INDEPENDENT AUDITOR'S REPORT

To
The Members of
Shreenathji Udaipur Tollway Private Limited

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Shreenathji Udaipur Tollway Private 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 loss 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.

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

Manubhai & Shah LLP, a Limited Liability Partnership with LLP identity No.AAG-0878
Regd. Office : G-4, Capstone, Opp. Chirag Motors, Sheth Mangaldas Road, Ellisbridge, Ahmedabad - 380 006. Gujarat, India. Phone : +91-79-2647 0000 Fax : +91-79-2647 0050
Email : info@msglobal.co.in Website : www.msglobal.co.in
Ahmedabad • Mumbai • Rajkot • Baroda • Gandhinagar • Udaipur

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.

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

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.

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

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 Section143(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 the company being a private limited company, provision of section 197(16) is not applicable.

MANUBHAI & SHAH 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 has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 31 to the financial statements

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.

For Manubhai & Shah LLP
Chartered Accountants
Firm's Registration No 106041W/W100136

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

HMPomal

(H. M. Pomal)
Partner
MembershipNo.106137

Place: Ahmedabad
Date: May 18, 2019

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 **Shreenathji Udaipur Tollway Private 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 of Shreenathji Udaipur Tollway Private 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.

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

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.

MANUBHAI & SHAH 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.

For Manubhai & Shah LLP
Chartered Accountants
Firm's Registration No. 106041W/W100136

HMPomal

(H. M. Pomal)
Partner
Membership No.106137

Place: Ahmedabad
Date: May 18, 2019

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 Shreenathji Udaipur Tollway Private 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 Shreenathji Udaipur Tollway Private 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 immoveable property are held in the name of the Company..

(ii) The Company had no inventory during and at the year end. Therefore, the reporting requirements of paragraph 3(ii) of the Order is not applicable.

(iii) The Company has not granted loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Therefore, the reporting requirements of paragraph 3 (iii) of the Order are not applicable.

(iv) The Company has not given loans, made investments or provided guarantees or security, attracting the provisions of sections 185 and 186 of the Act. Hence the reporting requirements of paragraph 3(iv) of the Order are not applicable.

(v) The Company has not accepted deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.

(vi) 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 31st March 2019 for a period of more than six months from the date they became payable. As informed to us, provisions of professional tax are not applicable to the company.

(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 and debenture holders.

(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) The Company being a private limited company the provision of section 197 is not applicable to it and accordingly the reporting requirement of paragraph 3(xi) of the Order is not applicable.

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

(xiii) According to the information and explanation given to us and on the basis of our examination of the records of the Company, all the transactions with related parties are in compliance with 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.

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

(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.

For Manubhai and Shah LLP
Chartered Accountants
Firm's Registration No.106041W/W100136

(H. M. Pomal)
Partner
Membership No. 106137

Place: Ahmedabad
Date: May 18, 2019

SHREENATHJI UDAIPUR
TOLLWAY PRIVATE LIMITED

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

Shreenathji Udaipur Tollway Private Limited
Balance Sheet as at March 31,2019

	Particulars	Note No.	As at March 31,2019 (INR in Million)	As at March 31, 2018 (INR in Million)
	ASSETS			
1	**Non-current Assets**			
a	Property, Plant and Equipments	5	6.50	7.67
b	Investment Property	6	2.08	2.08
c	Intangible Assets	7	14,007.46	14,227.58
d	Other Non Current Assets	10	6.50	8.76
	Total Non Current Assets		14,022.54	14,246.09
2	**Current Assets**			
a	Financial Assets			
	(i) Cash and Cash Equivalents	11	142.20	26.96
	(ii) Other Current Financial Assets	8	41.84	36.45
b	Current Tax Assets	9	4.77	
c	Other Current Assets	10	3.68	10.13
			192.49	73.54
	Total Assets		14,215.03	14,319.63
	EQUITY AND LIABILITIES			
	EQUITY			
1	Equity Share Capital	12	337.43	337.43
2	Other Equity	13	853.56	1,299.25
			1,190.99	1,636.68
	LIABILITIES			
1	**Non-current Liabilities**			
a	Financial Liabilities			
	(i) Borrowings	14	8,221.50	8,251.49
	(ii)Other Financial Liabilities	15	3,905.99	3,548.53
b	Provisions	16	341.79	230.83
	Total Non Current Liabilities		12,469.28	12,030.85
2	**Current Liabilities**			
a	Financial Liabilities			
	(i) Borrowings	17	248.87	449.60
	(ii) Trade Payables			
	-Dues to Micro & Small Enterprises		-	-
	-Dues to Other than Micro & Small Enterprises	18	78.82	72.46
	(iii) Other Financial Liabilities	15	188.42	90.24
b	Other Current Liabilities	19	5.31	6.44
c	Provisions	16	33.34	33.35
	Total Current Liabilities		554.76	652.09
	Total Equity and Liabilities		14,215.03	14,319.62
Significant Accounting Policies		3		

Accompanying notes are an integral part of the financial statements

As per our report of even date
For Manubhai & Shah LLP
Chartered Accountants
Firm Registration No. 106041W/W100136

(H.M.Pomal)
Partner
Membership No.106137

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

Place: Ahmedabad
Date:May 18,2019

Shreenathji-Udaipur Tollway Private Ltd.

For & on behalf of the Board of Directors of
Shreenathji Udaipur Tollway Private Limited

S V Patel

(Gunavantray Trivedi)
Director
DIN:7559109

(Shashin Patel)
Director
DIN:00048328

Radhika

(Radhika Raninga)
Company Secretary
M.No. -A43256

(Punvin Shah)
Chief Financial Officer

Place: Ahmedabad
Date:May 18,2019

Shreenathji-Udaipur Tollway Private Limited

Statement of Profit and Loss for the year ended March 31,2019

	Particulars	Note No.	Year ended March 31,2019 (INR in Million)	Year ended March 31,2018 (INR in Million)
I	Revenue from Operations	20	1,231.22	1,099.14
II	Other Income	21	6.22	2.04
III	**Total Revenue (I + II)**		**1,237.44**	**1,101.18**
IV	**Expenses:**			
	Construction Expense	22	25.96	23.64
	Operating Expenses	22	195.10	205.72
	Employee benefits expense	23	32.38	30.72
	Finance Costs	24	1,177.37	1,264.68
	Depreciation and Amortisation	5 & 7	221.82	164.38
	Other Expenses	25	30.57	27.52
	Total Expenses		**1,683.20**	**1,716.66**
V	**Loss for the Year before Tax (III - IV)**		(445.76)	(615.48)
VI	**Tax Expenses**	26	-	-
VII	**Loss for the Year (V - VI)**		(445.76)	(615.48)
	Other Comprehensive Income			
	Other comprehensive income not to be reclassified to profit or loss in subsequent period			
	Remeasurement loss/(gain) on defined benefit plan (refer note 28)		0.07	0.15
VIII	**Other Comprehensive Income for the Year**		**0.07**	**0.15**
IX	**Total Comprehensive income for the year, net of tax (V+VI)**		**(445.69)**	**(615.33)**
X	**Loss per share:**	27		
	(Nominal Value of share INR 10/-)			
	Basic & Diluted		(13.21)	(18.24)
	Significant Accounting Policies	3		

Accompanying notes are an integral part of the financial statements

As per our report of even date
For Manubhai & Shah LLP
Chartered Accountants
Firm Registration No. 106041W/W100136

(H.M.Pomal)
Partner
Membership No.106137

MANUBHAI & SHAH LLP * CHARTERED ACCOUNTANTS *

Shreenathji-Udaipur Tollway Private Ltd. *

Place: Ahmedabad
Date:May 18,2019

For & on behalf of the Board of Directors of
Shreenathji Udaipur Tollway Private Limited

(Gunavantray Trivedi)	(Shashin Patel)
Director	Director
DIN:7559109	DIN:0048328
(Radhika Raninga)	(Purvin Shah)
Company Secretary	Chief Financial Office
M.No. -A43256	

Place: Ahmedabad
Date:May 18,2019

Shreenathji-Udaipur Tollway Private Limited
Cash Flow Statement for the year ended March 31, 2019

	Particulars	Year ended March 31,2019 (INR in Million)	Year ended March 31,2018 (INR in Million)
(A)	**Cash flows from operating activities**		
	Net (Loss) before tax	(445.76)	(615.48)
	Adjustment for:		
	Depreciation and amortisation	221.82	164.38
	Major Maintenance Expense	90.30	102.89
	Unwinding of discount on provision	20.25	13.22
	Notional interest on NHAI Premium	325.11	317.56
	Finance Cost	825.54	917.91
	Amortization of Processing Fees	6.46	16.09
	Acturial Gain/Loss	0.07	0.15
	Gain on sale of units of Mutual fund Investments (net)	(5.63)	(0.98)
	Interest on NSC INR 1753 (P.Y.INR 2065 i.e. below rounding off norm adopted by the Company)	(0.00)	(0.00)
	Operating Profit/(Loss) before working capital changes	**1,038.17**	915.72
	Adjustments for:		
	(Increase)/Decrease in financial asset	(5.39)	47.92
	(Increase)/Decrease in other current asset	6.45	(6.35)
	(Decrease)/Increase in trade payables	6.36	(199.14)
	(Decrease)/Increase in Other financial liabilities	(182.31)	(234.25)
	(Decrease)/Increase in Other Current financial liabilities	117.31	(36.33)
	(Decrease)/Increase in current liability	(1.14)	(1.74)
	(Decrease)/Increase in provisions	0.40	0.26
	(Decrease)/Increase in current tax assets	-	-
	Net cash generated from operating activities	**979.85**	486.10
	(+)/(-) : Tax Paid(Net of Refund)	(2.50)	(2.02)
	Net cash flow generated/(used in) operating activities	**977.35**	484.08
(B)	**Cash Flows from investing activities**		
	Road Development Expenditure		
	Purchase of Tangible Assets	(0.54)	(0.54)
	Investment in Mutual fund	(1,089.90)	(636.48)
	Redemption of Mutual fund	1,095.52	637.46
	Interest on NSC	0.00	0.00
	Net cash generated from investing activities	**5.08**	0.45
(C)	**Cash Flows from financing activities**		
	Proceeds from long term borrowings from	-	12,303.13
	Processing Fees Paid	-	(44.68)
	Repayment of long term borrowings from Banks	(24.50)	(12,187.76)
	Proceeds from Short term borrowings	-	368.02
	Repayment of Short term borrowings	(200.73)	(70.50)
	Finance costs paid	(641.96)	(882.24)
	Net cash (used in) financing activities	**(867.19)**	**(514.03)**
	Net increase / (Decrease) in cash and cash equivalents	**115.24**	(29.50)
	Cash and cash equivalents at beginning of the year	26.96	56.46
	Cash and cash equivalents at end of the year	**142.20**	26.96

Shreenathji-Udaipur Tollway Private Limited

Cash Flow Statement for the year ended March 31, 2019

Notes:

(i) **Components of cash and cash equivalents:**

	March 31,2019 (INR In Million)	March 31,2018 (INR in Million)
Cash on hand	7.85	5.00
Balances with banks in current accounts	134.35	21.96
Cash & Cash Equivalents (refer note 11)	**142.20**	**26.96**

Note: Balance with bank includes balance of INR 11.56 million (March 31, 2018: INR 9.57 million) lying in the Escrow Accounts, as per terms of borrowings with the lenders.

(ii)

Reconciliation of financial liabilities	March 31, 2018	Cash flows	Non-cash adjustment: Interest Cost	Non-cash adjustment: Transaction cost	March 31, 2019
Long term Borrowings	8,265.13	(24.50)	-	6.46	8247.09
Short term Borrowings	449.60	(200.73)	-	-	248.87
Interest accrued and due on borrowings	37.37	(62.44)	31.61	-	6.55
Interest accrued but not due on borrowings	0.59	(0.59)	214.99	-	214.99

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

(iv) Figures in brackets represent outflows.

As per our report of even date
For Manubhai & Shah LLP
Chartered Accountants
Firm Registration No. 106041W/W100136

(H.M Pomal)
Partner
Membership No.106137

Place: Ahmedabad
Date:May 18,2019

For & on behalf of the Board of Directors of
Shreenathji Udaipur Tollway Private Limited

(Gunavantray Trivedi)
Director
DIN:7559109

(Shashin Patel)
Director
DIN 0048328

(Radhika Raninga)
Company Secretary
M.No. -A43256

(Purvin Shah)
Chief Financial Officer

Place: Ahmedabad
Date:May 18,2019

Shreenathji Udaipur Tollway Private 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)
At 1st April 2017	3 37 43 237	337.43
At 1st April 2018	3 37 43 237	337.43
At March 31,2019	**3 37 43 237**	**337.43**

B Other Equity

Particulars	Retained Earning	Equity Component of Compound Financial Instrument (Sub-Ordinate Debt)*	Total
	INR in Million	INR in Million	INR in Million
As at April 01, 2017	(862.59)	2,777.17	1,914.58
(Loss) for the year	(615.48)	-	(615.48)
Other comprehensive income for the year	0.15	-	0.15
As at March 31, 2018	**(1,477.92)**	**2,777.17**	**1,299.25**
As at April 1, 2018	(1,477.92)	2,777.17	1,299.25
(Loss) for the period	(445.76)	-	(445.76)
Other comprehensive income for the period	0.07	-	0.07
As at March 31,2019	**(1,923.61)**	**2,777.17**	**853.56**

Note:
The Project of the Company has been funded through sub ordinate debt from the Sponsors in accordance with Sponsor Support and Equity Contribution Agreement / Sponsor Undertaking. As per Common loan Agreement, such sub ordinate debts are considered as sponsor's contribution to ensure Promoters' commitment for the project. Sub-ordinate debt is interest free and shall be repayable at the end of the concession period or earlier at the option of the company.

As per our report of even date
For Manubhai & Shah LLP
Chartered Accountants
Firm Registration No. 106041W/W100136

(H.M.Pomal)
Partner
Membership No.106137

MANUBHAI & SHAH LLP CHARTERED ACCOUNTANTS

Place: Ahmedabad
Date:May 18,2019

Shreenathji-Udaipur Tollway Private Ltd.

For & on behalf of the Board of Directors of
Shreenathji Udaipur Tollway Private Limited

S V Patel

(Gunavantray Trivedi)
Director
DIN:7559109

(Shashin Patel)
Director
DIN:0048328

Radhika

(Radhika Raninga)
Company Secretary
M.No. -A43256

(Purvin Shah)
Chief Financial Officer

Place: Ahmedabad
Date:May 18,2019

1. **Company information:**

Shreenathji Udaipur Tollway Private 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 March, 2012, for the purpose of Four Laning of Gomati Chauraha- Udaipur Section of NH-8 (from km 177/000 to km 260/100) in the state of Rajasthan under NHDP Phase IV on Design, Build, Finance, Operate and Transfer (DBFOT) basis. The Company has entered into Concession Agreement with National Highways Authority of India (NHAI) with a Concession Period of 27 years including construction period of 910 days w.e.f. 18thApril, 2013. The Company had received provisional completion certificate dated 4th December, 2015 from NHAI. The toll collection had commenced from 06th December, 2015.

The financial statements were authorized for issue in accordance with a resolution of the directors on May 18, 2019.

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

(a.) Compliance with IND AS:

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

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

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

(b.) Basis of Presentation:

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

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

(c.) Basis of Measurement:

The financial statements have been prepared on historical cost basis, except for certain

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Shreenathji-Udaipur Tollway Private Ltd. *

financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

(d.) Use of estimates and judgements:

The preparation of these financial statements is in conformity with IND AS which requires the management to make estimates and assumptions considered in the reported amounts of assets, liabilities (including contingent liabilities), income and expenses. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialize. Estimates include the useful lives of property plant and equipment and intangible fixed assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, provisions for major maintenance expenses, provision for premium obligations, provision for incomplete work, fair value measurement etc. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

3. Summary of significant accounting policies

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

3.1 Current versus non-current classification

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

- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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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 recognised in the period of collection which generally coincide as and when the traffic passes through toll – plazas.

(ii) Gain or loss on sale of Mutual Fund

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

(iii) Dividend

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

(iv) Interest

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

(v) Government Grants

Government Grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on systematic basis over the periods that the related cost, for which it is intended to compensate, are expensed. When the grant relates to asset, it is as income in equal amounts over the expected useful life of the related asset.

(vi) Other Income

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

3.4 Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost comprise the purchase price, borrowing costs if the recognition criteria are met and directly attributable cost of bringing the assets to its working condition for its intended use. When significant parts of plant and equipment are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives.

All other expenses on existing property plant and equipment, including 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.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of

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the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

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 amortisation 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 amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation 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 amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss.
Intangible assets with indefinite useful lives are not amortised, 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.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

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Toll collection right arising from service concession arrangement

The Company builds infrastructure assets under public-to-private Concession Arrangements which it operates and maintains for periods specified in the Concession Arrangements.

Under the Concession Agreements, where the Company has received the right to charge users of the public service, such rights are recognised and classified as "Intangible Assets" in accordance with Appendix D and E to Ind AS 115. Such right is not an unconditional right to receive consideration because the amounts are contingent to the extent that the public uses the service and thus are recognised and classified as intangible assets. Such an intangible asset is recognised by the Company at cost (which is the fair value of the consideration received or receivable for the construction services delivered) and is capitalized when the project is complete in all respects and when the company receives the completion certificate from the authority as specified in the Concession Agreement. The economics of the project is for the entire length of the road / infrastructure as per the bidding submitted.

Amortization

The intangible assets which are recognised 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 i.e. proportionate of actual revenue earned for the year over Total Projected Revenue from the Intangible assets expected to be earned over the balance concession period as estimated by the management.

As required, total Projected Revenue is reviewed by the management at the end of the each financial year and accordingly, the total projected revenue is adjusted to reflect any changes in the estimates which lead to the actual collection at the end of the concession period.

3.6 Impairment – Non-financial assets

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

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

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

3.8 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.

Company as lessee

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

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3.10 Financial Instruments

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

a) Financial assets

i. Initial recognition and measurement of financial assets

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

ii. Subsequent measurement of financial assets

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

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

- **Financial assets at amortized cost :**

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

Cash and cash equivalents

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

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

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

- **Financial assets at fair value through profit or loss:**
  FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortized cost or as FVTOCI is classified as at FVTPL.

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

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

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

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

iv. **Impairment of financial assets**

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

b) **Financial Liabilities**

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

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

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

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ii. **Subsequent measurement of financial liabilities**

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

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

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

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

- **Loans and Borrowings**

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

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

iii. **Derecognition of financial liabilities**

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

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

c) **Offsetting of financial instruments**

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

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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

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

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

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

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

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

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

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

3.12 Employee Benefits

a) Short Term Employee Benefits

All employee benefits payable are expected to be settled wholly within 12 months after the end of the reporting period are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensation etc. and the same are recognized as an expense in the statement of profit and loss in the period in which the employee renders the related services.

b) Post-Employment Benefits

(i) Defined contribution plan

The Company's approved provident fund scheme is defined contribution plans. The Company has no obligation, other than the contribution paid/payable under such schemes. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

(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.

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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.

Deferred Tax

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

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

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax losses and carry forward of unused tax credits to the extent that it is probable that taxable profit

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will be available against which those temporary differences, losses and tax credit can be utilized except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

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

The carrying amount of deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rules and tax laws that have been enacted or substantively enacted by the end of the reporting period.

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

3.14 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 be 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

3.16 Earnings/(Loss) per share

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

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

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Shreenathji Udaipur Tollway Pvt. Ltd. *

3.17 Segment reporting

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

3.18 Events after reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

4. **A.) Significant accounting judgements, estimates and assumptions**

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

(i) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(ii) Fair value measurement of financial instruments

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

(iii) Taxes

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

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(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.

B.) Accounting Pronouncement Issued but not effective:

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

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

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

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

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

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

(iii) Ind AS 23 "Borrowing Costs"

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

5 Property, Plant and Equipment

(INR in Million)

Particulars	Plant and Equipments	Computers	Furniture & Fixtures	Vehicles	Office Equipments	Total Tangible Assets
Cost						
As at April 1, 2017	8.81	0.53	0.08	1.07	0.81	11.30
Addition		0.03			0.51	0.54
As at March 31, 2018	8.81	0.56	0.08	1.07	1.32	11.84
As at April 01, 2018	8.81	0.56	0.08	1.07	1.32	11.84
Addition	0.54					0.54
As at March 31, 2019	9.35	0.56	0.08	1.07	1.32	12.38
Accumulated Depreciation						
As at April 1, 2016	0.93	0.38	0.02	0.42	0.38	2.13
Depreciation for the year	1.44	0.11	0.02	0.20	0.28	2.04
As at March 31, 2017	2.37	0.49	0.04	0.62	0.66	4.17
As at April 01, 2018	2.37	0.49	0.04	0.62	0.66	4.17
Depreciation for the year	1.21	0.04	0.01	0.14	0.30	1.70
As at March 31, 2019	3.58	0.53	0.05	0.76	0.96	5.87
Net Book Amount						
As at March 31, 2018	6.44	0.07	0.04	0.45	0.66	7.67
As at March 31, 2019	5.77	0.03	0.03	0.31	0.36	6.50

Notes:

1 The total depreciation for the year has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

2 Property Plant and Equipments have been hypothecated against secured borrowings in order to fulfill the collateral requirement for the Lenders(Refer note 14)

6 Investment Property - Land

Particulars	(INR In Million)
Cost	
As at April 1,2017	2.08
Addition	-
As at March 31, 2018	2.08
As at April 01, 2018	2.08
Addition	-
As at March 31, 2019	2.08

Notes:

1 There is no income arising from above investment properties. Further, the company has not incurred any expenditure for above properties.

2 The above land which is situated at Raigadh District, Maharashtra is mortgaged against Secured borrowings in order to fulfil collateral requirement of Lenders.

3 The Company has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

4 The fair value disclosure for investment property is not presented as the property 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. Accordingly, management believes that there is no material difference in fair value and carrying value of property.

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7 Intangible Assets :Toll Collection Rights

Particulars	(INR in Million)
Cost	
As at April 1,2017	14554.59
Addition	-
As at March 31, 2018	14554.59
As at April 01, 2018	14554.59
Addition	-
As at March 31, 2019	14554.59
Accumulated Amortisation	
As at April 1,2017	164.68
Charge for the Year	162.33
As at March 31, 2018	327.01
As at April 01, 2018	327.01
Charge for the Year	220.11
As at March 31, 2019	547.12
Net Book Amount	
As at March 31, 2018	14227.58
As at March 31, 2019	14007.46

Notes:

1 Toll collection rights of four laning of Gomati Chauraha - Udaipur section of NH-8 were capitalised when the Company received the provisional completion certificate from the NHAI (authority).

2 The aggregate amortisation has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

3 Charge is created by way of hypothecation of Toll collection right against Non-current borrowings in order to fulfill the collateral requirement of the Lenders (Refer note 14)

4 Refer Note No 40 for disclosure pursuant to Appendix - E to Ind AS 115 - 'Revenue from Contracts with Customers"

5 The remaining amortisation period for the Toll collection rights at the end of the reporting period is 21.06 years (March 31, 2018: 22.06 years)

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8	Other Financial Assets	March 31,2019 (INR in Million)	March 31, 2018 (INR in Million)
	Current		
	National Savings Certificates (NSC)	0.02	0.02
	Interest accrued but not due on NSC (See note 3 below)	0.01	0.01
	Receivable from NHAI towards Utility Shifting retention money	1.86	0.31
	Receivable from NHAI towards Toll suspension (See note 1 below)	32.20	35.24
	Receivable from ICICI Towards Electronic Tolling System Revenue	3.35	0.85
	Receivable towards MSWIPE/Paytm	0.03	-
	Advance recoverable in cash or kind	0.02	0.02
	Withheld GST	4.01	-
	Interest accrued-others	0.34	
	Total	41.84	36.45

Notes:

1 Pursuant to demonetisation, concessioning authorities had announced suspension of toll collection at all roads during period from November 09, 2016 to December 2, 2016. Based on subsequent notification and provisions of concession agreement with the relevant authorities, the Company had claimed and recognised revenue of INR 92.13 Million during the year 2016-17.The company has received Rs. 56.90 million against such claim from NHAI till 31st March,2019 and an amount of INR 3.03 million is written off during FY 2018-19.

2 Fair value disclosures for financial assets are given in Note 37

3 Actual amount is INR 10324/- (P.Y. INR 8571/-)

9	Current Tax Assets	March 31,2019 (INR in Million)	March 31, 2018 (INR in Million)
	Tax Credit Receivables	4.77	
	Total	4.77	-

10	Other Assets	March 31,2019 (INR in Million)	March 31, 2018 (INR in Million)
	Non Current Assets		
	Tax Credit Receivable	6.50	8.76
	Total	6.50	8.76
	Current Assets		
	Prepaid Expenses	3.36	3.56
	Staff Advances	*	*
	Advance to Vendor	0.03	1.52
	Input Credit Receivable-GST	0.12	0.77
	Unbilled revenue	-	4.28
	GST TDS Receivable	0.17	-
	Total	3.68	10.13

* Amount INR 510 (PY INR NIL) is below rounding off norm adopted by the Company

11	Cash and Cash Equivalents	March 31,2019 (INR in Million)	March 31, 2018 (INR in Million)
	Cash on Hand	7.85	5.00
	Balance with Banks		
	in Current Accounts	134.35	21.96
	Total	142.20	26.96

Note: Balance with banks includes balances of INR 11.56 million (March 31, 2018: INR 9.57 million) lying in the Escrow Accounts, as per terms of borrowings with the lenders.

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Shreenathji Udaipur Tollway Private Ltd.

12 Equity Share Capital

Particulars		March 31,2019		March 31, 2018	
		No. of shares	(INR in Million)	No. of shares	(INR in Million)
Authorized Share Capital					
Equity Shares of Rs. 10 each		12,50,00,000	1,250.00	12,50,00,000	1,250.00
	Total	12,50,00,000	1,250.00	12,50,00,000	1,250.00
Issued, Subscribed and fully paid					
Equity Shares of Rs. 10 each		3,33,43,237	337.43	3,37,43,237	337.43
	Total	3,33,43,237	337.43	3,37,43,237	337.43

(a) Reconciliation of number of equity shares outstanding as at beginning and end of the reporting period:

Particulars	March 31,2019		March 31, 2018	
	No. of shares	(INR in Million)	No. of shares	(INR in Million)
Number of Shares outstanding at the beginning of year	3,37,43,237	337.43	3,37,43,237	337.43
Addition during the year	-	-	-	-
Number of Shares outstanding at the end of the period	**3,37,43,237**	**337.43**	**3,37,43,237**	**337.43**

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

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

(c) Share held by holding Company:

Out of issued, subscribed and paid up equity capital 33,743,237 (March 31, 2018: 33,743,237)shares are held by Sadbhav Infrastructure Project Limited - Holding Compay & its nominees.This includes , 100 shares (March 31, 2018 : 100) held by Sadbhav Engineering Limited- Ultimate Holding Company, on behalf of Sadbhav Infrastructure Project Limited which is the benefical owner.

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

Name of Shareholder	March 31,2019		March 31, 2018	
	No. of Shares	% of shareholding	No. of Shares	% of shareholding
Sadbhav Infrastructure Project Limited (including its Nominees)*	3,37,43,237	100%	3,37,43,237	100%
Total	**3,37,43,237**	**100%**	**3,37,43,237**	**100%**

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

13	Other Equity	March 31,2019 (INR In Million)	March 31, 2018 (INR In Million)
13.1	**Equity Component of Compound Financial Instrument - Sub Ordinate debts (refer note below)**		
	Balance as per last financial statement	2,777.17	2,777.17
	Add: Addition during the year	-	
	Balance at the end of the year	**2,777.17**	**2,777.17**
13.2	**(Deficit) in statement of profit and loss**		
	Balance as per last financial statement	(1,477.92)	(862.59)
	Add: loss for the year	(445.76)	(615.48)
	Add / (Less): Other Comprehensive income for the year	0.07	0.15
	Balance at the end of the year	**(1,923.61)**	**(1,477.92)**
	Total	**853.56**	**1,299.25**

Note

The Project of the Company has been funded through sub ordinate debt from the holding company (Sponsors) in accordance with Sponsor Support and Equity Contribution Agreement / Sponsor Undertaking. As per Common loan Agreement, such sub ordinate debts are considered as sponsor's contribution to ensure Promoters' commitment for the project. Sub-ordinate debt is interest free and shall be repayable at the end of the concession period or earlier at the option of the company.

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14 Non-Current Borrowings

Particular		March 31,2019 (INR in Million)	March 31, 2018 (INR in Million)
Secured			
Indian Rupee Term Loans from Banks*		2,900.15	2,919.21
Add :: Un Amortized Processing Fees		(83.98)	(90.44)
		2,816.17	**2,828.77**
Less :: Current Maturity of long term debt		(29.33)	(14.66)
Add :: Current Maturity of Processing fees		6.46	6.46
		(22.87)	**(8.20)**
	Total (a)	**2,793.30**	**2,820.57**
Non-Convertible Debentures		5,430.93	5,436.38
Less :: Current Maturity of NCD		(2.73)	(5.45)
	Total (b)	**5,428.20**	**5,430.93**
	Total (a + b)	**8,221.50**	**8,251.49**

*Includes the effect of transaction cost paid on upfront basis

(i) The details of Security in respect of Term Loans and Debentures are as under:

1 First ranking mortgage and charge on all the Company's immovable properties, both present and future, save and except the Project Assets.

2 First charge on all the Company's tangible moveable assets, including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future, save and except the Project Assets.

3 First charge over all bank accounts of the Company including the Escrow Account and the Sub-Accounts (or any account in substitution thereof) that may be opened in accordance with Loan Agreement and the Supplementary Escrow Agreement or any other Project Documents and all funds from time to time deposited therein, including those arising out of realisation of Receivable and all Permitted Investments or other securities representing all amounts credited thereto.

4 First charge on all intangibles assets of the Company including but not limited to goodwill, rights, undertakings and uncalled capital present and future excluding the Project Assets .

5 Assignment by way of security in:

- All the right, title, interest, benefits, claims and demands whatsoever of the Company in the Project Documents.
- The right, title and interest of the Company in, to and under all the Clearances.
- All the right, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents.
- All the right, title, interest, benefits, claims and demands whatsoever of the Company under all Insurance Contracts.

6 Pledge of shares equivalent to 30% of the paid- up share capital held by the Promoters in compliance with the requirements of Sections 19(2) and 19(3) of the Banking Regulation Act ,1949 till the final Settlement date.

Notes:

- The aforesaid mortgages, charges, assignments and guarantees and the pledge of equity shares as stipulated in paragraph 6 above shall in all respects rank pari-passu inter-se amongst the Lenders and debentureholders, in accordance with the Common Loan Agreement, without any preference or priority to one over the other or others;
- The Security Interest stipulated in para 1 to 6 above shall exclude the Project Assets (as defined in and in accordance with the Concession Agreement).

(ii) Terms of Repayment :

In respect of:

(a) Term Loans from Banks:

The Principal Amounts of the Loan to each of the Lenders is repayable in unequal 231 monthly installments on the last day of each month , commencing from 30th September, 2017.

Term Loans carries average interest rate of 9.40% to 10.15% as on March 31, 2019.

(b) Non Convertible Debentures :

The redemption of debenture shall be made in 77 quarterly installments on the last day of each month, commencing from 31 March, 2018. The NCD carry interest of 8.95 % as on March 31, 2019.

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15	Other Financial Liabilities		March 31,2019 (INR In Million)	March 31, 2018 (INR In Million)
	Non Current			
	Premium Obligation payable to NHAI		3,375.72	3,300.65
	Less :: Current Maturity of Premiun Obligation		(153.90)	(36.90)
			3,221.82	3,263.75
	Deferred Premium Obligation (refer note below)		430.36	274.14
	Interest accrued on Deferred Premium Obligation (refer note below)		39.16	10.64
	Interest Accrued but not due on Borrowings		214.65	-
		Total	3,905.99	3,548.53
	Current			
	Current Maturities of secured Non Current borrowings (refer note 14)		32.05	20.11
	Current Maturities of Unamortised Processing fees (refer note 14)		(6.46)	(6.46)
	Current Maturities of Premium Obligation (refer above)		153.90	36.90
	Interest accrued and due on NHAI Premium Obligation (refer above)		-	-
	Interest accrued and due on borrowings (refer note 32)		6.55	37.37
	Interest accrued but not due on borrowings		0.34	0.59
	Employee Emoluments payable		2.04	1.72
		Total	188.42	90.24

Notes:

1. As per the Ministry of Road Transport & Highways policy of National Highway Authorities of India (NHAI), company is liable to make payment of interest on Deferment of Premium at Bank Rate + 2% p.a.which is charged to statement of profit & loss account for the year and obligation on the same has been recognised as liabilities. Premium obligation under the Concession Agreement has been deferred by NHAI vide its sanction letter dated February 27, 2017. According to the terms of the sanction letter company shall pay entire deferred premium of Rs 1,753.54 Million and interest thereon no later than one year prior to the expiry of the concession period. Amount of premium obligation which has not been deferred are payable in unequal monthly instalments, in terms of the sanction letter, during the concession period.
2. Fair value disclosures for financial liabilities are given in Note 37

16	Provisions		March 31,2019 (INR in Million)	March 31, 2018 (INR in Million)
	Long term			
	For Employee Benefits (refer note 28)		1.13	0.72
	For Periodical Major Maintenance Expense (refer note 29)		340.66	230.11
		Total	341.79	230.83
	Short Term			
	For Employee Benefits		0.17	0.18
	Provision for Works Pending Completion (refer Note 29)		33.17	33.17
		Total	33.34	33.35

17	Current Borrowings		March 31,2019 (INR in Million)	March 31, 2018 (INR in Million)
	Loans Repayable on Demand - Unsecured			
	Loan from Holding Company (refer Note 32)		248.87	449.60
		Total	248.87	449.60

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18	Trade Payables	March 31,2019 (INR in Million)	March 31, 2018 (INR in Million)
	Trade Payables (refer note 32 and 35)		
	-Dues to Micro & small enterprises	-	-
	-Dues to other	11.95	11.23
	-Dues to related parties	66.87	61.23
	Total	78.82	72.46

19	Other Current Liabilities	March 31,2019 (INR in Million)	March 31, 2018 (INR in Million)
	Statutory dues	5.07	6.22
	Unearned Revenue	0.24	0.22
	Total	5.31	6.44

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Shreenathji Udaipur Tollway Private Ltd.

20	Revenue from Operations	March 31,2019 (INR in Million)	March 31, 2018 (INR in Million)
	Revenue from Toll Collection (refer note below)	1,204.43	1,075.50
	Change of Scope Income	25.88	4.28
	Utility Shifting Income	0.91	19.36
	Total	1,231.22	1,099.14

Note: Pursuant to demonetisation, concessioning authorities had announced suspension of toll collection at all roads from November 09, 2016 until December 2, 2016. Based on subsequent notification and provisions of concession agreement with the relevant authorities, the Company has claimed and recognised loss of toll revenue of INR 92.13 Millions during the year 2016-17. The company has received INR 56.9 million against such claim from NHAI till March 31, 2019 and an amount of INR 3.03 million was written off during FY 2018-19.

Disaggregation of Revenue	March 31, 2019 INR in Million
Revenue from Operation & Maintenance Services	1,204.43
Revenue from Construction Services	26.79
	1,231.22

20.1 Changes in amount of Contract Liabilities are as follows:	March 31, 2019 INR in Million
Balance at the Beginning of the Year	0.22
Revenue recognised that was included in the unearned and deferred revenue at the beginning of the year	(0.22)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	0.24
Balance at the End of the Year	0.24

20.2 Changes in amount of Contract Assets are as follows:	March 31, 2019 INR in Million
Balance at the Beginning of the Year	4.28
Amount transferred to trade receviables	(4.28)
Contract Assets recognised during the year	-
Balance at the End of the Year	-

20.3 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.
Construction Services
The performance obligation is satisfied over time as the assets is under control of concessioner (National Highway Authority of India) and they simultaneously receives and consumes the benefits provided by the Company. The Company received progressive payment toward provision of construction services.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March 2019 are, as follows:

	March 31, 2019 INR in Million
Within one year	3.81
More than one year	-

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

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Shreenathji-Udaipur Tollway Private Ltd.

21	Other Income	March 31,2019 (INR in Million)	March 31, 2018 (INR in Million)
	Net Gain or Loss on financial assets measured at FVTPL		
	Net Gain on Sale of Mutual Funds	5.63	0.98
	Interest on		
	- Income Tax Refund	0.35	0.61
	- Interet on NSC	*	*
	Insurance claim		
	-Insurance claim received	0.24	0.45
	Total	6.22	2.04

* Amount (INR 1753 for March 31, 2019 and INR 2065 for March 31, 2018) is below rounding off norm adopted by the Company

22	Construction and Operating Expenses	March 31,2019 (INR in Million)	March 31, 2018 (INR in Million)
	Utility Shifting Expense	0.91	19.36
	Change of Scope Expense	25.05	4.28
	Toll Plaza and Road Operation & Maintainence expenses	62.85	65.58
	Periodic Major Maintenance (refer note 29)	90.30	102.89
	Power and Fuel	21.69	18.17
	Security expenses	16.63	15.61
	Vehicle expenses	3.63	3.47
	Total	221.06	229.36

23	Employee Benefits Expense	March 31,2019 (INR in Million)	March 31, 2018 (INR in Million)
	Salaries, wages and other allowances	25.61	23.75
	Contribution to provident fund & other funds	2.21	2.42
	Gratuity expense	0.48	0.48
	Staff welfare expenses	4.08	4.07
	Total	32.38	30.72

24	Finance Costs	March 31,2019 (INR in Million)	March 31, 2018 (INR in Million)
	Interest Expenses on Financial laibilities measured at Amortised Cost		
	Term Loans from Banks	234.17	732.94
	Non Convertible Debentures	271.72	106.58
	Short Term Borrowings	73.26	57.73
	Interest on Premium Payable to NHAI	31.68	18.59
	Others	-	0.05
	Notional Interest on NCD	214.66	
	Unwinding of discount		
	Unwinding of discount on provision of MMR (refer note 16)	20.25	13.22
	Unwinding of discount on NHAI Premium (refer note 15)	325.11	317.56
	Other Borrowing cost		
	Bank Charges*	0.01	0.00
	Amortisation of Processing Fees	6.46	16.00
	Others	0.05	2.01
	Total	1,177.37	1,264.68

*Amount (INR 3343 for March 31,2018) is below rounding off norm adopted by company

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Shreenathji Udaipur Tollway Private Limited

Notes to Financial Statements for the year ended March 31, 2019

25 Other Expenses	March 31,2019 (INR In Million)	March 31, 2018 (INR In Million)
Rent	1.75	1.71
Rates & Taxes	0.02	1.65
Repairs and maintenance	8.87	4.22
Insurance	5.06	4.90
Legal and professional fees	8.03	12.10
Communication Expense	1.91	1.80
Advertisement Expense	1.24	0.48
Travelling and conveyance	0.11	0.15
Auditors' remuneration (refer note below)	0.30	0.18
Printing & Stationery	0.18	0.32
Receivables Written Off (Refer Note in Note no. 20)	3.03	-
Miscellaneous expenses	0.06	0.01
Total	30.57	27.52

25.1 Auditors' remuneration comprises following:

	March 31,2019 (INR In Million)	March 31, 2018 (INR In Million)
Fees for:		
Statutory Audit	0.25	0.13
Tax Audit	0.05	0.02
Certification	0.01	0.03
Total	0.31	0.18

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26 Income tax

A) Due to loss during the year, the company has not recognised any tax expense in statement of profit and loss account, So reconciliation between tax expense and accounting profit is not required.

B) Deferred tax

(INR in Million)

Particulars	Balance sheet		Statement of Profit and Loss (refer note 2 below)	
	March 31,2019	March 31,2018	18-19	17-18
Expenditure allowable over the period	(25.95)	(27.95)	(2.00)	(7.82)
Expenditure allowable on payment basis	-	-	-	-
Unused losses available for offsetting against future taxable income	25.95	27.95	2.00	7.82
Deferred tax expense/(income)			-	-
Net deferred tax assets/(liabilities)	-	-		
Deferred Tax Asset not recognized (refer note no. 2 below)	2,098.68	2,340.23		

Note

1 The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

2 As a matter of prudence, the company has recognised deferred tax assets on deductible temporary differences and carry forward of unused tax losses in the books to the extent of deferred tax liability balance as it is not probable that future taxable profit will be available against which deferred tax asset on account of those temporary differences, losses and tax credit can be utilized.

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27 **Loss Per Share (EPS):**

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

Particulars	Unit	March 31,2019	March 31, 2018
Net (Loss) as per Statement of Profit & Loss	INR in Million	(445.76)	(615.48)
Total no. of equity shares at the end of the year		3 33 43 237	3 37 43 237
Weighted average number of equity shares for basic and diluted EPS		3 37 43 237	3 37 43 237
Nominal value of equity shares		10	10
Basic & Diluted (Loss) per share	INR	**(13.21)**	**(18.24)**

28 **Employee Benefits Disclosure:**

A **Defined Contribution Plans:**

Amount of INR 2.21 million (March 31, 2018: INR 2.42 million) is recognised as expenses and included in Note No. 23 Employee Benefits Expenses

Particular	March 31,2019 (INR in Million)	March 31, 2018 (INR in Million)
Contribution to Provident Funds	1.38	1.63
Contribution to ESIC	0.79	0.76
Contribution to Benevolent Fund	0.04	0.04
Remeasurement losse/(gain) on defined benefit plan (refer note 23)	**2.21**	**2.43**

B **Defined benefit plans - Gratuity benefit plan:**

Features of the defined benefit plan	Remarks
Benefit offered	15 / 26 × Salary × Duration of Service
Salary definition	Basic Salary including Dearness Allowance (if any)
Benefit ceiling	Benefit ceiling of Rs. 20,00,000 was applied
Vesting conditions	5 years of continuous service (Not applicable in case of death / disabili
Benefit eligibility	Upon Death or Resignation / Withdrawal or Retirement
Retirement age	58 years or 17/04/2040 whichever is earlier

The company is responsible for the governance of the plan.

Risk to the Plan

Following are the risk to which the plan exposes the entity :

Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cashflow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the company there can be strain on the cashflows.

Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

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Legislative Risk:
Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

The present value of obligation in respect of gratuity is determind based on actuarial valuation using the Project Unit Credit Method as prescibed by the Indian Accounting Standard - 19. Gratuity has been recognised in the financial statements as per details given below:

	March 31,2019 (INR in Million)	March 31, 2018 (INR in Million)
Defined benefit obligations as at beginning of the year - A	0.72	0.47
Current service cost	0.42	0.44
Past Service Cost*		0.00
Interest cost	0.05	0.03
Sub-total included in statement of profit and loss - B	0.48	0.48
Remeasurement gains/(losses) in other comprehensive income		
Actuarial Loss/(Gain) due to change in financial assumptions	0.02	(0.03)
Actuarial Loss/(Gain) due to change in demographic assumptions	-	-
Actuarial Loss/(Gain) due to experience	(0.09)	(0.12)
Benefits Paid	-	(0.09)
Sub-total included in OCI - C	(0.07)	(0.23)
Defined benefit obligations as at end of the year (A+B+C)	1.13	0.72

Note * Amount of INR 4547(P.Y. 17-18) is below the rounding off norm addopted by the company.
Past service cost is on account of increase in Gratuity ceiling from Rs 10,00,000 to Rs 20,00,000.

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	6.00%	6.00%
Withdrawal Rate	15% at younger ages reducing to 3% at older ages	15% at younger ages reducing to 3% at older ages
Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

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	(0.05)	(0.03)
	0.50% decrease	0.05	0.03
Salary Growth Rate	0.50% increase	0.05	0.03
	0.50% decrease	(0.05)	(0.03)
Withdrawal Rate (W.R.)	10% increase	(0.03)	(0.02)
	10% decrease	0.03	0.02

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 asssumptions occuring 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.

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Maturity Profile of the Defined Benefit Obligation

March 31, 2019	INR In Million	%
2020	0.00	0.10%
2021	0.02	1.00%
2022	0.12	5.30%
2023	0.23	9.80%
2024	0.13	5.50%
2025 - 2029	0.51	22.00%

March 31, 2018	INR in Million	%
2019	0.00	0.10%
2020	0.00	0.10%
2021	0.01	0.60%
2022	0.16	9.60%
2023	0.09	5.90%
2024 - 2028	0.39	24.30%

The average duration of the defined benefit plan obligation at the end of the end of the reporting period is 20.09 years (March 31, 2018: 20.93 years).

C Other employee benefit:

Salaries, Wages and Bonus include INR 0.75 million (Previous Year INR 0.74 million) towards provision made as per actual basis in respect of accumulated leave encashment/compensated absences.

29 Movement In Provisions:

A Major Maintenance Reserve* (refer note 16)	March 31,2019 (INR In Million)
Carrying amount as at 01.04.2018	230.11
Add: Provision made during the Year	90.30
Add: increase during the year in the discounted amount due to passage of time	20.25
Less: Amounts used during the Year	-
Less: Unused amounts reversed during the Year	-
Carrying amount as at 31.03.2019	340.66
Expected time of Outflow	F.Y. 2021-22

* Provision for major maintenance in respect of toll roads maintained by the Company under service concession arrangements and classified as intangible assets represents contractual obligations to restore an infrastructure facility to a specified level of serviceability in respect of such asset. Estimate of the provision is measured using a number of factors, such as contractual requirements, road usage, expert opinions and expected price levels.

B Provision of Incomplete Work (refer note 16)	March 31, 2019 (INR In Million)
Carrying amount as at 01.04.2018	33.17
Add: Provision made during the Year	-
Add: increase during the year in the discounted amount due to passage of time	-
Less: Amounts used during the Year	-
Less: Unused amounts reversed during the Year	-
Carrying amount as at 31.03.2019	33.17
Expected Time of cash outflow	F.Y. 2019-20

30 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 adpoted 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 3.3 of Significant Accounting Policies.

31 Contingent Liabilities / Commitments

(i) There are no contingent liabilities, pending litigations/ claims against the company as on March 31,2019

(ii) There were no material commitments outstanding as on March 31, 2019

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32 **Related Party Disclosures:**

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

A **Name of Related Parties and Nature of Relationship :**

Description of Relationship	Name of the Related Party
Ultimate Holding Company	Sadbhav Engineering Limited (SEL)
Holding Company	Sadbhav Infrastructure Project Ltd(SIPL)
Key Managerial Personnel	Mrs Meera Makwana, Company Secretary (upto February 19,2018)
	Mrs Radhika Raninga, Company Secretary (w.e.f April 09,2018)

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

Particulars	March 31,2019 (INR in Million)	March 31, 2018 (INR in Million)
Unsecured Loan received		
-SIPL	-	368.02
Unsecured Loan & Interest repaid		
-SIPL	260.00	70.50
Interest on Unsecured Loan		
-SIPL	31.61	38.98
Change of Scope Expense		
-SEL	16.89	-
Utility Shifting Expenses		
-SEL	0.91	19.36
Office Rent		
-SEL	1.06	1.06
Performance of Operation & Maintenance work		
-SIPL	45.90	44.34
Allocation and Reimbursement of Expenses		
-SIPL	0.88	0.76
-SEL	-	
Remuneration		
-Meera Makwana	-	0.47
-Radhika Raninga	0.38	-

C **Balance outstanding as at the Year end:**

Particulars	March 31,2019 (INR in Million)	March 31, 2018 (INR in Million)
Sub Ordinate Debt taken		
- SIPL	2,777.17	2,777.17
Payable towards Utility Shifting & COS including retention money and withheld		
- SEL	17.66	13.38
Unsecured Loan & Interest accrued thereon		
- SIPL	255.42	486.98
Payable towards operation & Maintenance work		
- SIPL	44.27	44.27
Payable towards Rent,Allocation and Reimbursement of Expenses		
- SEL	4.94	3.97
Receivable towards Reimbursement of Expenses		
-SIPL	0.02	0.41
Remuneration		
-Radhika Raninga	0.03	-

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D **Terms and conditions:**

1. 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.

2. Loans in INR taken from the related party carry interest rate 8.30% (March 31, 2018 : 8.30%)

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

33 **Segment Reporting**

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

34 **Operating Lease:**

Office premise of the Company have been taken on operating lease basis. The lease rent paid during the year INR 1.06 million (March 31, 2018: INR 1.06 million).

35 **Dues To MSME**

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

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36 **Disclosure of Financial Instruments by Category**

(INR in Million)

Financial instruments by categories	Note no.	March 31,2019 FVTPL	FVTOCI	Amortized cost	March 31, 2018 FVTPL	FVTOCI	Amortized cost
Financial asset							
Cash and Cash Equivalent	11	-	-	142.20	-	-	26.96
Other financial assets	8	-	-	41.84	-	-	36.45
Total Finacial Asset		-	-	184.04	-	-	63.41
Financial liability							
Non Current Borrowing	14	-	-	8,221.50	-	-	8,251.49
Current Borrowing	17	-	-	248.87	-	-	449.60
Trade Payables	18	-	-	78.82	-	-	72.46
Other financial liabilities	15	-	-	4,094.41	-	-	3,638.77
Total Financial Liabilities		-	-	12,643.60	-	-	12,412.32

36.1 **Default and breaches**

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

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

Long term borrowings contain debt covenants relating to debt-equity ratio and debt service coverage ratio. The Company has satisfied all The debts covenants prescribed in The terms of respective loan agreement as at reporting date.

37 **Fair value disclosures for financial assets and financial liabilities**

(INR in Million)

Particular	Note no.	March 31,2019 Carrying amount	Fair value	March 31, 2018 Carrying amount	Fair value
Financial liability					
Other Financial Liabilities - Premium Obligation	15	3,806.08	3,776.37	3,574.79	3,798.83
Total		3,806.08	3,776.37	3,574.80	3,798.84

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

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

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

37.1 **Fair value hierarchy**

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:
Quantitative disclosures fair value measurement hierarchy for financial assets as at March 31, 2019 and March 31, 2018

(INR in Million)

	Note No.	Fair value measurement using Significant observable inputs (Level 2) March 31,2019	March 31, 2018
Liabilities measured at fair value			
Other Financial Liabilities - Premium Obligation	15	3,776.37	3,798.83

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

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38 Financial instruments risk management objectives and policies

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

The Company's activities expose it to market risk, credit risk and liquidity risk. The company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

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.

Interest rate risk

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

The Interest risk arises to the company mainly from long term and short term borrowings with variable rates. The banks provide finance at variable rate only, which is the inherent business risk. The company measures risk through sensitivity analysis.

The company's exposure to interest rate risk due to variable interest rate borrowings is as follows:

Particulars	March 31,2019 (INR in Million)	March 31, 2018 (INR in Million)
Variable rate borrowings in INR	8579.95	8805.19

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	Effect on loss before tax	
	March 31,2019 (INR in Million)	March 31, 2018 (INR in Million)
Interest rate increase by 25 basis point	(21.45)	(22.01)
Interest rate decrease by 25 basis point	21.45	22.01

(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 any receivables outstanding. 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 Comapny 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 184.64 million and March 31, 2018 is INR 63.41 million.

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(c) Liquidity risk

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

The company measures risk by forecasting cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient fund to meet expected operational expenses, servicing of financial obligations.

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

(INR In Million)

Particulars	Total Amount	On Demand	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
As at March 31, 2019						
Rupee Term Loan	2,900.15	-	29.33	43.99	131.98	2,694.85
Non Convertible Debenture	5,430.93	-	2.73	2.73	171.68	5,253.80
NHAI premium obligation and interest thereon	9,866.26		153.90		741.30	8,971.06
Loan from Holding Company	248.87	248.87	-	-	-	-
Trade Payables	78.82	-	78.82	-	-	-
Other Financial Liabilities	8.93	-	8.93	-	-	-
As at March 31,2018						
Rupee Term Loan	2,919.21	-	14.66	29.33	161.31	2,713.90
Non Convertible Debenture	5,436.38	-	5.45	2.73	24.53	5,403.68
NHAI premium obligation and interest thereon	9,963.21	-	36.95	153.95	447.07	9,325.24
Loan from Holding Company	449.60	449.60	-	-	-	-
Trade Payables	71.91	-	71.91	-	-	-
Other Financial Liabilities	40.24	-	40.24	-	-	-

39 Capital Management

For the purpose of the Company's capital management, Capital consist of share capital, Other equity in form of Subordinate Debt of the Company.

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

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or obtain additional sub-ordinate debts. The Company monitors capital using debit equity ratio which does not exceed 2.7:1, which is total Borrowings divided by total equity excluding balance of deficit in statement of profit & loss.

Summary of Quantitative Data is given hereunder:

		March 31, 2019 (INR in Million)	March 31, 2018 (INR in Million)
Borrowings (refer note 14)		8,331.08	8,355.58
	Total Debts - A	**8,331.08**	**8,355.58**
Equity Share Capital (refer note 12)		337.43	337.43
Equity Component of Compound Financial instruments (refer note 13.1)		2777.17	2777.17
	Total Equity - B	**3,114.60**	**3,114.60**
	Debt equity ratio (A/B)	**2.67**	**2.68**

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40 Disclosure pursuant to Appendinx - E to Ind AS 115 - " Revenue from Contract with Customers"

40.1 Description and classification of the arrangment

The Company has entered into Service Concession Agreement ('SCA') with National Highway Authority of India (NHAI) dated April 18, 2012 for the purpose of four laning of Gomati Chauraha- Udaipur Section of NH-8 (from km 177/000 to km 260/100) in the state of Rajasthan under NHDP Phase IV on Design, Build, Finance, Operate and Transfer (DBFOT) basis. The Concession Period is of 27 years including construction period of 910 days. The Company received Provisional certificate of commencement on Dec 04 , 2015 from NHAI and commenced the Toll Collection on Dec 06 ,2015. As per the SCA, the company is entitled to charge users of the public service, hence the service arrangement has been classified as Intangible Asset.

40.2 Significant Terms of the arrangements

40.2.1 Revision of Fees:

Fees shall be revised annually on April 01 subject to the provisions of the National Highways Fee (Determination of Rates and Collection) Rules, 2008.

40.2.2 Modification of Concession Period:

The Concession period shall be modified:

a If Actual Average Traffic falls short of Target Traffic by more than 2.5%, the concession period shall be increased by 1.5% thereof for every 1% shortfall, but not more than 20% of the concession period.

b If Actual Average Traffic exceeds Target Traffic by more than 2.5%, the concession period shall be reduced by 0.75% thereof for every 1% increase, but not more than 10% of the concession period.

c If the average daily traffic exceeds the designed capacity of the project highway, the concession period shall be extended (not more than 5 years) in such a way so as to enable the concessionaire to yield Equity IRR of 16% p.a with an assumption of debt equity ratio of 70:30

d If the additional tollway has been constructed, either the concession period shall be extended or compensation has been granted.

e In case of material default or breach of agreement by NHAI which causes suspension of or reduction in collection of Fees, it shall pay to the Concessionaire, the compensation for consequence of such material default or extend the concession period.

f If, due to change in the law, company suffers an increase in cost or reduction in net after-tax return or the other financial burden subject to the limits specified in the SCA, the SCA shall be modified in such a way that it nullifies such impact of cost increase, reduction in return or other financial burden. However if no such modification is done, Company may require by notice to the authority to pay an amount that would place the company in the same financial position that it would have enjoyed, had there been no such change in the law. Any dispute in the said procedure shall be settled in accordance with the Dispute Resolution Procedure. Opposite will be the case, in case of reduction in cost.

40.3 Rights of the Company to use Project Highway

a To demand, collect and appropriate, Fee from vehicles and Users liable for payment of Fee for using the Project Highway or any part thereof and refuse entry of any vehicle if the Fee due is not paid.

b Right of Way, access and licence to the Site.

40.4 Obligation of the Company

a The company shall not assign, transfer or sublet or create any lien or Encumbrance on the SCA, or the Concession granted or on the whole or any part of the Project Highway nor transfer, lease or part possession thereof, save and except as expressly permitted by SCA or the Substitution Agreement.The project highway means site comprising the existing road comprising NH-8 from KM 00 to KM 87.250 and all Project asset, and its subsequent development and augmetation in accordance with the SCA.

b The company is under obligation to carry out the routine and periodic maintenance of Project Highway as per Schedule K of the SCA.

MANUBHAI & SHAH LLP * CHARTERED ACCOUNTANTS

Shreenathji-Udaipur Tollway Private Ltd. *

40.5 **Details of any assets to be given or taken at the end of concession period**
At the end of the Concession period the company shall deliver the actual or constructive possession of the Project Highway, free and clear of all encumbrances.

40.6 **Details of Termination**
SCA can be terminated on account of default of the company or NHAI in the circumstances as specified under Article 37 of the SCA.

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

41 Previous Year Figures are regrouped/ recasted wherever required to make them comparable with current year figures.

For Manubhai & Shah LLP
Chartered Accountants
Firm Registration No. 106041W/W100136

(H.M.Pomal)
Partner
Membership No.106137

Place: Ahmedabad
Date:May 18,2019

For & on behalf of the Board of Directors of
Shreenathji Udaipur Tollway Private Limited

(Gunavantray Trivedi)
Director
DIN:7559109

(Shashin Patel)
Director
DIN:0048328

(Radhika Raninga)
Company Secretary
M.No. -A43256

(Purvin Shah)
Chief Financial Officer

Place: Ahmedabad
Date:May 18,2019