

**INDEPENDENT AUDITOR'S REPORT**

To  
The Members of  
Ahmedabad Ring Road Infrastructure Limited

Report on the Financial Statements

**Opinion**

We have audited the accompanying financial statements of Ahmedabad Ring Road Infrastructure Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as 'financial statements').

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.



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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report and Shareholder's Information but does not include the financial statements and our auditor's report thereon.

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

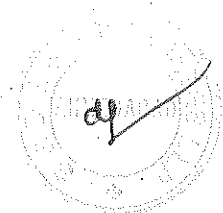
In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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



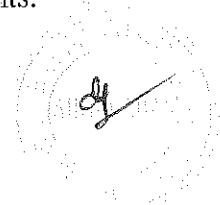
### **Auditor's Responsibility**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.



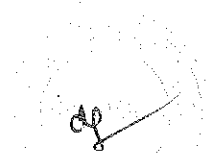
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

1. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
- (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure – A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, we report that, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Director during the year is in accordance with the provisions of section 197 of the Act.

A circular stamp with a signature inside, likely the auditor's signature, located at the bottom right of the page.

**S G D G & Associates LLP**  
**Chartered Accountants**

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company did not have any pending litigations which would impact 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 to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure – B" a statement on matters specified in paragraphs 3 and 4 of the order.



**Place: Ahmedabad**  
**Date: May 17, 2019**

**For S G D G & Associates LLP**  
**Chartered Accountants**  
**Firm's Registration No. W100188**

*Devansh Gandhi*

**(Devansh Gandhi)**  
**Partner**  
**Membership No. 129255**

**ANNEXURE - A**

**TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report the members of **Ahmedabad Ring Road Infrastructure Limited** of even date)

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

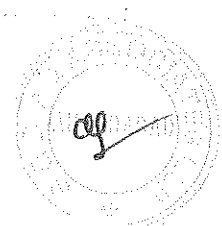
In conjunction with our audit of the financial statements Ahmedabad Ring Road Infrastructure Limited (The Company) as of and for the year ended March 31, 2019, we have also audited the internal financial controls over financial reporting of the Company.

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

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

**Auditors' Responsibility**

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



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

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

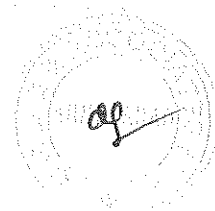
#### **Meaning of Internal Financial Controls over Financial Reporting**

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

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

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

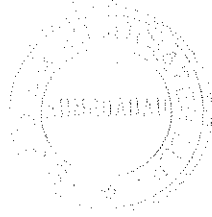
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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



**S G D G & Associates LLP**  
**Chartered Accountants**

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.



**Place: Ahmedabad**  
**Date: May 17, 2019**

**For S G D G & Associates LLP**  
**Chartered Accountants**  
**Firm's Registration No. W100188**

*Devansh Gandhi*  
**(Devansh Gandhi)**  
**Partner**  
**Membership No. 129255**



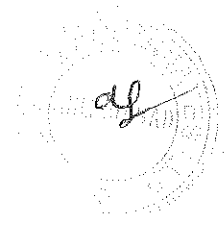
**ANNEXURE - B**

**TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our report the members of **Ahmedabad Ring Road Infrastructure Limited** of even date)

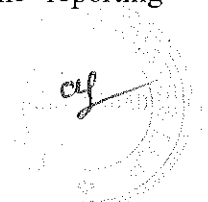
**Report on the Companies (Auditor' Report) Order, 2016, issued in terms of section 143 (11) of the Companies Act, 2013('the Act') of Ahmedabad Ring Road Infrastructure Limited ('the Company')**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified during the year by the Management in accordance with programme of physical verification, which in our opinion, provides for physical verification of all fixed assets at a reasonable intervals having regard to size of the Company and nature of fixed assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The title deeds of the immovable property are held in the name of the Company.
- (ii) The Company had no inventory during and at the year end. Therefore, the reporting requirements of paragraph 3(ii) of the Order is not applicable.
- (iii) (a) Company has granted loan to its holding Company (the "borrower") listed in the register maintained under section 189 of the Act. In our opinion and according to the information and explanation provided to us, the terms and conditions of the loan are prima facie not prejudicial to the Company's interest.
- (b) The loan is repayable on demand. The borrower is regular in repayment of loan except for the interest which falls due on such loan.
- (c) The principal and interest are not overdue for more than ninety days except for interest amounting to INR 0.59 Millions in respect of loan granted to the borrower listed in register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanation given to us, in respect of loan given by the Company to holding Company, provisions of sections 185 and 186 of the Act are not applicable and hence not commented upon. Further the Company has not made investments or provided guarantees or security, attracting the provisions of sections 185 and 186 of the Act.



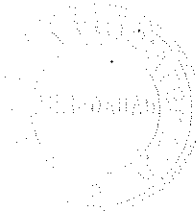
**S G D G & Associates LLP**  
**Chartered Accountants**

- (v) The Company has not accepted deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
- (vi) We have broadly reviewed the books of account maintained by the Company that are in pursuance to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, custom duty, cess, goods and services tax and other material statutory dues as applicable have generally been regularly deposited during the year by the Company with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, cess, goods and services tax and other material statutory dues were in arrears as at 31<sup>st</sup> March 2019 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax and goods and services tax or cess which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) Based on our audit procedure and the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks.
- (ix) The Company has not raised any moneys by way of initial public offer or further public offer. In our opinion and according to the information and explanations given by the management, the company has utilized the monies raised by term loans and debt instruments for the purposes for which they were raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the Management, we report that no material fraud on or by the Company has been noticed or reported during the year.
- (xi) In accordance with the requirements of section 197(16) of the Act, as amended, we report that, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company is in accordance with the provisions of section 197 of the Act.
- (xii) In our opinion the Company is not a Nidhi Company. Therefore the reporting requirement of Clause 3(xii) of the Order is not applicable to the Company.



**S G D G & Associates LLP**  
**Chartered Accountants**

- (xiii) According to the information and explanation given to us and on the basis of our examination of the records of the Company, all the transactions with related parties are in compliance with Sections 177 and 188 of the Act where applicable and also the details which have been disclosed in the financial statements are in accordance with the applicable Indian Accounting Standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Hence the reporting requirement of paragraph 3(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with Directors or persons connected to directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) According to the information given and as explained to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.



**Place: Ahmedabad**  
**Date: May 17, 2019**

**For S G D G & Associates LLP**  
**Chartered Accountants**  
**Firm's Registration No. W100188**

*Devansh Gandhi*  
**(Devansh Gandhi)**  
**Partner**  
**Membership No. 129255**


**Ahmedabad Ring Road Infrastructure Limited**  
**Balance Sheet as at March 31, 2019**

Particulars	Note	As at	As at
		March 31, 2019	March 31, 2018
		(INR in Million)	(INR in Million)
<b>ASSETS</b>			
<b>1 Non-Current Assets</b>			
a Property, Plant and Equipments	5	26.33	38.36
b Investment Property	6	2.15	2.15
c Intangible Assets	7	2,818.10	3,036.95
d Financial Assets			
(i) Other Financial Assets	8	1.02	1.02
e Other Non-Current Assets	9	1.09	2.20
<b>Total Non-Current Assets</b>		<b>2,848.69</b>	<b>3,080.68</b>
<b>2 Current Assets</b>			
a Financial Assets			
(i) Investments	10	29.29	55.07
(ii) Trade receivables	11	8.18	6.14
(iii) Cash and Cash Equivalents	12	42.37	14.97
(iv) Loans	13	71.73	67.81
(v) Other Financial Assets	8	205.20	142.50
b Other Current Assets	9	2.48	2.82
<b>Total Current Assets</b>		<b>359.25</b>	<b>289.31</b>
<b>Total Assets</b>		<b>3,207.94</b>	<b>3,369.99</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
1 Equity Share Capital	14	104.60	104.60
2 Other Equity	15	273.25	195.71
<b>Total Equity</b>		<b>377.85</b>	<b>300.31</b>
<b>LIABILITIES</b>			
<b>1 Non-Current Liabilities</b>			
a Financial Liabilities			
(i) Borrowings	16	1,388.56	2,006.33
b Provisions	17	631.12	417.30
c Deferred Tax Liabilities (Net)	18	53.83	-
<b>Total Non-Current Liabilities</b>		<b>2,073.51</b>	<b>2,423.63</b>
<b>2 Current Liabilities</b>			
a Financial Liabilities			
(i) Trade Payables	19	-	-
-Dues to Micro & Small Enterprises		-	-
-Dues to Others		39.79	16.17
(ii) Other Financial Liabilities	20	686.35	622.78
b Other Current Liabilities	21	2.75	4.67
c Provisions	17	2.86	2.43
d Current Tax Liabilities (Net)	22	24.83	-
<b>Total Current Liabilities</b>		<b>756.58</b>	<b>646.05</b>
<b>Total Equity and Liabilities</b>		<b>3,207.94</b>	<b>3,369.99</b>
Significant Accounting Policies	3		

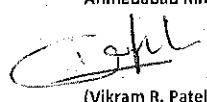
Accompanying notes are an integral part of the financial statements

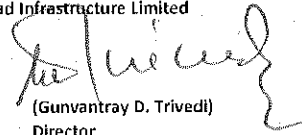
As per our report of even date


For S G D G & Associates LLP  
Chartered Accountants  
ICAI Firm Registration No. W100188

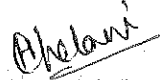
  
(Devansh Gandhi)  
Partner  
Membership No. 129255

For & on behalf of the Board of Directors of  
Ahmedabad Ring Road Infrastructure Limited

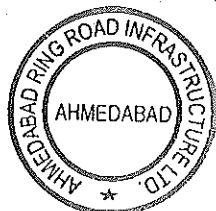
  
(Vikram R. Patel)  
Managing Director  
DIN: 0048318

  
(Gunvantray D. Trivedi)  
Director  
DIN: 07559109

  
(Stuti Kinariwala)  
Company Secretary

  
(Hitesh Chelani)  
Chief Financial Officer

Place: Ahmedabad  
Date: May 17, 2019



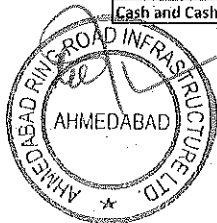
Place: Ahmedabad  
Date: May 17, 2019

**Ahmedabad Ring Road Infrastructure Limited**  
Cash Flow Statement for the year ended March 31, 2019

Particulars	As at	As at
	March 31, 2019	March 31, 2018
	(INR in Million)	(INR in Million)
<b>(A) Cash flows from Operating activities</b>		
Profit before Tax	213.86	131.37
Adjustments for:		
Depreciation and Amortisation	231.48	214.65
Finance Cost	213.28	306.21
Gain on sale of Investments (net)	4.52	(3.64)
Interest income	(9.25)	(7.47)
Major Maintenance Expense	165.93	138.33
Amortisation of Processing fees	3.59	3.59
Notional Interest on MMR	45.84	27.48
Other Comprehensive Income - Gratuity	(1.64)	1.30
Trade Payable & Bad Debt written back	0.10	-
<b>Cash generated before Effect of Working capital</b>	<b>867.71</b>	<b>811.81</b>
Adjustments for:		
Decrease in non current financial asset		1.32
(Increase) in other current financial assets	(62.70)	(30.08)
(Increase) in Trade Receivables	(2.05)	(1.45)
Decrease in Provisions	2.49	0.83
Decrease/(Increase) in other current assets	0.35	3.64
Increase in other current financial liabilities	29.35	4.40
increase/(Decrease) in other current liabilities	(1.91)	1.55
Increase/(Decrease) in other Non - Current Assets	1.11	(0.81)
Increase in Current Tax Liability	78.65	-
Provision for Income Tax	(134.68)	-
<b>Net cash flow from operating activities</b>	<b>(A) 778.31</b>	<b>791.22</b>
<b>(B) Cash Flows from Investing activities</b>		
(Purchase)/Sale of Fixed assets (Net)	(0.60)	(5.21)
Redemption of Units of Mutual Fund investments	946.77	1,097.45
Purchase of Units of Mutual Fund investments	(925.51)	(1,150.45)
Loan given to Holding Company	(83.85)	(58.50)
Loan Recovered from Holding Company	79.93	59.00
Fixed Deposit - Punjab National Bank (PNB)	-	(1.00)
Interest income	9.25	7.43
<b>Net cash generated from/ (used in) investing activities</b>	<b>(B) 25.98</b>	<b>(51.28)</b>
<b>(C) Cash Flows from Financing activities</b>		
Repayment of Long-term Borrowings	(563.62)	(457.75)
Interest Paid	(213.28)	(304.68)
<b>Net cash used in financing activities</b>	<b>(C) (776.90)</b>	<b>(762.43)</b>
<b>Net (Decrease)/Increase in cash and cash equivalents</b>	<b>(A + B + C) 27.40</b>	<b>(22.49)</b>
Cash and cash equivalents at beginning of the year	14.97	37.46
<b>Cash and cash equivalents at end of the year</b>	<b>42.37</b>	<b>14.97</b>

**Notes:**

(i) Components of cash and cash equivalents:	As at	As at
	March 31, 2019	March 31, 2018
	(INR in Million)	(INR in Million)
Cash on hand	4.20	4.64
Balances with banks in current accounts	38.17	10.33
<b>Cash and Cash Equivalents as per Note 12</b>	<b>42.37</b>	<b>14.97</b>



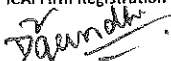
**Ahmedabad Ring Road Infrastructure Limited**  
Statement of Changes in Equity for the year ended March 31, 2019

**A Equity Share Capital**

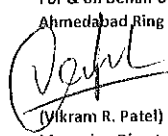
Equity shares of INR 10 each issued, subscribed and fully paid	No of Shares.	Amount (INR in Million)
As at March 31, 2018	1 04 60 000	104.60
Change during the Year	-	-
As at March 31, 2019	1 04 60 000	104.60

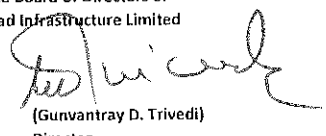
**B Other Equity**

Particulars	Reserves and Surplus		Total Other Equity attributable to Equity Holders of the Company
	Retained Earning	Securities Premium Reserve	
	(INR in Million)	(INR in Million)	(INR in Million)
As at April 1, 2017	(353.36)	416.40	63.04
Profit for the year	131.37	-	131.37
Other comprehensive income for the year	1.30	-	1.30
As at March 31, 2018	(220.69)	416.40	195.71
Profit for the year	79.18	-	79.18
Other comprehensive income for the year	(1.64)	-	(1.64)
As at March 31, 2019	(143.15)	416.40	273.25

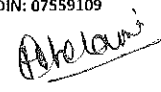
As per our report of even date  
For S G D G & Associates LLP  
Chartered Accountants  
ICAI Firm Registration No. W100188  
  
(Devaash Gandhi)  
Partner  
Membership No. 129255

For & on behalf of the Board of Directors of  
Ahmedabad Ring Road Infrastructure Limited

  
(Vikram R. Patel)  
Managing Director  
DIN: 0048318

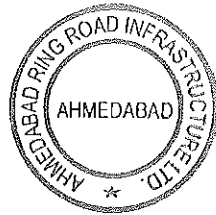
  
(Gunvantray D. Trivedi)  
Director  
DIN: 07559109

  
(Stuti Kinariwala)  
Company Secretary

  
(Hitesh Chelani)  
Chief Financial Officer

Place: Ahmedabad  
Date: May 17, 2019

Place: Ahmedabad  
Date: May 17, 2019



**Ahmedabad Ring Road Infrastructure Limited**  
**Notes to Financial statement for the year ended March 31, 2019**

---

**1. Company information:**

Ahmedabad Ring Road Infrastructure Limited ("the Company") is a private limited company domiciled in India and is incorporated under the provisions of the Companies Act. It is a wholly owned subsidiary of Sadbhav Infrastructure Project Limited which is listed on two recognized stock exchanges in India. The registered office of the company is located at Ellisbridge, Ahmedabad – 380 006.

The Company was incorporated as a Special Purpose Vehicle (SPV) in August, 2006, for the purpose of Improvement and widening to Four Lane of 2 Lane Sardar Patel Ring Road around Ahmedabad city 76 Kms in the state of Gujarat on Built, Operate and Transfer (BOT) basis. The Concession Period is of 20 years including construction period of 18 months. The Company obtained completion certificate on 30th June 2008 from the AUDA. As per the CA, the company is entitled to charge users of the public service; hence the service arrangement has been classified as Intangible Asset.

The financial statements were authorized for issue in accordance with a resolution of the directors on May 17<sup>th</sup>, 2019.

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

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

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

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

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

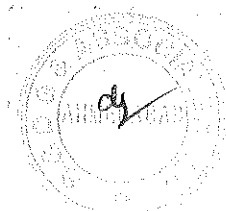
**(b) Basis of Presentation:**

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

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

**(c) Basis of Measurement:**

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



### **Operating cycle**

The Operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its normal operating cycle.

## **3.2 Foreign Currencies**

### **Transactions and balances**

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

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement of such transaction and on translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are recognised in profit or loss with the exception of long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.

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

## **3.3 Revenue Recognition**

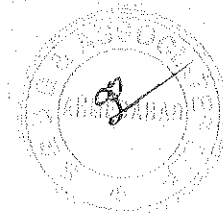
The company primarily derives revenue in terms of the Appendix D to Ind AS 115 which covers specific aspects related to the Service Concession Agreements. The company follows Intangible Asset model prescribed in the Appendix.

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted.

Revenue is recognized upon transfer of control of promised service to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services or goods. Revenue, primarily, is measured based on the transaction price (realization of toll receipts), which is the consideration for usage of the toll roads. Since the company does not provide any other services, the disaggregation of revenues is not disclosed.

### **(i) Toll collection income**

Toll collection from users of the infrastructure facility constructed by the Company under the Service Concession Arrangement is recognized in the period of collection which generally coincide as and when the traffic passes through toll – plazas.





### Derecognition

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

### Depreciation

Depreciation on Property, Plant and Equipment is provided on the written down value method basis over useful lives of the assets as prescribed under Part C of Schedule II to the Companies Act, 2013. When parts of an item of property, plant and equipment have different useful life, they are accounted for as separate items (Major Components) and are depreciated over their useful life or over the remaining useful life of the principal assets whichever is less.

Depreciation for assets purchased/sold during a period is proportionately charged for the period of use.

The residual value, useful life and method of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

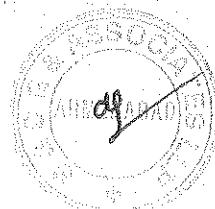
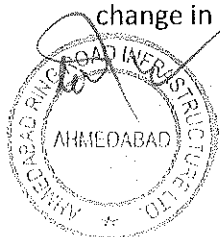
### 3.5 Intangible assets:

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.



**Ahmedabad Ring Road Infrastructure Limited**  
**Notes to Financial statement for the year ended March 31, 2019**

---

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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

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

### **3.7 Investment Property**

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

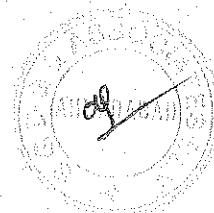
An investment property is derecognized on disposal or on permanently withdrawal from use or when no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of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

### **3.8 Borrowing costs**

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

### **3.9 Leases**

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



**Ahmedabad Ring Road Infrastructure Limited**  
**Notes to Financial statement for the year ended March 31, 2019**

---

reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

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

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

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

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

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

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

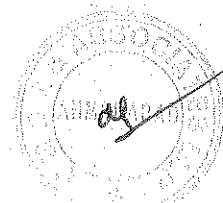
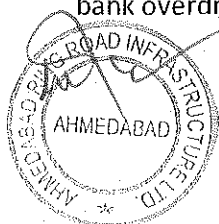
iv. **Impairment of financial assets**

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

b) **Financial Liabilities**

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

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



c) **Offsetting of financial instruments**

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

**3.11 Fair Value Measurement**

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

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

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

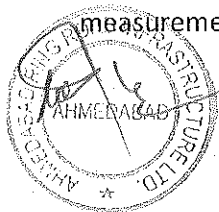
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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



**Ahmedabad Ring Road Infrastructure Limited**  
**Notes to Financial statement for the year ended March 31, 2019**

---

(ii) Defined benefit plan

The employee's gratuity fund scheme is Company's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on the net basis.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

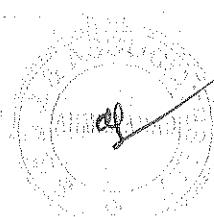
### 3.13 Income tax

Income tax expense comprises current tax and deferred tax.

#### Current Tax

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

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



### 3.14 Provisions

#### General

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

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

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

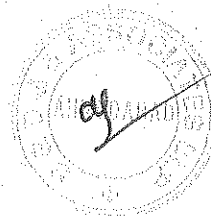
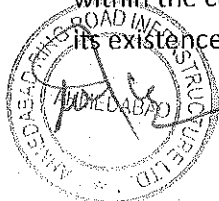
The Company has contractual obligations to maintain the road to a specified level of serviceability or restore the road to a specified condition before it is handed over to the grantor of the Concession Agreements. Such obligations are measured at the best estimate of the expenditure that would be required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

### 3.15 Contingent liabilities and assets

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

Claims against the Company not acknowledged as debts are disclosed under contingent liabilities. Claims made by the company are recognised as and when the same is approved by the respective authorities with whom the claim is lodged.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. The company does not recognize a contingent asset but discloses its existence in the financial statements



**Ahmedabad Ring Road Infrastructure Limited**  
**Notes to Financial statement for the year ended March 31, 2019**

---

Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**(iii) Taxes**

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

**(iv) Impairment of non-financial assets**

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

**(v) Property, plant and equipment**

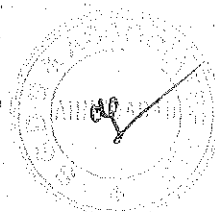
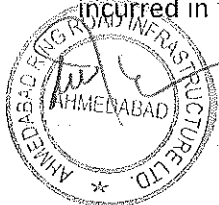
Refer Note 3.4 for the estimated useful life of Property, plant and equipment. The carrying value of Property, plant and equipment has been disclosed in Note 5.

**(vi) Intangible Assets**

The intangible assets which are recognized in the form of Toll right to charge users of the infrastructure asset are amortized by taking proportionate of actual revenue received for the year over Total Projected Revenue from project to Cost of Intangible assets. The estimation of total projection revenue requires significant assumption about expected growth rate and traffic projection for future. All assumptions are reviewed at each reporting date.

**(vii) Provision for periodical Major Maintenance**

Provision for periodical Major Maintenance obligations are measured at the best estimate of the expenditure that would be required to settle the obligation at the balance sheet date. The timing and amount of such cost are estimated and determined by estimated cash flows, expected to be incurred in the year of overlay. All assumptions are reviewed at each reporting date.



5 Property, Plant and Equipments

Particulars	(INR in Million)					
	Plant and Equipments	Computers	Furniture & Fixtures	Vehicles	Office Equipments	Total Tangible Assets
<b>Gross Carrying Amount</b>						
As at 01/04/2017	71.68	1.45	1.15	10.36	0.62	85.26
Addition	2.37	1.31	-	1.33	0.31	5.32
Disposal	-	-	-	-	-	-
Adjustment during the year	-	-	-	-	-	-
As at 31/03/2018	74.05	2.76	1.15	11.69	0.93	90.58
Addition	0.31	0.69	-	-	0.03	1.03
Disposal	-	-	-	1.19	-	1.19
Adjustment during the year	-	-	-	-	-	-
As at 31/03/2019	74.36	3.45	1.15	10.48	0.96	90.40
<b>Accumulated Depreciation</b>						
As at 01/04/2017	29.64	0.78	0.62	4.25	0.33	35.62
Charge for the Year	13.75	0.39	0.14	2.23	0.09	16.60
Disposal	-	-	-	-	-	-
Adjustment during the year	-	-	-	-	-	-
As at 31/03/2018	43.39	1.17	0.76	6.48	0.42	52.22
Charge for the Year	10.37	0.59	0.08	1.44	0.16	12.64
Disposal	-	-	-	(0.80)	-	(0.80)
Adjustment during the year	-	0.07	-	(0.06)	-	0.01
As at 31/03/2019	53.76	1.83	0.84	7.06	0.58	64.07
<b>Net Carrying Amount</b>						
As at 31/03/2018	30.66	1.59	0.39	5.20	0.51	38.36
As at 31/03/2019	20.60	1.62	0.31	3.42	0.38	26.33

- 1 The aggregate depreciation has been included under depreciation and amortisation expense in the Statement of Profit and Loss.
- 2 Property Plant and Equipments have been pledged against Secured borrowings in order to fulfill the collateral requirement for the Lenders. (Refer Note 16)

6 Investment Property

Particulars	(INR in Million)	
	Land	Total
<b>Gross Carrying Amount</b>		
As at 01/04/2017	2.15	2.15
Addition	-	-
Adjustment during the year	-	-
As at 31/03/2018	2.15	2.15
Addition	-	-
Adjustment during the year	-	-
As at 31/03/2019	2.15	2.15
<b>Net Carrying Amount</b>		
As at 31/03/2018	2.15	2.15
As at 31/03/2019	2.15	2.15

Note:

- 1 There is no income arising from above investment properties. Further, the company has not incurred any expenditure for above properties.
- 2 The above lands are situated at (i) Kadi District, Gujarat & (ii) Chennai which are mortgaged against Secured borrowings.
- 3 The Company has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
- 4 Investment property has been mortgaged against Secured borrowings (refer note 16) in order to fulfill the collateral requirement of the Lenders.
- 5 The fair value disclosure for investment property is not presented as the property is specifically acquired for offering as security for borrowings and based on the information available with the management that there are no material development in the area where land is situated and accordingly, management believes that there is no material difference in fair value and carrying value of property.



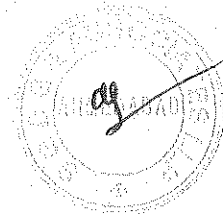


7 Intangible Assets

Particulars	(INR in Million)				
	Computer Software	Toll Plaza Booth Work	Four Lane	Two Lane	Total Intangible Assets
<b>Gross Carrying Amount</b>					
As at 01/04/2017	1.26	80.20	2,164.36	2,114.35	4,360.17
Addition	-	-	-	-	-
Adjustment during the year	-	-	-	-	-
As at 31/03/2018	1.26	80.20	2,164.36	2,114.35	4,360.17
Addition	-	-	-	-	-
Adjustment during the year	-	-	-	-	-
As at 31/03/2019	1.26	80.20	2,164.36	2,114.35	4,360.17
<b>Accumulated Amortisation</b>					
As at 01/04/2017	0.90	12.07	557.77	554.43	1,125.18
Charge for the Year	0.24	4.18	98.25	95.39	198.05
Adjustment during the year	-	-	-	-	-
As at 31/03/2018	1.14	16.25	656.02	649.82	1,323.23
Charge for the Year	0.06	4.61	108.66	105.51	218.84
Disposal	-	-	-	-	-
Adjustment during the year	-	-	-	-	-
As at 31/03/2019	1.20	20.86	764.68	755.33	1,542.07
<b>Net Carrying Amount</b>					
As at 31/03/2018	0.12	63.95	1,508.34	1,464.53	3,036.95
As at 31/03/2019	0.06	59.34	1,399.68	1,359.02	2,818.10

Note:

- 1 Toll collection rights of four laning of Ahmedabad Ring Road Infrastructure Project Limited around the municipal limit of Ahmedabad City were capitalised when the project was complete in all respects and when the Company received the completion certificate from the authority as specified in the Concession Agreement and not on completion of component basis as the intended purpose of the project is to have the complete length of the road available for use. Refer Note 31 for detail additional disclosure under Service Concession Arrangement.
- 2 The aggregate amortisation has been included under depreciation and amortisation expense in the Statement of Profit and Loss.
- 3 Toll collection right has been pledged against Non-current borrowings in order to fulfill the collateral requirement of the Lenders.
- 4 Refer Note 31 For Disclosure pursuant to Appendix - E to Ind AS 115 (Revenue from Contracts with Customer) - Service Concession Arrangements ('SCA'). The remaining amortisation period for the Toll collection rights at the end of the reporting period is 8.76 years (March 31, 2018: 9.76 years).



**Ahmedabad Ring Road Infrastructure Limited**  
Notes to Financial Statements for the period ended March 31, 2019

**10 Investments**

**Investments in Mutual Funds**

Particulars	March 31, 2019 (INR in Million)	March 31, 2018 (INR in Million)
<b>Unquoted Investments</b>		
- Mutual Funds	29.29	55.07
<b>Total</b>	<b>29.29</b>	<b>55.07</b>

The balances held in liquid mutual funds as at March 31, 2019 and as at March 31, 2018 are as follows:

Particulars	Units	(INR in Million)
<b>As at March 31, 2019</b>		
ICICI Prudential Liquid Fund Growth Plan	30,048.42	13.50
Aditya Birla Sun Life Cash Manager - Growth	57,332.62	15.79
<b>As at March 31, 2018</b>		
ICICI Prudential Flexible Income Plan	1,27,575.87	42.52
Aditya Birla Sun Life Cash Manager - Growth	30,048.42	12.55

**11 Trade Receivables**

Particulars	March 31, 2019 (INR in Million)	March 31, 2018 (INR in Million)
Trade Receivables Considered Good - Secured	-	-
Trade Receivables Considered Good - UnSecured	8.18	6.14
Trade Receivables Considered Doubtful - UnSecured	0.13	0.13
Trade Receivables having Significant Increase in Credit Risk	-	-
Trade Receivables - Credit Impaired	-	-
Less : Provision for Bad and Doubtful Debt	(0.13)	(0.13)
<b>Total</b>	<b>8.18</b>	<b>6.14</b>

**12 Cash and Cash Equivalents**

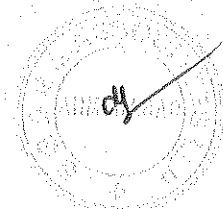
Particulars	March 31, 2019 (INR in Million)	March 31, 2018 (INR in Million)
Cash in Hand	4.20	4.64
Balances with Banks		
- Balances in Current Accounts	38.17	10.33
<b>Total</b>	<b>42.37</b>	<b>14.97</b>

**Note:** Balance with banks includes balance of INR 37.50 Millions (March 31, 2018: INR 6.74 Millions) lying in the Escrow Accounts, as per terms of borrowings with the lenders.

**13 Loans & Advances**

**Loan to Related Parties**

Particulars	March 31, 2019 (INR in Million)	March 31, 2018 (INR in Million)
Loans Receivables considered good - Secured	-	-
Loans Receivables considered good - Unsecured (Refer Note 32)	71.73	67.81
Loans Receivables which have significant increase in Credit Risk	-	-
Loans Receivables - credit impaired	-	-
<b>Total</b>	<b>71.73</b>	<b>67.81</b>



(i) Security Details :-

(a) In respect of First Ranking Rupee Loan :

The First Ranking Rupee Loans together with interest, additional interest, default interest, prepayment premium, costs, charges, expenses and other monies whatsoever stipulated and due to the First Ranking Lenders are secured by :

- a first ranking pari passu mortgage/ charge over all the Company's immovable assets and on all movable assets (including but not limited to all current / non-current assets, goodwill, uncalled capital but excluding 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 the Company from the Project or otherwise;
- a first ranking pari passu charge over/ assignment of all the rights, titles and interests of the Company in, to and in respect of all Project Documents, all guarantees, performance guarantees or bonds, letters of credit, liquidated damages that may be provided by any party to any Project Document in favour of the Company and Clearances (to the extent permitted) and all rights, titles, approvals, permits, clearances and interests and the Company's right, title, interest, benefit and claim in, to or under the Project Documents and Clearances;
- assignment of all the Company's right, title, interest, benefit and claim of the Company in, to or under the Insurance Contracts, insurance policies and the Insurance Proceeds;
- a first ranking pari passu charge over all bank accounts of the Company 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 the Company established pursuant to the Project Documents or otherwise;
- a pledge of 30% of the equity share capital held by Sadbhav Infrastructure Project Limited ("Sponsors") in the share capital of the Company;
- An irrevocable corporate guarantee from the Sponsors in favour of the Security Trustee, for the benefit of Senior Lenders, to cover any shortfall in the amount payable in respect of the Rupee Loan in the event of termination on any account as per the terms of the Concession Agreement.

(Hitesh Chelani)

(b) In respect of Second Ranking Rupee Loan

The Second Ranking Rupee Loan together with interest, additional interest, default interest, prepayment premium, costs, charges, expenses and other monies whatsoever stipulated and due to the Second Ranking Lenders are secured by way of a second ranking charge on the Security Interest stipulated in 1 to 7 in para (i) above to be created in favour of the Security Trustee for the benefits of the Second Ranking Lenders.

(ii) Terms of Repayment of Term Loans:

(a) 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 8.60 per cent to 8.90 per cent per annum.

(b) 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 11.60 per cent per annum.

17 Provisions

Non-Current

For Periodic Major Maintenance (Refer Note 30)

For Employee Benefits

- Provision for Gratuity

Current

For Employee Benefits

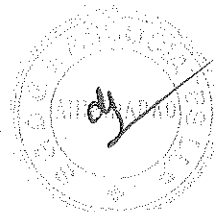
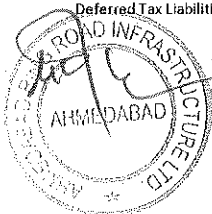
- Provision for Gratuity
- Provision for Leave Encashment & Bonus

	March 31, 2019 (INR in Million)	March 31, 2018 (INR in Million)
	625.83	414.06
<b>Total</b>	<b>631.12</b>	<b>417.30</b>
	2.16	1.78
	0.70	0.65
<b>Total</b>	<b>2.86</b>	<b>2.43</b>

18 Deferred Tax Liabilities (Net)

Deferred Tax Liabilities (Net of Deferred Tax Assets)

	March 31, 2019 (INR in Million)	March 31, 2018 (INR in Million)
	53.83	-
<b>Total</b>	<b>53.83</b>	<b>-</b>



**23 Revenue From Operations**

	March 31, 2019 (INR in Million)	March 31, 2018 (INR in Million)
Revenue from Toll Collection (Refer note below)	1,033.02	970.39
Advertisement Income	25.82	26.75
<b>Total</b>	<b>1,058.84</b>	<b>997.14</b>

**Note:**

Ahmedabad Urban Development Authority (AUDA), has vide resolution passed by its board of directors in the meeting held on 9th October 2017, exempted Light Motor Vehicles (Four Wheelers) from payment of toll, w.e.f October 10, 2017. However the AUDA has not prepared any policy or modalities by which the company will be reimbursed for the losses due to said exemption. Pending the announcement by the AUDA of its policy/modalities for reimbursement of losses, the Company has recognised revenue of toll collection of INR 66.17 Millions for the year ended March 31, 2019 (October 10, 2017 to March 31, 2018 : INR 30.05 Millions) based on the actual average daily traffic of Light Motor Vehicles (Four Wheelers) during April 2017 to September 2017.

**Disaggregation of Revenue**

	March 31, 2019 INR in Million
Revenue from Operation & Maintenance Services	1,033.02
Revenue from Advertisement Services	25.82
	<b>1,058.84</b>

**23.1 Changes in amount of Contract Liabilities are as follows:**

	March 31, 2019 INR in Million
Balance at the Beginning of the Year	0.63
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	-0.33
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	0.28
Balance at the End of the Year	<b>0.58</b>

**23.2 Performance obligation:**

Information about the company's performance obligation is summarised as below;

**Operation & Maintenance Services**

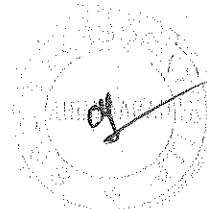
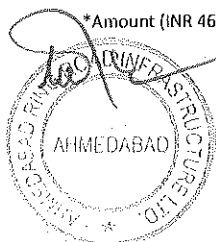
The performance obligation is satisfied over time as each toll road-user simultaneously receives and consumes the benefits provided by the Company. However, given the short time period over which the company provides road operating services to each road user (i.e. the duration of the time it takes the road user to travel the length of the toll road), the Company recognises toll revenue when it collects the tolls.

23.3 Reconciliation of the amount of revenue recorded in statement of Profit & loss is not required as there are no adjustments to the contracted price.

**24 Other Income**

	March 31, 2019 (INR in Million)	March 31, 2018 (INR in Million)
<b>Interest Income</b>		
On Loan to Holding Company - SIPL	9.18	7.38
On Income Tax Refund	-	0.05
On Fixed Deposit	0.07	0.04
Others *	-	0.00
	<b>9.25</b>	<b>7.47</b>
<b>Gain on sale of Investments (Net)</b>		
Realized Gain	3.56	3.17
Unrealized Gain	0.96	0.47
	<b>4.52</b>	<b>3.64</b>
Sundry Balances Written Off	0.10	0.01
Insurance Claim Received	-	0.22
Other Income	0.23	0.01
<b>Total</b>	<b>14.10</b>	<b>11.34</b>

\*Amount (INR 461/- for the year ended March 31, 2018) is below rounding-off norms adopted by the company.



29 Earning Per Share (EPS):

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

	Unit	March 31, 2019	March 31, 2018
Net Profit attributable to equity holders:	INR in Million	79.18	131.37
Total no. of equity shares at the end of the year	Nos.	1,04,60,000	1,04,60,000
Weighted average number of equity shares for basic and diluted EPS	Nos.	1,04,60,000	1,04,60,000
Nominal value of equity shares	INR	10	10
Basic and Diluted earning per share	INR	7.57	12.56

30 Movement in Provisions:

Major Maintenance Reserve (Refer Note 17, 25 & 27)	(INR in Million)
Carrying amount as at 01.04.2018	414.06
Add: Provision made during the Year	165.93
Add: Increase during the year in the discounted amount due to passage of time	45.84
<b>Carrying amount as at 31.03.2019</b>	<b>625.83</b>
Expected time of outflow	F.Y. 2020 - 2021

Nature of Provision:

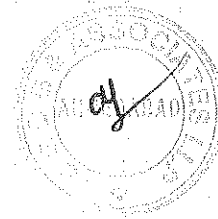
Major Maintenance Provision

The company is required to operate and maintain the project highway during the entire concession period and hand over the project back to the Authority (AUDA) as per the maintenance standards prescribed in Concession agreement.

For this purpose, a regular maintenance along with periodic maintenance is required to be performed. Normally periodic maintenance includes resurface of pavements, repairs of structures, repairs and refurbishment of tolling system and other Equipments.

As per the industry practices and on the grounds of matching concept, based on estimates, a provision for major maintenance expenses is provided for in the books annually. The maintenance cost / bituminous overlay may vary based on the actual usage during maintenance period.

During the current year company has provided INR 211.77 Millions (Previous Year : INR 165.81 Millions) for periodic Major Maintenance in respect of its resurfacing obligation, which includes finance cost component on Major Maintenance of INR 45.84 Millions (Previous Year : INR 27.48 Millions).



**32 Related Party Disclosures:**

Related party disclosures as required under the Indian Accounting Standard (Ind AS) – 24 on “Related Party Disclosures” are given below:

**(I) Name of the related parties and description of relationship :**

Sr. No	Description of Relationship	Name of the Related Party
(A)	Enterprises having control: Ultimate Holding Company Holding Company	Sadbhav Engineering Limited (SEL) Sadbhav Infrastructure Project Limited (SIPL)
(B)	Key Managerial Personnel	Mr. Vikram R. Patel, Managing Director Mr. Arjav Trivedi, Company Secretary (up to January 03, 2018) Ms. Stuti Kinariwala, Company Secretary (w.e.f. February 20, 2018)

**(II) Transactions with Related Parties during the Year:**

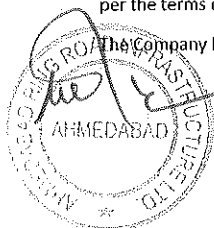
No.	Particulars	Note No.	March 31, 2019 (INR in Million)	March 31, 2018 (INR in Million)
(i)	Office Rent - SEL	28	2.12	2.12
(ii)	Routine Road Maintenance Expenses - SIPL	25	17.84	16.93
(iii)	Unsecured Loan Given Including interest thereon - SIPL	13	78.25	58.50
(iv)	Unsecured loan recovered including interest thereon - SIPL	13	79.40	59.00
(v)	Remuneration - Mr. Vikram R. Patel - Mr. Arjav Trivedi - Ms. Stuti Kinariwala	26	3.25 - 0.28	3.25 0.19 0.03
(vi)	Transfer of Asset - SEL	5	0.40	-
(vii)	Reimbursement of Expenses Payable/(Receivable) - SIPL - SEL	26 25	(0.46) 0.56	(0.23) 1.12

**(III) Balance outstanding as at the Year end:**

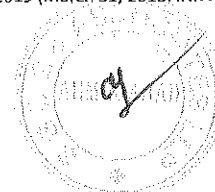
No.	Particulars	Note No.	March 31, 2019 (INR in Million)	March 31, 2018 (INR in Million)
(i)	Payable toward Expenses - SEL (Net of receivable for transfer of asset 0.40 Million for the Year ended March 31, 2019)	19	13.51	11.41
(ii)	Unsecured Loan recoverable - SIPL	13	71.73	67.81
(iii)	Interest Receivable on Unsecured Loan - SIPL	8	2.11	7.17
(iv)	Payable towards Operation and Maintenance, Project Consultancy and reimbursement of Expense (including Retention Money) - SIPL	19	10.96	0.26
(v)	Remuneration payable - Mr. Vikram R. Patel - Ms. Stuti Kinariwala	20	0.25 0.02	2.32 0.02

**(IV) Terms and conditions:**

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free except short term loan and settlement occurs in cash as per the terms of the agreement.



The Company has not provided any commitment to the related party as at March 31, 2019 (March 31, 2018: INR NIL)



Particulars	March 31, 2019 (INR in Million)	March 31, 2018 (INR in Million)
Defined benefit obligations as at beginning of the year - A	10.08	9.17
<b>Cost charged to statement of profit and loss</b>		
Current service cost	1.78	1.88
Interest cost	0.72	0.61
Sub-total included in statement of profit and loss - B	2.50	2.49
<b>Remeasurement gains/(losses) in other comprehensive income</b>		
Actuarial Loss/(Gain) due to change in financial assumptions	0.14	(0.33)
Actuarial Loss/(Gain) due to change in demographic assumptions		
Actuarial Loss/(Gain) due to experience	1.45	(0.97)
Benefits Paid	(0.37)	(0.28)
Sub-total included in OCI - C	1.22	(1.58)
<b>Defined benefit obligations as at end of the year (A+D+C)</b>	<b>13.80</b>	<b>10.08</b>

Particulars	March 31, 2019 (INR in Million)	March 31, 2018 (INR in Million)
Plan Asset as at beginning of the year	5.06	4.96
Interest Income	0.41	0.38
Return on plan assets excluding amounts included in interest income	(0.05)	0.01
Contribution by Employer	1.30	-
Benefits paid	(0.37)	(0.28)
<b>Plan Asset as at end of the year</b>	<b>6.35</b>	<b>5.06</b>

The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

	March 31, 2019	March 31, 2018
Discount rate	7.35%	7.55%
Salary Growth Rate	7.00%	7.00%
Withdrawal rate	15% at younger ages reducing to 3% at older ages	15% at younger ages reducing to 3% at older ages

A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	Sensitivity level	March 31, 2019 (INR in Million)	March 31, 2018 (INR in Million)
Discount rate	0.50% increase	(0.35)	(0.26)
	0.50% decrease	0.37	0.28
Salary Growth Rate	0.50% increase	0.34	0.28
	0.50% decrease	(0.38)	(0.26)
Withdrawal rate	10% increase	(0.01)	(0.02)
	10% decrease	0.01	0.03

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of reporting period.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Since the obligation is unfunded, there is no Asset-Liability Matching strategy device for the plan. Accordingly, there is no expected contribution in the next annual reporting period.

**Maturity Profile of the Defined Benefit Obligation**

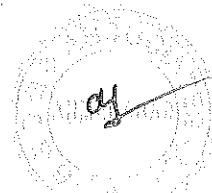
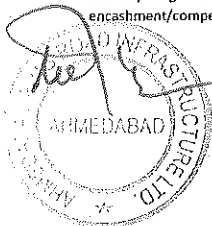
As at March 31, 2019	INR in Million	%
2020	1.37	6.80%
2021	1.40	6.90%
2022	1.20	5.90%
2023	1.21	6.00%
2024	1.43	7.00%
2025 - 2027	13.71	67.50%

As at March 31, 2018	INR in Million	%
2019	1.01	6.60%
2020	1.03	6.70%
2021	0.98	6.40%
2022	0.90	5.90%
2023	1.15	7.50%
2024 - 2027	10.28	67.00%

The average duration of the defined benefit plan obligation at the end of the reporting period is 5.35 years (March 31, 2018: 9.84 years).

**Other employee benefit:**

Salaries, Wages and Bonus include INR 5.54 million (Previous Year INR 5.47 million) towards provision made as per actual basis in respect of accumulated leave encashment/compensated absences, Bonus and leave travel allowance.



## 38 Disclosure of Financial Instruments by Category

(INR in Million)

Financial instruments by categories	Note no.	March 31, 2019			March 31, 2018		
		FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
<b>Financial Asset</b>							
Grant Receivable from AUDA	8	-	-	64.24	-	64.24	
Receivable from Auda - Car Exemption	8	-	-	96.22	-	30.05	
Receivable from AUDA - Toll Suspension	8	-	-	41.01	-	41.01	
Investments in Mutual Funds	10	29.29	-	-	55.07	-	
Fixed Deposit	8	-	-	1.00	-	1.00	
Interest accrued on Fixed Deposit	8	-	-	0.10	-	0.03	
Cash on Hand	12	-	-	4.20	-	4.64	
Balance with Banks	12	-	-	38.17	-	10.33	
Deposits	8	-	-	0.02	-	0.02	
Trade Receivables	11	-	-	8.18	-	6.14	
Loan to Holding Company	13	-	-	71.73	-	67.81	
Interest Accrued on Loan to Holding Company	8	-	-	2.11	-	7.17	
Reimbursement Expense	8	-	-	0.78	-	-	
<b>Total Financial Assets</b>		<b>29.29</b>	<b>-</b>	<b>327.76</b>	<b>55.07</b>	<b>232.44</b>	
<b>Financial Liability</b>							
Rupee Term Loan	16	-	-	2,006.34	-	2,566.37	
Payable to AUDA	20	-	-	36.77	-	36.77	
Toll Levy Fees Payable - AUDA	20	-	-	19.06	-	8.73	
Security & Other Deposits From Subcontractor	20	-	-	0.31	-	0.60	
Trade Payables	19	-	-	39.79	-	16.17	
Interest Accrued and Due / Accrued but not due	20	-	-	3.33	-	4.31	
Prepayment charges payable -IIFCL	20	-	-	-	-	3.87	
Employee Emoluments payable	20	-	-	9.10	-	8.20	
Other Financial Liabilities	20	-	-	-	-	0.25	
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>2,114.71</b>	<b>-</b>	<b>2,645.27</b>	

## 38.1 Default and breaches

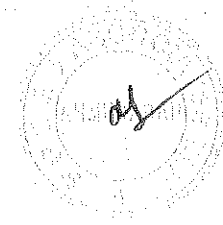
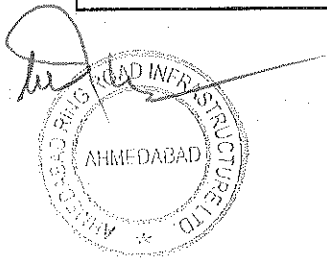
- a) There are no defaults with respect to payment of principal interest, sinking fund or redemption terms and no breaches of the terms and conditions of the loan.
- b) There are no breaches during the year which permitted lender to demand accelerated payment.
- c) Long term borrowings contain debt covenants relating to debt-equity ratio and debt service coverage ratio. The Company has satisfied all debts covenants prescribed in the terms of respective loan agreement as at reporting date.

## 39 Fair value disclosures for Financial Assets and Financial Liabilities

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(INR in Million)

Particulars	Note No	March 31, 2019		March 31, 2018	
		Carrying Amount	Fair value	Carrying Amount	Fair value
<b>Financial Assets</b>					
Investments in Mutual Funds	10	29.29	29.29	55.07	55.07
<b>Total</b>		<b>29.29</b>	<b>29.29</b>	<b>55.07</b>	<b>55.07</b>





40 Financial Risk Management

The Company's principal financial liabilities comprise Borrowings, Trade payables & other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include Investments, Loan to Related Party, Cash and Bank balance, Trade Receivables & Other receivables that derive directly from its operations.

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

(a) Market risk

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

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

- a parallel shift of 25-basis points of the interest rate yield curves in all currencies

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

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

The following assumption has been made in calculating the sensitivity analyses:

- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2019 and March 31, 2018.

**Interest rate risk**

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	(INR in Million)	
	31.03.2019	31.03.2018
Variable rate borrowings in INR	2024.13	2587.75

**Interest Rate Sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

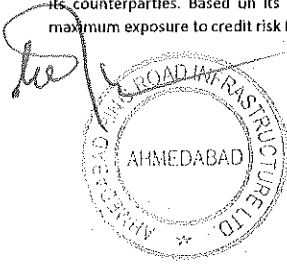
Interest Rate Risk Analysis	(INR in Million)	
	Impact on profit/ loss after tax	
	31.03.2019	31.03.2018
Interest rate increase by 25 basis point	(5.06)	(6.47)
Interest rate decrease by 25 basis point	5.06	6.47

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is not exposed to credit risk from its operating activities as the company is collecting toll in cash and does not have outstanding any receivables. However, The Company is exposed to credit risk related to financing activities, including temporary investment in mutual fund and other financial instruments.

**Financial Instruments and Temporary Investment in Mutual Fund**

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made only in accordance with company policy. The Company monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the Company adjusts its exposure to various counterparties. The Company's maximum exposure to credit risk for the components of the Balance sheet as of March 31, 2019 is INR 29.29 Million and March 31, 2018 is INR 55.07 Million.



#### 42 Capital Management

For the purpose of the Company's capital management, Capital consist of share capital & Securities Premium. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or obtain additional sub-ordinate debts. The Company monitors capital using debt equity ratio which does not exceed 3.76 : 1 which is total Borrowings divided by total equity excluding balance of deficit in statement of profit & loss.

The key performance ratios are as follows:

	March 31,2019 (INR in Million)	March 31,2018 (INR in Million)
Borrowings*	2,024.13	2,587.75
<b>Total Debts - A</b>	<b>2,024.13</b>	<b>2,587.75</b>
Equity Share Capital (Refer note 14)	104.60	104.60
Security Premium (Refer note 15)	416.40	416.40
Grant from Authority	360.00	360.00
<b>Total Equity - B</b>	<b>881.00</b>	<b>881.00</b>
<b>Debt equity ratio (A/B)</b>	<b>2.30</b>	<b>2.94</b>

\*Excludes the Impact of Transaction Costs paid on Upfront Basis and Includes the Current Maturities of Long Term Debt


#### 43 Corporate Social Responsibility Expenditure

	March 31,2019 (INR in Million)	March 31,2018 (INR in Million)
Amount Required to be Spent as per Section 135 of the Act	2.11	1.22
Amount spend during the year on		
(i) Construction/Acquisition of the asset	-	-
(ii) On the purpose other than (i) above	-	-


#### 44 Revenue Recognition

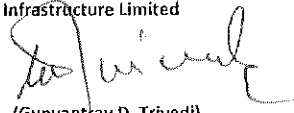
Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative catch-up transition method applied to contracts that were not completed as at April 1, 2018. The effect on the adoption of Ind AS 115 was insignificant. The adoption of Ind AS 115 required enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. Refer Note No.3.3 of Significant accounting policies.

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

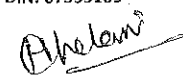
As per our report of even date  
For S G D G & Associates LLP  
Chartered Accountants  
ICAI Firm Registration No. W100188  
  
(Devanish Gandhi)  
Partner  
Membership No. 129255

For & on behalf of the Board of Directors of  
Ahmedabad Ring Road Infrastructure Limited

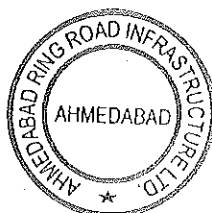
  
(Vikram R. Patel)  
Managing Director  
DIN: 0048318

  
(Gunvantray D. Trivedi)  
Director  
DIN: 07559109

  
(Stuti Kinariwala)  
Company Secretary

  
(Hitesh Chelani)  
Chief Financials Officer

Place: Ahmedabad  
Date: May 17, 2019



Place: Ahmedabad  
Date: May 17, 2019

