase in Income**

Increases in our income are due to the factors described above in “– Significant Factors Affecting Our Results of

Operations and Financial Condition” on page 493 to 495 and the section “Risk Factors” beginning on page 21.

**New Products or Business Segments**

We have not announced and do not expect to announce in the near future any new products or business segments.



## SECTION VI: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, (i) there are no winding up petitions, outstanding litigations, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, show cause notices or legal notices pending against our Company or against any other company whose outcome could have a materially adverse effect on the business, operations, cash flows or financial position of our Company, and (ii) there are no defaults including non-payment or overdue of statutory dues, overdues to banks or financial institutions, defaults against banks or financial institutions or rollover or rescheduling of loans or any other liability, defaults in dues payable to holders of any debenture, bonds and fixed deposits or arrears on cumulative preference shares issued by our Company, defaults in creation of full security as per the terms of issue/other liabilities, proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (1) of Part I of Schedule XIII of the Companies Act, 1956 and under paragraph (a) of Part I of Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company except as stated below, and (iii) no disciplinary action has been taken by SEBI or any stock exchange against our Company, Directors or Promoters.

#### **I. Litigation involving our Company**

##### **Litigation filed against our Company**

###### *Civil Proceedings*

MCL, Kanubhai Patel and Mrunal Patel (the “Petitioners”) filed a company petition before the Company Law Board, Regional Bench, Bombay (the “Company Law Board”) against our Company, SEL, BHTPL, Vishnubhai M. Patel and others (the “Respondents”) under Sections 397 and 398 read with 399, 402 and 403 of the Companies Act, 1956 alleging certain irregularities in relation to corporate and other matters pertaining to BHTPL including, *inter alia*, acts of oppression and mismanagement of affairs of BHTPL by the Respondents, non-involvement of the nominee director of MCL in the day to day affairs of BHTPL, awarding of EPC contract to SEL and siphoning of an amount to the tune of ₹ 2,000 million through the EPC contract, and payment of fees to our Company through service, rent and O&M agreements. The Petitioners have sought certain reliefs in relation to the aforesaid allegations including, *inter alia*, declaration that memorandum of understanding dated July 9, 2010 entered between MCL, BHTPL, SEL and our Company is non-binding, certain amount paid by BHTPL to SEL in accordance with the terms of the EPC contract to be refunded, services agreement dated March 1, 2010 entered into by BHTPL with our Company to be quashed and amount paid under the services agreement to be refunded along with interest and permitting the petitioners along with chartered accountants / consultants / advocates as representative of the Petitioners to inspect the books of accounts and other books and papers of BHTPL. The Company Law Board passed an interim order (the “Interim Order”) allowing the Petitioners to send a representative (Deloitte) to take inspection of the books of accounts and other books and papers of BHTPL and directed BHTPL to give sufficient notice to the Petitioners of its board meetings.

Prior to passing of the aforesaid order, our Company and SEL had also issued a notice to MCL invoking arbitration clause under paragraph 36 of the shareholders agreement dated July 9, 2010 (the “SHA”) which was disputed by MCL. In this regard, our Company had filed a civil application before the Company Law Board under Section 8 of the Arbitration and Conciliation Act, 1996 (the Arbitration Act) (the “Arbitration Application”).

Being aggrieved by the Interim Order, our Company and SEL preferred an appeal before the Gujarat High Court against the order of the Company Law Board. The Gujarat High Court was of the opinion that neither any reasons had been assigned by the Company Law Board while granting the Interim Order nor had the Arbitration Application been examined by the Company Law Board and accordingly, the Gujarat High Court set aside the order passed by the Company Law Board and remanded the matter back to the Company Law Board with a direction to decide the Arbitration Application and pass an order after deciding the Arbitration Application.

The Company Law Board dismissed the Arbitration Application on certain grounds including *inter alia* that the issues alleged by the Petitioners did not fall in the domain of the arbitral tribunal, subject matter

of the arbitration agreement under paragraph 36 of the SHA were distinct and the aforesaid petition and the fact that BHTPL was not a party to the arbitration agreement under paragraph 36 of the SHA.

The Company Law Board also granted certain ad-interim reliefs sought by the Petitioners including that (i) the nominee director of MCL was required to be served with seven days advance notice in respect of the board meetings of BHTPL and notices of other meetings was required to be served under applicable law; (ii) the nominee director of MCL was required to be allowed to participate in the meetings and any comments / objections was required to be recorded and circulated with minutes within 3 days; (iii) BHTPL was restrained from entering into any arrangement with any person including other respondents without prior approval of the Company Law Board; (iv) MCL, through its nominee directors along with chartered accountant and a company secretary, were permitted to inspect books of accounts and statutory records of BHTPL subject to certain conditions; and (v) Petitioners with the help of experts were allowed to install necessary system to monitor toll plazas/project site online.

The Respondents filed a special civil application (the “SCA”) before the Gujarat High Court challenging the aforesaid order of the Company Law Board. The Gujarat High Court passed an order granting interim reliefs to the Respondents including *inter alia* restraining the Company Law Board from proceeding further with the company petition till final disposal of the SCA filed by the Respondents.

Subsequently, the Petitioners filed a civil application in relation to the SCA seeking modification of the aforesaid order of the Gujarat High Court. The Gujarat High Court clarified that the Petitioners were at liberty to approach the Company Law Board for enforcing the interim order passed by the Company Law Board granting certain ad-interim reliefs sought by the Petitioners.

In relation to the SCA, the Gujarat High Court upheld the order of the Company Law Board, vacated the interim order and dismissed the SCA. The Gujarat High Court, however, directed the Company Law Board not to proceed with the petition for four weeks from the date of the order. Our Company has filed a letters patent appeal before the Gujarat High Court against the Company Law Board and others for quashing and setting aside of the order passed by the single bench of the Gujarat High Court dismissing the SCA and for allowing the Arbitration Application. The division bench of the Gujarat High Court has stayed further proceedings before the Company Law Board and continued the interim arrangement. The Gujarat High Court has admitted the letters patent appeal and has continued the ad interim relief granted earlier. The matter is currently pending.

#### *Indirect tax proceedings*

The Directorate General of Central Excise Intelligence issued a show cause notice to our Company, in relation to the amount that our Company had availed of as CENVAT credit aggregating to ₹ 21.74 million for certain services categorised as input services as the same were not used in providing management consultancy services and works contract service (the “Alleged Grounds”). The Office of the Commissioner of Service Tax, Ahmedabad, through its order, upheld the recovery demand raised through the SCN and imposed penalty along with interest on our Company (the “Service Tax Order”). Our Company preferred an appeal along with an application of stay against the Service Tax Order and waiver of pre – deposit of service tax till disposal of appeal before the CESTAT. The CESTAT, through its interim order, granted a stay on the recovery of amounts and penalties pending the disposal of the appeal subject to our Company depositing an amount of ₹ 2.5 million within a period of eight weeks from the date of the order and reporting compliance to the CESTAT by December 12, 2013. Our Company has deposited an amount of 2.5 million. The aggregate amount involved is ₹ 43.48 million. The matter is currently pending.

#### *Notices*

The ACIT, Central Circle 1(1), Ahmedabad, issued a notice to our Company under Section 142(1) of the IT Act to furnish information in relation to the assessment year 2013-14 within time stipulated in the notice. However, our Company could not submit the required information. Subsequently, the ACIT, Central Circle 1(1), Ahmedabad, issued a show cause notice to our Company seeking reasons for not imposing a penalty under Section 271(1)(b) of the IT Act due to failure of our Company to furnish information as required under the notice. The matter is currently pending.

### *Past Penalties*

From the date of incorporation, our Company has paid certain penalties the Registrar of Companies in relation to delay in filing of certain forms required to be filed under the Companies Act aggregating up to ₹ 82,700.

Additionally, in the past, our Company has also paid penalties to the Department of Sales Tax under the Maharashtra Value Added Tax Act, 2002 aggregating to ₹ 35,000.

### **Litigation filed by our Company**

*Nil*

### **Inquiries, inspections or investigations under the Companies Act**

*Nil*

### **Material Frauds against our Company**

There have been no material frauds committed against our Company in the five years preceding the date of this Draft Red Herring Prospectus.

### **Small Scale Industries**

Our Company does not owe any small scale undertakings any amounts exceeding ₹ 0.1 million which is outstanding for more than 30 days. There are no disputes with such entities in relation to payments to be made to them.

Our Company, in its ordinary course of business, has certain amounts aggregating ₹ 0.1 million or more which are due towards sundry creditors for a period of 30 days or more. The details pertaining to amounts more than ₹ 0.1 million due towards sundry creditors for a period of 30 days or more are as follows:

1. Arrow Engineers
2. Bajaj Electrical Limited
3. D. Thakkar Construction Private Limited
4. Essae Digitronics Private Limited
5. Global Engineers
6. HCL Infosystems Limited
7. HCL Infotech Limited
8. Inckah Infrastructure Technologies Private Limited
9. J Kumar Infraprojects Limited
10. M&D Powertec Engineers Private Limited
11. Mangesh Electrical Maintenance Services
12. NCC Limited
13. Optart Electronics Private Limited
14. Pricewaterhousecoopers Private Limited.
15. Rajkamal Bar-Scan Systems Private Limited
16. Sadbhav Engineering Limited
17. Space Frame Roofs (India)
18. Transrail Lighting Limited
19. V R Techniche Consultants Private Limited.
20. Vaaan Infra Private Limited

### **Statutory Dues**

As of the date of this Draft Red Herring Prospectus, there have been no (i) instances of non-payment or defaults in payment of statutory dues by our Company, (ii) overdues to companies or financial institutions by our Company, (iii) defaults against companies or financial institutions by our Company. Further, as of the date of this Draft Red Herring Prospectus, there have been no contingent liabilities not paid for, except for (i) the income tax matters against our Subsidiaries and (ii) the show cause notice issued by the Directorate General of Central Excise Intelligence in relation to the amount that

our Company availed of as CENVAT credit. For further details, see “Outstanding Litigation and Material Developments – Litigation involving our Company – Litigation filed against our Company – Indirect Tax Proceedings” on page 516 and “Financial Statements” beginning on page 288.

## **II. Litigation involving our Subsidiaries**

### **A. AJTL**

#### **Litigation filed against AJTL**

##### *Civil proceedings*

Vishnu Dongare and others (the “Petitioners”) filed a writ petition before the Bombay High Court, Aurangabad bench against Sadbhav-Prakash Joint Venture (“Sadbhav-Prakash JV”) and others seeking a declaration that the erection of toll plazas at Nagewadi (km 56/400), Jalna and Ladgaon, Aurangabad (km 21/400) (collectively, the “AJTL Toll Plazas”) is illegal, arbitrary and violative of Article 14 of the Constitution of India. The Petitioners sought directions from the Bombay High Court for (i) cancellation or shifting of the AJTL Toll Plazas; (ii) issuance of necessary orders permitting erection of only one toll plaza on the Aurangabad-Jalna Road; and (iii) taking disciplinary action against the officer responsible for, *inter alia*, issuance of provisional work completion certificate prior to completion of 98% of work, as required under the concession agreement. The Petitioners also sought injunction for restraining Sadbhav-Prakash JV from collecting any toll at the AJTL Toll Plazas until the entire work was completed (the “Toll Dispute”).

Subsequently, the Government, through its letter, directed the Chief Engineer (PWD) (the “Chief Engineer”), Aurangabad to stop the toll recovery. Sadbhav-Prakash JV filed a writ petition before the Bombay High Court challenging *inter alia* the stoppage of toll recovery. The Bombay High Court proceeded to hear both the petitions for admission stage and interim order. The Bombay High Court, through its order, permitted Sadbhav-Prakash JV to resume toll collection subject to certain conditions and directed that an escrow account be opened and the amount of collection of toll be deposited in such escrow account at specified intervals. Pursuant to a subsequent order passed by the Bombay High Court, permitted continuation of escrow account till March 31, 2014 and the parties were left to avail the remedies under the contract and the petition filed by Sadbhav-Prakash JV was disposed off.

Sadbhav-Prakash JV filed an arbitration petition before the District Court, Aurangabad against the Chief Engineer and Executive Engineer, World Bank Project Division, for interim relief in relation to the restoration of the regular account and withdrawal of amounts received from toll collection from the escrow account. The District Court, Aurangabad partly allowed the petition and permitted Sadbhav-Prakash JV to withdraw the amount deposited in the escrow account in a prescribed manner, subject to certain conditions (the “Arbitration Order”). The Chief Engineer, through its letter, declared that the work as mentioned in the Arbitration Order was completed and necessary action for the same was to be undertaken. Subsequently, the Chief Engineer through its letter, requested the bank to transfer the amount in the escrow account to the regular account for the period from November 15, 2014 to February 25, 2015. The Public Works Department, Mantralaya, Mumbai issued a letter to the Chief Engineer directing the Chief Engineer to adhere to the terms and conditions of the Arbitration Order. The Toll Dispute is currently pending.

##### *Direct tax proceedings*

1. The ACIT, Central Circle – 1(1), Ahmedabad served an assessment order to AJTL along with a demand notice for nil amount in relation to the assessment year 2008-09. AJTL had, in its original returns, shown its total income as approximately ₹ 4.62 million. Subsequently, it filed revised returns showing nil income. Pursuant to the aforesaid assessment order, the ACIT, Central Circle – 1(1), Ahmedabad treated the income earned in the form of interest on mobilization advances as income from other sources and added approximately ₹ 4.6 million to the total income. AJTL preferred an appeal before the CIT (Appeals) – I (the “CIT Appeals”) against the aforesaid assessment order. Subsequently, the CIT Appeals, through its order, disposed off the appeal against AJTL. AJTL has preferred an appeal before the ITAT. The matter is currently pending.
2. The DCIT, Central Circle 1(1), Ahmedabad issued a show cause notice to AJTL, seeking

reasons for not imposing a penalty under Section 271(1)(c) of the IT Act with respect to the alleged concealment of particulars of income or inaccurate particulars being furnished for assessment year 2008-09. AJTL filed a reply to the show cause notice. The DCIT, Central Circle 1(1), Ahmedabad passed an order imposing a penalty to AJTL along with a demand notice of ₹ 1.43 million (the “Penalty Order”). Subsequently, AJTL preferred an appeal before the CIT, Appeals- 11, Ahmedabad against the Penalty Order. The amount involved in the matter is ₹ 1.43 million. The matter is currently pending.

3. The ACIT, Central Circle – 1(1), Ahmedabad served an assessment order to AJTL along with a demand notice setting out the refundable amount as ₹ 0.17 million in relation to the assessment year 2009-10. AJTL had in its original returns shown its total income as approximately ₹ 8.97 million. Subsequently, it filed revised returns showing nil income. Pursuant to the said assessment order, the ACIT, Central Circle – 1(1), Ahmedabad treated the income earned in the form of interest on mobilization advances as income from other sources and added ₹ 8.97 million to the total income. AJTL preferred an appeal before the CIT Appeals against the said assessment order. Subsequently, the CIT Appeals, through its order, dismissed the appeal. AJTL has preferred an appeal before the ITAT. The matter is currently pending.
4. The DCIT, Central Circle 1(1), Ahmedabad issued a show cause notice to AJTL, seeking reasons for not imposing a penalty under Section 271(1)(c) of the IT Act with respect to the alleged concealment of particulars of income and inaccurate particulars being furnished for assessment year 2009-10. AJTL filed a reply to the show cause notice. The DCIT, Central Circle 1(1), Ahmedabad passed an order imposing a penalty to AJTL along with a demand notice of ₹ 2.77 million (the “Penalty Order”). Subsequently, AJTL preferred an appeal before the CIT, Appeals- 11, Ahmedabad against the Penalty Order. The amount involved in the matter is ₹ 2.77 million. The matter is currently pending.

#### *Notices*

The DCIT, Central Circle 1(1), Ahmedabad served a notice to AJTL in relation to the assessment year 2013-14 seeking further information regarding the return of income submitted by AJTL for assessment year 2013-14. The matter is currently pending.

#### *Past penalties*

AJTL has paid penalty of ₹ 1.27 million to the Employees Provident Fund Organisation in relation to the dues payable from August 2009 to March 2011 in respect of employees provident fund under section 7A of the Employees Provident Fund and Miscellaneous Provisions Act, 1952.

#### *Inquiries, inspections or investigations under the Companies Act*

Nil

#### **Litigation filed by AJTL**

##### *Claims before the concessioning authority*

M/s Sadbhav- Prakash JV has filed a claim with the Chief Engineer in relation to additional works to be undertaken for the AJTL Project. M/s Sadbhav- Prakash JV had submitted a bid for the AJTL Project which was accepted for ₹ 1,900.70 million. The concession period for the AJTL Project was 23 years and six months. Subsequent to the issuance of the commencement order, the Superintending Engineer, PWD, Aurangabad submitted a variation proposal for additional items which were not included in the initial bid document. Due to the variation in the scope of the AJTL Project, the Chief Engineer proposed an additional amount of ₹ 207.30 million for undertaking such works. Accordingly, the Chief Engineer recommended that the concession period of 23 years and six months be increased to 25 years, four months and 13 days. This increase has not been effected yet and the Company has not taken any further action. The amount involved in the matter is ₹ 207.30 million. The matter is currently pending.

## **B. ARRIL**

## **Litigation against ARRIL**

### *Direct Tax Proceedings*

The ACIT, Central Circle – 1(1), Ahmedabad served an assessment order to ARRIL along with a demand notice setting out the refundable amount as ₹ 2.85 million in relation to the assessment year 2012-13. ARRIL had received dividend income of ₹ 0.18 million on investment in dividend plan mutual funds. ARRIL also incurred interest expenses of ₹ 485.37 million in relation to various borrowings and had not disallowed any amount towards earning such exempt income under the Income Tax Act, 1961. Pursuant to the said order, the ACIT, Central Circle – 1(1), Ahmedabad disallowed the aforementioned interest expenditure for earning the exempt income and added approximately ₹ 0.98 million to the total income. ARRIL has preferred an appeal before the CIT (Appeals) I, Ahmedabad. The aggregate amount involved is ₹ 0.98 million. The matter is currently pending.

### *Notices*

The DCIT, Central Circle 1(1), Ahmedabad served a notice under Section 143(2) of the IT Act seeking further information regarding the return of income submitted by ARRIL for assessment year 2013-14. The matter is currently pending.

## **Litigation filed by ARRIL**

### *Claims before the concessioning authority*

1. ARRIL has filed a claim before AUDA in relation to grant to be extended by AUDA for the ARRIL Project. Pursuant to the clause 23.2 of the ARRIL Concession Agreement, a grant aggregating to ₹ 360.00 million was to be extended by AUDA to ARRIL. ARRIL claimed that whilst AUDA had extended an amount of ₹ 295.76 million, an amount aggregating to ₹ 64.24 million was yet to be disbursed by AUDA. AUDA had issued a letter to ARRIL stating that commencement of new toll collection booths without AUDA's permission was a breach of contract and had directed ARRIL to close two toll booths and report the same to AUDA. Accordingly, AUDA subsequently responded that the balance grant was not disbursed due to pending issues in relation to collection of toll of the fourth link during the construction period without AUDA's permission. ARRIL, through a subsequent letter, claimed an amount of ₹ 64.24 million along with interest at the rate of SBI PLR plus two percent payable till the date of actual payment towards the balance grant. AUDA directed ARRIL to deposit an aggregate amount of ₹ 36.84 million against the toll collected by ARRIL, and upon the deposit of such amount, AUDA would release the grant aggregating to a negative amount of ₹ 64.24 million. ARRIL through its letter, has requested AUDA to reimburse the amount of ₹ 27.46 million. The amount involved in the matter is ₹ 64.24 million along with interest till the date of actual payment. The matter is currently pending.
2. ARRIL has filed a claim before AUDA in relation to the loss of revenue. Pursuant to the clause 33.1 of the ARRIL Concession Agreement, if as a result of change in law, ARRIL suffers any increase in cost or reduction in net tax return or other financial burden, the aggregate financial effect of which exceeds ₹ 1 million in any accounting year, ARRIL may notify AUDA and propose an amendment to the concession agreement to reinstate ARRIL in the same financial position had been no such change in law. Accordingly, ARRIL has claimed an amount aggregating to ₹ 52.26 million for the period from November 16, 2007 till December 31, 2008 towards loss in revenue on account of abolition of octroi charge by the Gujarat State Government on November 15, 2007. AUDA issued a letter stating that the tender documents did not provide for change in relation to octroi rules by AMC or other bodies. Subsequently, ARRIL requested AUDA to provide a rationale mechanism of assessment for compensation of loss in revenue due to octroi obligation based on traffic survey reports. The amount involved in the matter is ₹ 52.26 million. The matter is currently pending.
3. ARRIL has filed a claim with AUDA for invocation of political force majeure clause under the ARRIL Concession Agreement. There was a nation-wide truckers strike from January 5, 2009 till January 12, 2009 (eight days). ARRIL notified AUDA that such strike could be classified as an indirect political force majeure event under clause 26.3(ii) of the ARRIL Concession

Agreement and for which ARRIL should be compensated. ARRIL has claimed for compensation in terms of extension of the concession period. AUDA responded that a nation-wide strike did not classify as any force majeure event. The matter is currently pending.

4. ARRIL has filed a claim before AUDA for compensation in terms of extension of the concession period due to stoppage in toll collection for two days, namely January 12, 2009 and January 13, 2009 in view of the “Vibrant Gujarat Summit”. AUDA had responded that a suitable compensation may be granted. The matter is currently pending.
5. ARRIL has filed a claim before AUDA requesting AUDA to take certain counteractive measures or in the alternative, reimburse certain amounts. Pursuant to the works carried out by AMC contractors in relation to pipeline installation, the project road including shoulders, riding surface, central median and barbed wire fencing had been damaged. The damage was further increased due to the subsequent monsoon season. ARRIL has requested AUDA to take counteractive measures in order to restore the damages or in the alternative, reimburse the requisition amounts for the damages. Subsequently, AUDA issued a letter stating that the AMC contractors had completed filling the side shoulders and that the side shoulder damage had occurred due to monsoon. Further, AUDA stated that the damage on the other side of the pipeline road had occurred due to rain water drainage and accordingly, the necessary earth protection work was to be completed by ARRIL. The matter is currently pending.

*Inquiries, inspections or investigations under the Companies Act*

Nil

**C. BHTPL**

**Litigation filed against BHTPL**

*Civil Proceedings*

MCL, Kanubhai Patel and Mrunal Patel filed a company petition before the Company Law Board, Regional Bench, Bombay against our Company, SEL, BHTPL, Vishnubhai M. Patel and others under Sections 397 and 398 read with 399, 402 and 403 of the Companies Act, 1956. For further details, see “Outstanding Litigation and Material Developments - Litigation involving our Company - Litigation filed against our Company” on pages 515 and 516.

*Direct Tax Proceedings*

1. The ACIT, Central Circle 1(1), Ahmedabad served an assessment order to BHTPL along with a demand notice for nil amount in relation to the assessment year 2011-12. BHTPL had in original return shown its total income as ₹ 0.94 million being gain on sale of mutual funds. Subsequently, it filed a revised return showing ‘nil’ income. Pursuant to the aforesaid assessment order, the ACIT, Central Circle – 1(1), Ahmedabad treated the income from sale of mutual funds as capital gains and added approximately ₹ 0.94 million to the total income. BHTPL preferred an appeal before the CIT, Appeals against the said assessment order. Subsequently, the CIT Appeals, through its order, decided the appeal against BHTPL. BHTPL preferred an appeal before the ITAT, Ahmedabad. The matter is currently pending.
2. The DCIT, Central Circle 1(1), Ahmedabad issued a show cause notice to BHTPL seeking reasons for not imposing a penalty under Section 271(1)(c) of the IT Act with respect to the alleged concealment of particulars of income and inaccurate particulars being furnished for assessment year 2011-12. BHTPL filed a reply to the show cause notice. The DCIT, Central Circle 1(1), Ahmedabad passed an order imposing a penalty to BHTPL along with a demand notice of ₹ 0.29 million (the “Penalty Order”). Subsequently, BHTPL has preferred an appeal before the CIT, Appeals- 11, Ahmedabad against the Penalty Order. The amount involved in the matter is ₹ 0.29 million. The matter is currently pending.
3. The DCIT, Central Circle 1(1), Ahmedabad served an assessment order to BHTPL along with a demand notice for ₹ 5.68 million in relation to the assessment year 2012-13. Pursuant to the aforesaid assessment order, the DCIT, Central Circle 1(1), Ahmedabad treated the income

from sale of mutual funds and the interest received from fixed deposits as income liable to taxed and added approximately ₹ 28.60 million. BHTPL preferred an appeal before the CIT, Appeals against the said assessment order. The aggregate amount involved is ₹ 5.68 million and has been paid by BHTPL. The matter is currently pending.

*Notices*

The ACIT, Central Circle 1(1), Ahmedabad, issued a notice under Section 142(1) of the IT Act to BHTPL to furnish certain information in relation to the assessment for the assessment year 2013-14. The matter is currently pending.

*Inquiries, inspections or investigations under the Companies Act*

Nil

**D. BRTPL**

Nil

**E. HYTPL**

*Direct tax proceedings*

1. The ACIT, Central Circle – 1(1), Ahmedabad served an assessment order to HYTPL along with a demand notice for nil amount in relation to the assessment year 2011-12. HYTPL had in its original returns shown its total income as approximately ₹ 1.35 million being gain on sale of mutual funds. Subsequently, it filed a revised return showing ‘nil’ income. Pursuant to the said assessment order, the ACIT, Central Circle – 1(1), Ahmedabad treated the income from sale of mutual funds as capital gain and added approximately ₹ 1.35 million to the total income. HYTPL preferred an appeal before the CIT Appeals against the said assessment order. Subsequently, the CIT Appeals, through its order, dismissed the appeal. HYTPL has preferred an appeal before the ITAT. The matter is currently pending.
2. The DCIT, Central Circle 1(1), Ahmedabad issued a show cause notice to HYTPL seeking reasons for not imposing a penalty under Section 271(1)(c) of the IT Act with respect to the alleged concealment of particulars of income and inaccurate particulars being furnished for assessment year 2011-12. HYTPL filed a reply to the show cause notice. The DCIT, Central Circle 1(1), Ahmedabad served an order imposing penalty to HYTPL along with a demand notice of ₹ 0.40 million (the “Penalty Order”). Subsequently, HYTPL has preferred an appeal before the CIT, Appeals- 11, Ahmedabad against the Penalty Order. The aggregate amount involved is ₹ 0.40 million. The matter is currently pending.
3. The DCIT, Central Circle 1(1), Ahmedabad served an assessment order to HYTPL along with a demand notice for ₹ 0.21 million in relation to the assessment year 2012-13. Pursuant to the said assessment order, the DCIT, Central Circle 1(1), Ahmedabad treated the income from sale of mutual funds as capital gain and added approximately ₹ 0.60 million to the total income. HYTPL preferred an appeal before the CIT (Appeals) I, Ahmedabad against the said assessment order. The aggregate amount involved is ₹ 0.21 million. The matter is currently pending.

*Notices*

The DCIT, Central Circle 1(1), Ahmedabad served a notice to HYTPL seeking further information regarding the return of income submitted by HYTPL for assessment year 2013-14. The matter is currently pending.

*Inquiries, inspections or investigations under the Companies Act*

Nil

**F. MBCPNL**



## Litigation against MBCPNL

### Direct Tax Proceedings

The ACIT, TDS Circle issued a show cause notices to MBCPNL in relation to the applicability of the TDS provisions as contained in Section 194J of the IT Act on the 'upfront fee' and 'consultation charges' paid to MSRDC. MBCPNL has responded through various letters, *inter alia*, submitting that TDS is not applicable. Subsequently, the ACIT, TDS Circle issued a show cause notice to MBCPNL in relation to the applicability of the TDS provisions as contained in Section 194J and Section 194I of the IT Act on the 'upfront fee' and 'consultation charges' paid to MSRDC for assessment years 2010-11 and 2011-12 (the "SCN"). MBCPNL filed its response, *inter alia*, submitting that there was no legal basis for issuing the SCN, as a show cause notice had been issued earlier on the same grounds and the matter had been disposed off. Subsequently, the DCIT, TDS Circle issued another show cause notice recently with regard to the applicability of the TDS provisions to the payment of upfront fees under Sections 194J(a), 194J(b) or 194J(d) of the IT Act. MBCPNL filed a response, *inter alia*, submitting that the payment did not attract any of the provisions under which the assessing officer has sought to apply till date. The DCIT, TDS Circle, Ahmedabad passed an order under Sections 201(1) and 201(1A) of the IT Act for the assessment year 2010-11 stating *inter alia* that the upfront fees paid constitutes 'fees for technical services' and issued a demand notice of ₹ 126.01 million against MBCPNL. MBCPNL preferred an appeal before the CIT (Appeals)- 4, Ahmedabad against the order of DCIT, TDS Circle, Ahmedabad *inter alia* on the ground that the DCIT, TDS Circle, Ahmedabad had erred in passing an order which was barred by the period of limitation, applying provisions retrospectively and holding that the upfront fees paid constitutes 'fees for technical services' under Section 194J(1)(b) of the IT Act. The aggregate amount involved in the matter is ₹ 126.01 million. The matter is currently pending.

### Litigation impacting MBCPNL

1. An application was filed by Saiprasad Mangesh Kalyankar before the National Green Tribunal, Western Bench Zone, Pune (the "NGT") against the MSRDC Regional Transport Officer and others (the "Respondents"), seeking an order to *inter alia* criminally prosecute all officers of the Respondents who benefitted from illegal mining at the Banda (earlier Insuli) checkpost as part of the MBCPNL Project; directing the Divisional Forest Officer, Samantwadi to refuse to give permission for cutting trees; as well as to direct the Maharashtra Government Irrigation Department to not delete such land from the notified irrigated command area. The Office of the Regional Forest Officer served a show cause notice to Manoj Abrol, site- in- charge at MBCPNL, in relation to the cutting of 5,429 trees without permission. Pursuant to an order of the NGT dated February 24, 2014, work at Insuli checkpost was stayed. The NGT, through order directed the Regional Transport Officer and others to maintain status *quo ante* and prohibited the Respondents from undertaking any activities, either by themselves or through any agency for the purpose of illegal mining or cutting of any more trees in the disputed land until the next date of hearing (the "Impugned Order"). The NGT accordingly dismissed the application. However, it gave certain directions such as directing the Divisional Commissioner, Kokan Division to conduct a preliminary enquiry in relation to the illegal felling of trees; departments such as the transport department, forest department and MSRDC were to take action against officials guilty of misconduct; and that MSRDC was to carry out compulsory afforestation of 44,000 trees in the same area. The matter has been disposed off. However, the NGT required the MSRDC to direct its agency (i.e. MBCPNL) to pay ₹ 1.00 million as cost of damages caused to the environment and in case MBCPNL did not make such payment, MSRDC was to make the payment itself. The MSRDC preferred an appeal before the Supreme Court against the Impugned Order. The Supreme Court, by its order (the "Supreme Court Order"), dismissed the civil appeal and deleted certain paragraphs of the Impugned Order, requiring the Divisional Commissioner, Kokan Division to conduct a preliminary enquiry in relation to the illegal felling of trees; departments such as the transport department, forest department and requiring MSRDC to take action against officials guilty of misconduct have been deleted. The aggregate amount involved is ₹ 1.00 million.
2. Paramjeet Singh Kalsi (the "Petitioner") has filed a PIL before the Bombay High Court, Nagpur bench against State of Maharashtra, SEL and others (collectively the "Respondents")

in relation to the alleged illegalities and irregularities committed by SEL in respect of modernization of the check post constructed and run by MBCPNL (the “MBCPNL Project”). The Petitioner has contended that SEL has blocked the national highway by placing barricades as a consequence of which transportation was affected. The Petitioner has further contended that SEL failed to carry out its duty of inspecting the vehicles and weighing the goods of the vehicles to verify if they have the required permits to carry the load and therefore, SEL is in contravention of the Motor Vehicles Act, 1988 and the Central Motor Vehicles Rules, 1989. The Petitioner also contended that no records were maintained in respect of the inspected vehicles and that there is illegality in collecting the amounts under the garb of checking fees. The Petitioner has *inter alia* prayed for removal of barricades and initiation of appropriate action against SEL. SEL contended that the MBCPNL Project pertains to MBCPNL and that SEL has wrongly been made a party to the proceedings. Subsequently, the Bombay High Court directed SEL to file a written reply reflecting the same within a stipulated time. SEL has filed its written reply and through its written reply has sought to be discharged from the aforesaid PIL and its name being deleted from the array of respondents. The matter is currently pending.

#### *Notices*

The ACIT, Central Circle 1(1), Ahmedabad, issued a notice under Section 142 of the IT Act to MBCPNL to furnish certain information in relation to the assessment year 2013-14. The matter is currently pending.

#### *Inquiries, inspections or investigations under the Companies Act*

Nil

#### *Past penalties*

MBCPNL has paid penalties to the Department of Sales Tax, Mumbai towards professional tax payments aggregating to ₹ 2,000.

#### *Claims before the concessioning authority*

MBCPNL has issued a letter to the Transport Commissioner Office, Mumbai in relation to chargeability and levying of service tax on processing fees, loading unloading charges and parking charges pertaining to 22 border check posts in Maharashtra. At the time of execution of the MBCPNL Concession Agreement, there was no requirement of charging service tax for the collection of processing fees, loading unloading charges and parking charges. MBCPNL has contended that since services provided at check posts are not covered under the mega exemption notification or the negative list prescribed by the Central Government relating to service tax, such services are taxable with effect from July 1, 2012. In view of the extra financial burden imposed on MBCPNL, MBCPNL has requested the Transport Commissioner Officer to amend the clause in relation to change in law under the MBCPNL Concession Agreement which would enable MBCPNL to charge and collect service tax from the users of the check posts so as to cover their service tax liability. The matter is currently pending.

### **G. NSEL**

#### *Litigation involving NSEL*

Nil

#### *Notices*

The Income Tax Officer, Ward- 5(1), Ahmedabad served a notice under Section 143(2) of the IT Act seeking further information regarding the return of income submitted by NSEL for assessment year 2013-14. The matter is currently pending.

#### *Inquiries, inspections or investigations under the Companies Act*

Nil

#### *Claims before the concessioning authority*

1. NSEL has filed a claim before the NHAI for revision of semi annuity amount to ₹ 217.90 million. Pursuant to the provisions of the letter of award in relation to the *pro rata* calculation of the semi annuity amount consequent to the reduction in the scope of the NSEL Project, NSEL had initially submitted its calculations for revision of semi annuity amount to ₹ 220.60 million. Subsequently, NHAI unilaterally fixed the amount of the revised semi annuity as ₹ 199.95 million in variance with the recommendations of the Independent Engineer, the Project Director, NHAI and the calculations submitted by NSEL. Subsequent to various representations being made in this regard, the Project Director, NHAI and the Independent Engineer recommended a revised semi annuity of ₹ 217.90 million and on this basis, NSEL submitted its aforesaid claim of ₹ 217.90 million. NSEL has also claimed an amount of ₹ 313.00 million as the arrears of difference payable to it for the first nine annuity payments, including interest on the arrears of the annuity due. Further, NSEL has also claimed for fixing the annuity amount ₹ 217.90 million. The matter is currently pending.
2. NSEL has filed a claim before the NHAI for reimbursement of extra costs towards over heads, financing and contingent expenses and interest during construction of the NSEL Project. NSEL has contended that the costs under these heads are not directly related to the quantum and scope of the work and therefore, does not get reduced upon reduction of scope of work. NSEL has further contended that since these costs were not included entirely in the calculations for the *pro rata* revised annuity payable (consequent upon a reduction in scope of the project), the additional expenditure cannot be recovered from such revised annuity amounts. Accordingly, NSEL has filed the aforesaid claim before the NHAI. The amount involved in the matter is ₹ 464.00 million along with interest until date of payment. The matter is currently pending.
3. NSEL has filed a claim before the NHAI for interest on delayed payment of approved annuities. Pursuant to the provisions of the NSEL Concession Agreement, the annuities were due for payment with effect from November 24, 2010 and every six months thereafter. The first five annuities were paid at reduced amounts in July 2012 and adjusted thereafter in May 2013, while the subsequent annuities were paid after their due dates. The amount involved in the matter is ₹ 158.12 million along with interest until date of payment. The matter is currently pending.
4. NSEL filed a claim before the NHAI for idling charges of machinery and plant and equipment on account of deletion of the non-forest road length from the scope of work. Pursuant to the letter of award, 36 km of the road was initially taken up for the NSEL Project. NSEL had deployed necessary plant, equipment and manpower for completion the NSEL Project within the stipulated time. Subsequently, the work in the 8.74 km of the non-forest road was suspended pursuant to the orders of the Collector, Seoni. However, NSEL commenced demobilisation of its resources in such area only after the NHAI communicated its decision to delink the 8.74 km from the NSEL Project. The failure of the NHAI to hand over the right of way in 8.74 km of the non-forest road to NSEL and the delinking of such area from the NSEL Project resulted in under utilisation and prolonged idling of the resources of NSEL. The amount involved in the matter is ₹ 261.38 million along with interest till date of payment. The matter is currently pending.

#### **H. RHTPL**

*Nil*

#### **I. RPTPL**

##### **Litigation filed against RPTPL**

##### *Direct Tax Proceedings*

The ACIT, Central Circle – 1(1), Ahmedabad served an assessment order to RPTPL along with a demand notice for ₹ 0.05 million amount in relation to the assessment year 2012-13. Pursuant to the

aforsaid assessment order, the ACIT, Central Circle – 1(1), Ahmedabad treated the interest income from fixed deposit as income from other sources and added ₹ 0.17 million to the total income. RPTPL preferred an appeal before the CIT, Appeals-I, Ahmedabad. The aggregate amount involved is ₹ 0.05 million. The matter is currently pending.

#### *Notices*

1. The ACIT, Central Circle – 1(1), Ahmedabad issued a show cause notice to RPTPL seeking reasons for not imposing a penalty under Section 271(1)(c) of the IT Act with respect to the alleged concealment of particulars of income and inaccurate particulars being furnished for assessment year 2012-13. The matter is currently pending.
2. The DCIT / ACIT, circle 5, Ahmedabad served a notice to RPTPL seeking further information regarding the return of income submitted by RPTPL for assessment year 2013-14. The matter is currently pending.

#### **Litigation filed by RPTPL**

##### *Claims before the concessioning authority*

1. RPTPL has filed a claim before the NHAI in relation to increase in costs incurred for the RPTPL Project as a result of change in law. RPTPL has submitted its bid for the RPTPL Project on November 30, 2009. Subsequent to submission of the bid, Haryana state government imposed a ban on mining of minor minerals in Haryana effective from February 28, 2010. As a result of this ban, RPTPL had to obtain quarry run material from Rajasthan at a cost higher than the estimated cost. Pursuant to Article 41 read with Article 34 of the concession agreement dated March 9, 2010 entered into between RPTPL and NHAI, RPTPL is entitled to claim an increase in costs as a result of change in law and has claimed an amount of ₹ 959.67 million. The amount involved in the matter is ₹ 959.67 million. The matter is currently pending.
2. RPTPL has filed a claim before the Project Director, PIU – Rohtak, NHAI. RPTPL was granted the provisional certificate on November 26, 2013. However, RPTPL was permitted to collect toll from the RPTPL Project only from January 9, 2014. Hence, toll for the period from November 26, 2013 to January 8, 2014 was not collected. Accordingly, RPTPL has claimed an aggregate amount of ₹ 155.92 million (calculated at the rate of ₹ 3.3 million per day along with interest at the rate of 18% p.a from November 26, 2013 to May 10, 2014) for loss of revenue arising due to delay in grant of permission for collection of toll. Further, RPTPL has claimed interest payable till the date of actual payment. The matter is currently pending.

##### *Inquiries, inspections or investigations under the Companies Act*

*Nil*

#### **J. SUTPL**

##### *Litigation that may have an impact on SUTPL*

The Mining Engineer, Mines and Geology Department, Udaipur (the “Mining Engineer”) issued a show cause notice to SEL for imposing a penalty of ₹ 8.12 million, on the grounds of alleged illegal mining by SEL with regard to the SUTPL Project. For further details, refer to “Outstanding Litigation and Material Developments – Litigation involving our Promoters – Litigation filed against SEL – Civil Proceedings” on pages 527.

#### *Notices*

1. The DCIT, TDS Circle, Ahmedabad, issued a notice under Section 133(6) of the IT Act to SUTPL in relation to the assessment years 2012-13 and 2013-14 to seek information including details with respect to operation and maintenance of toll plaza carried out by SUTPL and copy of the agreement executed with the sub-contractor in relation to toll collection. The matter is currently pending

2. The Income Tax Officer, Ward 8(3), Ahmedabad, issued a notice under Section 142(1) of the IT Act to SUTPL to furnish information in relation to the assessment year 2013-14. The matter is currently pending.

*Inquiries, inspections or investigations under the Companies Act*

Nil

### **III. Litigation involving our Promoters**

#### **A. SEL**

##### **Litigation filed against SEL**

###### *Civil Proceedings*

1. MCL, Kanubhai Patel and Mrunal Patel filed a company petition before the Company Law Board, Regional Bench, Bombay against our Company, SEL, BHTPL, Vishnubhai M. Patel, Vasistha Patel, Nitinkumar R. Patel, Shashin V. Patel and Ravi Kapoor under Sections 397 and 398 read with 399, 402 and 403 of the Companies Act, 1956 alleging certain irregularities in relation to corporate and other matters pertaining to BHTPL. For further details, see “Outstanding Litigation and Material Developments – Litigation involving our Company – Litigation filed against our Company” on pages 515 and 516.
2. Sarda Energy and Minerals Limited (“Sarda Energy”) filed a suit for recovery before the 6<sup>th</sup> Joint Civil Judge, Senior Division, Nagpur (the “Civil Judge”) against SEL, its directors and officers (including Vishnubhai M. Patel, Nitinkumar R. Patel and Shashin V. Patel) for recovery of ₹ 4.64 million as balance payment towards sale of steel and thermo – mechanically treated bars to SEL (the “Impugned Order”). Pursuant to the Impugned Order, the Civil Judge directed SEL along with its directors and officers to pay ₹ 3.1 million to Sarda Energy along with an interest of 6% per annum. Subsequently, SEL along with its directors and officers preferred an appeal before the Bombay High Court, Nagpur bench against the Impugned Order challenging the jurisdiction of the Civil Judge along with an application for stay of the Impugned Order. The Bombay High Court, Nagpur bench, through its interim order, granted a stay pending the decision of the appeal and directed SEL to deposit 50% of the amount of the decree passed by the Civil Judge. SEL has paid ₹ 2.12 million. The aggregate amount involved is ₹ 4.64 million. The matter is currently pending.
3. The Mining Engineer, Mines and Geology Department, Udaipur (the “Mining Engineer”) issued a show cause notice to SEL for imposing a penalty of ₹ 8.12 million, on the grounds of alleged illegal mining by SEL with regard to the SUTPL Project. SEL has filed its reply, *inter alia*, stating that it had submitted the consumption statement as required by the Mining Engineer in its letter. The Mining Engineer (Recovery), Mines and Geology Department, Udaipur (Rajasthan) (the “Mining Department”) through its order, directed SEL to pay a penalty of ₹ 8.12 million, failing which the same would be recovered under the proceedings of the Rajasthan Land Revenue Act, 1956 (the “Impugned Order”). Subsequently, SEL filed a civil writ petition before the Rajasthan High Court, Jodhpur bench against the State of Rajasthan, through the Secretary Department of Mines and Geology and the Mining Engineer, challenging the validity and propriety of the recovery proceedings initiated by the Mining Department and challenging the Impugned Order. The Rajasthan High Court, Jodhpur bench, through its order, granted a stay on the Impugned Order and directed SEL to deposit a sum of ₹ 3 million and provide a solvent surety for the remaining outstanding dues. The aggregate amount involved is ₹ 8.12 million. The matter is currently pending.
4. Osho Venture FZE (“Osho Venture”) filed a civil miscellaneous application before the City Civil Court, Ahmedabad against SEL, Vishnubhai M. Patel, Ocean Bright Corporation Limited (“OBCL”) and Sadbhav Natural Resources Private Limited (“SNRPL”) (collectively, the “Respondents”) seeking an order directing SEL and Vishnubhai M. Patel to pay an amount of USD 6.69 million being the amount due to Osho Venture on account of purchase of the business of the four subsidiaries of Osho Venture (the “Osho Subsidiaries”) and the

prospecting licenses held by them. OBCL was a joint venture entity incorporated by SEL and Vishnubhai M. Patel along with Osho Ventures pursuant to a memorandum of understanding for acquisition of the business of the Osho Subsidiaries, together with the prospecting licenses held by the Osho Subsidiaries. SNRPL held 74% of equity capital of OBCL and Osho Venture held 26% of the equity capital of OBCL. Pursuant to the aforementioned memorandum of understanding, Osho Venture transferred the shares held by it in the Osho Subsidiaries to OBCL. Osho Venture has sought, *inter alia*: (i) an order restraining the Respondents from selling any assets or properties of OBCL; (ii) an order restraining SEL and SNRPL from allotting additional shares of OBCL in favour of SEL or SNRPL; (iii) an order directing SEL, Vishnubhai M. Patel and SNRPL to submit list of properties of OBCL. The City Civil Court passed an order, restraining the Respondents from allotting additional shares of OBCL in favour of SEL or SNRPL. SEL, Vishnubhai M. Patel and OBCL have preferred an appeal before the Gujarat High Court challenging the order passed by the City Civil Court. In the appeal, SEL, Vishnubhai M. Patel and OBCL have sought that the order be quashed on the grounds that the City Civil Court erred in its decision restraining the allotment of shares. The aggregate amount involved is USD 6.69 million. The matter is currently pending.

5. Paramjeet Singh Kalsi has filed a public interest litigation (“PIL”) before the Bombay High Court, Nagpur bench against State of Maharashtra, SEL and others (collectively the “Respondents”) in relation to the illegalities and irregularities committed by SEL in respect of modernization of the check post. For further details, refer to “Outstanding Litigation and Material Developments – Litigation involving our Subsidiaries – Litigation impacting MBCPNL” on pages 523 to 524.

#### *Arbitration Proceedings*

Siddharth Infraprojects Private Limited (the “Claimant”) has initiated an arbitration proceeding against SEL in relation to a sub-contract agreement dated October 31, 2007 between the Claimant and SEL. Pursuant to the aforesaid sub-contract agreement, SEL sub contracted the work under the main contract between SEL and MPRDC for rehabilitation and upgradation of package 11 of Seoni Chiraidongri Road. The Claimant has alleged that SEL had committed breaches of the terms of the sub-contract agreement by unilaterally reducing its scope of work covered under the sub-contract agreement without the permission of the MPRDC. The Claimant has claimed an aggregate amount of ₹ 816.00 million on account of, *inter alia*: (i) amount not paid for the work done; (ii) overhead losses suffered by the Claimant; (iii) losses suffered on account of profit not earned at appropriate time; (iv) loss of productivity; (v) opportunity losses; (vi) compensation for interest charges paid to the bank; (vii) loss due to under utilised tools, plants and machineries. SEL has been submitted its statement of defence before the Arbitral Tribunal. The aggregate amount involved is ₹ 816.00 million. The matter is currently pending.

#### *Labour Disputes*

The Joint Director, Regional Office, ESI Corporation, Hubli, through its order, demanded a payment of ₹ 0.25 million and held that the employees of SEL working on a project at Grasim Industries at Kumarapatnam in relation to the construction of pond are entitled to benefits under the ESI Act (the “Impugned Order”). SEL filed an application before the Employees’ State Insurance Court, Hubli against the Impugned Order. Pursuant to mutual consent based on assurance by ESI Corporation, Hubli, all damages have been paid. However, the issue related to de-coverage is currently pending before the Employees’ State Insurance Court, Hubli. The matter is currently pending.

#### *Direct Tax Proceedings*

1. The ACIT, Central Circle – 1(1), Ahmedabad served an assessment order to SEL along with a demand notice for ₹ 1.21 million in relation to the assessment year 2001-02 on account of disallowance of TDS claimed on mobilization / machinery advances received by SEL. SEL preferred an appeal before the CIT (Appeals) XIV, Ahmedabad, against the said assessment order. Subsequently, the CIT Appeals, through its order, confirmed the demand and dismissed the appeal. SEL preferred an appeal before the ITAT. ITAT, through its order, dismissed the appeal. Subsequently, SEL preferred an appeal before the Gujarat High Court challenging the order passed by ITAT. The aggregate amount involved is ₹ 1.21 million. The matter is

currently pending.

2. The ACIT, Circle 8, Ahmedabad served an assessment order to SEL along with a demand notice for ₹ 6.17 million in relation to the assessment year 2002-03 on account of disallowance of TDS claimed on mobilization / machinery advances received by SEL. SEL preferred an appeal before the CIT (Appeals) XIV, Ahmedabad (the "CIT Appeals"), against the said assessment order. Subsequently, the CIT Appeals, through its order, confirmed the demand and dismissed the appeal. SEL preferred an appeal before the ITAT. ITAT, through its order, dismissed the appeal. Subsequently, SEL preferred an appeal before the Gujarat High Court challenging the order passed by ITAT. The aggregate amount involved is ₹ 6.17 million. The matter is currently pending.
3. The DCIT, Circle – 8, Ahmedabad served an assessment order to SEL in relation to adjustment of losses incurred by the undertaking of SEL against the eligible income of the undertakings while computing the deductions and other expenses for the assessment year 2005 – 06 (the "Impugned Order"). SEL preferred an appeal before the CIT (Appeals) – XIV (the "CIT Appeals") challenging the Impugned Order. The CIT Appeals, through its order, partly disallowed SEL's claim for deduction and other expenses under Section 80-IA of the IT Act and other expenses, aggregating to ₹ 35.22 million (the "CIT (A) Order"). Subsequently, SEL preferred an appeal before the ITAT challenging the CIT (A) Order and the DCIT, Circle – 8 also preferred an appeal before the ITAT against the CIT(A) Order. The ITAT, through its order, allowed deductions under Section 80-IA of the IT Act (the "ITAT Order"). The CIT filed a review petition before the ITAT. Subsequently, the CIT preferred an appeal before the Gujarat High Court against the ITAT Order. The aggregate amount involved is ₹ 11.97 million. The matter is currently pending.
4. The ACIT, Central Circle – 1(1), Ahmedabad served an assessment order to SEL in relation to adjustment of losses incurred by the undertaking of SEL against the eligible income of the undertakings while computing the deductions and other expenses for the assessment year 2006 – 07 (the "Impugned Order"). SEL preferred an appeal before the CIT (Appeals) – XIV (the "CIT Appeals") challenging the Impugned Order. The CIT Appeals, through its order, partly disallowed SEL's claim for deduction and other expenses under Section 80-IA of the IT Act and other expenses, aggregating to ₹ 5.07 million (the "CIT(A) Order"). Subsequently, SEL preferred an appeal before the ITAT challenging CIT (A) Order and the ACIT, Central Circle – 1(1), Ahmedabad also preferred an appeal before the ITAT against the CIT(A) Order. The ITAT, through its order, allowed deductions under Section 80-IA of the IT Act (the "ITAT Order"). The CIT filed a review petition before the ITAT. Subsequently, the CIT preferred an appeal before the Gujarat High Court against the ITAT Order. The aggregate amount involved is ₹ 0.85 million. The matter is currently pending.
5. The ACIT, Range – 8, Ahmedabad served an assessment order to SEL in relation to adjustment of losses incurred by the undertaking of SEL against the eligible income of the undertakings while computing the deductions and other expenses for the assessment year 2007 – 08 (the "Impugned Order"). SEL preferred an appeal before the CIT (Appeals) – XIV (the "CIT Appeals") challenging the Impugned Order. The CIT Appeals, through its order, partly disallowed SEL's claim for deduction and other expenses under Section 80-IA of the IT Act and other expenses, aggregating to ₹ 9.80 million (the "CIT (A) Order"). Subsequently, SEL preferred an appeal before the ITAT challenging the CIT (A) Order and the ACIT, Range – 8, Ahmedabad also preferred an appeal before the ITAT against the order. The ITAT, through its order, allowed deductions under Section 80-IA of the IT Act (the "ITAT Order"). The CIT filed a review petition before the ITAT. Subsequently, the CIT also preferred an appeal before the Gujarat High Court against the ITAT Order. The aggregate amount involved is ₹ 2.58 million. The matter is currently pending.
6. The ACIT, Central Circle 1(1), Ahmedabad served five assessment orders to SEL along with five demand notices for an aggregate amount of ₹ 127.70 million in relation to the assessment years 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 on account of disallowance of some expenditure and deductions under Section 80-IA of the IT Act. SEL preferred an appeal before the CIT (Appeals). The CIT Appeals, through its order, allowed the expenditure and deductions amounting to ₹ 574.68 million. Subsequently, the ACIT, Central Circle 1(1),

Ahmedabad preferred an appeal before the ITAT. The aggregate amount involved is ₹ 195.33 million. The matter is currently pending.

7. The DCIT, Central Circle 1(1), Ahmedabad issued a show cause notice to SEL seeking reasons for not imposing a penalty under Section 271(1)(c) of the IT Act with respect to the alleged concealment of particulars of income and inaccurate particulars being furnished for assessment year 2007-08. SEL filed a reply to the show cause notice. The DCIT, Central Circle 1(1), Ahmedabad passed an order imposing penalty to SEL along with a demand notice of ₹ 0.68 million (the “Penalty Order”). Subsequently, SEL has preferred an appeal before the CIT, Appeals- 11, Ahmedabad against the Penalty Order. The aggregate amount involved is ₹ 0.68 million. The matter is currently pending.
8. The DCIT, Central Circle 1(1), Ahmedabad issued a show cause notice to SEL seeking reasons for not imposing a penalty under Section 271(1)(c) of the IT Act in relation to the alleged concealment of particulars of income and inaccurate particulars being furnished for assessment year 2008-09. SEL filed a reply to the show cause notice. The DCIT, Central Circle 1(1), Ahmedabad passed an order imposing penalty to SEL along with a demand notice of ₹ 3.72 million (the “Penalty Order”). Subsequently, SEL has preferred an appeal before the CIT, Appeals- 11, Ahmedabad against the Penalty Order. The aggregate amount involved is ₹ 3.72 million. The matter is currently pending.
9. The DCIT, Central Circle 1(1), Ahmedabad issued a show cause notice to SEL seeking reasons for not imposing a penalty under Section 271(1)(c) of the IT Act in relation to the alleged concealment of particulars of income and inaccurate particulars being furnished for assessment year 2009-10. SEL filed a reply to the show cause notice. The DCIT, Central Circle 1(1), Ahmedabad passed an order imposing penalty to SEL along with a demand notice of ₹ 0.01 million (the “Penalty Order”). Subsequently, SEL has preferred an appeal before the CIT, Appeals- 11, Ahmedabad against the Penalty Order. The aggregate amount involved is ₹ 0.01 million. The matter is currently pending.
10. The DCIT, Central Circle 1(1), Ahmedabad issued a show cause notice to SEL seeking reasons for not imposing a penalty under Section 271(1)(c) of the IT Act in relation to the alleged concealment of particulars of income and inaccurate particulars being furnished for assessment year 2010-11. SEL filed a reply to the show cause notice. The DCIT, Central Circle 1(1), Ahmedabad passed an order imposing penalty to SEL along with a demand notice of ₹ 0.28 million (the “Penalty Order”). Subsequently, SEL has preferred an appeal before the CIT, Appeals- 11, Ahmedabad against the Penalty Order. The aggregate amount involved is ₹ 0.28 million. The matter is currently pending.
11. The DCIT, Central Circle 1(1), Ahmedabad issued a show cause notice to SEL seeking reasons for not imposing a penalty under Section 271(1)(c) of the IT Act in relation to the alleged concealment of particulars of income and inaccurate particulars being furnished for assessment year 2011-12. SEL filed a reply to the show cause notice. The DCIT, Central Circle 1(1), Ahmedabad passed an order imposing penalty to SEL along with a demand notice of ₹ 1.32 million (the “Penalty Order”). Subsequently, SEL has preferred an appeal before the CIT, Appeals- 11, Ahmedabad against the Penalty Order. The aggregate amount involved is ₹ 1.32 million. The matter is currently pending.
12. The CIT (Appeals), through its order, allowed deductions of ₹ 82.24 million in favour of SEL and under Section 80-IA(4) of the Income Tax Act, 1961 for the assessment year 2008-2009 (the “Impugned Order”). The ACIT, Central Circle – 8, Ahmedabad preferred an appeal before the ITAT, Ahmedabad challenging the Impugned Order stating that CIT Appeals has, *inter alia*, erred in allowing the plea of SEL for allowance of expenditure and deduction of ₹ 90.70 million as business expenditure. SEL has filed a cross – objection appeal. The aggregate amount involved is ₹ 30.83 million. The matter is currently pending.
13. CIT (Appeals) -I, Central Circle – 1(1), Ahmedabad (the “CIT Appeals”), through its order, disallowed certain expenses and deductions for assessment years 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 with respect to certain payments made by SEL to a sub-contractor on



the grounds that such payments were not genuine the work for which such payments were made was bogus in nature. SEL preferred an appeal before the ITAT, Ahmedabad. The aggregate amount involved is ₹ 5.79 million. The matter is currently pending.

14. The DCIT, Central Circle 1(1), Ahmedabad, through its order, disallowed SEL's claim for deduction for a sum of ₹ 37.95 million under Section 80IA(4) of the IT Act for assessment years 2012-13 with respect to agreements entered with GoI and state governments for construction of highways and roads. The DCIT, Central Circle 1(1), Ahmedabad further held that SEL is a contractor who executed the work and was not eligible for such deductions. SEL preferred an appeal before the CIT, Central Circle- 1(1). The aggregate amount involved is ₹ 0.46 million. The matter is currently pending.

#### *Indirect Tax Proceedings*

1. The Customs Department, Mumbai issued a show cause notice to SEL, seeking reasons for not demanding ₹ 11.66 million with respect to the customs duty on importing asphalt mixing plant, which was valued at ₹ 27.90 million by SEL. The Customs Department contended that SEL wrongly claimed a nil rate of customs duty as per Notification No. 17/ 2001, pertaining to exemption from payment of custom duty. The Deputy Commissioner of Customs, Ballard Estate, Mumbai through its order, confirmed the demand in the show cause notice. Subsequently, SEL preferred an appeal before the Commissioner of Customs (Appeals), Mumbai (the "CCA"). The CCA, through its order, dismissed the appeal and directed SEL to deposit ₹ 11.66 million. SEL applied for a waiver from the payment of pre-deposit before the CESTAT, Mumbai, which was allowed. Subsequently, SEL filed a special civil application before the Gujarat High Court for a stay against the demand made in the aforesaid show cause notice. The Gujarat High Court, through its order, directed SEL to deposit 10% of the customs duty demanded by the Customs Department and remanded the matter to the CCA. The aggregate amount involved is ₹ 27.90 million. The matter is currently pending.
2. The Customs Department, Mumbai issued a show cause notice to SEL, seeking reasons for not demanding ₹ 17.10 million with respect to the customs duty on six motor graders. The Commissioner of Central Excise and Service Tax, Mumbai through its order, directed SEL to pay an amount aggregating to ₹ 17.10 million towards recovery of customs duty payable by SEL (the "Impugned Order"). Subsequently, SEL preferred an appeal before the Commissioner of Customs (Appeals), Sheva Raighad Maharashtra (the "CCA"). The CCA, through its order, dismissed the appeal. SEL preferred an appeal before CESTAT which was dismissed and directed SEL to deposit an amount of ₹ 9.10 million. SEL deposited an amount of ₹ 9.10 million and filed a special civil application before the Gujarat High Court for a stay against the demand made in the aforesaid show cause notice. The aggregate amount involved is ₹ 17.10 million. The matter is currently pending.
3. The Assistant Commissioner of Commercial Tax, Unit – 7, Ahmedabad served an assessment order to Jilin Sadbhav Joint Venture ("JS-JV") along with a demand notice for an amount of ₹ 70.20 million. JS-JV filed a revision application against the State of Gujarat before the Gujarat Value Added Tax Tribunal, Ahmedabad (the "Tribunal"). The Tribunal, through its order, granted a stay against the recovery of outstanding demand on payment of ₹ 1.5 million. The aggregate amount involved is ₹ 70.20 million. The matter is currently pending.
4. The Commissioner of Service Tax, Ahmedabad, through its order, imposed a penalty of ₹ 6.73 million on SEL in relation to the assessment year 2005-06. SEL preferred an appeal before the Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad (the "CESTAT"). The CESTAT, through its interim order, allowed the stay petition. The aggregate amount involved is ₹ 6.73 million. The matter is currently pending.
5. The Commissioner of Service Tax, Ahmedabad, through its order, demanded recovery of CENVAT credit of input services and capital goods of ₹ 19.91 million as being wrongly availed by our Company and imposed a penalty of ₹ 34.59 million for suppressing material facts which resulted in wrong availment of CENVAT credit of input services and capital goods. SEL preferred an appeal before the CESTAT. The aggregate amount involved is ₹ 54.5

million. The matter is currently pending.

#### *Criminal Proceedings*

The Mining Engineer, Mines and Geology Department, Udaipur (the “Mining Engineer”) registered a first information report (the “FIR”) at Sukher Police Station, Udaipur alleging that Jitendra Singh Chauhan, employee of SEL and others (the “Petitioners”) were excavating and transporting minerals without the requisite authorisation. The Petitioners filed a criminal petition before the Rajasthan High Court, Jodhpur bench, against the State of Rajasthan and another in relation to the FIR. The Rajasthan High Court, through its order, observed that the FIR lodged against the Petitioners was misconceived as it was evident from the photographs placed on record that the materials in the truck was only debris and nothing else. The Rajasthan High Court passed an interim order staying any further proceedings under the FIR. The matter is currently pending.

#### *Notices*

1. The DCIT, Central Circle 1(1), Ahmedabad issued a show cause notice to SEL, seeking reasons for not imposing a penalty under Section 271(1)(c) of the Income Tax Act, 1961 with respect to the alleged concealment of particulars of income and inaccurate particulars being furnished for assessment year 2012-13. Subsequently, the Assessing Officer issued another show cause notice providing SEL an opportunity for a fresh hearing and seeking reasons for not imposing the aforementioned penalty. The matter is currently pending.
2. The DCIT, Central Circle 1(1), Ahmedabad served a notice under Section 143(2) of the IT Act seeking further information regarding the return of income submitted by SEL for assessment year 2013-14. The matter is currently pending.
3. The ACIT, Central Circle 1(1), Ahmedabad, issued a notice under Section 142(1) of the IT Act to SEL to furnish information in relation to the assessment year 2013-14. The matter is currently pending.
4. The DCIT, Central Circle 1(1), Ahmedabad served a notice under Section 148 of the IT Act for reassessment of income in relation to the return of income submitted by SEL for assessment year 2011-12. The matter is currently pending.
5. The DCIT, TDS issued a notice of intimation under Section 154 read with Section 200A of the IT Act to SEL alongwith a demand notice of ₹ 39.07 million for the assessment year 2013-14. Subsequently, SEL filed an application with the DCIT, TDS clarifying that SEL has already paid the short payments aggregating to ₹ 25.44 million which is included in the demand notice of ₹ 39.07 million issued by the DCIT, TDS. Through this application, SEL has requested the DCIT, TDS to delete the demand of short payment and the interest accruing on such short payment. The aggregate amount involved in the matter is ₹ 39.07 million. The matter is currently pending.

#### *Past Penalties*

SEL has paid certain penalties in the past to various regulatory and statutory authorities. The details of past penalties paid by SEL in the current financial year and past five financial years in relation to *inter alia* over loading of material in vehicles, service tax, entry tax, VAT, CST, TDS, use of agricultural land, royalty, use of agricultural land. The aggregate amount involved is ₹ 5.11 million. The details of these penalties are set out below:

| Sr. No. | Particulars                                             | Amount involved (In ₹ million) |
|---------|---------------------------------------------------------|--------------------------------|
| 1.      | Overloading of material in vehicle                      | 2.66                           |
| 2.      | Paid to Forest Department                               | 0.05                           |
| 3.      | Paid to traffic police                                  | 0.03                           |
| 4.      | Penalty for NMC, Division – 2, Gandhinagar              | 0.14                           |
| 5.      | Royalty penalty                                         | 0.08                           |
| 6.      | Penalty under the Labour Act                            | 0.002                          |
| 7.      | Penalty in relation to tax disposable at source (“TDS”) | 0.05                           |

| Sr. No.      | Particulars                                      | Amount involved (In ₹ million) |
|--------------|--------------------------------------------------|--------------------------------|
| 8.           | Penalty paid to the Mines and Geology Department | 1.04                           |
| 9.           | Service tax penalty                              | 0.02                           |
| 10.          | Penalty in relation to entry tax                 | 0.05                           |
| 11.          | Penalty in relation to VAT and CST               | 0.48                           |
| 12.          | Penalty in relation to using agricultural land   | 0.31                           |
| 13.          | Other penalties                                  | 0.20                           |
| <b>Total</b> |                                                  | <b>5.11</b>                    |

## **Litigation filed by SEL**

### *Civil Proceedings*

1. SEL initiated arbitration proceedings against Reliance Industries Limited (“RIL”) in relation to various disputes that arose due to payment of additional costs incurred by SEL during the execution of a project with RIL involving the construction of roads in the refinery and township at Jamnagar, Gujarat. The Arbitral Tribunal, through its award, directed RIL to make payment of ₹ 7.00 million along with interest of ₹ 5.00 million to SEL (the “Arbitral Award”). Subsequently, RIL filed an application before the District Court, Jamnagar against SEL challenging the Arbitral Award. The aggregate amount involved is ₹ 12.00 million. The matter is currently pending.
2. Sadbhav-Prakash JV initiated arbitration proceedings against the State of Gujarat before the Arbitral Tribunal. SEL had formed a joint venture with PBA under the name of “Sadbhav-Prakash JV” for the purpose of strengthening and paving of shoulders between Viramgam and Halvad for the Roads and Buildings Department, Gujarat. Sadbhav-Prakash JV had requested the payment towards the project in Indian Rupees and the Government of Gujarat had verbally agreed to make the entire payment in Indian Rupees. However, at the time of making the payment, the Government of Gujarat made 80% of the payment in Indian Rupees and the balance payment of 20% was made in US Dollars. Consequently, Sadbhav-Prakash JV suffered a loss in revenue. The Arbitral Tribunal, through its order, ruled in favour of the Government of Gujarat (the “Arbitral Award”). Sadbhav-Prakash JV preferred an appeal before District Court, Gandhinagar, against State of Gujarat under the provisions of the Arbitration and Conciliation Act, 1996 against the Arbitral Award. The aggregate amount involved is ₹ 29.3 million. The matter is currently pending.

### *Arbitration Proceedings*

1. SEL initiated arbitration proceedings against SSNNL before the Gujarat Public Works Contracts Disputes Arbitration Tribunal, Ahmedabad in relation to the refusal by SSNNL to pay additional costs incurred by SEL during construction of a canal syphons across river Khari-I on Narmada main river from Ch. 263.21 km to 357.20 km aggregating to ₹ 36.86 million. The aggregate amount involved is ₹ 36.86 million. The matter is currently pending.
2. SEL initiated arbitration proceedings against SSNNL before the Gujarat Public Works Contracts Disputes Arbitration Tribunal, Ahmedabad in relation to refusal by SSNNL to pay additional costs incurred by SEL during the construction of a canal syphons across river Pushpavati on Narmada main canal from Ch. 263.21 km to 357.20 km aggregating to ₹ 34.74 million. The aggregate amount involved is ₹ 34.74 million. The matter is currently pending.
3. SEL initiated arbitration proceedings against SSNNL before the Gujarat Public Works Contracts Disputes Arbitration Tribunal, Ahmedabad in relation to refusal by SSNNL to pay additional costs incurred by SEL during execution of certain works on Saurashtra branch canal for slice III from 19.80 km to 29.50 km aggregating to ₹ 16.21 million. The aggregate amount involved is ₹ 16.21 million. The matter is currently pending.
4. SEL initiated arbitration proceedings against SSNNL before the Gujarat Public Works Contracts Disputes Arbitration Tribunal, Ahmedabad in relation to refusal by SSNNL to pay

additional costs incurred by SEL during execution of certain works on Saurashtra branch canal from 29.50 km to 40.40 km for slice IV aggregating to ₹ 16.77 million. The aggregate amount involved is ₹ 16.77 million. The matter is currently pending.

5. SEL initiated arbitration proceedings against SSNNL before the Gujarat Public Works Contracts Disputes Arbitration Tribunal, Ahmedabad in relation to the non payment of the costs incurred by SEL during construction of Narmada main canal from 155.00 km to 163.00 km (package-II), phase-II aggregating to aggregating to ₹ 311.11 million. The aggregate amount involved is ₹ 311.11 million. The matter is currently pending.
6. SEL initiated arbitration proceedings against SSNNL before the Gujarat Public Works Contracts Disputes Arbitration Tribunal, Ahmedabad non payment for the work executed by SEL for the construction, extension and improvement of Shedhi Branch Canal from Ch. 0.00 km to 46.03 km aggregating to ₹ 105.75 million which SEL claims to have completed prior to the scheduled date. The aggregate amount involved is ₹ 105.75 million. The matter is currently pending.
7. SEL initiated arbitration proceedings against SSNNL before the Gujarat Public Works Contracts Disputes Arbitration Tribunal, Ahmedabad in relation to the non payment of the costs incurred by SEL during construction of Narmada main canal in reach 290.605 km to 300.326 km (package-4) aggregating to ₹ 44.12 million. The aggregate amount involved is ₹ 44.12 million. The matter is currently pending.
8. SEL initiated arbitration proceedings against SSNNL before the Gujarat Public Works Contracts Disputes Arbitration Tribunal, Ahmedabad in relation to the non payment of the costs incurred by SEL during construction of Narmada main canal in reach km 314.356 to km 328.846 aggregating to ₹ 49.23 million. The aggregate amount involved is ₹ 49.23 million. The matter is currently pending.
9. SEL initiated arbitration proceedings against SSNNL before the Gujarat Public Works Contracts Disputes Arbitration Tribunal, Ahmedabad suffered losses due to, *inter alia*, the excess work done by SEL, the estimates of quantities in respect of several items of work were inaccurate and the damages aggregating to ₹ 328.15 million was not paid to SEL in time by SSNNL during construction of canal across the river Watrak on Narmada main canal in the reach between 144.500 km to 264.00 km at chainage 196.18 km. The aggregate amount involved is ₹ 328.15 million. The matter is currently pending.

**Litigation or legal action pending or taken by any ministry or government department or statutory authority against SEL during the last five years**

The Registrar of Companies, Gujarat has filed a *suo-moto* application in relation to inspection of books of accounts of SEL. SEL has made a compounding application under Section 211 of the Companies Act, 1956 and the same is currently pending before the Office of Regional Director.

**B. Vishnubhai M. Patel**

**Litigation filed against Vishnubhai M. Patel**

*Civil Proceedings*

1. MCL, Kanubhai Patel and Mrunal Patel filed a company petition before the Company Law Board, Regional Bench, Bombay against our Company, SEL, BHTPL, Vishnubhai M. Patel, Vasistha Patel, Nitinkumar R. Patel, Shashin V. Patel and Ravi Kapoor under Sections 397 and 398 read with 399, 402 and 403 of the Companies Act, 1956 alleging certain irregularities in relation to corporate and other matters pertaining to BHTPL. For further details, see “Outstanding Litigation and Material Developments – Litigation involving our Company – Litigation filed against our Company” from pages 515 to 516.
2. Sarda Energy and Minerals Limited filed a suit for recovery before the 6<sup>th</sup> Joint Civil Judge, Senior Division, Nagpur against SEL, its directors and officers (including Vishnubhai M.

Patel, Nitinkumar R. Patel and Shashin V. Patel) for recovery of ₹ 4.64 million as balance payment towards sale of steel and thermo – mechanically treated bars to SEL. For further details, see “Outstanding Litigation and Material Developments – Litigation involving our Promoters – Litigation filed against SEL” on page 527.

3. Osho Venture FZE filed a civil miscellaneous application before the City Civil Court, Ahmedabad against SEL, Vishnubhai M. Patel, Ocean Bright Corporation Limited and Sadbhav Natural Resources Private Limited seeking an order directing SEL and Vishnubhai M. Patel to pay an amount of USD 6.69 million being the amount due to Osho Venture on account of purchase of the business of the Osho Subsidiaries and the prospecting licenses held by them. For further details, see “Outstanding Litigation and Material Developments – Litigation involving our Promoters – Litigation filed against SEL” on pages 527 to 528.

#### *Direct tax proceedings*

1. The DCIT, Central Circle 1(1), Ahmedabad, issued a show cause notice to Vishnubhai M. Patel, seeking reasons for not imposing a penalty under Section 271(1)(c) of the IT Act with respect to the alleged concealment of particulars of income and inaccurate particulars being furnished for assessment year 2008-09. Vishnubhai M. Patel filed a reply to the show cause notice. The DCIT, Central Circle 1(1), Ahmedabad passed an order imposing a penalty to Vishnubhai M. Patel along with a demand notice of ₹ 21.12 million (the “Penalty Order”). Subsequently, Vishnubhai M. Patel preferred an appeal before the CIT, Appeals- 11, Ahmedabad against the Penalty Order. The amount involved is ₹ 21.12 million. The matter is currently pending.
2. The DCIT, Central Circle 1(1), Ahmedabad, issued a show cause notice to Vishnubhai M. Patel, seeking reasons for not imposing a penalty under Section 271(1)(c) of the IT Act with respect to the alleged concealment of particulars of income and inaccurate particulars being furnished for assessment year 2009-10. Vishnubhai M. Patel filed a reply to the show cause notice. The DCIT, Central Circle 1(1), Ahmedabad passed an order imposing a penalty to Vishnubhai M. Patel along with a demand notice of ₹ 43.43 million (the “Penalty Order”). Subsequently, Vishnubhai M. Patel preferred an appeal before the CIT, Appeals- 11, Ahmedabad against the Penalty Order. The amount involved is ₹ 43.43 million. The matter is currently pending.
3. The DCIT, Central Circle 1(1), Ahmedabad, issued a show cause notice to Vishnubhai M. Patel, seeking reasons for not imposing a penalty under Section 271(1)(c) of the IT Act with respect to the alleged concealment of particulars of income and inaccurate particulars being furnished for assessment year 2010-11. Vishnubhai M. Patel filed a reply to the show cause notice. The DCIT, Central Circle 1(1), Ahmedabad passed an order imposing a penalty to Vishnubhai M. Patel along with a demand notice of ₹ 0.50 million (the “Penalty Order”). Subsequently, Vishnubhai M. Patel preferred an appeal before the CIT, Appeals- 11, Ahmedabad against the Penalty Order. The amount involved is ₹ 0.50 million. The matter is currently pending.
4. The DCIT, Central Circle 1(1), Ahmedabad, issued a show cause notice to Vishnubhai M. Patel, seeking reasons for not imposing a penalty under Section 271(1)(c) of the IT Act with respect to the alleged concealment of particulars of income and inaccurate particulars being furnished for assessment year 2011-12. Vishnubhai M. Patel filed a reply to the show cause notice. The DCIT, Central Circle 1(1), Ahmedabad passed an order imposing a penalty to Vishnubhai M. Patel along with a demand notice of ₹ 0.01 million (the “Penalty Order”). Subsequently, Vishnubhai M. Patel preferred an appeal before the CIT, Appeals- 1, Ahmedabad against the Penalty Order. The amount involved is ₹ 0.01 million. The matter is currently pending.
5. The DCIT, Central Circle 1(1), Ahmedabad, issued a show cause notice to Vishnubhai M. Patel, seeking reasons for not imposing a penalty under Section 271AAA of the IT Act with respect to the alleged concealment of particulars of income and inaccurate particulars being furnished for assessment year 2011-12. Vishnubhai M. Patel filed a reply to the show cause notice. The DCIT, Central Circle 1(1), Ahmedabad passed an order imposing a penalty to

Vishnubhai M. Patel along with a demand notice of ₹ 30.00 million (the “Penalty Order”). Subsequently, Vishnubhai M. Patel preferred an appeal before the CIT, Appeals- 11, Ahmedabad against the Penalty Order. The amount involved is ₹ 30.00 million. The matter is currently pending.

#### **Litigation filed by Vishnubhai M. Patel**

##### *Direct tax proceedings*

1. Vishnubhai M. Patel has filed an application for rectification (the “Rectification Application”) before the Deputy Commissioner of Wealth Tax, Central Circle –(1)(1) under Section 35(1)(aa) of the Wealth Tax Act in relation to the assessment year 2008-09. Vishnubhai M. Patel while filing return of wealth for the assessment year 2008-09 also paid wealth tax on agricultural lands which are not subject to levy of wealth tax. Vishnubhai M. Patel through the Rectification Application seeks refund of the wealth tax paid in relation to the agricultural lands. The amount of tax refund involved in the matter is ₹ 0.32 million together with interest from date of payment until date of refund. The matter is currently pending.
2. Vishnubhai M. Patel has filed an application for rectification (the “Rectification Application”) before the Deputy Commissioner of Wealth Tax, Central Circle –(1)(1) under Section 35(1)(aa) of the Wealth Tax Act in relation to the assessment year 2009-10. Vishnubhai M. Patel while filing return of wealth for the assessment year 2009-10 also paid wealth tax on agricultural lands which are not subject to levy of wealth tax. Vishnubhai M. Patel through the Rectification Application seeks refund of the wealth tax paid in relation to the agricultural lands. The amount of tax refund involved in the matter is ₹ 0.32 million together with interest from date of payment until date of refund. The matter is currently pending.

#### **Litigation or legal action pending or taken by any ministry or government department or statutory authority against Vishnubhai M. Patel during the last five years**

*Nil*

#### **Notices**

*Nil*

### **IV. Litigation involving our Group Companies**

#### **A. MNEL**

##### **Litigation filed against MNEL**

##### *Civil Proceedings filed against MNEL*

1. Vakas Mushtaque Patel and others filed a writ petition before the Bombay High Court against the State of Maharashtra, MNEL and others for quashing the notification dated December 12, 2008 issued under Section 3D (ii) of the provisions of the NH Act and notification dated December 17, 2007 issued under Section 3A(i) of the provisions of the NH Act pursuant to which a declaration was made for acquisition of land near the toll plaza stretch at village Arjun Ali. The Bombay High Court directed that status quo be maintained in respect of the possession of the land in dispute. The matter is currently pending.
2. Trambak Parbat Chavan (the “Plaintiff”) filed a suit before the Civil Judge Court, Igatpuri against MNEL seeking possession of land taken on lease by MNEL and claiming arrears of rent of ₹ 0.25 million. The aggregate amount involved is ₹ 0.25 million. The Civil Judge dismissed the suit. Subsequently, the Plaintiff preferred an appeal before the District Court, Nasik. The matter is currently pending.
3. Nasik Citizen Forum (the “Petitioner”) filed a public interest litigation before the Bombay High Court against State of Maharashtra, MNEL and others. The Petitioner contended that the road was depleted and was not maintained by MNEL. The Petitioner sought directions from

the Bombay High Court for (i) issuance of writ of mandamus directing MNEL carry out necessary repairs of the road and dividers; and (ii) restraining MNEL from collecting toll charge, till the road is repaired. The matter is currently pending.

*Criminal proceedings*

NIL

*Notices*

The NHAI has issued a notice to MNEL to provide proof of deducted and deposited labour welfare cess from the bill raised by and payments made to EPC contractor alongwith copy of relevant sub-escrow account. The matter is currently pending.

*Past Penalties*

Nil

*Claims before the concessioning authority*

1. MNEL has filed a claim before the NHAI for delay in fulfilment of obligations of NHAI under Section X of the MNEL Concession Agreement. Pursuant to Schedule H of the MNEL Concession Agreement, NHAI was required to take necessary steps for land acquisition and handing over the acquired land to MNEL within a stipulated period for the purposes of the construction work. However, NHAI failed to provide the requisite land within the stipulated period, which resulted in delay in the execution of the construction work. There were certain other factors, not attributable to MNEL, including delays in diversion of forest land, shifting of utilities, and in construction of toll plaza, which resulted in delay in the MNEL Project, incurrence of additional expenditure on the MNEL Project and an extension of the construction work for a period from April 2009 to December 2011 (the "Extended Period"). Subsequently, MNEL filed a claim before the NHAI towards additional costs incurred due to loss of productivity of plant and equipment deployed in the Extended Period. MNEL has also requested the NHAI to confirm the extension in the concession period. The amount involved in the matter is ₹ 1,246.90 million. The matter is currently pending.
2. MNEL has filed a claim before the NHAI for additional costs incurred due to loss of productivity of manpower deployed during the Extended Period. The amount involved in the matter is ₹ 36.00 million. The matter is currently pending.
3. MNEL has filed a claim before the NHAI for additional indirect cost of site overheads incurred during the Extended Period. The amount involved in the matter is ₹ 758.30 million. The matter is currently pending.
4. MNEL has filed a claim before the NHAI for loss of profits due to extension of the contract. The amount involved in the matter is ₹ 554.00 million. The matter is currently pending.
5. MNEL has filed a claim before the NHAI for escalation due to extended stay at the construction site. The amount involved in the matter is ₹ 365.30 million. The matter is currently pending.
6. MNEL has filed a claim before the NHAI for the additional fees which were required to be paid to the independent consultant during the Extended Period. The amount involved in the matter is ₹ 25.00 million. The matter is currently pending.
7. MNEL has filed a claim before the NHAI for the additional expenditure incurred due to accumulated maintenance liabilities on the exiting two lane road during development phase and construction phase. The amount involved in the matter is ₹ 55.60 million. The matter is currently pending.
8. MNEL has filed a claim before the NHAI for the additional expenditure incurred for construction of the bus shelters. The amount involved in the matter is ₹ 6.20 million. The

matter is currently pending.

9. MNEL has filed a claim before the NHAI for the additional royalty due to enhancement of royalty rates under change in law clause under the MNEL Concession Agreement. The amount involved in the matter is ₹ 93.20 million. The matter is currently pending.
10. MNEL has filed a claim before the NHAI for the additional fees paid to the lenders' engineer during the Extended Period. The amount involved in the matter is ₹ 2.70 million. The matter is currently pending.
11. MNEL has filed a claim before the NHAI for loss of toll revenue due to delay in fee notification. The provisional COD for Section 1 for a continuous stretch of 50 km was granted on December 23, 2009, in respect of which MNEL had already submitted its request for fee notification in August 2009. However, the fee notification was published in April 2010 resulting in delay of 120 days from the grant of the COD, which subsequently resulted in loss of toll revenue to MNEL. The amount involved in the matter is ₹ 182.30 million alongwith interest until date of payment. The matter is currently pending.
12. MNEL has filed a claim before the NHAI for interest on penalty for delay in completion of the road over bridge ("ROB"). NHAI had recovered a penalty from the grant due to MNEL. NHAI accepted the plea of MNEL and agreed to waive such penalty provided that MNEL submitted an undertaking to not claim any damages on account of delayed completion of the ROBs. Accordingly, MNEL had submitted the undertaking in the prescribed format. Although, NHAI reversed the damages and credited the amounts to MNEL, the interest on the amounts was not credited. The amount involved in the matter is ₹ 5.15 million. The matter is currently pending.
13. MNEL has filed a claim before the NHAI in relation to the refund of operation and maintenance damages imposed by NHAI from time to time on account of poor maintenance during the operation and maintenance period. Pursuant to clause 18.12 of the MNEL Concession Agreement, the concessionaire is required to pay damages towards operation and maintenance if the concessionaire does not maintain and repair the project highway in accordance with the specifications and standards prescribed. MNEL has contended that MNEL has been complying with all the maintenance obligations as per the provisions under the MNEL Concession Agreement and has claimed the amounts as the damages were unlawfully imposed by NHAI. The amount involved in the matter is ₹ 17.90 million along with interest. The matter is currently pending.
14. MNEL has filed a claim before the NHAI for increase in interest during the construction period on account of delay in completion of the MNEL Project. The amount involved in the matter is ₹ 570.20 million. The matter is currently pending.
15. MNEL has filed a claim before the NHAI for rent paid by MNEL due to non availability of land for construction of toll plaza building. Since, NHAI has not handed over the land at Arjunali toll plaza to MNEL. MNEL was required to take land on a leasehold basis for construction of toll plaza building and ancillary structures. The rent payable in respect of such land is liable to be revised at the rate of 5.00% every year. Additionally, MNEL had also taken land on leasehold basis at Ghoti toll plaza for a period of 3 years. The amount involved in the matter is ₹ 3.90 million. The matter is currently pending.
16. MNEL has filed a claim before the NHAI for additional expenses that would be incurred by MNEL due to extension in the concession period. Pursuant to Article III of the MNEL Concession Agreement, the concession period is to be extended by 780 days on account of delay in fulfilment of obligations of NHAI. The divestment of the MNEL Project would thus be extended by a period of 780 days. Further, MNEL would also be required to maintain the road for an additional period. The amount involved in the matter is ₹ 164.70 million. The matter is currently pending.
17. MNEL has filed a claim before the NHAI for loss of toll revenue due to stoppage of toll collection at Arjunali Toll Plaza. The stoppage was by local public in support of local leaders. The amount involved in the matter is ₹ 72.90 million. The matter is currently pending.



18. MNEL has filed a claim before the NHAI for loss of revenue due to non-payment of toll by the locals. The locals have been provided concessions on payment of toll, however, despite the same, the locals did not pay the toll at the prescribed concessional rates. The amount involved in the matter is ₹ 122.4 million. The matter is currently pending.

## **B. DPTL**

### **Litigation filed against DPTL**

#### *Civil Proceedings filed against DPTL*

1. Amit Jayawant Jain and others filed a writ petition before the Bombay High Court, Aurangabad bench against DPTL and others (the “Respondents”) for *inter alia* prohibiting the Respondents from establishing or running a toll plaza within 10 kms of the local limits of Shirpur town in the Dhule District and praying for an interim order restraining the Respondents from operating a toll plaza, from collecting any amount on account of toll from vehicles coming and going towards Shirpur and also from recovering toll at the increased rate by 50%. The matter is currently pending.
2. Salauddin Shaik (the “Petitioner”) has filed a petition against Somnath Patil, a driver employed by DPTL, DPTL and The New India Assurance Company Limited (collectively, the “Respondents”) under the Motor Vehicles Act, 1988, (the “Motor Vehicles Act”) before the Motor Accident Claims Tribunal, Dhule (the “Tribunal”). The Petitioner has claimed from the Respondents compensation under Sections 140 and 166 of the Motor Vehicles Act for bodily injuries and permanent disablement resulting from an accident allegedly caused due to negligence of the driver. The aggregate amount involved is ₹ 0.12 million along with 18% interest from the date of application till realisation. The matter is currently pending.
3. Dhanraj Ragho Patil (the “Petitioner”) filed a petition before the Motor Accident Claims Tribunal, Dhule (the “Tribunal”) against Somnath Patil, a driver employed by DPTL, DPTL and The New India Assurance Company Limited (collectively, the “Respondents”) under the Motor Vehicles Act. The Petitioner has allegedly claimed from the Respondents compensation under Section 140 and 166 of the Motor Vehicles Act for bodily injuries and permanent disablement resulting from an accident allegedly caused due to negligence of the driver. Somnath Patil has submitted a written statement before the Tribunal. The aggregate amount involved is ₹ 0.12 million along with 18% interest from the date of application till realisation. The matter is currently pending.

#### *Criminal Proceedings against DPTL*

1. Ananda Dagadu Mali, a police constable filed a complaint on behalf of the government against Somnath Patil, a driver at DPTL and two other drivers for an accident that occurred at Devbhane, Dhule due to the carelessness of the drivers. The matter is currently pending.
2. Chandan Harish Tolani filed an FIR at Shirpur police station against Rakesh Deore, a PRO assistant at DPTL and others under Sections 34, 323, 324, 325, 504 and 506 of the IPC for alleged manhandling by DPTL’s personnel. The matter is currently pending.
3. Mohamand Aabid Taj Khan filed an FIR at Shirpur police station against certain employees of DPTL under Sections 323, 34, 504 and 506 of the IPC, for allegedly being manhandled by the representatives of DPTL. The matter is currently pending.

#### *Direct Tax Proceedings*

1. The Income Tax Officer, Ward 10(3)(1), Mumbai (the “Assessing Officer”) served an assessment order to DPTL along with a demand notice for ₹ 2.20 million in relation to assessment year 2010-11 (the “Impugned Order”). Pursuant to the Impugned Order, the Assessing Officer treated the difference between the amount paid by DPTL to the sub-contractor for utility shifting and the reimbursement claimed from NHAI for the same as income from other sources and added ₹ 10.05 million to the total income of DPTL. Subsequently, DPTL preferred an appeal before the CIT (Appeals)- 22, Mumbai, on *inter alia*

the grounds that the Assessing Officer had erred *inter alia*, in (i) treating ₹ 10.05 million as income from other sources for that year and (ii) excluding dividend earned on mutual funds aggregating to ₹ 0.50 million from being credited to the capital work in progress account. The CIT (Appeals)- 22, Mumbai, partly allowed the appeal and held that the addition of the income by the Assessing Officer would be sustained to the extent of ₹ 5.62 million and not ₹ 10.05 million. The CIT (Appeals)- 22, Mumbai further held that DPTL should have accounted the difference of ₹ 5.62 million for utility shifting charges in 2010-11 instead of accounting the same in 2011-12. In addition, the CIT (Appeals)- 22, Mumbai approved the exclusion of the dividend earned on mutual funds aggregating to ₹ 0.50 million from being credited to the capital work in progress account. DPTL has preferred an appeal before the ITAT, Mumbai against the order of the CIT (Appeals)- 22, Mumbai on the ground that CIT (Appeals) – 22, Mumbai erred *inter alia*, in the treatment of ₹ 5.62 million under the head ‘income from other sources’. The aggregate amount involved in the matter is ₹ 0.28 million. The matter is currently pending.

s

2. The Assessing Officer issued a show cause notice to DPTL, seeking reasons for not imposing a penalty under Section 271(1)(c) of the IT Act with respect to the alleged concealment of particulars of income and inaccurate particulars being furnished for assessment year 2010-11. DPTL filed a reply to the show cause notice. The matter is currently pending.

#### Notices

1. The NHAI had levied certain claims against DPTL on the recommendations of the Independent Engineer for failure to rectify defects and deficiencies relating to, *inter alia*, non-maintenance of emergency call boxes and failure to repair potholes and damaged pavement. The claims levied are for (i) ₹ 1.91 million as damages for failure to rectify defects or deficiencies in the DPTL Project from February 2, 2013 to July 31, 2013, (ii) ₹ 0.02 million per day as damages from August 1, 2013 and (iii) ₹ 0.01 million per day as damages from February 6, 2013 for non-maintenance of emergency call boxes. DPTL denied the claims levied against it by the NHAI. Subsequently, the Independent Engineer addressed a letter to the NHAI recommending that additional damages be levied on DPTL at the rate of ₹ 0.02 million per day with effect from April 15, 2013, aggregating to ₹ 6.2 million. DPTL, through its response to NHAI, *inter alia*, requested the NHAI and the Independent Engineer to hold a joint meeting and inspection of the DPTL Project and resolve the issue.

Subsequently, the NHAI, through its letter, stated that DPTL had failed to comply with its O&M obligations under the DPTL Concession Agreement dated June 24, 2009 and the directions given by the NHAI and the Independent Engineer, specified through various letters and monthly O&M reports. Further, the NHAI directed DPTL to complete the work and deposit a penalty amount of ₹ 1.91 million, failing which necessary action under the concession agreement would be taken and DPTL would be intimated regarding the damages for non-compliance of its O&M obligations. The Independent Engineer, through its letter addressed to the NHAI, set out the details of pending work and DPTL’s response to the same. DPTL responded to the NHAI and the Independent Engineer and denied that it had breached its O&M obligations under the concession agreement. Pursuant to a joint meeting held between DPTL, the Independent Engineer and NHAI, it was agreed that DPTL would rectify the emergency call boxes, solar blinkers and solar light and would submit an alternate proposal to avoid theft of aforementioned items in the future. Subsequently, DPTL submitted an alternate proposal to NHAI towards emergency call boxes and solar blinkers due to continuous theft. The Regional Officer, however, directed DPTL to adhere to the provisions of the DPTL Concession Agreement. The Independent Engineer has computed the damages payable for inadequate maintenance as on March 31, 2015 aggregating to ₹ 16.88 million. The NHAI has directed DPTL to deposit damages imposed by the Independent Engineer for an amount of ₹ 16.88 million for the period up to March 31, 2015. The NHAI also directed DPTL to rectify the defects recorded and communicated by the Independent Engineer, failing which NHAI would initiate action against DPTL in accordance with the DPTL Concession Agreement. Subsequently, DPTL through its letter, has requested the Project Director to refrain from recovering any amounts from the escrow account pending review of the recommendations of the Independent Engineer. The matter is currently pending.

2. The NHAI had issued a notice to DPTL requiring DPTL to submit evidence that labour welfare cess had been deducted / deposited from the bills raised by and payments made to SEL, its EPC contractor. DPTL responded to the NHAI stating that the deposition of labour welfare cess is applicable for the EPC contracts executed on or after July 1, 2010 and as the EPC contract between DPTL and SEL was entered into on December 18, 2009 (“DPTL EPC Contract”), the deposition of labour welfare cess would not be applicable to the DPTL EPC Contract. DPTL through its letter dated January 3, 2013 requested SEL to obtain a written confirmation from the concerned authority that the deposition of labour welfare cess is not applicable to the DPTL EPC Contract. DPTL further stated that if SEL does not provide a response within 30 days of the letter, DPTL reserves the right to deduct the amounts from the balance payment due to SEL for payment as deposit to the relevant authority. The matter is currently pending.

#### *Past penalties*

DPTL has paid ₹ 95,000 to the Reserve Bank of India in relation to delay in reporting certain foreign investments under the Foreign Exchange Management Act, 1999.

#### **Litigation filed by DPTL**

##### *Criminal Proceedings*

1. Rakesh Shivaji Deore, a PRO assistant at DPTL filed an FIR at Shirpur police station against Mahinder Singh Rajput with other accused persons (the “Accused”) under Sections 392, 327, 504 and 506 of the India Penal Code, 1860. The Accused had forcefully collected money from the vehicle drivers and threatened the employees of the Shirpur toll plaza. The matter is currently pending.
2. Rakesh Shivaji Deore, a PRO assistant at DPTL filed an FIR at Shirpur police station against Sachin Rajput, and Amardeep Girase under Sections 323, 324, 504 and 506 of the IPC for alleged manhandling of DPTL’s personnel at Shirpur toll plaza. The matter is currently pending.
3. Samadhan Santosh Kuwar, a toll collector at DPTL filed an FIR at Shirpur police station against Ambalal Rajput, Yogesh Mahen and Rakesh Deshmukh (the “Accused”) under Sections 323, 504, 427 and 34 of the IPC for allegedly damaging the premises at the Shirpur Toll Plaza, including damage to computer keyboards and barriers and abusing the staff under the influence of alcohol. The matter is currently pending.
4. Shaikh Zakir Hajir Shoukat, a senior electrician at DPTL (the “Complainant”) filed an FIR at Songir police station against Vinayak Ananda Dhangar and Sonu under Sections 424, 323, 504, 506 and 34 of the IPC. The Complainant alleged that the accused had thrown stone at the Complainant’s head. The matter is currently pending.
5. Harish Chandra Jadhav, a representative of DPTL (the “Complainant”) filed an FIR at Songir police station against accused Bharat Sudhakar Suryawanshi under Section 379 of the IPC, for theft of the property, i.e. certain aluminum and iron plates and a truck belonging to the Complainant. The matter is currently pending.
6. Gaurav Premanand Vispute, a helper at Songir toll plaza filed an FIR at Songir police station against Mr. Kiran bhavu and another under Sections 143, 147, 427, 323, and 504 of the IPC for manhandling and injuring the crew members of the toll plaza and damaging *inter alia* the barricades, windows at the toll plaza. The matter is currently pending.

#### **Material Frauds against DPTL**

There have been no material frauds committed against DPTL in the five years preceding the date of this Draft Red Herring Prospectus.

#### **C. SPCT**

**Litigation filed against SPCT***Notices*

The ACIT (CPC) has served a demand notice to SPCT aggregating to ₹ 580.00 under Section 156 of the IT Act. The aggregate amount involved is ₹ 580.00. The matter is currently pending.

*Past Penalties*

Nil

**D. SFPL****Litigation filed against SFPL***Notices*

The DCIT, Central Circle 1(1), Ahmedabad issued a notice to SFPL, seeking further information in relation to the return of income filed for assessment year 2013-14. The matter is currently pending.

*Past Penalties*

Nil

**E. SRPL****Litigation filed against SRPL***Notices*

The DCIT, Central Circle – 1(1), Ahmedabad issued a notice to SRPL, seeking further information in relation to the return of income filed for assessment year 2013-14. The matter is currently pending.

*Past Penalties*

Nil

**F. SQWPL****Litigation filed against SQWPL***Notices*

The ACIT (CPC) issued a notice of intimation under Section 143(1) of the IT Act to SQWPL in relation to the assessment year 2014-15. Subsequently, SQWPL has filed a rectification application in relation to the same. The amount involved in the matter is ₹ 0.49 million. The matter is currently pending.

*Past penalties*

SQWPL has paid penalty of ₹ 0.03 million to the Mines and Geology Department for late submission of stock details in Form “H” to the Mines and Geology Department.

**G. SEL GKC***Arbitration proceedings*

SEL GKC had filed a petition before the Patna High Court against the State of Bihar and others (the “Respondents”) seeking to refrain the Respondents from *inter alia* taking any coercive steps in relation to invocation of performance advance and retention payments bank guarantees amounting to ₹ 448.30 million provided by SEL GKC to the Respondents. SEL GKC also sought for a direction from the Patna High Court to treat the contract between SEL GKC and the Respondents as terminated. The

Patna High Court through its interim order restrained the Respondents from taking any coercive steps against the invocation of bank guarantee. Subsequently, the Respondents filed an interlocutory application before the Patna High Court seeking, *inter alia*, recovery of mobilisation advance money payable by SEL GKC by invoking the bank guarantee. The Patna High Court through its order with consent of the parties directed the matter to be referred to arbitration and ordered that in the event the arbitrator does not pronounce its award within the stipulated time, SEL GKC shall be under an obligation to extend the further period of validity of its bank guarantee for a period as may be fixed by the arbitrator. The matter is currently pending.

## **H. VMP HUF**

### *Litigation by VMP HUF*

3. VMP HUF has filed an application for rectification (the “Rectification Application”) before the Wealth Tax Officer, Ward- 4 (2)(1), Ahmedabad under Section 35(1)(aa) of the Wealth Tax Act in relation to the assessment year 2008-09. VMP HUF while filing return of wealth for the assessment year 2008-09 also paid wealth tax on agricultural lands which are not subject to levy of wealth tax. VMP HUF through the Rectification Application seeks refund of the wealth tax paid in relation to the agricultural lands. The amount involved in the matter is ₹ 0.22 million. together with interest from date of payment until date of refund. The matter is currently pending.
4. VMP HUF has filed an application for rectification (the “Rectification Application”) before the Wealth Tax Officer, Ward- 4 (2)(1), Ahmedabad under Section 35(1)(aa) of the Wealth Tax Act in relation to the assessment year 2009-10. VMP HUF while filing return of wealth for the assessment year 2009-10 also paid wealth tax on agricultural lands which are not subject to levy of wealth tax. VMP HUF through the Rectification Application seeks refund of the wealth tax paid in relation to the agricultural lands. The amount involved in the matter is ₹ 0.22 million together with interest from date of payment until date of refund. The matter is currently pending.
5. VMP HUF has filed an application for rectification (the “Rectification Application”) before the Wealth Tax Officer, Ward- 4 (2)(1), Ahmedabad under Section 35(1)(aa) of the Wealth Tax Act in relation to the assessment year 2010-11. VMP HUF while filing return of wealth for the assessment year 2010-11 also paid wealth tax on agricultural lands which are not subject to levy of wealth tax. VMP HUF through the Rectification Application seeks refund of the wealth tax paid in relation to the agricultural lands. The amount involved in the matter is ₹ 0.22 million together with interest from date of payment until date of refund. The matter is currently pending.
6. VMP HUF has filed an application for rectification (the “Rectification Application”) before the Wealth Tax Officer, Ward- 4 (2)(1), Ahmedabad under Section 35(1)(aa) of the Wealth Tax Act in relation to the assessment year 2011-12. VMP HUF while filing return of wealth for the assessment year 2011-12 also paid wealth tax on agricultural lands which are not subject to levy of wealth tax. VMP HUF through the Rectification Application seeks refund of the wealth tax paid in relation to the agricultural lands. The amount involved in the matter is ₹ 0.22 million together with interest from date of payment until date of refund. The matter is currently pending.

## **V. Litigation involving our Directors**

1. MCL, Kanubhai Patel and Mrunal Patel filed a company petition before the Company Law Board, Regional Bench, Bombay against our Company, SEL, BHTPL, Vishnubhai M. Patel, Vasistha Patel, Nitinkumar R. Patel, Shashin V. Patel and Ravi Kapoor under Sections 397 and 398 read with 399, 402 and 403 of the Companies Act, 1956 alleging certain irregularities in relation to corporate and other matters pertaining to BHTPL. For further details, see “Outstanding Litigation and Material Developments – Litigation involving our Company – Litigation filed against our Company” on pages 515 to 516.
2. Sarda Energy and Minerals Limited filed a suit for recovery before the 6<sup>th</sup> Joint Civil Judge,

Senior Division, Nagpur against SEL, its directors and officers (including Vishnubhai M. Patel, Nitinkumar R. Patel, Sandip V. Patel and Shashin V. Patel) for recovery of ₹ 4.64 million as balance payment towards sale of steel and thermo – mechanically treated bars to SEL. For further details, see “Outstanding Litigation and Material Developments – Litigation involving our Promoters – Litigation filed against SEL” on page 527.

3. Osho Venture FZE filed a civil miscellaneous application before the City Civil Court, Ahmedabad against SEL, Vishnubhai M. Patel, Ocean Bright Corporation Limited and Sadbhav Natural Resources Private Limited seeking an order directing SEL and Vishnubhai M. Patel to pay an amount of USD 6.69 million being the amount due to Osho Venture on account of purchase of the business of the Osho Subsidiaries and the prospecting licenses held by them. For further details, see “Outstanding Litigation and Material Developments – Litigation involving our Promoters – Litigation filed against SEL” on pages 527 to 528.
4. The DCIT, Central Circle-1(1), Ahmedabad, served assessment orders along with demand notices to Vishnubhai M. Patel in relation to the assessment years 2008-09, 2009-10, 2010-11 and 2011-12 for concealment of particulars of income and furnishing inaccurate particulars of income. Vishnubhai M. Patel has preferred appeals before the CIT, Appeals- 11, Ahmedabad against the orders of the DCIT, Central Circle-1(1), Ahmedabad. For further details, see “Outstanding Litigation and Material Developments – Litigation involving our Promoters – Litigation filed against Vishnubhai M. Patel” on pages 535 to 536.
5. Vishnubhai M. Patel has filed an application for rectification before the Deputy Commissioner of Wealth Tax, Central Circle –(1)(1) under Section 35(1)(aa) of the Wealth Tax Act in relation to the assessment years 2008-09 and 2009-10. For further details, see “Outstanding Litigation and Material Developments – Litigation involving our Promoters – Litigation filed against Vishnubhai M. Patel” on page 536.
6. Shashin V. Patel has filed an application for rectification (the “Rectification Application”) before the Deputy Commissioner of Wealth Tax, Central Circle –(1)(1) under Section 35(1)(aa) of the Wealth Tax Act in relation to the assessment year 2008-09. Shashin V. Patel while filing return of wealth for the assessment year 2008-09 also paid wealth tax on agricultural lands which are not subject to levy of wealth tax. Shashin V. Patel through the Rectification Application seeks refund of the wealth tax paid in relation to the agricultural lands. The amount involved in the matter is ₹ 0.29 million together with interest from date of payment until date of refund. The matter is currently pending.
7. Shashin V. Patel has filed an application for rectification (the “Rectification Application”) before the Deputy Commissioner of Wealth Tax, Central Circle –(1)(1) under Section 35(1)(aa) of the Wealth Tax Act in relation to the assessment year 2009-10. Shashin V. Patel while filing return of wealth for the assessment year 2009-10 also paid wealth tax on agricultural lands which are not subject to levy of wealth tax. Shashin V. Patel through the Rectification Application seeks refund of the wealth tax paid in relation to the agricultural lands. The amount involved in the matter is ₹ 0.29 million together with interest from date of payment until date of refund. The matter is currently pending.
8. Shashin V. Patel has filed an application for rectification (the “Rectification Application”) before the Deputy Commissioner of Wealth Tax, Central Circle –(1)(1) under Section 35(1)(aa) of the Wealth Tax Act in relation to the assessment year 2010-11. Shashin V. Patel while filing return of wealth for the assessment year 2010-11 also paid wealth tax on agricultural lands which are not subject to levy of wealth tax. Shashin V. Patel through the Rectification Application seeks refund of the wealth tax paid in relation to the agricultural lands. The amount involved in the matter is ₹ 0.29 million together with interest from date of payment until date of refund. The matter is currently pending.

**Action initiated by SEBI against the Entities operating in the Securities Market with which Directors are associated**

*Nil*

**Past Penalties**

*Nil*

**VI. Material Developments**

For details of material developments, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 493.

## GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Government, various governmental agencies and other statutory and/or regulatory authorities required for carrying out its present transport sector development activities and except as mentioned below, no further material approvals are required for carrying on our present transport sector development activities. Our Company undertakes to obtain all approvals and licenses and permissions required to operate our transport sector development activities. Unless otherwise stated, these approvals or licenses are valid as of the date of this Draft Red Herring Prospectus. For further details in connection with the applicable regulatory and legal frame work, see “Regulations and Policies” beginning on page 228.

The approvals required to be obtained by our Company include the following:

### 1. Approvals in relation to the Issue

For details, see “Other Regulatory and Statutory Disclosures” on page 554.

### 2. Approvals for our Company

- (a) Certificate of incorporation dated January 18, 2007 issued by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli.
- (b) Certificate for commencement of business dated February 7, 2007 issued by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli.
- (c) Permanent account number of our Company is AAKCS5538G.
- (d) Tax deduction account number of our Company is AHMS14698F.
- (e) Professional tax employer certificate number of our Company is PRC015130284.
- (f) Professional tax registration number of our Company is PE/C015132255.
- (g) Service tax code number of our Company is AAKCS5538GSD001.
- (h) Tax payer identification number of our Company is 27530771534C under the CST Rules and the CST Act.
- (i) Tax payer identification number of our Company is 27530771534V under the Maharashtra Value Added Tax Act, 2002.
- (j) Registration number of our Company is 24073405935 under the Gujarat Value Added Tax Act, 2003.
- (k) Letter bearing reference number GJ/PFC/AHD/57297/ENF-II/T.1/2219 dated October 17, 2011 issued by the Assistant Provident Fund Commissioner, Employees’ Provident Fund Organisation, bringing our Company under the purview of the EPF Act with effect from August 1, 2011 and allotting a code number GJ/57297 under the EPF Act to our Company.
- (l) Registration Certificate of Establishment bearing registration number PII/EL/05/0004483 dated August 25, 2014 issued by the Ahmedabad Municipal Corporation registering our Company as a commercial establishment under the Bombay Shops and Establishments Act, 1948. The said registration has been renewed on January 7, 2015 and is valid till December 31, 2019.
- (m) ISO 9001:2008 Certificate dated November 6, 2013 bearing registration number 44100 135194 issued by TUV Nord for operation and maintenance of toll roads, bridges and related infrastructure. The said registration is valid up to November 5, 2016.

### 3. Approvals for our Subsidiaries

Our Subsidiaries operate across various business segments and are required to obtain approvals and licences for undertaking their business activities. The approvals and licenses typically obtained by our



Subsidiaries for undertaking their business activities include:

**Subsidiaries undertaking operational projects**

**(a) ARRIL**

- (i) Certificate of incorporation dated August 31, 2006 issued by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli.
- (ii) Certificate for commencement of business dated September 5, 2006 issued by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli.
- (iii) Permanent account number of ARRIL is AAFCA8978H.
- (iv) Tax deduction account number of ARRIL is AHMA06590D.
- (v) Professional tax employer certificate number of ARRIL is PR0734000718.
- (vi) Professional tax registration number of ARRIL is PE/C015130020.
- (vii) Service tax code number of ARRIL is AAFCA8978HST001.
- (viii) Registration number of ARRIL is 24573404848 under the CST Rules and the CST Act.
- (ix) Registration number of ARRIL is 24073404848 under the Gujarat Value Added Tax Act, 2003.
- (x) Letter bearing reference number GJ/PFC/AHD/52817/ENF/1591 dated February 12, 2007 issued by the Employees' Provident Fund Organisation, Ministry of Labour, Government of India, bringing ARRIL under the purview of the EPF Act with effect from December 21, 2006 and allotting code number GJ/AHD/ 52817 under the EPF Act to ARRIL.
- (xi) Letter bearing reference number 37/27863/67 dated July 8, 2009 issued by the Gujarat Regional Office, Employee State Insurance Corporation, Ahmedabad bringing ARRIL under the purview of the ESI Act, 1948 with effect from February 1, 2008 and allotting a code number under the ESI Act.
- (xii) Certificate of IEC bearing file number 08/04/130/00075/AM08176 dated April 12, 2007 issued by the Regional Joint Director General of Foreign Trade, Ministry of Commerce allotting IEC number 0807000752 to ARRIL.
- (xiii) ISO 9001:2008 Certificate dated November 6, 2013 bearing registration number 44100 135194 issued by TUV Nord for operation and maintenance of toll roads, bridges and related infrastructure. The said registration is valid up to November 5, 2016.
- (xiv) Registration Certificate of Establishment bearing reference number PII/EL/10/0000043 dated September 25, 2006 issued by the Ahmedabad Municipal Corporation registering ARRIL as a commercial establishment under the Maharashtra Shops and Establishments Act, 1948. The said registration has been renewed on November 19, 2014 and is valid till December 31, 2018.

**(b) AJTL**

- (i) Certificate of incorporation dated January 19, 2007 issued by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli.
- (ii) Certificate for commencement of business dated February 9, 2007 issued by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli.
- (iii) Permanent account number of AJTL is AAGCA1318J.

- (iv) Tax deduction account number of AJTL is AHMA07262D.
- (v) Professional tax employer certificate number of AJTL is 27425234904P.
- (vi) Service tax code number of AJTL is AAGCA1318JSD001.
- (vii) Tax payer identification number of AJTL is 27425234904P under the CST Rules and the CST Act.
- (viii) Letter bearing reference number MH/AB/83411/APP/ZII/2009/196 dated November 13, 2009 issued by the Office of the Assistant Provident Fund Commissioner, Aurangabad bringing AJTL under the purview of the EPF Act with effect from August 1, 2009 and allotting a code number MH/AB/83411 to AJTL.
- (ix) Certificate of Registration bearing reference number AWB/1037/2010 dated June 23, 2010 issued by the Office of the Registering Officer, Aurangabad, Government of Maharashtra under the Contract Labour Act for 70 housekeeping, gatekeeping, unplanned workers and assistant to the employers of AJTL. The contract period of the contractors has been renewed on November 14, 2014 and is valid up to December 31, 2015.
- (x) Registration Certificate of Establishment bearing reference number JALNA/23/5747/2011 dated June 14, 2011 issued by the Government Labour Officer, Jalna registering AJTL as a commercial establishment under the Maharashtra Shops and Establishments Act, 1948. The said registration has been renewed on March 12, 2014 and is valid up to December 31, 2015.
- (xi) ISO 9001:2008 Certificate dated November 6, 2013 bearing registration number 44100 135194 issued by TUV Nord for operation and maintenance of toll roads, bridges and related infrastructure. The said registration is valid up to November 5, 2016.

(c) **BHTPL**

- (i) Certificate of incorporation dated February 22, 2010 issued by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli.
- (ii) Permanent account number of BHTPL is AAECB0143L.
- (iii) Tax deduction account number of BHTPL is AHMB05094F.
- (iv) Professional tax enrolment number of BHTPL is 191434198.
- (v) Service tax code number of BHTPL is AAECB0143LSD001.
- (vi) Tax payer identification number of BHTPL is 29260610969 under the Karnataka Value Added Tax Act, 2003.
- (vii) Tax payer identification number of BHTPL is 29260610969 under the CST Act and CST Rules.
- (viii) Letter bearing reference number GJ/PFC/AHD/57788/ENF-I/T.11/2621 dated March 20, 2012 issued by the Assistant Provident Fund Commissioner, Employees' Provident Fund Organisation, bringing BHTPL under the purview of the EPF Act with effect from November 1, 2011 and allotting a code number GJ/57788 under the EPF Act to BHTPL.
- (ix) ISO 9001:2008 Certificate dated November 6, 2013 bearing registration number 44100 135194 issued by TUV Nord for operation and maintenance of toll roads, bridges and related infrastructure. The said registration is valid up to November 5, 2016.
- (x) Registration certificate of establishment bearing reference number L/C/V/1/6 V/N:

158 2014-2015 issued by Government of Karnataka, Department of Labour for registration under Karnataka Shops & Establishments Act, 1961. The registration has been renewed on January 16, 2015 and is valid until December 31, 2019.

- (xi) Registration certificate bearing registration number 01/2015-RLC/BLY dated January 5, 2015 issued by the Government of India, Ministry of Labour and Environment under the Contract Labour Act for road maintenance, toll collections and security services at NH-50 from km 225/800 to 323/012 in the state of Karnataka. The registration is valid up to November 30, 2015.

**Pending approvals for BHTPL:**

- (i) Application dated March 29, 2012 addressed to Professional Tax Officer for certificate of enrolment under the Karnataka Tax on Professions, Trade, Callings and Employments Act, 1976.

**(d) HYTPL**

- (i) Certificate of incorporation dated January 20, 2010 issued by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli.
- (ii) Permanent account number of HYTPL is AACCH3521J.
- (iii) Tax deduction account number of HYTPL is AHMH03386F.
- (iv) Andhra Pradesh profession tax payer registration certificate number of HYTPL is 28515055719.
- (v) Andhra Pradesh profession tax payer enrolment number of HYTPL is 28839308708.
- (vi) Service tax code number of HYTPL is AACCH3521JSD001.
- (vii) Tax payer identification number of HYTPL is 36624849915 under the Andhra Pradesh Value Added Tax Act, 2005.
- (viii) Tax payer identification number of HYTPL is 36624849915 (Central) under the CST Act and the CST Rules.
- (ix) Letter bearing reference number GJ/PFC/AHD/58661/ENF-I/T.11/1644 dated January 2, 2013 issued by the Assistant Provident Fund Commissioner, Employees Provident Fund Organisation, bringing HYTPL under the purview of the EPF Act with effect from January 20, 2010 and allotting a code number GJ/58661 under the EPF Act to HYTPL.
- (x) Certificate of Registration bearing reference number 08/2010 dated May 26, 2010, issued by the Office of the Assistant Labour Commissioner (Central) – I & Registering Officer, Hyderabad, Ministry of Labour and Employment under the Contract Labour Act for a maximum of 150 construction labourers.
- (xi) Certificate of Registration bearing reference number DCL/53/2013 dated January 28, 2013 issued by the Labour Department, Government of Andhra Pradesh, registering HYTPL as a commercial establishment under the Andhra Pradesh Shops and Establishments Act, 1988. The said registration has been renewed on March 5, 2015 and is valid up to December 31, 2015.
- (xii) ISO 9001:2008 Certificate dated November 6, 2013 bearing registration number 44100 135194 issued by TUV Nord for operation and maintenance of toll roads, bridges and related infrastructure. The said registration is valid up to November 5, 2016.

**(e) MBCPNL**

- (i) Certificate of incorporation dated March 9, 2009 issued by the Assistant Registrar of

Companies, Gujarat, Dadra and Nagar Haveli.

- (ii) Certificate for commencement of business dated April 15, 2009 issued by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli.
- (iii) Permanent account number of MBCPNL is AAFCM9410L.
- (iv) Tax deduction account number of MBCPNL is AHMM09605B.
- (v) Professional tax employer certificate number of MBCPNL is 27140892853P.
- (vi) Professional tax registration certificate number of MBCPNL is 99871751411P.
- (vii) Service tax code number of MBCPNL is AAFCM9410LSD001.
- (viii) Tax payer identification number of MBCPNL is 27140892853C under the CST Act and CST Rules.
- (ix) Tax payer identification number of MBCPNL is 27140892853V under the Maharashtra Value Added Tax Act, 2002.
- (x) Letter bearing reference number GJ/PFC/AHD/57298/ENF-II/T.1/2216 dated October 17, 2011 issued by the Assistant Provident Fund Commissioner, Employees Provident Fund Organisation, bringing MBCPNL under the purview of the EPF Act with effect from November 1, 2010 and allotting a code number GJ/57298 under the EPF Act to MBCPNL.
- (xi) Certificate of Registration bearing reference number CL/CLA/REGN/PVT/122/Sion/DESK-20 dated July 20, 2010 issued by the Office of Registering Officer, Mumbai, Government of Maharashtra under the Contract Labour Act.
- (xii) Registration Certificate of Establishment bearing registration number 760139015 / Commercial II Ward L dated April 17, 2010 issued by the Office of the Inspector registering MBCPNL as a commercial II establishment under the Maharashtra Shops and Establishments Act, 1948. The said registration has been renewed and is valid till December 31, 2016.
- (xiii) ISO 9001:2008 Certificate dated November 6, 2013 bearing registration number 44100 135194 issued by TUV Nord for operation and maintenance of toll roads, bridges and related infrastructure. The said registration is valid up to November 5, 2016.

#### **Pending Approvals for MBCPNL**

- (i) Application for registration certificate under the Contract Labour Act to include details of contractors providing 27 labourers engaged in security services from May 20, 2014 to May 19, 2015 in relation to the check post at Ramtek.
- (ii) Application for registration certificate under the Contract Labour Act to include details of contractors providing 39 labourers engaged in security services from May 20, 2014 to May 19, 2015 in relation to the check post at Pimpalkutti.
- (iii) Application dated November 13, 2014 addressed to Assistant Commissioner of Labour, Solapur for amending the registration certificate under the Contract Labour Act to include details of contractor providing 56 labourers engaged in security services from June 1, 2014 to May 31, 2015 in relation to the check post at Solapur.
- (iv) Application for registration certificate under the Contract Labour Act to include details of contractors providing 27 labourers engaged in security services from October 1, 2014 to September 30, 2015 in relation to the check post at Saoner.

#### **Approvals required but not obtained by MBCPNL**

- (i) Application has been made for obtaining registration certificate under the Contract Labour Act to include details of contractors providing 27 labourers engaged in security services from May 20, 2014 to May 19, 2015 in relation to the check post at Ramtek. However, no subsequent application for engaging services of contractors post May 19, 2015 has been made.
  - (ii) Application has been made for obtaining registration certificate under the Contract Labour Act to include details of contractors providing 39 labourers engaged in security services from May 20, 2014 to May 19, 2015 in relation to the check post at Pimpalkutti. However, no subsequent application for engaging services of contractors post May 19, 2015 has been made.
- (f) **NSEL**
- (i) Certificate of incorporation dated February 8, 2007 issued by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli.
  - (ii) Certificate for commencement of business dated February 12, 2007 issued by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli.
  - (iii) Permanent account number of NSEL is AACCN4552H.
  - (iv) Tax deduction account number of NSEL is AHMN03327C.
  - (v) Service tax code number of NSEL is AACCN4552HSD001.
  - (vi) Tax payer identification number of NSEL is 23206005659 under the Madhya Pradesh Value Added Tax Act, 2002.
  - (vii) Tax payer identification number of NSEL is 23206005659 under the CST Act and the CST Rules.
- (g) **RPTPL**
- (i) Certificate of incorporation dated January 25, 2010 issued by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli.
  - (ii) Permanent account number of RPTPL is AAECR6724P.
  - (iii) Tax deduction account number of RPTPL is AHMR06224B.
  - (iv) Service tax code number of RPTPL is AAECR6724PSD001.
  - (v) Tax payer identification number of RPTPL is 06982917758 under the Haryana Value Added Tax Act, 2003.
  - (vi) Tax payer identification number of RPTPL is 06982917758 under the CST Act and CST Rules.
  - (vii) Letter bearing reference number GJ/PFC/AHD/59224/ENF-1/T.11/265 dated May 14, 2013 issued by the Assistant Provident Fund Commissioner, Employees Provident Fund Organisation, bringing RPTPL under the purview of the EPF Act with effect from January 25, 2010 and allotting a code number 59224 under the EPF Act to RPTPL.
  - (viii) ISO 9001:2008 Certificate dated November 6, 2013 bearing registration number 44100 135194 issued by TUV Nord for operation and maintenance of toll roads, bridges and related infrastructure. The said registration is valid up to November 5, 2016.
  - (ix) Registration certificate bearing reference number PSA/REG/RTK/LI-RTK-2/0118599 dated November 24, 2014 issued by the Labour Department, Haryana for registration under the Punjab Shops & Commercial Establishments Act, 1958. The

said registration is valid up to March 31, 2016.

**Approvals required but not obtained by RPTPL**

- (i) Letter dated September 11, 2014 bearing reference number 46(R)- Misc)/2014/ALK issued by the Office of the Assistant Labour Commissioner (C), Karnal, Haryana informing RPTPL that NHAI is a principal employer and requiring RPTPL to apply for license under the Contract Labour Act after obtaining a Form V from NHAI.
- (ii) Letter dated November 11, 2014 addressed to the NHAI seeking advice in relation to registration under the Contract Labour Act.

**Subsidiaries managing under-development projects**

All applicable permits in relation to development for under-development projects required under the relevant concession agreements are required to be obtained by our EPC contractors in its own name, in accordance with the provisions of the EPC contracts entered into by us.

**(a) BRTPL**

- (i) Certificate of incorporation dated December 5, 2012 issued by the Assistant Registrar of Companies, Gujarat, Dadra and Nagar Haveli.
- (ii) Permanent account number of BRTPL is AAFCB3819A.
- (iii) Tax deduction account number of BRTPL is AHMB06324D.
- (iv) Professional tax employer certificate number of BRTPL is PE/C015134373.
- (v) Service tax code number of BRTPL is AAFCB3819ASD001.
- (vi) Registration Certificate of Establishment bearing reference number PII/EL/01/0005106 dated December 2, 2013 issued by the Ahmedabad Municipal Corporation registering BRTPL as a commercial establishment under the Maharashtra Shops & Establishments Act, 1948. The said registration has been renewed on February 21, 2014 and is valid till December 31, 2018.

**(b) RHTPL**

- (i) Certificate of incorporation dated April 11, 2013 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli.
- (ii) Permanent account number of RHTPL is AAGCR4799A.
- (iii) Tax deduction account number of RHTPL is AHMR08248C.
- (iv) Service tax code number of RHTPL is AAGCR4799ASD001.
- (v) Tax payer identification number of RHTPL is 06402921084 under the CST Rules and the CST Act.
- (vi) Tax payer identification number of RHTPL is 06402921084 under the Haryana Value Added Tax Act, 2003.
- (vii) Certificate of Registration bearing reference number 46 (R-01)/2014/ALK dated January 20, 2014 issued by the Office of the Registering Officer & Assistant Labour Commissioner (Central), Ministry of Labour and Employment under the Contract Labour Act for construction of road, bridges ETC and collection of toll.

**(c) SUTPL**

- (i) Certificate of incorporation dated March 30, 2012 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli.

- (ii) Permanent account number of SUTPL is AARCS3766K.
- (iii) Tax deduction account number of SUTPL is AHMS22249D.
- (iv) Professional tax employer certificate number of SUTPL is PE/C015134527.
- (v) Service tax code number of SUTPL is AARCS3766KSD001.
- (vi) Tax payer identification number of SUTPL is 08954006421 (Central) under the CST Rules and the CST Act.
- (vii) Tax payer identification number of SUTPL is 08954006421 under the Rajasthan Value Added Tax Act, 2003.
- (viii) Registration Certificate of Establishment dated August 13, 2014 bearing reference number PII/EL/01/0005221 issued by the Ahmedabad Municipal Corporation registering SUTPL as a commercial establishment under the Bombay Shops and Establishments Act, 1948. The said registration has been renewed on January 3, 2015 and is valid till December 31, 2019.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

Our Board of Directors has approved the Issue pursuant to the resolution passed at their meeting held on October 22, 2014 and April 14, 2015 and our Shareholders have approved the Issue pursuant to a resolution passed at the EGM held on October 22, 2014 and April 15, 2015.

The Offer for Sale has been authorised by (1) Xander pursuant to resolution passed by its board of directors on May 20, 2015; and (2) Norwest pursuant to resolution passed by its board of directors on May 20, 2015. By consent letters dated May 20, 2015 and May 21, 2015, Xander and Norwest have provided their consent to offer up to 8,102,996 Equity Shares and up to 4,853,643 Equity Shares, respectively.

The Selling Shareholders have confirmed that they have held the Equity Shares proposed to be offered and sold in the Offer for Sale for at least one year prior to the date of filing this Draft Red Herring Prospectus and the Equity Shares proposed to be offered and sold by them are free from any lien, charge, encumbrance or contractual transfer restrictions. The Selling Shareholders have also confirmed that they are the legal and beneficial owners of the Equity Shares being offered under the Offer for Sale.

Our Company received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

### Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters or natural persons behind SEL, our Directors, the members of the Promoter Group, the Group Companies, the persons in control of our Company and the Selling Shareholders have not been debarred from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies, with which our Promoters, Directors or persons in control of our Company are or were associated as promoter, directors or persons in control have not been debarred from accessing in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of the entities that our Directors are associated with are engaged in securities market related business and are registered with SEBI.

### Prohibition by RBI

Neither our Company, nor our Promoters, relatives (as defined under the Companies Act, 2013) of our Promoters, Directors, Group Companies, nor the Selling Shareholders have been identified as wilful defaulters by the RBI or any other governmental authority. There are no violations of securities laws committed by them in the past or are pending against them.

### Eligibility for the Issue

Our Company is eligible for the Issue in accordance with the Regulation 26(2) of the SEBI Regulations, which states as follows:

- (2) *“An issuer not satisfying the condition stipulated in sub-regulation (1) may make an initial public offer if the issue is made through the book-building process and the issuer undertakes to allot, at least seventy five percent of the net offer to public, to qualified institutional buyers and to refund full subscription money if it fails to make the said minimum allotment to qualified institutional buyers.”*

We are an unlisted company not complying with the conditions specified in Regulation 26(1) of the SEBI Regulations and are therefore required to meet the conditions detailed in Regulation 26(2) of the SEBI Regulations which are set out below.

- We are complying with Regulation 26(2) of the SEBI Regulations and at least 75% of the Net Issue is proposed to be Allotted to QIBs and in the event we fail to do so, the full application monies shall be refunded to the Bidders.
- We are complying with Regulation 43(2A) of the SEBI Regulations and Non-Institutional Bidders and



Retail Individual Bidders will be allocated not more than 15% and 10% of the Issuer, respectively.

Hence, we are eligible for the Issue under Regulation 26(2) of the SEBI Regulations.

Further, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 failing which the entire application monies shall be refunded forthwith.

#### **DISCLAIMER CLAUSE OF SEBI**

**AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, INGA CAPITAL PRIVATE LIMITED, EDELWEISS FINANCIAL SERVICES LIMITED, ICICI SECURITIES LIMITED AND MACQUARIE CAPITAL SECURITIES (INDIA) PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS AND THE SELLING SHAREHOLDERS WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY THEM IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO THEMSELVES FOR THEIR RESPECTIVE PROPORTION OF THE EQUITY SHARES OFFERED BY WAY OF THE OFFER FOR SALE, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MAY 25, 2015 WHICH READS AS FOLLOWS:**

**WE, THE BOOK RUNNING LEAD MANAGERS TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:**

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL DOCUMENTS IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY AND THE SELLING SHAREHOLDERS, WE CONFIRM THAT:**
  - (A) THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
  - (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE**

SECURITIES AND EXCHANGE BOARD OF INDIA, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

- (C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE "SEBI REGULATIONS") AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THIS DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. - NOTED FOR COMPLIANCE
5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.
6. WE CERTIFY THAT REGULATION 33 OF THE SEBI REGULATIONS, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS. - COMPLIED WITH AND NOTED FOR COMPLIANCE
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. NOT APPLICABLE
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. COMPLIED WITH TO THE EXTENT APPLICABLE
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK

EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. - NOTED FOR COMPLIANCE. ALL MONIES RECEIVED OUT OF THE ISSUE SHALL BE CREDITED/TRANSFERRED TO A SEPARATE BANK ACCOUNT AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013.

10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE ISSUE HAVE TO BE ISSUED IN DEMATERIALISED FORM ONLY.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:
  - (A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND
  - (B) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI REGULATIONS WHILE MAKING THE ISSUE. –NOTED FOR COMPLIANCE
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THE ISSUE)', AS PER FORMAT SPECIFIED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA THROUGH CIRCULAR.
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. – COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS OF THE COMPANY, IN ACCORDANCE WITH ACCOUNTING STANDARD 18 AND INCLUDED IN THE DRAFT RED HERRING PROSPECTUS

The filing of this Draft Red Herring Prospectus does not, however, absolve our Company from any liabilities under Section 34 or Section 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the Issue. SEBI further reserves the right to take up, at any point of time, with the BRLMs any irregularities or lapses in this Draft Red Herring Prospectus, , the Red Herring Prospectus, and the Prospectus.

The filing of this Draft Red Herring Prospectus does not absolve the Selling Shareholders from any liabilities to

the extent of the statements made by them in respect of their proportion of the Equity Shares offered by such Selling Shareholders, as part of the Offer for Sale, under Section 34 or Section 36 of the Companies Act, 2013.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30 and 32 of the Companies Act, 2013.

**Caution - Disclaimer from our Company, the Selling Shareholders and the BRLMs**

Our Company, the Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website [www.sadbhavinfra.co.in](http://www.sadbhavinfra.co.in), would be doing so at his or her own risk. The Selling Shareholders, their respective directors, affiliates, associates and officers accept/ undertake no responsibility for any statements made by any other Selling Shareholder other than those made in relation to them and to the Equity Shares offered by them respectively, by way of the Offer for Sale.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into between the Underwriters, the Selling Shareholders and our Company.

All information shall be made available by our Company, the Selling Shareholders and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Investors who Bid in the Issue will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

## Price information of past issues handled by the BRLMs

### A. Kotak

#### 1. Price information of past issues handled by Kotak

| Sr No. | Issue Name                                  | Issue Size (₹ in million) | Issue price (₹) | Listing date   | Opening price on listing date | Closing price on listing date | % Change in Price on listing date (Closing) vs. Issue Price | Benchmark index on listing date (Closing) | Closing price as on 10 <sup>th</sup> calendar day from listing day | Benchmark index as on 10 <sup>th</sup> calendar days from listing day (Closing) | Closing price as on 20 <sup>th</sup> calendar day from listing day | Benchmark index as on 20 <sup>th</sup> calendar days from listing day (Closing) | Closing price as on 30 <sup>th</sup> calendar day from listing day | Benchmark index as on 30 <sup>th</sup> calendar days from listing day (Closing) |
|--------|---------------------------------------------|---------------------------|-----------------|----------------|-------------------------------|-------------------------------|-------------------------------------------------------------|-------------------------------------------|--------------------------------------------------------------------|---------------------------------------------------------------------------------|--------------------------------------------------------------------|---------------------------------------------------------------------------------|--------------------------------------------------------------------|---------------------------------------------------------------------------------|
| 1.     | Adlabs Entertainment Limited <sup>(1)</sup> | 3,745.94                  | 180.00          | April 6, 2015  | 162.20                        | 192.65                        | 7.03%                                                       | 8,659.90                                  | 175.90                                                             | 8,750.20                                                                        | 135.70 <sup>(2)</sup>                                              | 8213.80                                                                         | 146.95                                                             | 8,324.80                                                                        |
| 2.     | Ortel Communications Limited                | 1,736.49                  | 181.00          | March 19, 2015 | 160.05                        | 162.25                        | -10.36%                                                     | 8,634.65                                  | 147.50                                                             | 8,492.30                                                                        | 156.00                                                             | 8,660.30                                                                        | 174.35                                                             | 8,606.00                                                                        |

Source: www.nseindia.com

<sup>(1)</sup> In Adlabs Entertainment Limited the issue price to retail individual investor was ₹168 per equity share after a discount of ₹12 per equity share. The Anchor Investor Issue price was ₹221 per equity share.

NA: Not available

#### 2. Summary statement of price information of past issues handled by Kotak

| Fiscal Year                   | Total No. of IPOs | Total Funds Raised (₹ Million) | No. of IPOs trading at discount on listing date |                |               | No. of IPOs trading at premium on listing date |                   |               | No. of IPOs trading at discount as on 30th calendar day from listing day |                |               | No. of IPOs trading at premium as on 30th calendar day from listing day |                |               |
|-------------------------------|-------------------|--------------------------------|-------------------------------------------------|----------------|---------------|------------------------------------------------|-------------------|---------------|--------------------------------------------------------------------------|----------------|---------------|-------------------------------------------------------------------------|----------------|---------------|
|                               |                   |                                | Over 50%                                        | Between 25-50% | Less than 25% | Over 50%                                       | Between 25.00-50% | Less than 25% | Over 50%                                                                 | Between 25-50% | Less than 25% | Over 50%                                                                | Between 25-50% | Less than 25% |
| April 1, 2015 – April 6, 2015 | 1                 | 3,745.94                       | -                                               | -              | -             | -                                              | -                 | 1             | -                                                                        | -              | 1             | -                                                                       | -              | -             |
| 2014-2015                     | 1                 | 1,736.49                       | -                                               | -              | 1             | -                                              | -                 | -             | -                                                                        | -              | 1             | -                                                                       | -              | -             |
| 2013-2014                     | -                 | -                              | -                                               | -              | -             | -                                              | -                 | -             | -                                                                        | -              | -             | -                                                                       | -              | -             |

NA: Not available

**Note:** In the event any day falls on a holiday, the price/index of the immediately succeeding working day has been considered.

### B. Inga

#### 1. Price information of past issues handled by Inga

| Sr. No | Issue Name                            | Issue Size (₹ In million) | Issue Price (₹) | Listing Date | Opening Price on listing date (₹) | Closing price on listing date (₹) | % change in price on listing date (Closing) vs. Issue Price | Benchmark index on listing date (Closing) | Closing price as on 10th calendar day from listing day | Benchmark index as on 10 <sup>th</sup> calendar days from listing day (closing) | Closing price as on 20 <sup>th</sup> calendar day from listing day | Benchmark index as on 20 <sup>th</sup> calendar days from listing day (Closing) | Closing price as on 30 <sup>th</sup> calendar day from listing day | Benchmark index as on 30 <sup>th</sup> calendar days from listing day (Closing) |
|--------|---------------------------------------|---------------------------|-----------------|--------------|-----------------------------------|-----------------------------------|-------------------------------------------------------------|-------------------------------------------|--------------------------------------------------------|---------------------------------------------------------------------------------|--------------------------------------------------------------------|---------------------------------------------------------------------------------|--------------------------------------------------------------------|---------------------------------------------------------------------------------|
| 1      | MEP Infrastructure Developers Limited | 3,240                     | 63              | May 6, 2015  | 65                                | 58.4                              | -7.30%                                                      | 8,097.00                                  | 59.70                                                  | 8,373.65                                                                        | -                                                                  | -                                                                               | -                                                                  | -                                                                               |

**Notes:**

Source: [www.nseindia.com](http://www.nseindia.com)

In MEP Infrastructure Developers Ltd, the anchor investor issue price was ₹ 65 per equity shares

Since 10<sup>th</sup> calendar day is not a trading day, Benchmark Index and Closing Price on the NSE of the next trading day has been considered

## 2. Summary statement of price information of past issues handled by Inga

| Fiscal Year                      | Total No. of IPOs | Total Funds Raised (₹ Million) | No. of IPOs trading at discount on listing date |                |               | No. of IPOs trading at premium on listing date |                   |               | No. of IPOs trading at discount as on 30th calendar day from listing day |                |               | No. of IPOs trading at premium as on 30th calendar day from listing day |                |               |
|----------------------------------|-------------------|--------------------------------|-------------------------------------------------|----------------|---------------|------------------------------------------------|-------------------|---------------|--------------------------------------------------------------------------|----------------|---------------|-------------------------------------------------------------------------|----------------|---------------|
|                                  |                   |                                | Over 50%                                        | Between 25-50% | Less than 25% | Over 50%                                       | Between 25.00-50% | Less than 25% | Over 50%                                                                 | Between 25-50% | Less than 25% | Over 50%                                                                | Between 25-50% | Less than 25% |
| April 01, 2015 till Current Date | 1                 | 3,240                          | -                                               | -              | 1             | -                                              | -                 | -             | -                                                                        | -              | -             | -                                                                       | -              | -             |
| 2014-15                          | -                 | -                              | -                                               | -              | -             | -                                              | -                 | -             | -                                                                        | -              | -             | -                                                                       | -              | -             |
| 2013-14                          | -                 | -                              | -                                               | -              | -             | -                                              | -                 | -             | -                                                                        | -              | -             | -                                                                       | -              | -             |

## C. Edelweiss

### 1. Price information of past issues handled by Edelweiss

| Sr. No. | Issue Name | Issue Size (₹ in million) | Issue price (₹) | Listing date | Opening price on listing date (₹) | Closing price on listing date (₹) | % Change in Price on listing date (Closing) vs. Issue Price | Benchmark index on listing date (Closing) | Closing price as on 10 <sup>th</sup> calendar day from listing day | Benchmark index as on 10 <sup>th</sup> calendar day from listing day (Closing) | Closing price as on 20 <sup>th</sup> calendar day from listing day | Benchmark index as on 20 <sup>th</sup> calendar day from listing day (Closing) | Closing price as on 30 <sup>th</sup> calendar day from listing day | Benchmark index as on 30 <sup>th</sup> calendar day from listing day (Closing) |
|---------|------------|---------------------------|-----------------|--------------|-----------------------------------|-----------------------------------|-------------------------------------------------------------|-------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------------------|
|         |            |                           |                 |              |                                   |                                   |                                                             |                                           |                                                                    |                                                                                |                                                                    |                                                                                |                                                                    |                                                                                |

| Sr. No. | Issue Name                       | Issue Size (₹ in million) | Issue price (₹) | Listing date       | Opening price on listing date (₹) | Closing price on listing date (₹) | % Change in Price on listing date (Closing) vs. Issue Price | Benchmark index on listing date (Closing) | Closing price as on 10 <sup>th</sup> calendar day from listing day | Benchmark index as on 10 <sup>th</sup> calendar day from listing day (Closing) | Closing price as on 20 <sup>th</sup> calendar day from listing day | Benchmark index as on 20 <sup>th</sup> calendar day from listing day (Closing) | Closing price as on 30 <sup>th</sup> calendar day from listing day | Benchmark index as on 30 <sup>th</sup> calendar day from listing day (Closing) |
|---------|----------------------------------|---------------------------|-----------------|--------------------|-----------------------------------|-----------------------------------|-------------------------------------------------------------|-------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------------------|
| 1.      | Inox Wind Limited <sup>(1)</sup> | 10,205.34                 | 325             | April 9, 2015      | 400                               | 438                               | 34.77%                                                      | 28,885.21                                 | 450.75                                                             | 27,886.21                                                                      | 430.15                                                             | 27,396.38                                                                      | 416.8                                                              | 27,105.39                                                                      |
| 2.      | Monte Carlo Fashions Limited     | 3,504.3                   | 645             | December 19, 2014  | 585                               | 566.40                            | (12.19%)                                                    | 27,371.84                                 | 526.40                                                             | 27,395.73                                                                      | 503.35                                                             | 26,908.82                                                                      | 473.90                                                             | 28,262.01                                                                      |
| 3.      | Sharda Cropchem Limited          | 3,518.6                   | 156             | September 23, 2014 | 254.1                             | 231.45                            | 48.37%                                                      | 26,775.69                                 | 256.00                                                             | 26,271.97                                                                      | 255.70                                                             | 26,384.07                                                                      | 250.75                                                             | 26,787.23                                                                      |
| 4.      | Wonderla Holidays Limited        | 1,812.5                   | 125             | May 9, 2014        | 164.75                            | 157.6                             | 26.08%                                                      | 22,994.23                                 | 167                                                                | 24,363.05                                                                      | 210.1                                                              | 24,556.09                                                                      | 216                                                                | 25,580.21                                                                      |

(1) Discount of ₹ 15 per equity share offered to retail investors and eligible employees. All calculations are based on Issue Price of ₹ 325.00 per equity share

Notes:

Source: All share price data is from www.bseindia.com

Based on date of listing

Benchmark index is S&P BSE Sensex.

In case 10<sup>th</sup>/20<sup>th</sup>/30<sup>th</sup> day is not a trading day, Benchmark Index / closing price on the BSE of the next trading day has been considered.

## 2. Summary statement of price information of past issues handled by Edelweiss

| Fiscal Year                                   | Total No. of IPOs | Total Funds Raised (₹ in million) | No. of IPOs trading at discount on listing date |                |               | No. of IPOs trading at premium on listing date |                |               | No. of IPOs trading at discount as on 30 <sup>th</sup> calendar day from listing day |                |               | No. of IPOs trading at premium as on 30 <sup>th</sup> calendar day from listing day |                |               |
|-----------------------------------------------|-------------------|-----------------------------------|-------------------------------------------------|----------------|---------------|------------------------------------------------|----------------|---------------|--------------------------------------------------------------------------------------|----------------|---------------|-------------------------------------------------------------------------------------|----------------|---------------|
|                                               |                   |                                   | Over 50%                                        | Between 25-50% | Less than 25% | Over 50%                                       | Between 25-50% | Less than 25% | Over 50%                                                                             | Between 25-50% | Less than 25% | Over 50%                                                                            | Between 25-50% | Less than 25% |
| April 1, 2015 till date of filing of the DRHP | 1                 | 10,205.34                         | -                                               | -              | -             | -                                              | 1              | -             | -                                                                                    | -              | -             | -                                                                                   | 1              | -             |
| 2014-2015                                     | 3                 | 8,835.40                          | -                                               | -              | 1             | -                                              | 2              | -             | -                                                                                    | 1              | -             | 2                                                                                   | -              | -             |
| 2013-2014                                     | -                 | -                                 | -                                               | -              | -             | -                                              | -              | -             | -                                                                                    | -              | -             | -                                                                                   | -              | -             |

Notes:

Based on date of listing.

Wherever 10<sup>th</sup>/20<sup>th</sup>/30<sup>th</sup> calendar day from listing day is a holiday, the closing data of the next trading day has been considered.

## D. I-Sec

### 1. Price information of past issues handled by I-Sec

| Sr. No. | Issue Name | Issue size (INR) | Issue price (INR) | Listing date | Opening price on listing date | Closing price on listing date | % Change in Price on listing date (Closing) vs. Issue Price | Benchmark index on listing date (Closing) | Closing price as on 10 <sup>th</sup> calendar day from listing day | Benchmark index as on 10 <sup>th</sup> calendar day from listing day (Closing) | Closing price as on 20 <sup>th</sup> calendar day from listing day | Benchmark index as on 20 <sup>th</sup> calendar day from listing day (Closing) | Closing price as on 30 <sup>th</sup> calendar day from listing day | Benchmark index as on 30 <sup>th</sup> calendar day from listing day (Closing) |
|---------|------------|------------------|-------------------|--------------|-------------------------------|-------------------------------|-------------------------------------------------------------|-------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------------------|
|---------|------------|------------------|-------------------|--------------|-------------------------------|-------------------------------|-------------------------------------------------------------|-------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------------------|

| Sr. No. | Issue Name                     | Issue size (INR) | Issue price (INR)  | Listing date    | Opening price on listing date | Closing price on listing date | % Change in Price on listing date (Closing) vs. Issue Price | Benchmark index on listing date (Closing) | Closing price as on 10 <sup>th</sup> calendar day from listing day | Benchmark index as on 10 <sup>th</sup> calendar day from listing day (Closing) | Closing price as on 20 <sup>th</sup> calendar day from listing day | Benchmark index as on 20 <sup>th</sup> calendar day from listing day (Closing) | Closing price as on 30 <sup>th</sup> calendar day from listing day | Benchmark index as on 30 <sup>th</sup> calendar day from listing day (Closing) |
|---------|--------------------------------|------------------|--------------------|-----------------|-------------------------------|-------------------------------|-------------------------------------------------------------|-------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------------------|
| 1.      | Shemaroo Entertainment Limited | 1,200.00         | 170 <sup>(1)</sup> | October 1, 2014 | 180                           | 171.00                        | 0.59%                                                       | 7945.55                                   | 154.00                                                             | 7,859.95                                                                       | 160.35                                                             | 7927.75                                                                        | 163.95                                                             | 8322.20                                                                        |
| 2.      | Wonderla Holidays Limited      | 1,812.50         | 125                | May 9, 2014     | 160                           | 157.80                        | 26.24%                                                      | 6858.80                                   | 166.80                                                             | 7,263.55                                                                       | 212.60                                                             | 7235.65                                                                        | 216.15                                                             | 7654.60                                                                        |
|         | VRL Logistics Limited          | 4,678.78         | 205                | April 30, 2015  | 288                           | 294.10                        | 43.46%                                                      | 8181.50                                   | 279.95                                                             | 8325.25                                                                        | 301.25                                                             | 8,423.25                                                                       | NA                                                                 | NA                                                                             |
|         | PNC Infratech Limited          | 4,884.41         | 378                | May 26, 2015    | NA                            | NA                            | NA                                                          | NA                                        | NA                                                                 | NA                                                                             | NA                                                                 | NA                                                                             | NA                                                                 | NA                                                                             |

(1) Discount of ₹ 17 per equity share offered to retail investors. All calculations are based on Issue Price of ₹ 170.00 per equity share

Notes:

1. All data sourced from [www.nseindia.com](http://www.nseindia.com)
2. Benchmark index considered is NIFTY
3. 10th, 20th, 30th calendar day from listed day have been taken as listing day plus 10, 20 and 30 calendar days, except wherever 10th, 20th, 30th calendar day is a holiday, in which case we have considered the closing data of the next trading date/day

## 2. Summary statement of price information of past issues handled by I-Sec

| Fiscal Year | Total No. of IPOs | Total Funds Raised (INR) | No. of IPOs trading at discount on listing date |                |               | No. of IPOs trading at premium on listing date |                  |               | No. of IPOs trading at discount as on 30 <sup>th</sup> calendar day from listing day |                |               | No. of IPOs trading at premium as on 30 <sup>th</sup> calendar day from listing day |                |               |
|-------------|-------------------|--------------------------|-------------------------------------------------|----------------|---------------|------------------------------------------------|------------------|---------------|--------------------------------------------------------------------------------------|----------------|---------------|-------------------------------------------------------------------------------------|----------------|---------------|
|             |                   |                          | Over 50%                                        | Between 25-50% | Less than 25% | Over 50%                                       | Between 25-50%   | Less than 25% | Over 50%                                                                             | Between 25-50% | Less than 25% | Over 50%                                                                            | Between 25-50% | Less than 25% |
| 2015-16     | 2                 | 9563.19                  | 0                                               | 0              | 0             | 0                                              | 1 <sup>(1)</sup> | 0             | NA                                                                                   | NA             | NA            | NA                                                                                  | NA             | NA            |
| 2014-15     | 2                 | 3,012.50                 | 0                                               | 0              | 0             | 0                                              | 1                | 1             | 0                                                                                    | 0              | 1             | 1                                                                                   | 0              | 0             |
| 2013-14     | 0                 | Nil                      | 0                                               | 0              | 0             | 0                                              | 0                | 0             | 0                                                                                    | 0              | 0             | 0                                                                                   | 0              | 0             |

(1) Equity shares of PNC Infratech Limited are yet to be listed

## E. Macquarie

Macquarie has not handled any public offerings in the last three years.

## Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, see the websites of the BRLMs, as set forth in the table below:

| Sr. No | Name of the BRLMs | Website                                                                                                                                                                                                               |
|--------|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.     | Kotak             | <a href="http://www.investmentbank.kotak.com">http://www.investmentbank.kotak.com</a>                                                                                                                                 |
| 2.     | Inga              | <a href="http://www.ingacapital.com">http://www.ingacapital.com</a>                                                                                                                                                   |
| 3.     | Edelweiss         | <a href="http://www.edelweissfin.com/FinancialServices/CapitalMarkets/InvestmentBanking/TrackRecord_ECM.aspx">http://www.edelweissfin.com/FinancialServices/CapitalMarkets/InvestmentBanking/TrackRecord_ECM.aspx</a> |
| 4.     | I-Sec             | <a href="http://www.icicisecurities.com">http://www.icicisecurities.com</a>                                                                                                                                           |
| 5.     | Macquarie         | <a href="http://www.macquarie.com/in/about/disclosures/india-list-of-offer-documents">http://www.macquarie.com/in/about/disclosures/india-list-of-offer-documents</a>                                                 |



## **Disclaimer in respect of Jurisdiction**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, insurance companies registered with the IRDAI, permitted provident funds and pension funds, insurance funds set up and managed by the army and navy of the Union of India and insurance funds set up and managed by the Department of Posts, India) and to FIIs, Eligible NRIs, FPIs and other eligible foreign investors (viz. bilateral and multilateral development financial institution). This Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe to shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus had been filed with SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company, the Subsidiaries or the Selling Shareholders since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

**The Equity Shares have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and applicable laws of the jurisdictions where such offers and sales occur.**

## **Disclaimer Clause of BSE**

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

## **Disclaimer Clause of the NSE**

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

## **Filing**

A copy of this Draft Red Herring Prospectus has been filed with SEBI at Corporate Finance Department, Plot No.C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai- 400 051.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration with RoC at the Office of the Registrar of Companies, ROC Bhavan, Opposite Rupal Park Society, behind Ankur Bus Stop, Naranpura, Ahmedabad 380 013, Gujarat.

## **Listing**

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchanges mentioned above, the Issuer and the Selling Shareholders may forthwith repay, without interest, all moneys received from the Bidders / Applicants in pursuance of the Red Herring Prospectus / Prospectus. If such money is not repaid within the prescribed time after the Issuer and the Selling Shareholders become liable to repay it, then the Issuer and every Director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest, as disclosed in the Red Herring Prospectus or the Prospectus.

Our Company and the Selling Shareholders shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges mentioned above are taken within 12 Working Days of the Bid/Issue Closing Date. Further, the Selling Shareholders confirm that they shall provide assistance to our Company, the BRLMs, as may be reasonably required and necessary, for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within 12 Working Days of the Bid/Issue Closing Date.

### **Consents**

Consents in writing of: (a) our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, legal advisors, Banker/Lenders to our Company, (b) CRISIL for information pertaining to the CRISIL Report and V R Tech for information pertaining to the Technical Note, and (c) the BRLMs, the Syndicate Members, the Escrow Collection Banks, Refund Bank and the Registrar to the Issue to act in their respective capacities, have been obtained / will be obtained prior to filing of the Red Herring Prospectus with the RoC and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act, 2013 and the SEBI Regulations, our Joint Auditors, M/s Manubhai & Shah, Chartered Accountants and M/s S.R.B.C & Co., LLP, Chartered Accountants, have given their written consent to the inclusion of their examination reports dated April 14, 2015 on consolidated and unconsolidated Restated Financial Statements and the statement of tax benefits dated May 23, 2015 included in this Draft Red Herring Prospectus and such consent have not been withdrawn as on the date of this Draft Red Herring Prospectus.

In accordance with the Companies Act, 2013 and the SEBI Regulations, the auditors of DPTL, Gianender & Associates, Chartered Accountants, have given their written consent dated May 23, 2015 to the inclusion of their audit reports on the audited financial statements included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

### **Experts to the Issue**

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Joint Auditors namely, M/s. Manubhai & Shah, Chartered Accountants and M/s S.R.B.C & Co. LLP, Chartered Accountants, to include their names as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as “expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the reports of the Joint Auditors on the consolidated Restated Financial Statements and unconsolidated Restated Financial Statements, each dated April 14, 2015 and the statement of tax benefits dated May 23, 2015 included in this Draft Red Herring Prospectus and such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the Securities Act.

V R Tech has given its written consent to be named as an expert under Section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus and to the inclusion of its report in the form and in the context it appears in this Draft Red Herring Prospectus and such consent and report has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated May 23, 2015 from the auditors of DPTL namely, M/s Gianender & Associates, Chartered Accountants, to include their names as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as “expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the report of the auditors on the audited financial statements included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red

Herring Prospectus.

### **Issue Expenses**

The expenses of this Issue include, among others, underwriting and management fees, selling commissions, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees. For further details of Issue expenses, see “Objects of the Issue” on page 159.

Other than the listing fees which shall be borne by the Company, the Issue expenses will be shared between our Company and the Selling Shareholders on a pro-rata basis in proportion of the Equity Shares issued and allotted by our Company in the Fresh Issue and the Equity Shares sold by the Selling Shareholders in the Offer for Sale.

### **Fees Payable to the Syndicate**

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expense) will be as per the engagement letter dated May 25, 2015 with the BRLMs.

### **Commission payable to SCSBs and Registered Brokers**

For details of the commission payable to SCSBs and Registered Brokers, see “Objects of the Issue” on page 159.

### **Fees Payable to the Registrar to the Issue**

The fees payable by our Company and the Selling Shareholders to the Registrar to the Issue for processing of application, data entry, printing of Allotment Advice/CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Agreement dated May 22, 2015 entered into, between our Company, the Selling Shareholders and the Registrar to the Issue, as amended by Amendment Agreement dated May 25, 2015, a copy of which is available for inspection at the Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post/speed post/under certificate of posting.

The Selling Shareholders will reimburse our Company a part of the expenses incurred proportionately.

### **Particulars regarding public or rights issues by our Company during the last five years**

Our Company has not made any public or rights issues during the five years preceding the date of this Draft Red Herring Prospectus.

### **Previous issues of Equity Shares otherwise than for cash**

Except as disclosed in “Capital Structure” on page 136 to 137, our Company has not issued any Equity Shares for consideration otherwise than for cash.

### **Commission and Brokerage paid on previous issues of the Equity Shares**

Since this is the initial public issue of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company’s inception.

### **Previous capital issue during the previous three years by listed Group Companies and subsidiaries of our Company**

None of our Group Companies or Subsidiaries are listed on any Stock Exchange.

### **Performance vis-à-vis objects – Public/rights issue of our Company and/or listed Group Companies and associates of our Company**

Our Company has not undertaken any previous public or rights issue. None of the Group Companies or subsidiaries of our Company have undertaken any public or rights issue in the last ten years preceding the date

of this Draft Red Herring Prospectus.

### **Outstanding Debentures or Bonds**

Other than the debentures issued to (i) IL&FS Infrastructure Debt Fund Series 1 – A and IL&FS Infrastructure Debt Fund Series 1 - B under the terms of the Debenture Trust cum Mortgage Deed dated June 6, 2014; (ii) HDFC Corporate Debt Opportunities Fund, HDFC Short Term Plan and HDFC High Interest Fund Short Term Plan under terms of Debenture Trust Deed dated January 1, 2015; and (iii) ICICI Prudential Regular Savings Plan, ICICI Prudential Fixed Maturity Plan Series 75-1246 Days Plan U, ICICI Prudential Asset Management Company Limited Account, and ICICI Prudential Mutual Fund – ICICI Prudential Regular Saving Fund under the terms of the Debenture Trust Deed dated February 25, 2015, there are no outstanding debentures or bonds as of the date of filing this Draft Red Herring Prospectus. For further details on debentures issued, see “Financial Indebtedness” on pages 452 and 455 to 456.

### **Outstanding Preference Shares**

Our Company does not have any outstanding preference shares as on date of this Draft Red Herring Prospectus.

### **Partly Paid-up Shares**

The Company does not have any partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

### **Stock Market Data of Equity Shares**

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange.

### **Mechanism for Redressal of Investor Grievances**

The agreement between the Registrar to the Issue and our Company provides for retention of records with the Registrar to the Issue for a period of at least three years from the last date of despatch of the letters of Allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, application number, address of the applicant, number of Equity Shares applied for, the Bid Amount paid on submission of the Bid cum Application Form and the entity and centre where the Bid cum Application Form was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB and the Syndicate Members at the Specified Locations or the Registered Broker with whom the Bid cum Application Form was submitted. In addition to the information indicated above, the ASBA Bidder should also specify the Designated Branch or the collection centre of the SCSB or the address of the centre of the Syndicate Member at the Specified Locations or the Registered Broker at the Broker Centre where the Bid cum Application Form was submitted by the ASBA Bidder.

Further, with respect to the Bid cum Application Forms submitted with the Registered Brokers, the investor shall also enclose the acknowledgment from the Registered Broker in addition to the documents/information mentioned hereinabove.

### **Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed a Shareholder/Investor Grievance/Stakeholder Relationship Committee comprising Nitinkumar R. Patel, Vasistha Patel, Arunbhai S. Patel and Sandip V. Patel as members. For details, see “Our Management” on page 267.

Our Company has also appointed Gaurav Vesasi, Company Secretary of our Company as the Compliance

Officer for the Issue and he may be contacted in case of any pre-Issue or post-Issue related problems at the following address:

**Gaurav Vesasi**

Sadbhav House  
Opposite Law Garden  
Police Chowki, Ellisbridge  
Ahmedabad 380 006  
Tel: (91 79) 2646 3384  
Fax: (91 79) 2640 0210  
Email: investor@sadbhavinfra.co.in

**Changes in auditors**

Except as stated below, there has been no change in the auditors during the last three years:

| <b>Name of auditor</b>                                | <b>Date of change</b> | <b>Reason</b> |
|-------------------------------------------------------|-----------------------|---------------|
| S.V. Ghatalia & Associates LLP, Chartered Accountants | May 8, 2014           | Resignation   |
| S.R.B.C & Co. LLP, Chartered Accountants              | May 8, 2014           | Appointment   |

**Capitalisation of Reserves or Profits**

Our Company has not capitalised its reserves or profits at any time during the last five years.

**Revaluation of Assets**

Our Company has not re-valued its assets at any time in the last five years.

## SECTION VII: ISSUE INFORMATION

### TERMS OF THE ISSUE

The Equity Shares being issued pursuant to this Issue are subject to the provisions of the Companies Act, the SEBI Regulations, SCRA, SCRR, the Memorandum of Association and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, Bid cum Application Form, the Revision Form, the CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Issue.

#### Ranking of the Equity Shares

The Equity Shares being issued and Allotted pursuant to the Issue shall be subject to the provisions of the Companies Act, the Memorandum of Association and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividend. The Allottees upon Allotment of Equity Shares under the Issue, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see “Main Provisions of Articles of Association” beginning on page 632.

#### Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the shareholders of our Company in accordance with the provisions of the Companies Act, the Memorandum of Association and Articles of Association and provisions of the Equity Listing Agreement to be entered into with the Stock Exchanges. For further details in relation to dividends, see “Dividend Policy” and “Main Provisions of the Articles of Association” beginning on pages 287 and 632, respectively.

#### Face Value and Issue Price

The face value of each Equity Share is ₹ 10 and the Issue Price is ₹ [●] per Equity Share. The Anchor Investor Issue Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company and the Selling Shareholders in consultation with the BRLMs and advertised in [●] editions of the English national newspaper [●], [●] editions of the Hindi national newspaper [●] and [●] edition of the Gujarati newspaper [●], (Gujarati being the regional language of Gujarat, where our Registered Office is located) each with wide circulation, at least five Working Days prior to the Bid/Issue Opening Date. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available at the websites of the Stock Exchanges.

At any given point of time, there shall be only one denomination of Equity Shares.

#### Compliance with the SEBI Regulations

Our Company shall comply with all the disclosure and accounting norms as specified by SEBI from time to time.

#### Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our equity shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the

Companies Act;

- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the Equity Listing Agreements with the Stock Exchange(s) and the Memorandum of Association and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see “Main Provisions of Articles of Association” beginning on page 632.

### **Market Lot and Trading Lot**

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated January 11, 2011 between NSDL, our Company and the Registrar to the Issue;
- Agreement dated December 25, 2010 between CDSL, our Company and the Registrar to the Issue.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares.

### **Nomination facility to investors**

In accordance with Section 72 of the Companies Act, 2013, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest, in accordance with Section 72 of the Companies Act, 2013. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of Equity Share(s) by the person nominating. A nomination may be cancelled, or varied by nominating any other person in place of the present nominee, by the holder of the Equity Shares who has made the nomination, by giving a notice of such cancellation or variation to our Company in the prescribed form.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may, at any time, give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, interests, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized form, there is no requirement to make a separate nomination with our Company. Nominations registered with respective depository participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective depository participant.

### **Minimum Subscription**

If our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue; and (ii) a subscription in the Issue equivalent to at least 10% post-Issue paid up Equity Share capital of our Company (the minimum number of securities as specified under Rule 19(2)(b)(iii) of the SCRR), our Company shall forthwith refund the entire subscription money received, but not later than: (a) 15 days of the Bid/Issue Closing Date in case of a non-under written Issue; and (b) in 70 days in case of an underwritten Issue where minimum subscription including devolvement obligations paid by Underwriters is not received within 60 days from the date of Bid/Issue Closing Date. Such application money to be refunded shall be credited only to the bank account from which the subscription was remitted. If there is a delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law. In the event the post-Issue Equity Share capital of our Company calculated at the Issue Price is lower than ₹ 40,000 million, then the Issue will be deemed to be undertaken in terms of Rule 19(2)(b)(ii) of the SCRR where the minimum offer to public will be at least such percentage which will be equivalent to ₹ 4,000 million calculated at the Issue Price.

The requirement for minimum subscription is not applicable to the Offer for Sale. In case of under-subscription in the Issue, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If at least 75% of the Net Issue is not Allotted to QIBs, the entire application money shall be refunded forthwith.

Further, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000.

### **Arrangements for Disposal of Odd Lots**

There are no arrangements for disposal of odd lots.

### **Restrictions on Transfer and Transmission of Equity Shares**

Except for the lock-in of the pre-Issue capital of our Company, promoter's minimum contribution and the Anchor Investor lock-in as provided in "Capital Structure" from pages 138 to 140 and except as provided in the Articles of Association, there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of the Equity Shares / debentures of our Company and on their consolidation/ splitting, except as provided in the Articles of Association. For details, see "Main Provisions of the Articles of Association" beginning on page 632.

### **Option to receive Equity Shares in Dematerialized Form**

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.



## ISSUE STRUCTURE

Issue of up to [●] Equity Shares for cash at price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating to ₹ [●] million comprising of a Fresh Issue of up to [●] Equity Shares aggregating to ₹ 4,250 million by our Company and Offer for Sale of up to [12,956,639] Equity Shares aggregating to ₹ [●] million by the Selling Shareholders. The Issue comprises a Net Issue of [●] Equity Shares to the Public and a reservation of [●] Equity Shares aggregating to ₹ 250 million for Eligible Employees bidding in the Employee Reservation Portion. The Issue will constitute [●]% of the post-Issue paid-up Equity Share capital of our Company and the Net Issue will constitute [●]% of the post-Issue paid-up equity share capital of our Company.

The Issue is being made through the Book Building Process.

| Particulars                                                               | Eligible Employees                                       | QIBs <sup>(1)</sup>                                                                                                                                                                                                                                                                                                                                | Non Institutional Bidders                                | Retail Individual Bidders                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------------------------------------------------------|----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Number of Equity Shares available for Allotment/allocation <sup>(2)</sup> | Not more than [●] Equity Shares available for allocation | At least [●] Equity Shares                                                                                                                                                                                                                                                                                                                         | Not more than [●] Equity Shares available for allocation | Not more than [●] Equity Shares available for allocation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Percentage of Issue Size available for Allotment/allocation               | Approximately [●]% of the Issue Size                     | At least 75% of the Net Issue Size                                                                                                                                                                                                                                                                                                                 | Not more than 15% of the Net Issue Size                  | Not more than 10% of the Net Issue Size                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Basis of Allotment/allocation if respective category is oversubscribed    | Proportionate                                            | <p>Proportionate as follows (excluding the Anchor Investor Portion):</p> <p>(a) up to [●] Equity Shares shall be available for allocated on a proportionate basis to Mutual Funds only; and</p> <p>(b) [●] Equity Shares shall be allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.</p> | Proportionate                                            | <p>In the event, the Bids received from Retail Individual Bidders exceeds [●] Equity Shares, then the maximum number of Retail Individual Bidders who can be allocated/Allotted the minimum Bid Lot will be computed by dividing the total number of the Equity Shares available for allocation/Allotment to Retail Individual Bidders by the minimum Bid Lot ("Maximum RIB Allottees"). The allocation/Allotment to Retail Individual Bidders will then be made in the following manner:</p> <ul style="list-style-type: none"> <li>In the event the number of Retail Individual Bidders who have submitted valid Bids in the Issue is</li> </ul> |

| Particulars | Eligible Employees | QIBs <sup>(1)</sup> | Non Institutional Bidders | Retail Individual Bidders                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------|--------------------|---------------------|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|             |                    |                     |                           | <p>equal to or less than<br/>Maximum RIB Allottees, (i) Retail Individual Bidders shall be allocated / Allotted the minimum Bid Lot; and (ii) the balance Equity Shares, if any, remaining in the Retail Category shall be allocated/ Allotted on a proportionate basis to the Retail Individual Bidders who have received allocation/Allotment as per (i) above for less than the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).</p> <ul style="list-style-type: none"> <li>• In the event the number of Retail Individual Bidders who have submitted valid Bids in the Issue is more than Maximum RIB Allottees, the Retail Individual Bidders (in that category) who will then be allocated/ Allotted minimum Bid Lot shall be determined on</li> </ul> |

| Particulars                  | Eligible Employees                                                             | QIBs <sup>(1)</sup>                                                                                                                                                                                                                                  | Non Institutional Bidders                                                                                                                                                                     | Retail Individual Bidders                                                            |
|------------------------------|--------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
|                              |                                                                                |                                                                                                                                                                                                                                                      |                                                                                                                                                                                               | draw of lots basis.<br><br>For details, see “Issue Procedure” beginning on page 578. |
| Mode of Bidding              | ASBA and non-ASBA.                                                             | ASBA only.                                                                                                                                                                                                                                           | ASBA only.                                                                                                                                                                                    | ASBA and non-ASBA.                                                                   |
| Minimum Bid                  | [●] Equity Shares and in multiples of [●] Equity Shares thereafter.            | Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter.                                                                                                                                 | Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter.                                                                          | [●] Equity Shares and in multiples of [●] Equity Shares thereafter.                  |
| Maximum Bid                  | Such number of Equity Shares so that the Bid Amount does not exceed ₹ 200,000. | Such number of Equity Shares not exceeding the size of the Issue, subject to applicable limits.                                                                                                                                                      | Such number of Equity Shares not exceeding the size of the Issue, subject to applicable limits.                                                                                               | Such number of Equity Shares so that the Bid Amount does not exceed ₹ 200,000.       |
| Mode of Allotment            | Compulsorily in dematerialized form.                                           | Compulsorily in dematerialized form.                                                                                                                                                                                                                 | Compulsorily in dematerialized form.                                                                                                                                                          | Compulsorily in dematerialized form.                                                 |
| Bid Lot                      | [●] Equity Shares and in multiples of [●] Equity Shares thereafter.            | [●] Equity Shares and in multiples of [●] Equity Shares thereafter.                                                                                                                                                                                  | [●] Equity Shares and in multiples of [●] Equity Shares thereafter.                                                                                                                           | [●] Equity Shares and in multiples of [●] Equity Shares thereafter.                  |
| Allotment Lot                | [●] Equity Shares and in multiples of one Equity Share thereafter.             | [●] Equity Shares and in multiples of one Equity Share thereafter                                                                                                                                                                                    | [●] Equity Shares and in multiples of one Equity Share thereafter                                                                                                                             | [●] Equity Shares and in multiples of one Equity Share thereafter                    |
| Trading Lot                  | One Equity Share                                                               | One Equity Share                                                                                                                                                                                                                                     | One Equity Share                                                                                                                                                                              | One Equity Share                                                                     |
| Who can apply <sup>(3)</sup> | Eligible Employees                                                             | Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, Mutual Funds, FPIs other than category III Foreign Portfolio Investors, FIIs and sub-accounts registered with SEBI (other than a | Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, Category III Foreign Portfolio Investors. | Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)           |

| Particulars      | Eligible Employees                                                                                         | QIBs <sup>(1)</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Non Institutional Bidders                                                                                  | Retail Individual Bidders                                                                                  |
|------------------|------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
|                  |                                                                                                            | sub-account which is a foreign corporate or foreign individual), VCFs, FVCIs, AIFs multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDAI, provident fund (subject to applicable law) with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million, in accordance with applicable law and National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India. |                                                                                                            |                                                                                                            |
| Terms of Payment | Full Bid Amount shall be payable at the time of submission of the Bid cum Application Form. <sup>(5)</sup> | Full Bid Amount shall be payable at the time of submission of the Bid cum Application Form (including for Anchor Investors) <sup>(4)(5)</sup> .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Full Bid Amount shall be payable at the time of submission of the Bid cum Application Form. <sup>(5)</sup> | Full Bid Amount shall be payable at the time of submission of the Bid cum Application Form. <sup>(5)</sup> |

- (1) Our Company and the Selling Shareholders may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being made to other Anchor Investors. For details, see "Issue Procedure" on page 578.

- (2) *Subject to valid Bids being received at or above the Issue Price. This Issue is being made in accordance with Rule 19(2)(b)(iii) of the SCRR and under the SEBI Regulations. In the event the post-Issue Equity Share capital of our Company calculated at the Issue Price is lower than ₹40,000 million, then the Issue will be deemed to be undertaken in terms of Rule 19(2)(b)(ii) of the SCRR where the minimum offer to public will be at least such percentage which will be equivalent to ₹4,000 million calculated at the Issue Price. This Issue will be made through the Book Building Process wherein at least 75% of the Net Issue will be Allotted on a proportionate basis to QIBs, provided that our Company may, in consultation with the Selling Shareholders and the BRLMs, allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI Regulations. 5% of the QIB Category (excluding the Anchor Investor Portion), shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors) including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not more than 15% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Net Issue will be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price.*
- (3) *In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.*
- (4) *Bid Amount shall be payable by the Anchor Investors at the time of submission of the Bid cum Application Forms. The balance, if any, shall be paid within the two Working Days of the Bid/Issue Closing Date.*
- (5) *In case of ASBA Bidders, the SCSBs shall be authorised to block such funds in the ASBA Account of the Bidder that are specified in the Bid cum Application Form.*

Under subscription, if any, in any category except in the QIB Category, would be met with spill-over from the other categories at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange.

A total of up to [●] Equity Shares shall be available for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue Portion.

### **Withdrawal of the Issue**

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The BRLMs, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

If our Company and the Selling Shareholders withdraw the Issue after the Bid/Issue Closing Date and thereafter determine that they will proceed with a fresh issue / offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

### **Bid/Issue Programme**

|                            |                    |
|----------------------------|--------------------|
| <b>BID/ISSUE OPENS ON</b>  | [●] <sup>(1)</sup> |
| <b>BID/ISSUE CLOSES ON</b> | [●] <sup>(2)</sup> |

- (1) *Our Company may, in consultation with the Selling Shareholders and the BRLMs, consider*

participation by Anchor Investors. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid / Issue Opening Date in accordance with the SEBI Regulations.

- (2) Our Company may, in consultation with the Selling Shareholders and the BRLMs, consider closing the Bid/Issue Period for QIBs one day prior to the Bid/Issue Closing Date in accordance with the SEBI Regulations.

An indicative timetable in respect of the Issue is set out below:

| Event                                                                 | Indicative Date |
|-----------------------------------------------------------------------|-----------------|
| Bid/Issue Closing Date                                                | [●]             |
| Finalisation of Basis of Allotment with the Designated Stock Exchange | On or about [●] |
| Initiation of refunds                                                 | On or about [●] |
| Credit of Equity Shares to demat accounts of Allottees                | On or about [●] |
| Commencement of trading of the Equity Shares on the Stock Exchanges   | On or about [●] |

The above timetable is indicative and does not constitute any obligation on our Company or the Selling Shareholders or the BRLMs.

While our Company and the Selling Shareholders shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within 12 Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company and the Selling Shareholders, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholders confirm that they shall extend all reasonable co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares (offered by each such Selling Shareholder in the Offer for Sale) at all Stock Exchanges within 12 Working Days from the Bid/Issue Closing Date.

Except in relation to the Bids received from Anchor Investors, Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time, "IST") during the Bid/ Issue Period (except the Bid/Issue Closing Date) as mentioned above at the bidding centres and the Designated Branches as mentioned on the Bid cum Application Form. On the Bid/ Issue Closing Date, the Bids and any revision in the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and shall be uploaded until (i) 4.00 p.m. (IST) in case of Bids by QIBs and Non-Institutional Bidders, and (ii) until 5.00 p.m. (IST) or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion after taking into account the total number of applications received up to the closure of timings and reported by the BRLMs to the Stock Exchanges. On the Bid/Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges. It is clarified that the Bids not uploaded on the electronic bidding would be rejected.

Due to limitation of time available for uploading Bids on the Bid/ Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/ Issue Closing Date and no later than 1.00 p.m. (IST) on the Bid/ Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on Bid/ Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Business Days, i.e., Monday to Friday (excluding any public holiday). Our Company, the Selling Shareholders and the members of Syndicate are not liable for any failure in uploading Bids due to faults in any software/hardware system or otherwise. Any time mentioned in this Draft Red Herring Prospectus is Indian Standard Time.

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application

Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSB or the member of the Syndicate for rectified data.

Our Company and the Selling Shareholders in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in the Price Band shall not exceed 20% on either side *i.e.* the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

**In case of revision in the Price Band, the Bid/Issue Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate Members.**

## ISSUE PROCEDURE

*All Bidders should review the General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (the “General Information Document”) included below under section “- Part B – General Information Document”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI Regulations. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges, the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.*

*Our Company, the Selling Shareholders and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section, and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus.*

### PART A

#### **Book Building Procedure**

The Issue is being made through the Book Building Process wherein at least 75% of the Net Issue shall be Allotted on a proportionate basis to QIBs, provided that our Company and the Selling Shareholders may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis, in accordance with the SEBI Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the price at which allocation is being made to other Anchor Investors. 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. If at least 75% of the Net Issue cannot be Allotted to QIBs, then the entire application money shall be refunded forthwith. Further, not more than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price. [●] Equity Shares aggregating up to ₹ 250 million shall be made available for allocation on a proportionate basis to the Eligible Employees bidding in the Employee Reservation Portion, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or combination of categories (including the Employee Reservation Portion), at the discretion of our Company in consultation with the Selling Shareholders and the BRLMs and the Designated Stock Exchange.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

#### **Bid cum Application Form**

Please note that there is a common Bid cum Application Form for ASBA Bidders as well as for non-ASBA Bidders. Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLMs, the Syndicate Members, the Registered Brokers, the SCSBs and the Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available on the websites of the SCSBs, the NSE ([www.nseindia.com](http://www.nseindia.com)) and the BSE ([www.bseindia.com](http://www.bseindia.com)) and the terminals of the Registered Brokers. Physical Bid cum Application Forms for Anchor Investors shall be made available at the offices of the BRLMs.

QIBs (other than Anchor Investors) and Non-Institutional Bidders shall mandatorily participate in the Issue only through the ASBA process. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion can participate in the Issue through the ASBA process as well as the non-ASBA process.



Anchor Investors are not permitted to participate in the Issue through the ASBA process.

ASBA Bidders must provide bank account details in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such details are liable to be rejected. In relation to non-ASBA Bidders, the bank account details shall be available from the depository account on the basis of the DP ID, Client ID and PAN provided by the non-ASBA Bidders in their Bid cum Application Form.

Bidders shall ensure that the Bids are made on Bid cum Application Forms bearing the stamp of a member of the Syndicate or the Registered Broker or the SCSBs, as the case may be, submitted at the Bidding centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

| Category                                                                                                                                      | Colour of Bid cum Application Form* |
|-----------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| Resident Indians and Eligible NRIs applying on a non-repatriation basis                                                                       | White                               |
| Eligible NRIs, FIIs, FPIs or FVCIs, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis | Blue                                |
| Anchor Investors                                                                                                                              | White                               |
| Eligible Employees bidding in the Employee Reservation Portion                                                                                | Pink                                |

\* Excluding electronic Bid cum Application Form

### Who can Bid?

In addition to the categories of Bidders set forth under “– General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Issue”, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;
- Eligible Employees bidding in the Employee Reservation Portion;
- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares.

### Participation by associates and affiliates of the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may purchase the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

The BRLMs and any persons related to the BRLMs (other than the Mutual Funds sponsored by entities related to BRLMs) or the Promoters and the Promoter Group cannot apply in the Issue under the Anchor Investor Portion.

### Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, the Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

**No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes**

**should own more than 10% of any company's paid-up share capital carrying voting rights.**

**In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.**

#### **Bids by Eligible NRIs**

NRIs may obtain copies of Bid cum Application Form from the offices of the BRLMs, the Syndicate Members, the Registered Brokers and the SCSBs. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs (applying on a non-repatriation basis) should make payments by inward remittance in foreign exchange through normal banking channels or out of funds held in Non-Resident External ("NRE") Accounts or Foreign Currency Non-Resident ("FCNR") Accounts, or out of a Non-Resident Ordinary ("NRO") Account. NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for Residents (white in colour). Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.

Eligible NRIs intending to make payment through freely convertible foreign exchange and bidding on a repatriation basis could make payments through Indian Rupee drafts purchased abroad or cheques or bank drafts or by debits to their NRE or FCNR accounts, maintained with banks authorized by the RBI to deal in foreign exchange. Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour), accompanied by a bank certificate confirming that the payment has been made by debiting to the NRE or FCNR account, as the case may be. Payment for Bids by non-resident Bidder bidding on a repatriation basis will not be accepted out of NRO accounts.

Non ASBA Bids by NRIs shall be submitted only in the locations specified in the Bid cum Application Form.

#### **Bids by FIIs and FIIs**

On January 7, 2014, SEBI notified the SEBI FPI Regulations pursuant to which the existing classes of portfolio investors namely 'foreign institutional investors' and 'qualified foreign investors' will be subsumed under a new category namely 'foreign portfolio investors' or 'FPIs'. RBI on March 13, 2014 amended the FEMA Regulations and laid down conditions and requirements with respect to investment by FPIs in Indian companies.

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. Accordingly, such FIIs can participate in this Issue in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

The existing individual and aggregate investment limits an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investors and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative

instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

Further, pursuant to a circular dated November 24, 2014 issued by the SEBI, FPIs are permitted to issue offshore derivative instruments only to subscribers that (i) meet the eligibility criteria set forth in Regulation 4 of the SEBI FPI Regulations; and (ii) do not have opaque structures, as defined under the SEBI FPI Regulations.

#### **Bids by SEBI registered VCFs, AIFs and FVCIs**

The SEBI VCF Regulations and the SEBI FVCI Regulations, *inter alia*, prescribe the investment restrictions on the VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

Accordingly, the holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3<sup>rd</sup> of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

#### **Bids by limited liability partnerships**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

#### **Bids by banking companies**

In case of Bids made by banking companies registered with the RBI, certified copies of: (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason therefor.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Master Circular dated July 1, 2014 – Para-banking Activities, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the investment in a non-financial services company by a banking company together with its subsidiaries, associates, joint ventures, entities directly or indirectly controlled by the bank and mutual funds managed by asset management companies controlled by the banking company cannot exceed 20% of the investee company's paid-up share capital. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

#### **Bids by Eligible Employees**

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Price payable by the Eligible Employee does not exceed ₹ 200,000. The Allotment in the Employee Reservation Portion will be on a proportionate basis. Eligible Employees under the Employee Reservation Portion may Bid at Cut-off Price.

Bids under Employee Reservation Portion by Eligible Employees shall be:

- (a) Made only in the prescribed Bid cum Application Form or Revision Form (i.e. pink colour form).
- (b) The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹ 200,000. The maximum Bid in this category by an Eligible Employee cannot exceed ₹ 200,000.
- (c) Eligible Employees should mention their employee number at the relevant place in the Bid cum Application Form.
- (d) The Bidder should be an Eligible Employee as defined above. In case of joint bids, the first Bidder shall be an Eligible Employee.
- (e) Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion.
- (f) Bids by Eligible Employees will have to Bid like any other Bidder. Only those Bids, which are received at or above the Issue Price, would be considered for Allotment under this category.
- (g) Eligible Employees can apply at Cut-off Price. The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter subject to a maximum Bid Amount of ₹ 200,000.
- (h) Bid by Eligible Employees can be made also in the “Net Issue to the Public” and such Bids shall not be treated as multiple Bids.
- (i) If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
- (j) Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue. In case of under-subscription in the Net Issue, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion subject to the Net Issue constituting 10% of the post-Issue share capital of the Company.
- (k) If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of allocation, refer to “Issue Procedure – Allotment Procedure and Basis of Allotment” on pages 618 to 621 of this Draft Red Herring Prospectus.

#### **Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹ 250 million and pension funds with a minimum corpus of ₹ 250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof.

#### **Bids by insurance companies**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- (a) equity shares of a company: the lower of 10% of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

- (b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- (c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or a general insurer and the amounts calculated under points (a), (b) and (c) above, as the case may be.

Insurance Companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

### **Bids by SCSBs**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

### **Bids by provident funds/pension funds**

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof.

**The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.**

### **General Instructions**

#### ***Do's:***

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
5. Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of the Syndicate or Registered Broker or SCSB (except in case of electronic forms).
6. In relation to the ASBA Bids, ensure that your Bid cum Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Syndicate in the Specified Locations or with a Registered Broker at the Broker Centres, and not to the Escrow Collecting Banks (assuming that such bank is not a SCSB) or to our Company or the Selling Shareholders or the Registrar to the Issue;
7. With respect to the ASBA Bids, ensure that the Bid cum Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

8. QIBs (other than Anchor Investors) and the Non-Institutional Bidders should submit their Bids through the ASBA process only;
9. With respect to Bids by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Bid;
10. Ensure that you request for and receive a TRS for all your Bid options;
11. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs or the Registered Broker (at the Broker Centres);
12. Ensure that you have funds equal to the Bid Amount in your bank account before submitting the Bid cum Application Form under non-ASBA process to the Syndicate or the Registered Brokers;
13. With respect to non-ASBA Bids, ensure that the full Bid Amount is paid for the Bids and with respect to ASBA Bids, ensure funds equivalent to the Bid Amount are blocked;
14. Instruct your respective banks to not release the funds blocked in the ASBA Account under the ASBA process;
15. Submit revised Bids to the same member of the Syndicate, SCSB or Registered Broker, as applicable, through whom the original Bid was placed and obtain a revised TRS;
16. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of the SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;
17. Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
18. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
19. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
20. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
21. Ensure that the category and sub-category is indicated;
22. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
23. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
24. Ensure that the DP ID, the Client ID and the PAN mentioned in the Bid cum Application Form and entered into the electronic bidding of the Stock Exchanges by the Syndicate, the SCSBs or the Registered Brokers, as the case may be, match with the DP ID, Client ID and PAN available in the

Depository database;

25. In relation to the ASBA Bids, ensure that you use the Bid cum Application Form bearing the stamp of the Syndicate (in the Specified Locations) and/or relevant SCSB and/ or the Designated Branch and/ or the Registered Broker at the Broker Centres (except in case of electronic forms);
26. Ensure that you tick the correct investor category, as applicable, in the Bid cum Application Form to ensure proper upload of your Bid in the online IPO system of the Stock Exchanges;
27. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
28. ASBA Bidders bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only in the Specified Locations and that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>, updated from time to time). ASBA Bidders bidding through a Registered Broker should ensure that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for the Registered Brokers to deposit Bid cum Application Forms;
29. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;
30. Ensure that the entire Bid Amount is paid at the time of submission of the Bid or in relation to the ASBA Bids, ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form; and
31. In relation to the ASBA Bids, ensure that you receive an acknowledgement from the Designated Branch of the SCSB or from the member of the Syndicate in the Specified Locations or from the Registered Broker at the Broker Centres, as the case may be, for the submission of your Bid cum Application Form.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

***Don'ts:***

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to the Syndicate, the SCSBs or the Registered Brokers, as applicable;
4. Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest;
5. If you are an ASBA Bidder, the payment of the Bid Amount in any mode other than blocked amounts in the bank account maintained with an SCSB shall not be accepted under the ASBA process;
6. Do not send Bid cum Application Forms by post; instead submit the same to the Syndicate, the SCSBs or the Registered Brokers only;
7. Do not submit the Bid cum Application Forms to the Escrow Collection Bank(s) (assuming that such bank is not a SCSB), our Company, the Selling Shareholders or the Registrar to the Issue;
8. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the Syndicate, the Registered Brokers or the SCSBs;
9. Anchor Investors should not Bid through the ASBA process;

10. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
11. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion);
12. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
13. Do not submit the GIR number instead of the PAN;
14. In case you are a Bidder other than an ASBA Bidder, do not submit the Bid without payment of the entire Bid Amount. In case you are an ASBA Bidder, do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
15. In case you are an ASBA Bidder, do not instruct your respective banks to release the funds blocked in the ASBA Account;
16. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
17. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
18. If you are a QIB, do not submit your Bid after 3.00 pm on the Bid/Issue Closing Date for QIBs;
19. If you are a Non-Institutional Bidder or Retail Individual Investor, do not submit your Bid after 3.00 pm on the Bid/Issue Closing Date;
20. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872, as amended (other than minors having valid depository accounts as per Demographic Details provided by the Depositories);
21. In case of ASBA Bidders, do not submit more than five Bid cum Application Forms per ASBA Account;
22. Do not submit ASBA Bids to a member of the Syndicate at a location other than the Specified Locations or to the brokers other than the Registered Brokers at a location other than the Broker Centres;
23. Do not submit ASBA Bids to a member of the Syndicate in the Specified Locations unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in the relevant Specified Location, for the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>, updated from time to time); and
24. Do not submit ASBA Bids to a Registered Broker unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in that location for the Registered Broker to deposit the Bid cum Application Forms.
25. For Bids by QIB Bidders and Non-Institutional Bidders, do not withdraw your Bids or lower the size of your Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

### **Payment instructions**

In terms of RBI circular no. DPSS.CO.CHD.No./133/04.07.05/2013-14 dated July 16, 2013, non-CTS 2010 standard compliant cheques are processed in three CTS centres twice a week till October 31, 2014 and once a



week from November 1, 2014 onwards. In order to enable listing and trading of Equity Shares within 12 Working Days of the Bid/Issue Closing Date, investors are advised to use CTS cheques or use the ASBA facility to make payment.

**BIDDERS ARE CAUTIONED THAT BID CUM APPLICATION FORMS ACCOMPANIED BY NON-CTS CHEQUES ARE LIABLE TO BE REJECTED,**

**PLEASE NOTE THAT IN THE EVENT OF A DELAY BEYOND SIX WORKING DAYS FROM THE BID/ISSUE CLOSING DATE IN CLEARING THE CHEQUES ACCOMPANYING THE BID CUM APPLICATION FORMS, FOR ANY REASON WHATSOEVER, SUCH BID CUM APPLICATION FORMS WILL BE LIABLE TO BE REJECTED.**

#### **Payment into Escrow Account for non-ASBA Bidders**

The payment instruments for payment into the Escrow Account should be drawn in favour of:

- (a) In case of resident Retail Individual Bidders: “[●]”
- (b) In case of Non-Resident Retail Individual Bidders: “[●]”
- (c) In case of Eligible Employees bidding in the Employee Reservation Portion: “[●]”

Our Company and the Selling Shareholders in consultation with the BRLMs, in its absolute discretion, will decide the list of Anchor Investors to whom the Allotment Advice will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- (a) In case of resident Anchor Investors: “[●]”
- (b) In case of Non-Resident Anchor Investors: “[●]”

#### **Pre- Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in [●] editions of the English national newspaper [●], [●] editions of the Hindi national newspaper [●] and [●] edition of the Gujarati newspaper [●], (Gujarati being the regional language of Gujarat, where our Registered Office is located) each with wide circulation

#### **Signing of the Underwriting Agreement and the RoC Filing**

- (a) Our Company, the Selling Shareholders and the Syndicate intend to enter into an Underwriting Agreement after the finalisation of the Issue Price.
- (b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with the applicable law, which then would be termed as the ‘Prospectus’. The Prospectus will contain details of the Issue Price, the Anchor Investor Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

#### **Undertakings by our Company**

Our Company undertakes the following that:

- if our Company or Selling Shareholders do not proceed with the Issue after the Bid / Issue Closing Date, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- if our Company and the Selling Shareholders withdraw the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC/ SEBI, in the event our Company and/or any Selling Shareholder subsequently decides to proceed with the Issue;

- the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within 12 Working Days of the Bid/Issue Closing Date;
- Allotment letters shall be issued or application money shall be refunded within 15 days from the Bid/Issue Closing Date or such lesser time specified by SEBI, else application money shall be refunded forthwith, failing which interest shall be due to the applicants at the rate of 15% per annum for the delayed period;
- the funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days from the Bid/Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- the certificates of the securities/ refund orders to Eligible NRIs shall be despatched within specified time;
- no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription, etc.;
- adequate arrangements shall be made to collect all Bid cum Application Forms under the ASBA process and to consider them similar to non-ASBA Bids while finalising the Basis of Allotment.

#### **Undertakings by the Selling Shareholders**

Each Selling Shareholder severally undertakes that:

- the Equity Shares being sold by it pursuant to the Issue, have been held by it for a period of at least one year prior to the date of filing the Draft Red Herring Prospectus with SEBI, are fully paid-up and are in dematerialised form;
- it is the legal and beneficial owner of, and has full title to, the Equity Shares being sold in the Issue;
- the Equity Shares being sold by it pursuant to the Issue are free and clear of any liens or encumbrances and shall be transferred to the investors within the time specified under applicable law;
- it shall provide all reasonable co-operation as requested by our Company in relation to the completion of Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders to the extent of the Equity Shares offered by it pursuant to the Issue;
- it shall provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLMs in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Issue. The Selling Shareholders have authorised the Compliance Officer and Registrar to the Issue to redress such investor grievances;
- funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed in the Red Herring Prospectus and Prospectus shall be made available to the Registrar to the Issue by the Selling Shareholders;
- it shall provide such reasonable support and extend such reasonable co-operation as may be required by our Company in sending a suitable communication, where refunds are made through electronic transfer of funds, to the applicant within 15 days from the Bid/Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- it shall not have recourse to the proceeds of the Issue until final approval for trading of the Equity

Shares from all Stock Exchanges where listing is sought has been received;

- if the Selling Shareholders do not proceed with the Issue after the Bid/ Issue Closing Date, the reason thereof shall be given by our Company as a public notice within two days of the Bid/ Issue Closing Date. The public notice shall be issued in the same newspapers where the pre- Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly. It shall extend all reasonable cooperation requested by our Company and the BRLMs in this regard;
- it shall not further transfer the Equity Shares offered in the Offer for Sale except in the Issue during the period commencing from submission of the Draft Red Herring Prospectus with SEBI until the final trading approvals from all the Stock Exchanges have been obtained for the Equity Shares Allotted/ to be Allotted pursuant to the Issue and shall not sell, dispose of in any manner or create any lien, charge or encumbrance on the Equity Shares offered by it in the Issue;
- it shall take all such steps as may be required to ensure that the Equity Shares being sold by it pursuant to the Issue are available for transfer in the Issue within the time specified under applicable law; and
- it shall comply with all applicable laws, in India, including the Companies Act, the SEBI Regulations, the FEMA and the applicable circulars, guidelines and regulations issued by SEBI and RBI, each in relation to the Equity Shares offered by it in the Issue.

#### **Utilisation of Issue proceeds**

The Board of Directors certify that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- details of all monies utilised out of the Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
- details of all unutilised monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested;
- the utilisation of monies received under the Promoters' contribution, if any, shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- the details of all unutilised monies out of the funds received under the Promoters' contribution, if any, shall be disclosed under a separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

The Selling Shareholders along with our Company declare that all monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

## **PART B**

### **General Information Document for Investing in Public Issues**

*This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Issue.*

#### **SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)**

This document is applicable to the public issues undertaken through the Book-Building process as well as to the Fixed Price Issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the “SEBI Regulations”).

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus (“RHP”)/Prospectus filed by the Issuer with the Registrar of Companies (“RoC”). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLM(s) to the Issue and on the website of Securities and Exchange Board of India (“SEBI”) at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may refer to “Glossary and Abbreviations”.

#### **SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs**

##### **2.1 Initial public offer (IPO)**

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI Regulations. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

##### **2.2 Further public offer (FPO)**

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter alia* required to comply with the eligibility requirements in terms of Regulation 26/27 of the SEBI Regulations. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

### **2.3 Other Eligibility Requirements:**

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI Regulations, the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

### **2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues**

In accordance with the provisions of the SEBI Regulations, an Issuer can either determine the Issue Price through the Book Building Process (“Book Built Issue”) or undertake a Fixed Price Issue (“Fixed Price Issue”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

### **2.5 ISSUE PERIOD**

The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Issue Period. Details of Bid/Issue Period are also available on the website of Stock Exchange(s).

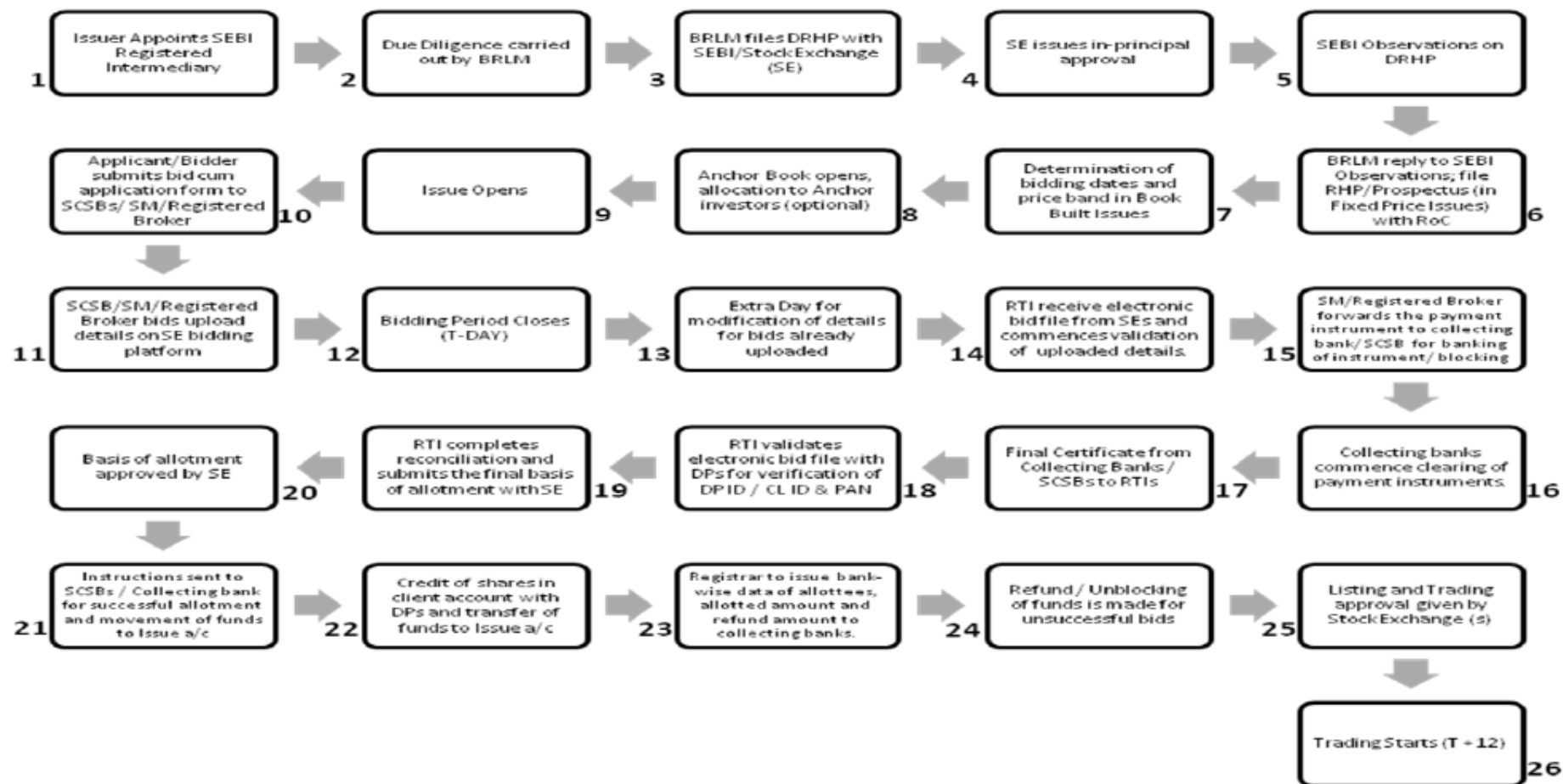
In case of a Book Built Issue, the Issuer may close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM(s), and the advertisement in the newspaper(s) issued in this regard.

### **2.6 FLOWCHART OF TIMELINES**

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs.:

- In case of Issue other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:
  - i. Step 7 : Determination of Issue Date and Price
  - ii. Step 10: Applicant submits ASBA Application Form with Designated Branch of SCSB and Non-ASBA forms directly to collection Bank and not to Broker.
  - iii. Step 11: SCSB uploads ASBA Application details in Stock Exchange Platform

- iv. Step 12: Issue period closes
- v. Step 15: Not Applicable



### SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

**Each Bidder/Applicant should check whether it is eligible to apply under applicable law.** Furthermore, certain categories of Bidders/Applicants, such as NRIs, FII's, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;
- FPIs other than Category III foreign portfolio investors bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, bidding under the NIIs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.
- As per the existing regulations, OCBs are not allowed to participate in an Issue.

### SECTION 4: APPLYING IN THE ISSUE

**Book Built Issue:** Bidders should only use the specified Bid cum Application Form either bearing the stamp of a member of the Syndicate or bearing a stamp of the Registered Broker or stamp of SCSBs as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the members of the Syndicate, Registered Brokers, Designated Branches of the SCSBs and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.



**Fixed Price Issue:** Applicants should only use the specified cum Application Form either bearing the stamp of Collection Bank(s) or SCSBs as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Branches of Collection Banks or Designated Branches of the SCSBs and at the registered office of the Issuer. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed color of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

| Category                                                                                                                                                                  | Color of the Bid cum Application Form |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| Resident Indian, Eligible NRIs applying on a non repatriation basis                                                                                                       | White                                 |
| NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs on a repatriation basis | Blue                                  |
| Anchor Investors (where applicable) & Bidders/Applicants bidding/applying in the reserved category                                                                        | White                                 |

Securities Issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to allotment.

#### **4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM/ APPLICATION FORM**

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

| <b>COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>XYZ LIMITED - PUBLIC ISSUE - R</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI'S APPLYING ON A NON-REPATRIATION BASIS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                  |                                                                                               |                                                                                           |                      |  |           |                  |           |          |                           |               |                 |               |               |  |                               |  |  |               |               |  |  |  |                                                                                                                                                                            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|----------------------|--|-----------|------------------|-----------|----------|---------------------------|---------------|-----------------|---------------|---------------|--|-------------------------------|--|--|---------------|---------------|--|--|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Logo</b><br>To: The Board of Directors<br>XYZ Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | BOOK BUILDING ISSUE<br>IN                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Bid cum Application Form No. _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                  |                                                                                               |                                                                                           |                      |  |           |                  |           |          |                           |               |                 |               |               |  |                               |  |  |               |               |  |  |  |                                                                                                                                                                            |
| SYNDICATE MEMBER'S STAMP & CODE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | BROKER'S/AGENT'S STAMP & CODE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 1. NAME & CONTACT DETAILS of Sole / First Applicant<br>Mr. / Ms. _____<br>Address _____<br>Tel. No (with STD code) / Mobile _____<br>Email _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                  |                                                                                               |                                                                                           |                      |  |           |                  |           |          |                           |               |                 |               |               |  |                               |  |  |               |               |  |  |  |                                                                                                                                                                            |
| ESCROWBANK/SCSB BRANCH STAMP & CODE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | SUB-BROKER'S/SUB-AGENT'S STAMP & CODE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                  |                                                                                               |                                                                                           |                      |  |           |                  |           |          |                           |               |                 |               |               |  |                               |  |  |               |               |  |  |  |                                                                                                                                                                            |
| BANKBRANCH SERIAL NO.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | REGISTRAR'S / SCSB SERIAL NO.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                  |                                                                                               |                                                                                           |                      |  |           |                  |           |          |                           |               |                 |               |               |  |                               |  |  |               |               |  |  |  |                                                                                                                                                                            |
| 2. PAN OF SOLE / FIRST APPLICANT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                  |                                                                                               |                                                                                           |                      |  |           |                  |           |          |                           |               |                 |               |               |  |                               |  |  |               |               |  |  |  |                                                                                                                                                                            |
| 3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL<br>For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 6. Investor Status<br><input type="checkbox"/> Individual(s) - IN D<br><input type="checkbox"/> Hindu Undivided Family* - HUF<br><input type="checkbox"/> Bodies Corporate - CO<br><input type="checkbox"/> Banks & Financial Institutions - FI<br><input type="checkbox"/> Mutual Funds - MF<br><input type="checkbox"/> Non-Resident Indians - NRI (Non-Repatriation basis)<br><input type="checkbox"/> National Investment Fund - NIF<br><input type="checkbox"/> Insurance Funds - IF<br><input type="checkbox"/> Insurance Companies - IC<br><input type="checkbox"/> Venture Capital Funds - VC<br><input type="checkbox"/> Others (Please specify) - OTH<br><small>* HUF should apply only through Karta (Application by HUF would be treated on par with Individual)</small> |                  |                                                                                               |                                                                                           |                      |  |           |                  |           |          |                           |               |                 |               |               |  |                               |  |  |               |               |  |  |  |                                                                                                                                                                            |
| 4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off")<br><table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Bid Options</th> <th rowspan="2">No. of Equity Shares Bid (In Figures)<br/>(Bids must be in multiples of Bid Lot as advertised)</th> <th colspan="3">Price per Equity Share (₹) / "Cut-off"<br/>(Price in multiples of ₹ 1/- only) (In Figures)</th> </tr> <tr> <th>Bid Price</th> <th>Discount, if any</th> <th>Net Price</th> </tr> </thead> <tbody> <tr> <td>Option 1</td> <td>7   6   5   4   3   2   1</td> <td>4   3   2   1</td> <td>4   3   2   1</td> <td>4   3   2   1</td> </tr> <tr> <td>(OR) Option 2</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>(OR) Option 3</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Bid Options      | No. of Equity Shares Bid (In Figures)<br>(Bids must be in multiples of Bid Lot as advertised) | Price per Equity Share (₹) / "Cut-off"<br>(Price in multiples of ₹ 1/- only) (In Figures) |                      |  | Bid Price | Discount, if any | Net Price | Option 1 | 7   6   5   4   3   2   1 | 4   3   2   1 | 4   3   2   1   | 4   3   2   1 | (OR) Option 2 |  |                               |  |  | (OR) Option 3 |               |  |  |  |                                                                                                                                                                            |
| Bid Options                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | No. of Equity Shares Bid (In Figures)<br>(Bids must be in multiples of Bid Lot as advertised)                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                  |                                                                                               | Price per Equity Share (₹) / "Cut-off"<br>(Price in multiples of ₹ 1/- only) (In Figures) |                      |  |           |                  |           |          |                           |               |                 |               |               |  |                               |  |  |               |               |  |  |  |                                                                                                                                                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Bid Price                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Discount, if any | Net Price                                                                                     |                                                                                           |                      |  |           |                  |           |          |                           |               |                 |               |               |  |                               |  |  |               |               |  |  |  |                                                                                                                                                                            |
| Option 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 7   6   5   4   3   2   1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 4   3   2   1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 4   3   2   1    | 4   3   2   1                                                                                 |                                                                                           |                      |  |           |                  |           |          |                           |               |                 |               |               |  |                               |  |  |               |               |  |  |  |                                                                                                                                                                            |
| (OR) Option 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                  |                                                                                               |                                                                                           |                      |  |           |                  |           |          |                           |               |                 |               |               |  |                               |  |  |               |               |  |  |  |                                                                                                                                                                            |
| (OR) Option 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                  |                                                                                               |                                                                                           |                      |  |           |                  |           |          |                           |               |                 |               |               |  |                               |  |  |               |               |  |  |  |                                                                                                                                                                            |
| 5. Category<br><input type="checkbox"/> Retail Individual<br><input type="checkbox"/> Non-Institutional<br><input type="checkbox"/> QIB                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                  |                                                                                               |                                                                                           |                      |  |           |                  |           |          |                           |               |                 |               |               |  |                               |  |  |               |               |  |  |  |                                                                                                                                                                            |
| 7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)<br>Amount Paid (₹ in figures) _____ (₹ in words) _____<br><input type="checkbox"/> (A) CHEQUE/ DEMAND DRAFT (DD)<br>Cheque/DD No. _____ Dated DD / MM / YY<br>Drawn on (Bank Name & Branch) _____<br><input type="checkbox"/> (B) ASBA<br>Bank A/c No. _____<br>Bank Name & Branch _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                  |                                                                                               |                                                                                           |                      |  |           |                  |           |          |                           |               |                 |               |               |  |                               |  |  |               |               |  |  |  |                                                                                                                                                                            |
| 8A. SIGNATURE OF SOLE / FIRST APPLICANT<br>Date: _____, 2011                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                  |                                                                                               |                                                                                           |                      |  |           |                  |           |          |                           |               |                 |               |               |  |                               |  |  |               |               |  |  |  |                                                                                                                                                                            |
| 8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S)<br>(AS PER BANK RECORDS) (For ASBA option ONLY)<br>I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue<br>1) _____<br>2) _____<br>3) _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                  |                                                                                               |                                                                                           |                      |  |           |                  |           |          |                           |               |                 |               |               |  |                               |  |  |               |               |  |  |  |                                                                                                                                                                            |
| BROKER'S / SCSB BRANCH'S STAMP<br>(Acknowledging upload of Bid in Stock Exchange system)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                  |                                                                                               |                                                                                           |                      |  |           |                  |           |          |                           |               |                 |               |               |  |                               |  |  |               |               |  |  |  |                                                                                                                                                                            |
| TEAR HERE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                  |                                                                                               |                                                                                           |                      |  |           |                  |           |          |                           |               |                 |               |               |  |                               |  |  |               |               |  |  |  |                                                                                                                                                                            |
| <b>XYZ LIMITED</b><br>DPID / CLID _____<br>Amount Paid (₹ in figures) _____ Bank & Branch _____<br>Cheque / DD/ASBA Bank A/c No. _____<br>Received from Mr./Ms. _____<br>Telephone / Mobile _____ Email _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Bid cum Application Form No. _____<br>PAN _____<br>Stamp & Signature of Banker _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                  |                                                                                               |                                                                                           |                      |  |           |                  |           |          |                           |               |                 |               |               |  |                               |  |  |               |               |  |  |  |                                                                                                                                                                            |
| TEAR HERE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                  |                                                                                               |                                                                                           |                      |  |           |                  |           |          |                           |               |                 |               |               |  |                               |  |  |               |               |  |  |  |                                                                                                                                                                            |
| <b>XYZ LIMITED</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>Option 1</th> <th>Option 2</th> <th>Option 3</th> </tr> </thead> <tbody> <tr> <td>No. of Equity Shares</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bid Price</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Amount Paid (₹)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Cheque / DD/ASBA Bank A/c No.</td> <td colspan="3"></td> </tr> <tr> <td>Bank &amp; Branch</td> <td colspan="3"></td> </tr> </tbody> </table> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Option 1         | Option 2                                                                                      | Option 3                                                                                  | No. of Equity Shares |  |           |                  | Bid Price |          |                           |               | Amount Paid (₹) |               |               |  | Cheque / DD/ASBA Bank A/c No. |  |  |               | Bank & Branch |  |  |  | Name of Sole / First Applicant _____<br>Stamp & Signature of Syndicate Member / SCSB _____<br><b>Acknowledgement Slip for Bidder</b><br>Bid cum Application Form No. _____ |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Option 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Option 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Option 3         |                                                                                               |                                                                                           |                      |  |           |                  |           |          |                           |               |                 |               |               |  |                               |  |  |               |               |  |  |  |                                                                                                                                                                            |
| No. of Equity Shares                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                  |                                                                                               |                                                                                           |                      |  |           |                  |           |          |                           |               |                 |               |               |  |                               |  |  |               |               |  |  |  |                                                                                                                                                                            |
| Bid Price                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                  |                                                                                               |                                                                                           |                      |  |           |                  |           |          |                           |               |                 |               |               |  |                               |  |  |               |               |  |  |  |                                                                                                                                                                            |
| Amount Paid (₹)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                  |                                                                                               |                                                                                           |                      |  |           |                  |           |          |                           |               |                 |               |               |  |                               |  |  |               |               |  |  |  |                                                                                                                                                                            |
| Cheque / DD/ASBA Bank A/c No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                  |                                                                                               |                                                                                           |                      |  |           |                  |           |          |                           |               |                 |               |               |  |                               |  |  |               |               |  |  |  |                                                                                                                                                                            |
| Bank & Branch                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                  |                                                                                               |                                                                                           |                      |  |           |                  |           |          |                           |               |                 |               |               |  |                               |  |  |               |               |  |  |  |                                                                                                                                                                            |

| COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                               | XYZ LIMITED - PUBLIC ISSUE - NR                                                              |                  | FOR ELIGIBLE NRIs, FIIs, FVCI, ETC., APPLYING ON A REPATRIATION BASIS                       |                                                                                               |                                                                                         |  |  |  |                            |           |                  |           |  |          |                           |               |               |               |  |                          |               |  |  |  |  |  |                          |               |  |  |  |  |  |                          |                                                                                                                          |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|------------------|---------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|--|--|--|----------------------------|-----------|------------------|-----------|--|----------|---------------------------|---------------|---------------|---------------|--|--------------------------|---------------|--|--|--|--|--|--------------------------|---------------|--|--|--|--|--|--------------------------|--------------------------------------------------------------------------------------------------------------------------|--|
| Logo To, The Board of Directors XYZ Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                               | BOOK BUILDING ISSUE INE523L01018                                                             |                  | Bid cum Application Form No. _____                                                          |                                                                                               |                                                                                         |  |  |  |                            |           |                  |           |  |          |                           |               |               |               |  |                          |               |  |  |  |  |  |                          |               |  |  |  |  |  |                          |                                                                                                                          |  |
| SYNDICATE MEMBER'S STAMP & CODE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                               | BROKER'S/AGENT'S STAMP & CODE                                                                |                  | 1. NAME & CONTACT DETAILS of Sole / First Applicant                                         |                                                                                               |                                                                                         |  |  |  |                            |           |                  |           |  |          |                           |               |               |               |  |                          |               |  |  |  |  |  |                          |               |  |  |  |  |  |                          |                                                                                                                          |  |
| ESCROW/BANK / SCSB BRANCH STAMP & CODE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                               | SUB-BROKER'S/SUB-AGENT'S STAMP & CODE                                                        |                  | Mr. / Ms. _____<br>Address _____<br>Tel. No (with STD code) / Mobile _____ Email _____      |                                                                                               |                                                                                         |  |  |  |                            |           |                  |           |  |          |                           |               |               |               |  |                          |               |  |  |  |  |  |                          |               |  |  |  |  |  |                          |                                                                                                                          |  |
| BANK BRANCH SERIAL NO.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                               | REGISTRAR'S / SCSB SERIAL NO.                                                                |                  | 2. PAN OF SOLE / FIRST APPLICANT _____                                                      |                                                                                               |                                                                                         |  |  |  |                            |           |                  |           |  |          |                           |               |               |               |  |                          |               |  |  |  |  |  |                          |               |  |  |  |  |  |                          |                                                                                                                          |  |
| 3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                               |                                                                                              |                  | 6. Investor Status                                                                          |                                                                                               |                                                                                         |  |  |  |                            |           |                  |           |  |          |                           |               |               |               |  |                          |               |  |  |  |  |  |                          |               |  |  |  |  |  |                          |                                                                                                                          |  |
| For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                               |                                                                                              |                  | <input type="checkbox"/> NRI Non-Resident Indian (Repatriation basis)                       |                                                                                               |                                                                                         |  |  |  |                            |           |                  |           |  |          |                           |               |               |               |  |                          |               |  |  |  |  |  |                          |               |  |  |  |  |  |                          |                                                                                                                          |  |
| 4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off")                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                               |                                                                                              |                  | <input type="checkbox"/> FII Foreign Institutional Investor                                 |                                                                                               |                                                                                         |  |  |  |                            |           |                  |           |  |          |                           |               |               |               |  |                          |               |  |  |  |  |  |                          |               |  |  |  |  |  |                          |                                                                                                                          |  |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Bid Options</th> <th rowspan="2">No. of Equity Shares Bid (In Figures)<br/>(Bids must be in multiples of Bid Lot as advertised)</th> <th colspan="4">Price per Equity Share (₹) "Cut-off"<br/>(Price in multiples of ₹ 1/- only) (In Figures)</th> <th rowspan="2">"Cut-off"<br/>(Please tick)</th> </tr> <tr> <th>Bid Price</th> <th>Discount, if any</th> <th>Net Price</th> <th></th> </tr> </thead> <tbody> <tr> <td>Option 1</td> <td>7   6   5   4   3   2   1</td> <td>4   3   2   1</td> <td>4   3   2   1</td> <td>4   3   2   1</td> <td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 2</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 3</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> </tbody> </table> |                                                                                               |                                                                                              |                  | Bid Options                                                                                 | No. of Equity Shares Bid (In Figures)<br>(Bids must be in multiples of Bid Lot as advertised) | Price per Equity Share (₹) "Cut-off"<br>(Price in multiples of ₹ 1/- only) (In Figures) |  |  |  | "Cut-off"<br>(Please tick) | Bid Price | Discount, if any | Net Price |  | Option 1 | 7   6   5   4   3   2   1 | 4   3   2   1 | 4   3   2   1 | 4   3   2   1 |  | <input type="checkbox"/> | (OR) Option 2 |  |  |  |  |  | <input type="checkbox"/> | (OR) Option 3 |  |  |  |  |  | <input type="checkbox"/> | <input type="checkbox"/> Retail Individual<br><input type="checkbox"/> Non-Institutional<br><input type="checkbox"/> QIB |  |
| Bid Options                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | No. of Equity Shares Bid (In Figures)<br>(Bids must be in multiples of Bid Lot as advertised) | Price per Equity Share (₹) "Cut-off"<br>(Price in multiples of ₹ 1/- only) (In Figures)      |                  |                                                                                             |                                                                                               | "Cut-off"<br>(Please tick)                                                              |  |  |  |                            |           |                  |           |  |          |                           |               |               |               |  |                          |               |  |  |  |  |  |                          |               |  |  |  |  |  |                          |                                                                                                                          |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                               | Bid Price                                                                                    | Discount, if any | Net Price                                                                                   |                                                                                               |                                                                                         |  |  |  |                            |           |                  |           |  |          |                           |               |               |               |  |                          |               |  |  |  |  |  |                          |               |  |  |  |  |  |                          |                                                                                                                          |  |
| Option 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 7   6   5   4   3   2   1                                                                     | 4   3   2   1                                                                                | 4   3   2   1    | 4   3   2   1                                                                               |                                                                                               | <input type="checkbox"/>                                                                |  |  |  |                            |           |                  |           |  |          |                           |               |               |               |  |                          |               |  |  |  |  |  |                          |               |  |  |  |  |  |                          |                                                                                                                          |  |
| (OR) Option 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                               |                                                                                              |                  |                                                                                             |                                                                                               | <input type="checkbox"/>                                                                |  |  |  |                            |           |                  |           |  |          |                           |               |               |               |  |                          |               |  |  |  |  |  |                          |               |  |  |  |  |  |                          |                                                                                                                          |  |
| (OR) Option 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                               |                                                                                              |                  |                                                                                             |                                                                                               | <input type="checkbox"/>                                                                |  |  |  |                            |           |                  |           |  |          |                           |               |               |               |  |                          |               |  |  |  |  |  |                          |               |  |  |  |  |  |                          |                                                                                                                          |  |
| 7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                               |                                                                                              |                  | PAYMENT OPTIONS <input type="checkbox"/> Full Payment <input type="checkbox"/> Part Payment |                                                                                               |                                                                                         |  |  |  |                            |           |                  |           |  |          |                           |               |               |               |  |                          |               |  |  |  |  |  |                          |               |  |  |  |  |  |                          |                                                                                                                          |  |
| Amount Paid (₹ in figures) _____ (₹ in words) _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                               |                                                                                              |                  |                                                                                             |                                                                                               |                                                                                         |  |  |  |                            |           |                  |           |  |          |                           |               |               |               |  |                          |               |  |  |  |  |  |                          |               |  |  |  |  |  |                          |                                                                                                                          |  |
| <input type="checkbox"/> (A) CHEQUE/ DEMAND DRAFT (DD)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                               |                                                                                              |                  | <input type="checkbox"/> (B) ASBA                                                           |                                                                                               |                                                                                         |  |  |  |                            |           |                  |           |  |          |                           |               |               |               |  |                          |               |  |  |  |  |  |                          |               |  |  |  |  |  |                          |                                                                                                                          |  |
| Cheque/DD No. _____ Dated DD MM YY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                               |                                                                                              |                  | Bank A/c No. _____                                                                          |                                                                                               |                                                                                         |  |  |  |                            |           |                  |           |  |          |                           |               |               |               |  |                          |               |  |  |  |  |  |                          |               |  |  |  |  |  |                          |                                                                                                                          |  |
| Drawn on (Bank Name & Branch) _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                               |                                                                                              |                  | Bank Name & Branch _____                                                                    |                                                                                               |                                                                                         |  |  |  |                            |           |                  |           |  |          |                           |               |               |               |  |                          |               |  |  |  |  |  |                          |               |  |  |  |  |  |                          |                                                                                                                          |  |
| I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVER LEAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the Instructions for Filling up the Bid Cum Application Form given overleaf.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                               |                                                                                              |                  |                                                                                             |                                                                                               |                                                                                         |  |  |  |                            |           |                  |           |  |          |                           |               |               |               |  |                          |               |  |  |  |  |  |                          |               |  |  |  |  |  |                          |                                                                                                                          |  |
| 8A. SIGNATURE OF SOLE/ FIRST APPLICANT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                               | 8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S)<br>(AS PER BANK RECORDS) (For ASBA option ONLY) |                  | BROKER'S / SCSB BRANCH'S STAMP<br>(Acknowledging upload of Bid in Stock Exchange system)    |                                                                                               |                                                                                         |  |  |  |                            |           |                  |           |  |          |                           |               |               |               |  |                          |               |  |  |  |  |  |                          |               |  |  |  |  |  |                          |                                                                                                                          |  |
| Date: _____, 2011                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                               | I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue |                  |                                                                                             |                                                                                               |                                                                                         |  |  |  |                            |           |                  |           |  |          |                           |               |               |               |  |                          |               |  |  |  |  |  |                          |               |  |  |  |  |  |                          |                                                                                                                          |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                               | 1) _____<br>2) _____<br>3) _____                                                             |                  |                                                                                             |                                                                                               |                                                                                         |  |  |  |                            |           |                  |           |  |          |                           |               |               |               |  |                          |               |  |  |  |  |  |                          |               |  |  |  |  |  |                          |                                                                                                                          |  |
| TEAR HERE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                               |                                                                                              |                  |                                                                                             |                                                                                               |                                                                                         |  |  |  |                            |           |                  |           |  |          |                           |               |               |               |  |                          |               |  |  |  |  |  |                          |               |  |  |  |  |  |                          |                                                                                                                          |  |
| XYZ LIMITED                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                               | Acknowledgement Slip for Syndicate Member / SCSB                                             |                  | Bid cum Application Form No. _____                                                          |                                                                                               |                                                                                         |  |  |  |                            |           |                  |           |  |          |                           |               |               |               |  |                          |               |  |  |  |  |  |                          |               |  |  |  |  |  |                          |                                                                                                                          |  |
| DPID / CLID _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                               | PAN _____                                                                                    |                  |                                                                                             |                                                                                               |                                                                                         |  |  |  |                            |           |                  |           |  |          |                           |               |               |               |  |                          |               |  |  |  |  |  |                          |               |  |  |  |  |  |                          |                                                                                                                          |  |
| Amount Paid (₹ in figures) _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                               | Bank & Branch _____                                                                          |                  | Stamp & Signature of Banker                                                                 |                                                                                               |                                                                                         |  |  |  |                            |           |                  |           |  |          |                           |               |               |               |  |                          |               |  |  |  |  |  |                          |               |  |  |  |  |  |                          |                                                                                                                          |  |
| Cheque / DD/ASBA Bank A/c No. _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                               |                                                                                              |                  |                                                                                             |                                                                                               |                                                                                         |  |  |  |                            |           |                  |           |  |          |                           |               |               |               |  |                          |               |  |  |  |  |  |                          |               |  |  |  |  |  |                          |                                                                                                                          |  |
| Received from Mr./Ms. _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                               |                                                                                              |                  |                                                                                             |                                                                                               |                                                                                         |  |  |  |                            |           |                  |           |  |          |                           |               |               |               |  |                          |               |  |  |  |  |  |                          |               |  |  |  |  |  |                          |                                                                                                                          |  |
| Telephone / Mobile _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                               | Email _____                                                                                  |                  |                                                                                             |                                                                                               |                                                                                         |  |  |  |                            |           |                  |           |  |          |                           |               |               |               |  |                          |               |  |  |  |  |  |                          |               |  |  |  |  |  |                          |                                                                                                                          |  |
| TEAR HERE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                               |                                                                                              |                  |                                                                                             |                                                                                               |                                                                                         |  |  |  |                            |           |                  |           |  |          |                           |               |               |               |  |                          |               |  |  |  |  |  |                          |               |  |  |  |  |  |                          |                                                                                                                          |  |
| XYZ LIMITED                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Option 1                                                                                      |                                                                                              | Option 2         |                                                                                             | Stamp & Signature of Syndicate Member / SCSB                                                  |                                                                                         |  |  |  |                            |           |                  |           |  |          |                           |               |               |               |  |                          |               |  |  |  |  |  |                          |               |  |  |  |  |  |                          |                                                                                                                          |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Option 3                                                                                      |                                                                                              |                  |                                                                                             |                                                                                               |                                                                                         |  |  |  |                            |           |                  |           |  |          |                           |               |               |               |  |                          |               |  |  |  |  |  |                          |               |  |  |  |  |  |                          |                                                                                                                          |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | No. of Equity Shares                                                                          |                                                                                              |                  |                                                                                             |                                                                                               |                                                                                         |  |  |  |                            |           |                  |           |  |          |                           |               |               |               |  |                          |               |  |  |  |  |  |                          |               |  |  |  |  |  |                          |                                                                                                                          |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Bid Price                                                                                     |                                                                                              |                  |                                                                                             |                                                                                               |                                                                                         |  |  |  |                            |           |                  |           |  |          |                           |               |               |               |  |                          |               |  |  |  |  |  |                          |               |  |  |  |  |  |                          |                                                                                                                          |  |
| Amount Paid (₹)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                               |                                                                                              |                  | Name of Sole / First Applicant                                                              |                                                                                               |                                                                                         |  |  |  |                            |           |                  |           |  |          |                           |               |               |               |  |                          |               |  |  |  |  |  |                          |               |  |  |  |  |  |                          |                                                                                                                          |  |
| Cheque / DD/ASBA Bank A/c No. _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                               |                                                                                              |                  |                                                                                             |                                                                                               |                                                                                         |  |  |  |                            |           |                  |           |  |          |                           |               |               |               |  |                          |               |  |  |  |  |  |                          |               |  |  |  |  |  |                          |                                                                                                                          |  |
| Bank & Branch _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                               |                                                                                              |                  |                                                                                             |                                                                                               |                                                                                         |  |  |  |                            |           |                  |           |  |          |                           |               |               |               |  |                          |               |  |  |  |  |  |                          |               |  |  |  |  |  |                          |                                                                                                                          |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                               |                                                                                              |                  | Acknowledgement Slip for Bidder                                                             |                                                                                               |                                                                                         |  |  |  |                            |           |                  |           |  |          |                           |               |               |               |  |                          |               |  |  |  |  |  |                          |               |  |  |  |  |  |                          |                                                                                                                          |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                               |                                                                                              |                  | Bid cum Application Form No. _____                                                          |                                                                                               |                                                                                         |  |  |  |                            |           |                  |           |  |          |                           |               |               |               |  |                          |               |  |  |  |  |  |                          |               |  |  |  |  |  |                          |                                                                                                                          |  |

#### 4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT

- (a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
- (b) **Mandatory Fields:** Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid-cum Application Form/Application Form may be used to dispatch communications (including refund orders and letters notifying the unblocking of the bank accounts of ASBA Bidders/Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or

are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the members of the Syndicate, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.

- (c) **Joint Bids/Applications:** In the case of Joint Bids/Applications, the Bids /Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders. All payments may be made out in favor of the Bidder/Applicant whose name appears in the Bid cum Application Form/Application Form or the Revision Form and all communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

- (d) **Impersonation:** Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

**“Any person who:**

- (a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

***shall be liable for action under Section 447.”***

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

- (e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

#### 4.1.2 **FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST BIDDER/APPLICANT**

- (a) PAN (of the sole/ first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.
- (b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim (“PAN Exempted Bidders/Applicants”). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. A Bid cum Application Form/Application Form without PAN, except in case of Exempted Bidders/Applicants, is liable to be rejected. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

- (c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- (d) Bid cum Application Forms/Application Forms which provide the GIR Number instead of PAN may be rejected.
- (e) Bids/Applications by Bidders whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and demographic details are not provided by depositories.

#### 4.1.3 FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS

- (a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form/Application Form is liable to be rejected.**
- (b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.
- (c) Bidders/Applicants should note that on the basis of DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving refunds and allocation advice (including through physical refund warrants, direct credit, NECS, NEFT and RTGS), or unblocking of ASBA Account or for other correspondence(s) related to an Issue. Please note that refunds on account of our Company not receiving the minimum subscription of 90% of the Issue, shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.
- (d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants’ sole risk.

#### 4.1.4 FIELD NUMBER 4: BID OPTIONS

- (a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Issue Opening Date in case of an IPO, and at least one Working Day before Bid/Issue Opening Date in case of an FPO.
- (b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs /FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details bidders may refer to (Section 5.6 (e))
- (c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.

- (d) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. 10,000 to Rs.15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.
- (e) **Allotment:** The allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be allotted on a proportionate basis. For details of the Bid Lot, bidders may to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

#### 4.1.4.1 Maximum and Minimum Bid Size

- (a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed Rs. 200,000.  
  
In case the Bid Amount exceeds Rs. 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.
- (b) For NRIs, a Bid Amount of up to Rs. 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding Rs. 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- (c) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds Rs. 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off Price'.
- (d) RII may revise their bids till closure of the bidding period or withdraw their bids until finalization of allotment. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after bidding and are required to pay the Bid Amount upon submission of the Bid.
- (e) In case the Bid Amount reduces to Rs. 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Bidders who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- (f) For Anchor Investors, if applicable, the Bid Amount shall be least Rs. 10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Portion under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.
- (g) A Bid cannot be submitted for more than the Issue size.
- (h) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
- (i) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the number of Equity Shares Bid for by a Bidder at or above the Issue Price

may be considered for allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of bidders may refer to (Section 5.6 (e))

#### **4.1.4.2 Multiple Bids**

- (a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

- (b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:
  - i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
  - ii. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- (c) The following Bids may not be treated as multiple Bids:
  - i. Bids by Reserved Categories bidding in their respective Reservation Portion as well as bids made by them in the Net Issue portion in public category.
  - ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
  - iii. Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
  - iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

#### **4.1.5 FIELD NUMBER 5 : CATEGORY OF BIDDERS**

- (a) The categories of Bidders identified as per the SEBI Regulations for the purpose of Bidding, allocation and allotment in the Issue are RIIs, NIIs and QIBs.
- (b) Up to 60.00% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of anchor investors based on allocation size, to the Anchor Investors, in accordance with the SEBI Regulations, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, bidders may refer to the RHP/Prospectus.
- (c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI Regulations. For details of any reservations made in the Issue, Bidders/Applicants may refer to the RHP/Prospectus.
- (d) The SEBI Regulations, specify the allocation or allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue

specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

#### 4.1.6 **FIELD NUMBER 6: INVESTOR STATUS**

- (a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Bidders/Applicants, such as NRIs, FIIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.
- (c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- (d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

#### 4.1.7 **FIELD NUMBER 7: PAYMENT DETAILS**

- (a) All Bidders are required to make payment of the full Bid Amount (net of any Discount, as applicable) along-with the Bid cum Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the payment shall be made for Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, *i.e.* Bid price less Discount offered, if any.
- (b) Bidders who Bid at Cut-off price shall deposit the Bid Amount based on the Cap Price.
- (c) QIBs and NIIs can participate in the Issue only through the ASBA mechanism.
- (d) RIIs and/or Reserved Categories bidding in their respective reservation portion can Bid, either through the ASBA mechanism or by paying the Bid Amount through a cheque or a demand draft (“Non-ASBA Mechanism”).
- (e) Bid Amount cannot be paid in cash, through money order or through postal order.

##### 4.1.7.1 **Instructions for non-ASBA Bidders:**

- (a) Non-ASBA Bidders may submit their Bids with a member of the Syndicate or any of the Registered Brokers of the Stock Exchange. The details of Broker Centres along with names and contact details of the Registered Brokers are provided on the websites of the Stock Exchanges.
- (b) **For Bids made through a member of the Syndicate:** The Bidder may, with the submission of the Bid cum Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/Prospectus and the Bid cum Application Form and submit the same to the members of the Syndicate at Specified Locations.
- (c) **For Bids made through a Registered Broker:** The Bidder may, with the submission of the Bid cum Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/Prospectus and the Bid cum Application Form and submit the same to the Registered Broker.
- (d) If the cheque or demand draft accompanying the Bid cum Application Form is not made favoring the Escrow Account, the Bid is liable to be rejected.



- (e) Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.
- (f) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Bidders until the Designated Date.
- (g) Bidders are advised to provide the number of the Bid cum Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

#### 4.1.7.2 **Payment instructions for ASBA Bidders**

- (a) ASBA Bidders may submit the Bid cum Application Form either
  - i. in physical mode to the Designated Branch of an SCSB where the Bidders/Applicants have ASBA Account, or
  - ii. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
  - iii. in physical mode to a member of the Syndicate at the Specified Locations, or
  - iv. Registered Brokers of the Stock Exchange
- (b) ASBA Bidders may specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by an ASBA Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;
- (d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- (f) ASBA Bidders bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Specified locations. ASBA Bidders should also note that Bid cum Application Forms submitted to a member of the Syndicate at the Specified locations may not be accepted by the Member of the Syndicate if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).
- (g) ASBA Bidders bidding through a Registered Broker should note that Bid cum Application Forms submitted to the Registered Brokers may not be accepted by the Registered Broker, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the Registered Brokers to deposit Bid cum Application Forms.
- (h) ASBA Bidders bidding directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

- (i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.
- (j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- (k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.
- (l) Upon submission of a completed Bid cum Application Form each ASBA Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.
- (m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.
- (n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

#### **4.1.7.2.1 Unblocking of ASBA Account**

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within 12 Working Days of the Bid/Issue Closing Date.

#### **4.1.7.3 Additional Payment Instructions for NRIs**

The Non-Resident Indians who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

#### **4.1.7.4 Discount (if applicable)**

- (a) The Discount is stated in absolute rupee terms.
- (b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.

- (c) The Bidders entitled to the applicable Discount in the Issue may make payment for an amount *i.e.* the Bid Amount less Discount (if applicable).

Bidder may note that in case the net payment (post Discount) is more than two lakh Rupees, the bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

#### 4.1.8 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- (a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the ASBA Bidder/Applicant., then the Signature of the ASBA Account holder(s) is also required.
- (c) In relation to the ASBA Bids/Applications, signature has to be correctly affixed in the authorization/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.
- (d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and /or ASBA Account holder is liable to be rejected.

#### 4.1.9 **ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- (a) Bidders should ensure that they receive the acknowledgment duly signed and stamped by a member of the Syndicate, Registered Broker or SCSB, as applicable, for submission of the Bid cum Application Form.
- (b) Applicants should ensure that they receive the acknowledgment duly signed and stamped by an Escrow Collection Bank or SCSB, as applicable, for submission of the Application Form.
- (c) All communications in connection with Bids/Applications made in the Issue should be addressed as under:
  - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, refund orders, the Bidders/Applicants should contact the Registrar to the Issue.
  - ii. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders/Applicants should contact the relevant Designated Branch of the SCSB.
  - iii. In case of queries relating to uploading of Syndicate ASBA Bids, the Bidders/Applicants should contact the relevant Syndicate Member.
  - iv. In case of queries relating to uploading of Bids by a Registered Broker, the Bidders/Applicants should contact the relevant Registered Broker
  - v. Bidder/Applicant may contact the Company Secretary and Compliance Officer or the BRLM(s) in case of any other complaints in relation to the Issue.
- (d) The following details (as applicable) should be quoted while making any queries -
  - i. full name of the sole or First Bidder/Applicant, Bid cum Application Form number, Applicants'/Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.
  - ii. name and address of the member of the Syndicate, Registered Broker or the Designated Branch, as the case may be, where the Bid was submitted or

- iii. In case of Non-ASBA bids cheque or draft number and the name of the issuing bank thereof
- iv. In case of ASBA Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

#### **4.2 INSTRUCTIONS FOR FILING THE REVISION FORM**

- (a) During the Bid/Issue Period, any Bidder/Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.
- (b) RII may revise their bids till closure of the bidding period or withdraw their bids until finalization of allotment.
- (c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- (d) The Bidder/Applicant can make this revision any number of times during the Bid/ Issue Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample Revision form is reproduced below:

|                                                                                                                                                                                                                                                                                                                                                                                                                           |  |                                                                                            |  |                                                                                                                                                                                                                     |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--------------------------------------------------------------------------------------------|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <b>COMMON BID REVISION FORM<br/>FOR ASBA / NON-ASBA</b>                                                                                                                                                                                                                                                                                                                                                                   |  | <b>XYZ LIMITED - PUBLIC ISSUE - R</b>                                                      |  | <b>FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI'S<br/>APPLYING ON A NON-REPATRIATION BASIS</b>                                                                                                                            |  |
| <b>Logo</b><br>To,<br>The Board of Directors<br>XYZ Limited                                                                                                                                                                                                                                                                                                                                                               |  | BOOK BUILDING ISSUE<br>INE523L01018                                                        |  | Bid cum Application<br>Form No.                                                                                                                                                                                     |  |
| SYNDICATE MEMBER'S STAMP & CODE                                                                                                                                                                                                                                                                                                                                                                                           |  | BROKER'S/AGENT'S STAMP & CODE                                                              |  | 1. NAME & CONTACT DETAILS of Sole / First Applicant                                                                                                                                                                 |  |
| ESCROW BANK / SCSB BRANCH STAMP & CODE                                                                                                                                                                                                                                                                                                                                                                                    |  | SUB-BROKER'S/SUB-AGENT'S STAMP & CODE                                                      |  | Mr. / Ms. _____<br>Tel. No (with STD code) / Mobile _____                                                                                                                                                           |  |
| BANK BRANCH SERIAL NO.                                                                                                                                                                                                                                                                                                                                                                                                    |  | REGISTRAR'S / SCSB SERIAL NO.                                                              |  | 2. PAN OF SOLE / FIRST APPLICANT                                                                                                                                                                                    |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                           |  |                                                                                            |  | 3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL<br><small>For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID</small> |  |
| <b>PLEASE CHANGE MY BID</b>                                                                                                                                                                                                                                                                                                                                                                                               |  |                                                                                            |  |                                                                                                                                                                                                                     |  |
| 4. FROM (as per last Bid or Revision)                                                                                                                                                                                                                                                                                                                                                                                     |  |                                                                                            |  |                                                                                                                                                                                                                     |  |
| Bid Options                                                                                                                                                                                                                                                                                                                                                                                                               |  | No. of Equity Shares Bid<br>(Bids must be in multiples of Bid Lot as advertised)           |  | Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)                                                                                                                                           |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                           |  | (In Figures)                                                                               |  | (In Figures)                                                                                                                                                                                                        |  |
| Option 1                                                                                                                                                                                                                                                                                                                                                                                                                  |  | 7 6 5 4 3 2 1                                                                              |  | Bid Price 4 3 2 1 Discount, if any 4 3 2 1 Net Price 4 3 2 1 "Cut-off" (Please tick)                                                                                                                                |  |
| (OR) Option 2                                                                                                                                                                                                                                                                                                                                                                                                             |  |                                                                                            |  |                                                                                                                                                                                                                     |  |
| (OR) Option 3                                                                                                                                                                                                                                                                                                                                                                                                             |  |                                                                                            |  |                                                                                                                                                                                                                     |  |
| 5. TO (Revised Bid)                                                                                                                                                                                                                                                                                                                                                                                                       |  |                                                                                            |  |                                                                                                                                                                                                                     |  |
| Bid Options                                                                                                                                                                                                                                                                                                                                                                                                               |  | No. of Equity Shares Bid<br>(Bids must be in multiples of Bid Lot as advertised)           |  | Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)                                                                                                                                           |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                           |  | (In Figures)                                                                               |  | (In Figures)                                                                                                                                                                                                        |  |
| Option 1                                                                                                                                                                                                                                                                                                                                                                                                                  |  | 7 6 5 4 3 2 1                                                                              |  | Bid Price 4 3 2 1 Discount, if any 4 3 2 1 Net Price 4 3 2 1 "Cut-off" (Please tick)                                                                                                                                |  |
| (OR) Option 2                                                                                                                                                                                                                                                                                                                                                                                                             |  |                                                                                            |  |                                                                                                                                                                                                                     |  |
| (OR) Option 3                                                                                                                                                                                                                                                                                                                                                                                                             |  |                                                                                            |  |                                                                                                                                                                                                                     |  |
| 6. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)                                                                                                                                                                                                                                                                                                                                               |  |                                                                                            |  |                                                                                                                                                                                                                     |  |
| Additional Amount Paid (₹ in figures) _____ (₹ in words) _____<br>(A) CHEQUE/ DEMAND DRAFT (DD) <input type="checkbox"/> (B) ASBA <input type="checkbox"/>                                                                                                                                                                                                                                                                |  |                                                                                            |  |                                                                                                                                                                                                                     |  |
| Cheque/DD No. _____ Dated DD/MM/YYYY Bank A/c No. _____<br>Drawn on (Bank Name & Branch) _____ Bank Name & Branch _____                                                                                                                                                                                                                                                                                                   |  |                                                                                            |  |                                                                                                                                                                                                                     |  |
| <small>I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the Instructions for Filling up the Bid revision Form given overleaf.</small> |  |                                                                                            |  |                                                                                                                                                                                                                     |  |
| 7A. SIGNATURE OF SOLE/ JOINT APPLICANT(S)                                                                                                                                                                                                                                                                                                                                                                                 |  | 7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S)<br>(AS PER BANK RECORDS) FOR ASBA OPTION ONLY |  | BROKER'S / SCSB BRANCH'S STAMP<br>(Acknowledging upload of Bid in Stock Exchange system)                                                                                                                            |  |
| I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue<br>1) _____<br>2) _____<br>3) _____<br>Date : _____, 2011                                                                                                                                                                                                                                                                    |  | _____<br>_____<br>_____                                                                    |  | _____<br>_____<br>_____                                                                                                                                                                                             |  |
| TEAR HERE                                                                                                                                                                                                                                                                                                                                                                                                                 |  |                                                                                            |  |                                                                                                                                                                                                                     |  |
| <b>XYZ LIMITED<br/>BID REVISION FORM</b>                                                                                                                                                                                                                                                                                                                                                                                  |  | <b>Acknowledgement Slip<br/>for Syndicate Member / SCSB</b>                                |  | Bid cum Application<br>Form No.                                                                                                                                                                                     |  |
| DPID / CLID                                                                                                                                                                                                                                                                                                                                                                                                               |  | PAN                                                                                        |  | Stamp & Signature of Banker                                                                                                                                                                                         |  |
| Additional Amount Paid (₹)                                                                                                                                                                                                                                                                                                                                                                                                |  | Bank & Branch                                                                              |  | Received from Mr./Ms.                                                                                                                                                                                               |  |
| Cheque / DD/ASBA Bank A/c No.                                                                                                                                                                                                                                                                                                                                                                                             |  | Telephone / Mobile                                                                         |  | Email                                                                                                                                                                                                               |  |
| TEAR HERE                                                                                                                                                                                                                                                                                                                                                                                                                 |  |                                                                                            |  |                                                                                                                                                                                                                     |  |
| <b>XYZ LIMITED<br/>BID REVISION FORM</b>                                                                                                                                                                                                                                                                                                                                                                                  |  | Acknowledgement of Syndicate Member / SCSB<br>_____<br>_____<br>_____                      |  | Name of Sole / First Applicant<br>_____<br>_____<br>_____                                                                                                                                                           |  |
| No. of Equity Shares<br>Bid Price<br>Additional Amount Paid (₹)<br>Cheque / DD/ASBA Bank A/c No.<br>Bank & Branch                                                                                                                                                                                                                                                                                                         |  | Option 1<br>Option 2<br>Option 3                                                           |  | Acknowledgement Slip for Bidder<br>Bid cum Application<br>Form No.                                                                                                                                                  |  |

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

**4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

**4.2.2 FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

- (a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Forms.
- (b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.
- (c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed Rs. 200,000. In case the Bid Amount exceeds Rs. 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.
- (d) In case the total amount (*i.e.*, original Bid Amount plus additional payment) exceeds Rs. 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- (e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding may be unblocked in case of ASBA Bidders or refunded from the Escrow Account in case of non-ASBA Bidder.

**4.2.3 FIELD 6: PAYMENT DETAILS**

- (a) With respect to the Bids, other than Bids submitted by ASBA Bidders/Applicants, any revision of the Bid should be accompanied by payment in the form of cheque or demand draft for the amount, if any, to be paid on account of the upward revision of the Bid.
- (b) All Bidders/Applicants are required to make payment of the full Bid Amount (less Discount (if applicable) along with the Bid Revision Form. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, *i.e.* Bid price less discount offered, if any.
- (c) In case of Bids submitted by ASBA Bidder/Applicant, Bidder/Applicant may Issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same member of the Syndicate/Registered Broker or the same Designated Branch (as the case may be) through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

- (d) In case of Bids, other than ASBA Bids, Bidder/Applicant, may make additional payment based on the cap of the revised Price Band (such that the total amount *i.e.*, original Bid Amount plus additional payment does not exceed Rs. 200,000 if the Bidder/Applicant wants to continue to Bid at the Cut-off Price), with the members of the Syndicate / Registered Broker to whom the original Bid was submitted.
- (e) In case the total amount (*i.e.*, original Bid Amount less discount (if applicable) plus additional payment) exceeds Rs. 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of allotment, such that no additional payment is required from the Bidder/Applicant and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.
- (f) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of bidding may be unblocked in case of ASBA Bidders/Applicants or refunded from the Escrow Account in case of non-ASBA Bidder/Applicant.

#### 4.2.4 **FIELDS 7 : SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

### 4.3 **INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)**

#### 4.3.1 **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

#### 4.3.2 **FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT**

- (a) The Issuer may mention Price or Price band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).
- (b) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the Lead Manager to the Issue (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. 10,000 to Rs.15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.
- (c) Applications by RIIs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed Rs. 200,000.
- (d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds Rs. 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.
- (e) An application cannot be submitted for more than the Issue size.
- (f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- (g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to Collection Bank(s) or SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

- (h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:
  - i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Bidder/Applicant and may be rejected.
  - ii. For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- (i) The following applications may not be treated as multiple Bids:
  - i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.
  - ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.
  - iii. Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

#### **4.3.3 FIELD NUMBER 5 : CATEGORY OF APPLICANTS**

- (a) The categories of applicants identified as per the SEBI Regulations for the purpose of Bidding, allocation and allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- (b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI Regulations. For details of any reservations made in the Issue, applicants may refer to the Prospectus.
- (c) The SEBI Regulations specify the allocation or allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

#### **4.3.4 FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

#### **4.3.5 FIELD 7: PAYMENT DETAILS**

- (a) All Applicants are required to make payment of the full Amount (net of any Discount, as applicable) along-with the Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Amount in the Application Form and the payment shall be made for an Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Applicant.
- (b) RIIs and/or Reserved Categories bidding in their respective reservation portion can Bid, either through the ASBA mechanism or by paying the Bid Amount through a cheque or a demand draft ("Non-ASBA Mechanism").
- (c) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.



#### **4.3.5.1 Instructions for non-ASBA Applicants:**

- (a) Non-ASBA Applicants may submit their Application Form with the Collection Bank(s).
- (b) For Applications made through a Collection Bank(s): The Applicant may, with the submission of the Application Form, draw a cheque or demand draft for the Bid Amount in favor of the Escrow Account as specified under the Prospectus and the Application Form and submit the same to the escrow Collection Bank(s).
- (c) If the cheque or demand draft accompanying the Application Form is not made favoring the Escrow Account, the form is liable to be rejected.
- (d) Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.
- (e) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Applicants until the Designated Date.
- (f) Applicants are advised to provide the number of the Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

#### **4.3.5.2 Payment instructions for ASBA Applicants**

- (a) ASBA Applicants may submit the Application Form in physical mode to the Designated Branch of an SCSB where the Applicants have ASBA Account.
- (b) ASBA Applicants may specify the Bank Account number in the Application Form. The Application Form submitted by an ASBA Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- (d) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- (f) ASBA Applicants bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- (h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- (i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- (j) Upon submission of a completed Application Form each ASBA Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.

- (k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- (l) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

#### 4.3.5.3 Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, alongwith instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within 12 Working Days of the Issue Closing Date.

#### 4.3.5.4 Discount (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, applicants may refer to the Prospectus.
- (c) The Applicants entitled to the applicable Discount in the Issue may make payment for an amount *i.e.* the Application Amount less Discount (if applicable).

#### 4.3.6 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

#### 4.4 SUBMISSION OF BID CUM APPLICATION FORM/ REVISION FORM/APPLICATION FORM

##### 4.4.1 Bidders/Applicants may submit completed Bid-cum-application form / Revision Form in the following manner:-

| Mode of Application  | Submission of Bid cum Application Form                                                                 |
|----------------------|--------------------------------------------------------------------------------------------------------|
| Non-ASBA Application | 1) To members of the Syndicate at the Specified Locations mentioned in the Bid cum Application Form    |
|                      | 2) To Registered Brokers                                                                               |
| ASBA Application     | (a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres |
|                      | (b) To the Designated branches of the SCSBs where the ASBA Account                                     |

| Mode of Application | Submission of Bid cum Application Form |
|---------------------|----------------------------------------|
|                     | is maintained                          |

- (a) Bidders/Applicants should not submit the bid cum application forms/ Revision Form directly to the escrow collection banks. Bid cum Application Form/ Revision Form submitted to the escrow collection banks are liable for rejection.
- (b) Bidders/Applicants should submit the Revision Form to the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder/Applicant had placed the original Bid.
- (c) Upon submission of the Bid-cum-Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the Registrar of Companies (RoC) and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.
- (d) Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid-cum-Application Form will be considered as the application form.

## **SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE**

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of the SEBI Regulations. The Issue Price is finalised after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

### **5.1 SUBMISSION OF BIDS**

- (a) During the Bid/Issue Period, ASBA Bidders/Applicants may approach the members of the Syndicate at the Specified Cities or any of the Registered Brokers or the Designated Branches to register their Bids. Non-ASBA Bidders/Applicants who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or any of the Registered Brokers, to register their Bid.
- (b) Non-ASBA Bidders/Applicants (RIIs, Employees and Retail Individual Shareholders) bidding at Cut-off Price may submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount less discount (if applicable) based on the Cap Price with the members of the Syndicate/ any of the Registered Brokers to register their Bid.
- (c) In case of ASBA Bidders/Applicants (excluding NIIs and QIBs) bidding at Cut-off Price, the ASBA Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable). ASBA Bidders/Applicants may approach the members of the Syndicate or any of the Registered Brokers or the Designated Branches to register their Bids.
- (d) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

### **5.2 ELECTRONIC REGISTRATION OF BIDS**

- (a) The Syndicate, the Registered Brokers and the SCSBs may register the Bids using the on-line facilities of the Stock Exchanges. The Syndicate, the Registered Brokers and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- (b) On the Bid/Issue Closing Date, the Syndicate, the Registered Broker and the Designated Branches of the SCSBs may upload the Bids till such time as may be permitted by the Stock

Exchanges.

- (c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/ Allotment. The members of the Syndicate, the Registered Brokers and the SCSBs are given up to one day after the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar for validation of the electronic bid details with the Depository's records.

### **5.3 BUILD UP OF THE BOOK**

- (a) Bids received from various Bidders/Applicants through the Syndicate, Registered Brokers and the SCSBs may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Issue Period.
- (b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the bidding centres during the Bid/Issue Period.

### **5.4 WITHDRAWAL OF BIDS**

- (a) RIIs can withdraw their Bids until finalization of Basis of Allotment. In case a RII applying through the ASBA process wishes to withdraw the Bid during the Bid/Issue Period, the same can be done by submitting a request for the same to the concerned SCSB or the Syndicate Member or the Registered Broker, as applicable, who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- (b) In case a RII wishes to withdraw the Bid after the Bid/Issue Period, the same can be done by submitting a withdrawal request to the Registrar to the Issue until finalization of Basis of Allotment. The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

### **5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS**

- (a) The members of the Syndicate, the Registered Broker and/or SCSBs are individually responsible for the acts, mistakes or errors or omission in relation to
  - i. the Bids accepted by the members of the Syndicate, the Registered Broker and the SCSBs,
  - ii. the Bids uploaded by the members of the Syndicate, the Registered Broker and the SCSBs,
  - iii. the Bid cum application forms accepted but not uploaded by the members of the Syndicate, the Registered Broker and the SCSBs, or
  - iv. With respect to Bids by ASBA Bidders/Applicants, Bids accepted and uploaded by SCSBs without blocking funds in the ASBA Accounts. It may be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant Account.
- (b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- (c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.

- (d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) the BRLMs and their affiliate Syndicate Members (only in the specified locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- (e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

#### 5.5.1 **GROUND FOR TECHNICAL REJECTIONS**

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to the (i) authorised agents of the BRLMs, (ii) Registered Brokers, or (iii) SCSBs, or (iv) Collection Bank(s), or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, *inter alia*, on the following grounds, which have been detailed at various places in this GID:-

- (a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- (b) Bids/Applications by OCBs; and
- (c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- (d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form/Application Form;
- (e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- (f) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- (g) DP ID and Client ID not mentioned in the Bid cum Application Form/Application Form;
- (h) PAN not mentioned in the Bid cum Application Form/Application Form except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- (i) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- (j) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- (k) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;
- (l) Bids/Applications at Cut-off Price by NIIs and QIBs;
- (m) Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to Bids/Applications by ASBA Bidders, the amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- (n) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- (o) In relation to ASBA Bids/Applications, submission of more than five Bid cum Application Forms/Application Form as per ASBA Account;

- (p) Bids/Applications for a Bid/Application Amount of more than Rs. 200,000 by RIIs by applying through non-ASBA process;
- (q) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;
- (r) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;
- (s) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/Issue Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;
- (t) With respect to ASBA Bids/Applications, inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid cum Application Form/ Application Form at the time of blocking such Bid/Application Amount in the bank account;
- (u) Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- (v) With respect to ASBA Bids/Applications, where no confirmation is received from SCSB for blocking of funds;
- (w) Bids/Applications by QIBs (other than Anchor Investors) and Non Institutional Bidders not submitted through ASBA process or Bids/Applications by QIBs (other than Anchor Investors) and Non Institutional Bidders accompanied with cheque(s) or demand draft(s);
- (x) ASBA Bids/Applications submitted to a BRLM at locations other than the Specified Cities and Bid cum Application Forms/Application Forms, under the ASBA process, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;
- (y) Bids/Applications not uploaded on the terminals of the Stock Exchanges;
- (z) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

## 5.6 BASIS OF ALLOCATION

- (a) The SEBI Regulations specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP / Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP / Prospectus.
- (b) Under-subscription in Retail category is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI Regulations. Unsubscribed portion in QIB category is not available for subscription to other categories.
- (c) In case of under subscription in the Net Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Net Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.
- (d) **Illustration of the Book Building and Price Discovery Process**

*Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes bidding by Anchor Investors.*

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of Rs. 20 to Rs. 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

| Bid Quantity | Bid Amount (Rs.) | Cumulative Quantity | Subscription |
|--------------|------------------|---------------------|--------------|
| 500          | 24               | 500                 | 16.67%       |
| 1,000        | 23               | 1,500               | 50.00%       |
| 1,500        | 22               | 3,000               | 100.00%      |
| 2,000        | 21               | 5,000               | 166.67%      |
| 2,500        | 20               | 7,500               | 250.00%      |

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., Rs. 22.00 in the above example. The Issuer, in consultation with the BRLMs, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below Rs. 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of bidding (“Alternate Book Building Process”).

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

## **SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE**

Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue. As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through Syndicate Members/SCSB and/or Bankers to the Issue or Registered Broker.

ASBA Applicants may submit an Application Form either in physical form to the Syndicate Members or Registered Brokers or the Designated Branches of the SCSBs or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only (“ASBA Account”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty % to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

## **SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Investor is will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any Offer for Sale of specified securities). However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

### **7.1 ALLOTMENT TO RIIs**

Bids received from the RIIs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Issue Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot ("Maximum RII Allottees"). The Allotment to the RIIs will then be made in the following manner:

- (a) In the event the number of RIIs who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (*i.e.* who have Bid for more than the minimum Bid Lot).
- (b) In the event the number of RIIs who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the RIIs (in that category) who will then be allotted minimum Bid Lot shall be determined on the basis of draw of lots.

### **7.2 ALLOTMENT TO NIIs**

Bids received from NIIs at or above the Issue Price may be grouped together to determine the total demand under this category. The allotment to all successful NIIs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

### **7.3 ALLOTMENT TO QIBs**

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI Regulations or RHP / Prospectus. Bids received from QIBs bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

- (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for allotment to all QIBs as set out at paragraph 7.4(b) below;



- (b) In the second instance, allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

#### **7.4 ALLOTMENT TO EMPLOYEE RESERVATION PORTION**

- (a) The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Eligible Employees does not exceed ₹ 200,000. The Allotment in the Employee Reservation Portion will be on a proportionate basis. Bidders under the Employee Reservation Portion may Bid at Cut-off Price.
- (b) Bids received from the Eligible Employees at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all the successful Eligible Employees will be made at the Issue Price.
- (c) If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full allocation shall be made to the Employees to the extent of their demand. Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue.
- (d) If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiple of one Equity Share thereafter. For the method of proportionate basis of allocation, refer below.
- (e) Only Eligible Employees can apply under Employee Reservation Portion.

#### **7.5 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)**

- (a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the issuer subject to compliance with the following requirements:
- i. not more than 60% of the QIB Portion will be allocated to Anchor Investors;
  - ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
  - iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:
    - a maximum number of two Anchor Investors for allocation up to Rs. 10 crores;
    - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than Rs. 10 crores and up to Rs. 250 crores subject to minimum allotment of Rs. 5 crores per such Anchor Investor; and
    - a minimum number of five Anchor Investors and maximum number of 25 Anchor Investors for allocation of more than Rs. 250 crores subject to minimum allotment of Rs. 5 crores per such Anchor Investor.
- (b) A physical book is prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

- (c) **In the event that the Issue Price is higher than the Anchor Investor Issue Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.
- (d) **In the event the Issue Price is lower than the Anchor Investor Issue Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

## 7.6 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Issue being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI Regulations.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- (a) Bidders may be categorized according to the number of Equity Shares applied for;
- (b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- (c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;
- (d) In all Bids where the proportionate allotment is less than the minimum bid lot decided per Bidder, the allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;
- (e) If the proportionate allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all bidders in such categories may be arrived at after such rounding off; and
- (f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

## 7.7 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the RHP.
- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the

approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Issue.

- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within 12 Working Days of the Bid/ Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within two Working Days from the date of Allotment, after the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date.

## **SECTION 8: INTEREST AND REFUNDS**

### **8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING**

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 12 Working Days of the Bid/Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 12 Working Days of the Bid/Issue Closing Date.

### **8.2 GROUNDS FOR REFUND**

#### **8.2.1 NON RECEIPT OF LISTING PERMISSION**

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) and obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than Rs. 5 lakhs but which may extend to Rs. 50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than Rs. 50,000 but which may extend to Rs. 3 lakhs, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Bidders/Applicants in pursuance of the RHP/Prospectus.

If such money is not repaid within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

#### **8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION**

If the Issuer does not receive a minimum subscription of 90% of the Net Issue (excluding any offer for sale of specified securities), including devolvement to the Underwriters, within 70 days from the Bid/Issue Closing Date, the Issuer may forthwith, without interest refund the entire subscription amount received. In case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

If there is a delay beyond the prescribed time, then the Issuer and every director of the Issuer who is an officer in default may be liable to repay the money, with interest at the rate of 15% per annum in

accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

### **8.2.3 MINIMUM NUMBER OF ALLOTTEES**

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

### **8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING**

In case an Issuer not eligible under Regulation 26(1) of the SEBI Regulations comes for an Issue under Regulation 26(2) of SEBI Regulations but fails to allot at least 75% of the Net Issue to QIBs, in such case full subscription money is to be refunded.

## **8.3 MODE OF REFUND**

- (a) **In case of ASBA Bids/Applications:** Within 12 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid/Application and also for any excess amount blocked on Bidding/Application.
- (b) **In case of Non-ASBA Bid/Applications:** Within 12 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Bidders/Applicants and also for any excess amount paid on Bidding/Application, after adjusting for allocation/ allotment to Bidders/Applicants.
- (c) In case of non-ASBA Bidders/Applicants, the Registrar to the Issue may obtain from the depositories the Bidders/Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Bidders/Applicants in their Bid cum Application Forms for refunds. Accordingly, Bidders/Applicants are advised to immediately update their details as appearing on the records of their DPs. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Bidders/Applicants' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Bidders/Applicants for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds on account of our Company not receiving the minimum subscription of 90% of the Issue, shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.
- (d) In the case of Bids from Eligible NRIs, FIIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Issuer may not be responsible for loss, if any, incurred by the Bidder/Applicant on account of conversion of foreign currency.

### **8.3.1 Mode of making refunds for Bidders/Applicants other than ASBA Bidders/Applicants**

The payment of refund, if any, may be done through various modes as mentioned below:

- (a) **NECS**—Payment of refund may be done through NECS for Bidders/Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder/Applicant as obtained from the Depository;
- (b) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Bidders/Applicants' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Bidders/Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Bidders/Applicants through this

method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

- (c) **Direct Credit**—Bidders/Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- (d) **RTGS**—Bidders/Applicants having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS; and
- (e) For all the other Bidders/Applicants, including Bidders/Applicants who have not updated their bank particulars along with the nine-digit MICR code, the refund orders may be dispatched through speed post or registered post for refund orders. Such refunds may be made by cheques, pay orders or demand drafts drawn on the Refund Bank and payable at par at places where Bids are received.

Please note that refunds on account of our Company not receiving the minimum subscription of 90% of the Issue, shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc Bidders/Applicants may refer to RHP/Prospectus.

### 8.3.2 Mode of making refunds for ASBA Bidders/Applicants

In case of ASBA Bidders/Applicants, the Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Bids or in the event of withdrawal or failure of the Issue.

## 8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum if refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Bidders/Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 12 Working days of the Bid/Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/ Issue Closing Date, if Allotment is not made.

## SECTION 9: GLOSSARY AND ABBREVIATIONS

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.*

| Term                       | Description                                                                                                                                                                                    |
|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Allotment/ Allot/ Allotted | The allotment of Equity Shares pursuant to the Issue to successful Bidders/Applicants                                                                                                          |
| Allottee                   | An Bidder/Applicant to whom the Equity Shares are Allotted                                                                                                                                     |
| Allotment Advice           | Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges |
| Anchor Investor            | A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI Regulations.                                             |

| <b>Term</b>                                                          | <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Anchor Investor Portion                                              | Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors                                                                                                                                                                  |
| Application Form                                                     | The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue                                                                                                                                                                                                                                                                                                                                                                                  |
| Application Supported by Blocked Amount/ (ASBA)/ASBA                 | An application, whether physical or electronic, used by Bidders/Applicants to make a Bid authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB                                                                                                                                                                                                                                                                                                                                                  |
| ASBA Account                                                         | Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder/Applicant                                                                                                                                                                                                                                                                                                                                                                                                                |
| ASBA Bid                                                             | A Bid made by an ASBA Bidder                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| ASBA Bidder/Applicant                                                | Prospective Bidders/Applicants in the Issue who Bid/apply through ASBA                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Banker(s) to the Issue/ Escrow Collection Bank(s)/ Collecting Banker | The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account(s) may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer                                                                                                                                                                                                                                                                                                                         |
| Basis of Allotment                                                   | The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Issue                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Bid                                                                  | An indication to make an offer during the Bid/Issue Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application                                              |
| Bid /Issue Closing Date                                              | The date after which the Syndicate, Registered Brokers and the SCSBs may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Closing Date                                                                                                                                   |
| Bid/Issue Opening Date                                               | The date on which the Syndicate and the SCSBs may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Opening Date                                                                                                                                                |
| Bid/Issue Period                                                     | Except in the case of Anchor Investors (if applicable), the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders/Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Issue Period for QIBs one working day prior to the Bid/Issue Closing Date in accordance with the SEBI Regulations. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Period |

| <b>Term</b>                                                     | <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Bid Amount                                                      | The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicant upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount                                                                   |
| Bid cum Application Form                                        | The form in terms of which the Bidder/Applicant should make an offer to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Prospectus, whether applying through the ASBA or otherwise. In case of issues undertaken through the fixed price process, all references to the Bid cum Application Form should be construed to mean the Application Form |
| Bidder/Applicant                                                | Any prospective investor (including an ASBA Bidder/Applicant) who makes a Bid pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean an Bidder/Applicant                                                                                                                     |
| Book Built Process/ Book Building Process/ Book Building Method | The book building process as provided under the SEBI Regulations, in terms of which the Issue is being made                                                                                                                                                                                                                                                                                                                        |
| Broker Centres                                                  | Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the Bid cum Application Forms/Application Form to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.                                                                                                            |
| BRLM(s)/ Book Running Lead Manager(s)/Lead Manager/ LM          | The Book Running Lead Manager to the Issue as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM                                                                                                                                     |
| Business Day                                                    | Monday to Friday (except public holidays)                                                                                                                                                                                                                                                                                                                                                                                          |
| CAN/Confirmation of Allotment Note                              | The note or advice or intimation sent to each successful Bidder/Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange                                                                                                                                                                                                                                |
| Cap Price                                                       | The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted                                                                                                                                                                                                                                                                     |
| Client ID                                                       | Client Identification Number maintained with one of the Depositories in relation to demat account                                                                                                                                                                                                                                                                                                                                  |
| Cut-off Price                                                   | Issue Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price                                                                                                       |
| DP                                                              | Depository Participant                                                                                                                                                                                                                                                                                                                                                                                                             |
| DP ID                                                           | Depository Participant's Identification Number                                                                                                                                                                                                                                                                                                                                                                                     |
| Depositories                                                    | National Securities Depository Limited and Central Depository Services (India) Limited                                                                                                                                                                                                                                                                                                                                             |

| Term                                                     | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Demographic Details                                      | Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details                                                                                                                                                                                                                                                                                                                                                                |
| Designated Branches                                      | Such branches of the SCSBs which may collect the Bid cum Application Forms used by the ASBA Bidders/Applicants applying through the ASBA and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>                                                                                                                                                                                                        |
| Designated Date                                          | The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale |
| Designated Stock Exchange                                | The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Discount                                                 | Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI Regulations.                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Draft Prospectus                                         | The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Employees                                                | Employees of an Issuer as defined under the SEBI Regulations and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoter. For further details Bidder/Applicant may refer to the RHP/Prospectus                                                                                                                                                                                                                |
| Equity Shares                                            | Equity shares of the Issuer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Escrow Account                                           | Account opened with the Escrow Collection Bank(s) and in whose favour the Bidders/Applicants (excluding the ASBA Bidders/Applicants) may Issue cheques or drafts in respect of the Bid Amount when submitting a Bid                                                                                                                                                                                                                                                                                                                     |
| Escrow Agreement                                         | Agreement to be entered into among the Issuer, the Registrar to the Issue, the Book Running Lead Manager(s), the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts and where applicable, remitting refunds of the amounts collected to the Bidders/Applicants (excluding the ASBA Bidders/Applicants) on the terms and conditions thereof                                                                                                                                     |
| Escrow Collection Bank(s)                                | Refer to definition of Banker(s) to the Issue                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| FCNR Account                                             | Foreign Currency Non-Resident Account                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| First Bidder/Applicant                                   | The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| FII(s)                                                   | Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India                                                                                                                                                                                                                                                                                                                                                                   |
| Fixed Price Issue/Fixed Price Process/Fixed Price Method | The Fixed Price process as provided under the SEBI Regulations, in terms of which the Issue is being made                                                                                                                                                                                                                                                                                                                                                                                                                               |



| <b>Term</b>                                | <b>Description</b>                                                                                                                                                                                                                                                                                                                                                     |
|--------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Floor Price                                | The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto                                                                                                                                                                       |
| FPIs                                       | Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014                                                                                                                                                                                                                                |
| FPO                                        | Further public offering                                                                                                                                                                                                                                                                                                                                                |
| Foreign Venture Capital Investors or FVCIs | Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000                                                                                                                                                                                                                             |
| IPO                                        | Initial public offering                                                                                                                                                                                                                                                                                                                                                |
| Issue                                      | Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable                                                                                                                                                                                                                                                                                 |
| Issuer/ Company                            | The Issuer proposing the initial public offering/further public offering as applicable                                                                                                                                                                                                                                                                                 |
| Issue Price                                | The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)                                                                                                                                               |
| Maximum RII Allottees                      | The maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.                                                                                                                                                                             |
| MICR                                       | Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf                                                                                                                                                                                                                                                                                     |
| Mutual Fund                                | A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996                                                                                                                                                                                                                                                                                     |
| Mutual Funds Portion                       | 5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form                                                                                                                                                       |
| NECS                                       | National Electronic Clearing Service                                                                                                                                                                                                                                                                                                                                   |
| NEFT                                       | National Electronic Fund Transfer                                                                                                                                                                                                                                                                                                                                      |
| NRE Account                                | Non-Resident External Account                                                                                                                                                                                                                                                                                                                                          |
| NRI                                        | NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares                                                                                                                                  |
| NRO Account                                | Non-Resident Ordinary Account                                                                                                                                                                                                                                                                                                                                          |
| Net Issue                                  | The Issue less reservation portion                                                                                                                                                                                                                                                                                                                                     |
| Non-Institutional Investors or NIIs        | All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals and FPIs which are Category III foreign portfolio investors registered with SEBI, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than Rs. 200,000 (but not including NRIs other than Eligible NRIs) |

| Term                                   | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Non-Institutional Category             | The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form                                                                                                                                                                                                                                                                                                                                                                                                        |
| Non-Resident                           | A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs, FPIs and FVCIs registered with SEBI                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| OCB/Overseas Corporate Body            | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA                                                                                                                                                                                 |
| Offer for Sale                         | Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholders                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Other Investors                        | Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.                                                                                                                                                                                                                                                                                                                   |
| PAN                                    | Permanent Account Number allotted under the IT Act, 1961                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Price Band                             | Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/ Issue Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation |
| Pricing Date                           | The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Issue Price                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Prospectus                             | The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information                                                                                                                                                                                                                                                                                                                                                                                             |
| Public Issue Account                   | An account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| QIB Category                           | The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Qualified Institutional Buyers or QIBs | As defined under the SEBI Regulations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| RTGS                                   | Real Time Gross Settlement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Red Herring Prospectus/ RHP            | The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least three days before the Bid/Issue Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus                                                                          |

| Term                                         | Description                                                                                                                                                                                                                                            |
|----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Refund Account(s)                            | The account opened with Refund Bank(s), from which refunds (excluding refunds to ASBA Bidders/Applicants), if any, of the whole or part of the Bid Amount may be made                                                                                  |
| Refund Bank(s)                               | Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer                                                                                                                                                           |
| Refunds through electronic transfer of funds | Refunds through NECS, Direct Credit, NEFT, RTGS or ASBA, as applicable                                                                                                                                                                                 |
| Registered Broker                            | Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate                                                                                                                                 |
| Registrar to the Issue/RTI                   | The Registrar to the Issue as disclosed in the RHP/Prospectus and Bid cum Application Form                                                                                                                                                             |
| Reserved Category/ Categories                | Categories of persons eligible for making application/bidding under reservation portion                                                                                                                                                                |
| Reservation Portion                          | The portion of the Issue reserved for category of eligible Bidders/Applicants as provided under the SEBI Regulations                                                                                                                                   |
| Retail Individual Investors / RIIs           | Investors who applies or bids for a value of not more than Rs. 200,000.                                                                                                                                                                                |
| Retail Individual Shareholders               | Shareholders of a listed Issuer who applies or bids for a value of not more than Rs. 200,000.                                                                                                                                                          |
| Retail Category                              | The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum bid lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis. |
| Revision Form                                | The form used by the Bidders in an issue through Book Building process to modify the quantity of Equity Shares and/or bid price indicates therein in any of their Bid cum Application Forms or any previous Revision Form(s)                           |
| RoC                                          | The Registrar of Companies                                                                                                                                                                                                                             |
| SEBI                                         | The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992                                                                                                                                      |
| SEBI Regulations                             | The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009                                                                                                                                            |
| Self Certified Syndicate Bank(s) or SCSB(s)  | A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a> |
| Specified Locations                          | Refer to definition of Broker Centers                                                                                                                                                                                                                  |
| Stock Exchanges/ SE                          | The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed                                                                                                  |
| Syndicate                                    | The Book Running Lead Manager(s) and the Syndicate Member                                                                                                                                                                                              |
| Syndicate Agreement                          | The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of the Bids in this Issue (excluding Bids from ASBA Bidders/Applicants)                                                                                 |

| <b>Term</b>            | <b>Description</b>                                                                                                                                                                                                                                                                                                        |
|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Syndicate Member(s)/SM | The Syndicate Member(s) as disclosed in the RHP/Prospectus                                                                                                                                                                                                                                                                |
| Underwriters           | The Book Running Lead Manager(s) and the Syndicate Member(s)                                                                                                                                                                                                                                                              |
| Underwriting Agreement | The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date                                                                                                                                                                                                                    |
| Working Day            | All days other than a Sunday or a public holiday on which commercial banks are open for business, except with reference to announcement of Price Band and Bid/Issue Period, where working day shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India |

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are FIPB and the RBI.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The DIPP, issued D/o IPP F. No. 5(1)/2015-FC-1 dated May 12, 2015 (“FDI Policy”), which with effect from May 12, 2015, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on May 11, 2015. However, Press Note 4 of 2015 dated April 24, 2015 regarding policy on foreign investment in pension sector, will remain effective. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (“FDI”) Policy and transfer does not attract the provisions of the Takeovers Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

**The Equity Shares have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and applicable laws of the jurisdictions where such offers and sales occur.**

**The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.**

## SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

*Capitalized terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI Regulations, the main provisions of the Articles of Association of our Company are detailed below:*

### Part A of the Articles of Association

#### Authorised Share Capital

Article 2 provides that “the authorised share capital of the Company shall be ₹ 4,030,000,000 with power to increase and reduce the capital for the time being of the Company, into several classes and to attach thereto respectively preferential, deferred, qualified or special rights, privileges, or conditions as may be determined by or in accordance with regulations of the Company and to vary, modify, or abrogate any such rights, privileges or conditions in such manner as may for the time being provided by the Company.”

Article 4 provides that “the Company may issue equity shares with voting rights and/or with differential rights as to dividend, voting or otherwise in accordance with the Act, and preference shares.”

#### Increase, reduction and alteration in capital

Article 57 provides that “subject to the provisions of the Act, the Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.”

Article 58 provides that “subject to the provisions of the Act, the Company, may by ordinary resolution, -

- (a) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;
- (b) convert all or any of its fully paid-up shares into stock, and reconvert the stock into fully paid-up shares of any denomination;
- (c) sub-divide its existing shares or any of them into shares of a smaller amount than is fixed by the memorandum;
- (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.”

Article 71 provides that “notwithstanding anything contained in the Articles but subject to the provisions of the Act or any other law for the time being in force, the Company may purchase its own Shares or other specified securities, as may be specified by the Ministry of Corporate Affairs, by way of a buy-back arrangement, in accordance with Sections 68, 69 and 70 of the Companies Act, 2013 and subject to compliance with the law. When the Company buys back its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to the securities premium account, in accordance with the provisions of the Act.”

Article 63 provides that “subject to applicable provisions of the Act, the Company may from time to time by special resolution reduce its share capital in any way and in particular and without prejudice to the generally of the foregoing powers:

- (a) extinguish or reduce the liability on any of its shares in respect of share capital not paid up; or
- (b) either with or without extinguishing or reducing liability on any of its shares cancel any paid-up share capital which is lost or is unrepresented by available assets, or
- (c) either with or without extinguishing or reducing liability on any of its shares, pay off any paid-up share capital which is in excess of the wants of the Company.
- (d) and may, if so far as is necessary, alter its Memorandum by reducing the amount of its share capital and of its shares accordingly.

The Company may, subject to the applicable provisions of the Act from time to time, reduce its capital redemption reserve account and the securities premium account in any manner for the time being authorized by law.”

#### **Payment of commission and brokerage**

Article 13 provides that “the Company may exercise the powers of paying commissions conferred under the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required under the Act.”

Article 14 provides that “the rate or amount of the commission shall not exceed the rate or amount prescribed under the Act.”

Article 15 provides that “the commission may be satisfied by the payment of cash or the allotment of fully or partly paid Shares or partly in the one way and partly in the other.”

#### **Calls**

Article 29 provides that “subject to the provisions of the Act, the Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. Each member shall, subject to receiving at least fourteen days’ notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares. A call may be revoked or postponed at the discretion of the Board.”

Article 30 provides that “a call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by installments.”

Article 31 provides that “the joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.”

Article 32 provides that “if a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at 10% per annum or at such lower rate, if any, as the Board may determine. The Board shall be at liberty to waive payment of any such interest wholly or in part.”

Article 33 provides that “any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.”

Article 34 provides that “the Board may, if it thinks fit, subject to the applicable provisions of the Act, agree to and receive from any member willing to advance the same, all or any part of the monies remaining unpaid or any Shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advance has been made, the Company pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, 12% per annum, as may be agreed upon between the Board and the member paying the sum in advance, provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

The Member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.”

#### **Forfeiture, surrender and lien**

Article 49 provides that “if a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.”

Article 51 provides that “if the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.”

Article 52 provides that “a forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.”

Article 53 provides that “a person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.”

Article 55 provides that “the provisions of these Articles as to forfeiture shall apply in the case of non payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.”

Article 23 provides that “the Company shall have a first and paramount lien on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share, and on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company. Provided that the Board of directors may, at any time, declare any share to be wholly or in part exempt from the provisions of this clause.”

Article 26 provides that “the Company may sell, in such manner the Board thinks fit, any shares on which Company has a lien. Provided that no sale shall be made unless a sum in respect of which the lien exists is presently payable, or until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.”

### **Transfer and transmission of shares**

Article 36 provides that “the instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.”

Article 37 provides that “subject to the applicable provisions of the Act, including the right of appeal conferred under Section 58 of the Act and Section 22A of the Securities Contracts (Regulations) Act, 1956, the Directors may, by reason, decline to register or acknowledge any transfer of Shares whether fully paid or not and the right of refusal, shall not be affected by the circumstance that the proposed transferee is already a Member of the Company but in such cases, the Board shall within one month from the date on which the instrument of transfer was lodged with the Company send to the transferee and the transferor notice of the refusal to register such transfer provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company or any account whatsoever except when the Company has a lien on the Shares. However, no transfer of Shares shall be refused on the ground of them not being held in marketable lots.”

Article 39 provides that “the Board may decline to recognise any instrument of transfer unless the instrument of transfer is in the form as prescribed under the Act, the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer, and the instrument of transfer is in respect of only one class of shares.”

Article 43 provides that “on the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares. Provided that nothing in clause shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.”



In addition, Article 44 provides that “any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either to be registered himself as holder of the share, or to make such transfer of the share as the deceased or insolvent member could have made. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.”

### **Borrowing Powers**

Article 66 provides that “subject to the provisions of the Act and these Articles and without prejudice to the other powers conferred by these Articles, the Directors shall have power from time to time at their discretion to accept deposits from members of the Company either in advance of calls or otherwise and generally to raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company provided that the total amount raised, borrowed or secured and outstanding at any time together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid-up capital of the Company and its free reserves that is reserves, which, as per the latest audited balance sheet of the Company, are available for distribution as dividend.”

In addition, Article 67 provides that “subject to the provisions of these Articles, the payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects, as the Company in General Meeting shall prescribe including the issue of bonds, debentures, debenture-stock of the Company charge upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being and the bonds, debentures, debenture-stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.”

Article 68 provides that “subject to the provisions of the Act and these Articles any bonds, debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise, and may be issued on the condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise debentures with right of allotment of or conversion into shares shall be issued only with the consent of the Company in General Meeting by a special resolution.”

### **Conversion of shares into stock**

Article 59 provides that “the Company may, by ordinary resolution:

- (a) convert any fully paid-up shares into stock; and
- (b) re-convert any stock into fully paid-up shares of any denomination.”

In addition, Article 60 provides that “the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.”

### **Convening General Meeting**

Article 72 provides that “the Company” shall, in each year, hold in addition to any other meetings, a General Meeting (herein called an “Annual General Meeting”) at the intervals and in accordance with the provision herein specified. The Annual General Meeting of the Company shall be held within six months after the expiry of each financial year; provided however, that if the Registrar of Companies shall have for any special reason extend the time within which any Annual General Meeting shall be held by a further period not exceeding three months, the Annual General Meeting may be held within the additional time fixed by the Registrar. Except in the cases where the Registrar has given an extension of time as aforesaid for holding any Annual General Meeting not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next.

Every Annual General Meeting shall be called for a time during business hours, that is between 9 a.m. and 6 p.m. and on such day (not being a national holiday, as defined in the Act) as the Directors may from time to

time determine and it shall be held either at the Registered Office of the Company or at some other place within the city, town or village in which the Registered Office of the Company is situated. The notice calling the meeting shall specify it as the Annual General Meeting.”

Article 74 provides that “the Board may, whenever it thinks fit, call an extraordinary general meeting.”

In addition, Article 75 provides that “the Board of Directors shall, on the requisition of such number of members of the Company as hold in regard to any matter at the date of deposit of the requisition, not less than one-tenth of such of the paid-up capital of the Company as at that date carries the right of voting in regard to that matter, forthwith proceed duly to call an Extra ordinary General Meeting of the Company and the applicable provisions of the Act (including the provisions below) shall be applicable.”

Article 84 provides that “no business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as otherwise provided herein, the quorum for the general meetings shall be as provided in the Act.”

### **Certain matters not to be included in Minutes**

Article 90 (ii) provides that “there shall not be included in the minutes any matter which, in the opinion of the Chair person of the meeting-

- (a) is, or could reasonably be regarded, as defamatory of any person; or
- (b) is irrelevant or immaterial to the proceedings; or
- (c) is detrimental to the interests of the Company.”

### **Votes of Members**

Article 94 provides that “subject to the provisions of the Act, at any General Meeting, a resolution put to the vote of the meeting shall unless a poll is demanded, be decided on a show of hands or voting is carried out electronically. A declaration by the Chairman that on a show of hands a resolution has or has not been carried or has or has not been carried unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.”

In addition, Article 95 provides that “subject to the provisions of the Act, before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting on his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and fulfilling the requirements as laid down in Section 109 of the Companies Act, 2013, for the time being in force. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.”

Article 89 provides that “on any business at any general meeting in the case of an equality of votes, whether on a show of hands, electronically or on a poll, the Chairman of the meeting shall have second or casting vote.”

### **Proxies**

Article 103 provides that “an instrument appointing a proxy shall be in the form as prescribed under the Act.”

In addition, Article 102 provides that “the instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.”

Article 104 provides that “a vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Shares in respect of which the proxy is given.

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the

proxy is used.”

## **Directors**

Article 106 provides that “until otherwise determined by a General Meeting of the Company and subject to the provisions of the Act, the number of Directors shall not be less than three nor more than 15.”

Article 120 provides that “notwithstanding anything to the contrary contained in these Articles, so long as any moneys shall be owed by the Company to the any financial institutions, corporations, banks or such other financing entities, or so long as any of the aforesaid banks, financial institutions or such other financing entities hold any Shares/debentures in the Company as a result of subscription or so long as any guarantee given by any of the aforesaid financial institutions or such other financing entities in respect of any financial obligation or commitment of the Company remains outstanding then in that event any of the said financial institutions or such other financing entities shall, subject to an agreement in that behalf between it and the Company, have a right but not an obligation, to appoint one or more persons as Director(s) on the Board of Director as their nominee on the Board of Company. The aforesaid financial institutions or such other financing entities may at any time and from time to time remove the Nominee Director appointed by it and may in the event of such removal and also in case of the Nominee Director ceasing to hold office for any reason whatsoever including resignation or death, appoint other or others to fill up the vacancy. Such appointment or removal shall be made in writing by the relevant corporation and shall be delivered to the Company shall have no power to remove the Nominee Director from office. Each such Nominee Director shall be entitled to attend all General Meetings, Board Meetings and meetings of the Committee of which he is a member and he and the financial institutions or such other financing entities appointing him shall also be entitled to receive notice of all such meetings. The Nominee Directors shall be paid such fees, allowances, expenses and other moneys to which other Directors are entitled.”

Article 116 provides that “the Board may appoint an alternate director to act for a Director (hereinafter in this Article called the “Original Director”) during his absence for a period not less than three months from India. No person shall be appointed as an alternate Director for an Independent Director unless he is qualified to be appointed as an Independent Director under the provisions of the Act. An Alternate Director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when Original Director returns to India. If the term of office of the Original Director is determined before he return to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not the alternate director.”

Article 115 provides that “subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an Additional Director, provided the number of the Directors and Additional Directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles. Such person shall hold office only up to the date of the next Annual General Meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.”

Article 110 provides that “subject to the provisions of the Act, the remuneration of a Director for his services shall be such sum as may be determined by the Board of Directors, but not exceeding the sum as may be prescribed from time to time under the Act without approval of the Central Government under the applicable provisions of the Act for each meeting attended by him and subject to the limitations provided by the Act such additional remuneration as may be fixed by the Company, may be paid to any one or more of their numbers for services rendered by him or them and the Directors shall be paid further remuneration (if any) as the Company in General Meeting shall from time to time determine, and such further remuneration shall be divided among the Directors in proportion and manner as the Directors may from time to time determine, and in default of such determination within the year equally.”

## **Key Managerial Personnel/Managing Director/Whole-Time Director**

Article 135(i) provides that “subject to the provisions of the Act and of these Articles the Board shall have power to appoint from time to time any of its members as Managing Director or Managing Directors and/or Whole-time Directors of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions, including liability to retire by rotation, as the Board thinks fit, and the Board may by resolution vest in such Managing Director or Managing Directors/Whole-time Director(s), such of the power hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such condition and subject to such restriction as it may determine, the remuneration of such Directors may

be way of monthly remuneration and/ or fee for each meeting and/or participation in profits, or by any or all of those modes, or of any other mode not expressly prohibited by the Act.”

Article 137 provides that “subject to the provisions of the Act and with such sanction of the Central Government as may be required thereunder, and subject to the provisions of these Articles, the Board of Directors shall have power to appoint, from time to time to appoint one or more Key Managerial Personnel upon such terms and conditions as they may deem fit, in accordance with the applicable provisions of the Act and may from time to time remove or dismiss him or them from office and appoint another or others in his or their place or places.”

### **Proceedings of Board of Directors**

Article 122 provides that “subject to the applicable provisions of the Companies Act, 2013, a minimum number of four meetings of the Board of Directors shall be held every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board of Directors. The Directors may adjourn and otherwise regulate their Meetings and proceedings as they may deem fit. A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board. The quorum for a Board meeting shall be as provided in the Act.”

Article 130 provides that “save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, whether manually or electronically, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.”

### **Dividends**

Article 140 provides that “the Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board, but the Company in a general meeting may declare a lesser dividend.”

Article 143 provides that, “subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the Shares in the Company, dividends may be declared and paid according to the amounts of the Shares.”

Article 142 provides that “the Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Board may, from time to time, think fit. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.”

Article 141 provides that “subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of Shares as appear to it to be justified by the profits of the Company.”

### **Capitalisation of Profits**

Article 69 provides that “the Company in general meeting may, upon the recommendation of the Board, resolve-

- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
- (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in the above clause, either in or towards—

- (a) paying up any amounts for the time being unpaid on any shares held by such members respectively;

- (b) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
- (c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);
- (d) A securities premium account and a capital redemption reserve account or any other funds as may be required, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
- (e) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.”

### **Winding up**

Article 163 provides that “subject to the applicable provisions of the Act—

- (a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
- (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any Shares or other securities whereon there is any liability.”

### **Indemnity and Insurance**

Article 164 provides that “subject to the provisions of the Act, every Director, Managing Director, Whole time Director, Manager, Company Secretary, Key Managerial Person and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses, expenses (including travelling expenses) which such Director, Managing Director, Whole Time Director, Manager, Company Secretary, Key Managerial Person and other officer may incur or may become liable for by reason of any contract entered into or act or deed done by him in his capacity as such Director Managing Director, Whole Time Director, Manager, Company Secretary, Key Managerial Person or other officer or in anyway in discharge of his duties in such capacity including expenses.

Subject as aforesaid every Director, Managing Director, Whole time Director, Manager, Company Secretary, Key Managerial Person and other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.

The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial person or indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.”

## **Part B of the Articles of Association**

*Part II of the Articles includes the relevant rights and obligations of the parties to:*

- (i) *the Shareholders’ Agreement dated August 18, 2010 (the “Original Agreement”), as amended by the Amendment Agreement to the Shareholders’ Agreement dated August 26, 2010 (the “Amendment Agreement”), Amendment No. 2 to the Shareholders’ Agreement dated September 13, 2010 (the “Amendment No. 2”), and Amendment No. 3 to the Shareholders; Agreement dated September 11, 2012 (the “Amendment No. 3”) entered into between our Company, SEL, Norwest and Xander (Original Agreement, Amendment No. 2 and Amendment No. 3 are collectively referred to as “Shareholders’ Agreement”);*

- (ii) *Rupee Loan Agreement dated September 26, 2009 (“Rupee Loan Agreement”) entered into between our Company and ICICI Bank Limited (in its capacity as Lender and Lenders’ Agent, the “Lender”) for a rupee term loan of ₹ 1800 million;*
- (iii) *Subscription Agreement dated September 28, 2012 entered into between ICICI Bank Limited (“SEL Subscriber”) and SEL (“Subscription Agreement”), as amended by Amendment No. 1 to the Subscription Agreement in March 2013;*
- (iv) *Share Pledge Agreement dated March 16, 2013 entered into between our Company, ICICI Bank Limited and SEL;*
- (v) *Debenture Trust Cum Mortgage Deed dated June 6, 2014 entered into between our Company and ITCL; and*
- (vi) *Unattested Share Pledge Agreement dated May 28, 2014 entered into between the Sadbhav Engineering Limited, the Company and ITCL (“Debenture Trustee”) in relation to the pledge of shares of our Company (“Pledge Agreement”).*

*In the event of any inconsistency between Part I and Part II of the Articles of Association, the provisions of Part II shall prevail over Part I of the Articles of Association. However, Part II of the Articles of Association shall automatically terminate and cease to have any force and effect and deemed to fall away on and from the date of listing of the Equity Shares of the Company on a stock exchange in India subsequent to the initial public offering of Equity Shares of the Company without any further action by the Company or by the shareholders.*

## **Definitions**

In the interpretation of the Articles, unless repugnant to the subject context:-

- (i) “Equity Securities” means any equity security of or shares of any class of capital stock (equity, preference or otherwise) of our Company and any convertible bonds, warrants, stock options and any other type of equity or equity-linked securities convertible, exercisable or exchangeable for any such equity security or shares of any class of capital stock;
- (ii) “Equity Shares” means the Equity Shares, par value ₹ 10 each, of our Company having the rights and preferences set forth in these Articles;
- (iii) “Financing Document” means the Rupee Loan Agreement dated September 26, 2009 executed between the Lender and our Company for a rupee term loan of ₹ 1800 million and any other security documents or agreements required to be executed under the Rupee Loan Agreement and any sponsor support undertakings and any non-disposal undertakings and/or agreements and/or other similar contractual arrangements for credit enhancement entered into by the Promoter in relation to the Rupee Loan Agreement;
- (iv) “Investor” means Norwest Venture Partners VII-A-Mauritius, a private company limited by shares organized under the laws of Mauritius with its principal office at c/o International Financial Services Limited, IFS Court, Twenty Eight, Cyber city, Ebene, Mauritius and Xander Investment Holding XVII Limited, a private company limited by shares organized under the laws of Mauritius with its principal office at 4th Floor, Les Cascades, Edith Cavell Street, Port Louis, Mauritius.

## **Transfer of Shares**

Notwithstanding anything contained in the Shareholders’ Agreement and the Subscription Agreement, the restrictions with respect to the transferability of Equity Securities contained in the Articles, and the Shareholders Agreement and Subscription Agreement, shall not be applicable to 4,161,147 Equity Shares of our Company which are pledged in favour of Debenture Trustee in accordance with the Pledge Agreement for securing 1,405,405 rated listed redeemable nonconvertible debentures issued by our Company on May 30, 2014.

Notwithstanding any other provision under the Articles, no SEL shareholder shall, without the prior written consent of the Investors, transfer to any person at any time prior to the public listing of the Equity Shares conducted in accordance with the terms of the Articles, any Equity Securities that would result in a change of control.

If at any time an Investor desires to transfer all or any portion of the Equity Securities of our Company held by it to a competitor, such transferring Investor shall deliver to SEL a written notice setting forth the number or amount of Equity Securities proposed to be transferred.

In addition, the Investor shareholders shall have the right of first refusal and tag along rights with respect to Equity Securities offered by the shareholders, subject to the restrictions on transfer set forth in the Articles.

Subject to the Financing Documents and to certain restrictions contained in the Articles, Investor shareholders and SEL shareholders shall have pre-emptive rights in respect of any proposed issuance of Equity Securities by our Company, and our Company shall by a new issue notice specify the type, number and description of the new securities to be sold, the price at which such they are to be issued, the identity of the proposed recipient and the other key terms and conditions of the issuance. The proposed recipient shall be entitled to purchase up to its pro rata share of the new securities proposed to be issued.

### **Meeting of Shareholders**

Article 41 provides that each shareholder shall vote its Equity Securities in our Company at any shareholders meeting, upon any matter submitted for action by the shareholders or with respect to which such shareholder may vote, in conformity with the specific terms and provisions of the Articles.

### **Notice for Calling Shareholders Meeting**

Subject to the provisions of the Articles, a minimum of 21 business days' prior written notice shall be given to all the shareholders of any shareholders meeting, accompanied by the agenda for such meeting (unless otherwise unanimously agreed by all shareholders for a meeting with shorter notice).

### **Quorum at General Meeting**

A quorum for a shareholders meeting shall, subject to the requirements of the Act, include the presence of each of the Investors (in its capacity as a Shareholder), unless such Investor has given its prior written consent waiving the condition that its presence be required to constitute a quorum. If such a quorum is not present within one hour from the scheduled commencement time for the meeting, the meeting shall adjourn to the same place and time seven business days later, at which meeting the shareholders present shall, subject to their constituting a valid quorum under the Act, constitute a valid quorum.

Provided that where the agenda of such shareholders meeting includes matters that require the prior written consent of the Investors, each of the Investors shall be required to be present at such adjourned shareholders meeting to constitute a valid quorum, and notice of such adjourned meeting shall have been delivered to all shareholders at least five business days prior to the date. Provided further that, at least one day prior to any shareholders' meeting or the adjournment thereof, the Investors notify our Company in writing that the Investors expressly consent to approve a proposed action with respect to any of the matters requiring prior written consent of Investors, no action shall be taken at such meeting with respect to such matter and any shareholders' resolution approving such action, regardless of whether a quorum is present or deemed to be present, shall be deemed to be invalid and void ab initio.

### **Vote of Members**

Subject to the occurrence of an event of default, the Lender shall be entitled to exercise any and all voting and other consequential rights pertaining to shares pledged by our Company to the Lender, except for the right to sell, transfer, assign, charge, pledge or otherwise encumber such pledged shares and for all or any part thereof for any purpose inconsistent with the terms of the pledge agreement. All such rights of the pledgor to vote shall cease forthwith upon the occurrence of an event of default and the provisions of the Articles shall apply. The Lender of our Company's shares shall, if so authorized by the terms of the said pledge agreement, irrevocably authorize any security trustee, upon the occurrence of an event of default, to attend any general meeting of members of our Company and to exercise the voting rights in respect of such pledge shares in any manner as such security trustee may deem fit.

### **Number of Directors**

The board of directors of our Company shall consist of no more than 12 directors. A Company director shall not be required to hold any qualifying shares.

### **Corporation Director**

Notwithstanding anything to the contrary contained in the Articles, the Lender shall be entitled to appoint one nominee director on the Board of our Company in accordance with the terms of the Financing Document and to remove from such office any person or persons, so appointed, and to appoint any person or persons in his or their place(s). Any such director appointed by the Lender shall not be required to hold qualification shares and shall not be liable to retire by rotation.

### **Debenture Director**

It is provided by the trust deed securing or otherwise, in connection with any issue of debentures of our Company that any person or persons shall have power to nominate a director of our Company, in the case of any and every such issue of debentures. A debenture director so appointed may be removed from office at any time by the person or persons by whom he was appointed and another director may be appointed in his place.

### **Appointment of Alternate Director**

Each Company director may appoint an alternate director from time to time to act in his or her absence who shall be entitled to receive notices of meetings of the board or shareholders meetings and to attend and vote as a Company director, and to exercise all the powers, rights, duties and authorities and to perform all functions of our Company director appointing him or her.

### **Proceedings of the Board of Directors**

#### **Meeting of Directors**

Our Company shall hold regular quarterly meetings of the board to review their respective performance of the previous fiscal quarter and to decide on matters requiring the approval of the board, including interim board meetings as often as necessary to discuss and decide on issues which require urgent attention of the board.

#### **Directors may appoint committee**

The board shall establish a compensation committee and an audit committee at the meeting of the board, and establish any other such committees as it shall determine. The maximum number of Company directors that may be appointed to any such committee will be five. The Investors shall have the right but not the obligation to nominate and appoint up to two Company directors to each of the committees established by the board including the Compensation and Audit Committee.

### **Investor Approval**

Notwithstanding anything to the contrary in the Articles, our Company shall take no action, and each of our Company, SEL shareholders and the new shareholders shall procure that none of the group entities, the board, the boards of directors of any group entity, the committees of the board and the boards of directors of any group entity, the directors, officers, employees and agents of our Company and/or the group entities and none of their respective delegates shall take any action, directly or indirectly with respect to any of the matters set forth in Article 83 of the Articles requiring the prior written consent of Investors.

### **Dividend Policy**

The board shall consider the amount of our Company's net debt, cash, capital expenditures, working capital requirements and other financial considerations, among other factors, in determining the amount of the cash dividend to be declared and distributed.

### **Additional Investment**

SEL has invested Additional Investment Amount (as defined under the Shareholders Agreement) through the subscription, in cash, of New Equity Shares (as defined under the Shareholders Agreement) and by way of compulsory convertible debentures (Promoter CCDs, as defined under the Shareholders Agreement). The subscription price for the New Equity Shares and the initial conversion price of the Promoter CCDs shall be based upon a pre-money valuation of our Company equal to the Closing Valuation (as defined under the Shareholders Agreement) (the conversion of the Promoter CCDs to be adjusted pursuant to and in accordance with Section 11.3 of the Shareholders Agreement). Terms of the Promoter CCDs are as set out under the



## Shareholders Agreement.

### **Exit Event**

It is the intention that our Company will consummate an exit event as soon as possible taking into account then current market conditions, but in any event, on or prior to the exit date. Our Company and SEL shareholders shall use their respective best efforts to cause our Company to consummate an exit event on or prior to the exit date. In the event that our Company and the SEL shareholders, after exercising their respective best efforts, fail to consummate an exit event on or prior to the exit date, our Company and SEL shareholders shall use their respective best efforts to consummate an exit event on or prior to the grace period date; provided that and without limiting any rights of the Investor Shareholders under Article 83, following the exit date but prior to the grace period date, none of our Company or any Group Entity shall raise any equity financing other than (i) with the prior written consent of the Investors or (ii) through the issuance of Equity Shares at a price per Equity Share (determined on a Fully-Diluted Basis) in excess of 2 times the Deemed Company Valuation.

### **Qualified IPO**

Our Company shall bear and pay all expenses incurred in connection with a Qualified IPO, including all registration, filing and qualification fees, and printers, legal and accounting fees and disbursements. Each of our Company and SEL shareholders shall use its respective best efforts to enable the Investor shareholders to maximize the number of Equity Securities of our Company that can be offered for secondary sales as part of an initial public offering of Equity Securities of our Company, in consultation with the appointed merchant banker for such offering on the same terms and conditions as the primary shares offered to the public by our Company and in priority to any Equity Securities of our Company held by any other shareholder.

## **SECTION IX: OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

#### **A. Material Contracts for the Issue**

1. Offer Agreement dated May 25, 2015 between our Company, the Selling Shareholders and the BRLMs, as amended by Amendment Agreement of the same date.
2. Agreement dated May 22, 2015 between our Company, the Selling Shareholders and the Registrar to the Issue, as amended by Amendment Agreement dated May 25, 2015.
3. Escrow Agreement dated [●] between our Company, the Selling Shareholders, the Registrar to the Issue, the BRLMs, the Syndicate Members and the Escrow Collection Bank(s).
4. Share Escrow Agreement dated [●] between the Selling Shareholders, the BRLMs, our Company and the Escrow Agent.
5. Syndicate Agreement dated [●] between our Company, the Selling Shareholders, the BRLMs and the Syndicate Members.
6. Underwriting Agreement dated [●] between our Company, the Selling Shareholders and the Underwriters.

#### **B. Material Documents**

1. Certified copies of the updated Memorandum and Articles of Association of our Company as amended from time to time.
2. Certificate of incorporation dated January 18, 2007.
3. Certificate for commencement of business dated February 7, 2007.
4. Resolutions of the Board of Directors dated October 22, 2014 in relation to the Issue and other related matters.
5. Shareholders' resolution passed on October 22, 2014 in relation to the Issue and other related matters.
6. Resolution of the Board of Directors dated April 14, 2015 in relation to the Issue.
7. Shareholders' resolution passed on April 15, 2015 in relation to the Issue.
8. Resolution of the Board of Directors dated May 20, 2015 in relation to the Issue.
9. Resolution passed by the board of directors of Norwest on May 21, 2015 approving the Offer for Sale.
10. Resolution passed by the board of directors of Xander on May 2, 2015 approving the Offer for Sale.
11. Consent from Xander dated May 20, 2015 in relation to the Offer for Sale.
12. Consent from Norwest dated May 21, 2015 in relation to the Offer for Sale.

13. The audit reports of the auditor of DPTL on the audited financial statements of DPTL included in this Draft Red Herring Prospectus.
14. The examination reports of the Joint Auditors, on our Company's Restated Financial Statements, included in this Draft Red Herring Prospectus.
15. The Statement of Tax Benefits dated May 23, 2015 from the Joint Auditors.
16. Consent of the Directors, the BRLMs, Domestic Legal Counsel to our Company, Domestic Legal Counsel to the BRLMs, International Legal Counsel to the BRLMs, Registrar to the Issue, Bankers to our Company, Company Secretary and Compliance Officer as referred to in their specific capacities.
17. Share Subscription Agreement dated August 18, 2010 and Shareholders Agreement dated August 18, 2010 along with the Amendment Agreements dated August 26, 2010, September 13, 2010 and September 11, 2012 and November 11, 2014 entered between our Company, SEL, Norwest and Xander.
18. Consolidation Agreement dated August 25, 2010 entered into between our Company, SEL, Norwest and Xander.
19. Share Purchase Agreement dated May 4, 2011 entered into between Ramlal Wadhawan, Rampal Roshanlal Wadhawan, Balkrishan Wadhawan, Narayan Ganesh Thatte, Subhaschandra Pritamlal Wadhwan, Neena B. Wadhawan, Vishal Balkrishan Wadhawan, Deepak Ramlal Wadhawan, Monica Talwar, Veena Wadhawan, Ramlal Ramanlal Wadhawan and Rajesh Sunil Ramlal Wadhawan, our Company, PBA and AJTL.
20. Share Purchase Agreement dated November 3, 2014 entered into between our Company, PIPL and ARRIL.
21. Shareholders Agreement dated July 9, 2010 entered into between our Company, SEL, MCL and BHTPL.
22. Share Purchase Agreement dated September 20, 2014 as amended by way of First Amendment dated September 20, 2014 entered into between our Company, GKC and HYTPL, Second Amendment dated December 3, 2014 and Third Amendment dated December 8, 2014 entered into between our Company, GKC and HYTPL.
23. Share Purchase Agreement dated September 22, 2010 entered into between our Company, MBCPNL and SEL.
24. Share Purchase cum Shareholders' cum Sub-ordinate Debt Agreement dated September 18, 2013 entered into between our Company, SEL, D. Thakkar Construction Private Limited and MBCPNL.
25. Funding and Shareholders Agreement dated July 20, 2007 entered into between our Company, SEL, SREI Infrastructure Finance Limited and NSEL.
26. Share Purchase Agreement dated October 14, 2011 entered into between our Company, SEL, SREI Venture Capital Trust A/c Infrastructure Project Development Fund, SREI Infrastructure Finance Limited and NSEL.
27. Share Purchase Agreement dated September 22, 2010 entered into between our Company and SEL in relation to the purchase of NSEL shares by our Company.
28. Share Purchase Agreement dated September 22, 2010 entered into between our Company and SEL in relation to the transfer of shares of DPTL.
29. Share Purchase Agreement dated November 3, 2014 entered into between our Company, SEL and DPTL.
30. Share Purchase Agreement dated November 3, 2014 entered into between our Company, SEL

and MBHPL.

31. Share Purchase Agreement dated September 22, 2010 entered into between our Company and SEL in relation to the transfer of shares of MNEL.
32. Binding Term Sheet dated January, 2015 entered into between our Company, SEL and Gammon Infrastructure Projects Limited for purchase of equity shares of MNEL.
33. Share Purchase Agreement dated November 4, 2014 entered into between our Company, SEL and MBCPNL in relation to the transfer of shares of MBCPNL.
34. Funding and Shareholder Agreement dated September 18, 2006 entered into between SEL, PIPL and ARRIL.
35. Funding and Shareholders Agreement dated June 20, 2007 entered into between our Company, PBA, SEL and AJTL.
36. Employment Agreement dated September 22, 2010 entered into by our Company and Vasistha Patel.
37. Non – Compete Agreement dated October 22, 2014 entered into between our Company and SEL.
38. Shareholders Agreement dated December 18, 2009 entered into between our Company, SEL, DPTL Shareholders and DPTL.
39. Share Purchase Agreement dated April 16, 2015 entered into between our Company, SEL, DPTL, HCC and HCC Concessions.
40. Equity Subscription and Sub-ordinated Loan Agreement dated December 18, 2009 entered into between our Company, SEL, the Contributors and DPTL
41. Due Diligence Certificate dated May 25, 2015 addressed to SEBI from the BRLMs.
42. In principle listing approvals dated [●] and [●] issued by BSE and NSE respectively.
43. Tripartite agreement dated January 11, 2011 between our Company, NSDL and the Registrar to the Issue.
44. Tripartite agreement dated December 25, 2010 between our Company, CDSL and the Registrar to the Issue.
45. Memorandum of understanding dated December 1, 2011 entered between our Company and SEL, the memorandum of understanding dated April 1, 2013, amended Memorandum of Understanding dated December 20, 2014 and Agreement dated October 22, 2014.
46. Engineering, Procurement and Construction Contract dated July 18, 2012 between SEL and SUTPL along with Amendment No. 1 dated November 9, 2012, Addendum No. 1 dated April 15, 2014 and Second Amendment Agreement dated October 7, 2013.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## **DECLARATION**

The undersigned Selling Shareholder hereby certifies that all statements made by the Selling Shareholder in this Draft Red Herring Prospectus about or in relation to itself in connection with the Offer for Sale, and the Equity Shares offered by it in the Offer for Sale, are true and correct.

**Signed by the Selling Shareholder**

For **Xander Investment Holding XVII Limited**

## **DECLARATION**

The undersigned Selling Shareholder hereby certifies that all statements made by the Selling Shareholder in this Draft Red Herring Prospectus about or in relation to itself in connection with the Offer for Sale, and the Equity Shares offered by it in the Offer for Sale, are true and correct.

**Signed by the Selling Shareholder**

**For Norwest Venture Partners VII –A – Mauritius**

## DECLARATION

We hereby declare that all relevant provisions of the Companies Act and the guidelines issued by the Government or the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act or rules or regulations made thereunder or guidelines issued, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

|       |                                                                  |
|-------|------------------------------------------------------------------|
| _____ | <b>Vishnubhai M. Patel</b><br>(Chairman, Non-Executive Director) |
| _____ | <b>Vasistha Patel</b><br>(Managing Director)                     |
| _____ | <b>Shashin V. Patel</b><br>(Non-Executive Director)              |
| _____ | <b>Nitinkumar R. Patel</b><br>(Non-Executive Director)           |
| _____ | <b>Sandip V. Patel</b><br>(Independent Director)                 |
| _____ | <b>Daksha N. Shah</b><br>(Independent Director)                  |
| _____ | <b>Arunbhai S. Patel</b><br>(Independent Director)               |
| _____ | <b>Dr. Jagdish P. Joshipura</b><br>(Independent Director)        |
| _____ | <b>Mirat N. Bhadlawala</b><br>(Independent Director)             |
| _____ | <b>Atul N. Ruparel</b><br>(Independent Director)                 |

### SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

|       |                                                 |
|-------|-------------------------------------------------|
| _____ | <b>Varun Mehta</b><br>(Chief Financial Officer) |
|-------|-------------------------------------------------|

Place: Ahmedabad  
Date: May 25, 2015